Registration No.

199801001430 (457556-X)

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

STATUTORY FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Registration No.

199801001430 (457556-X)

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

CONTENTS

Registration No.

199801001430 (457556-X)

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.

(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors are pleased to submit their report to the member together with the audited financial statements of the Group and the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITY

The principal activity of the Group and the Company is the underwriting of all classes of life insurance business, including investment-linked business. There has been no significant change in the nature of this activity during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Net profit for the financial year	126,177	126,216

DIVIDENDS

The amount of dividend declared and paid by the Group and the Company since the end of the previous financial year was as follows:

	RM'000
In respect of the financial year ended 31 December 2022:	
Final single tier dividend of 4.43 sen per ordinary shares, paid on 23 June 2023	10,000

SHARE CAPITAL

There was no issuance of new ordinary shares during the financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

PROVISION FOR INSURANCE LIABILITIES

Before the financial statements of the Group and the Company were prepared, the Directors took reasonable steps to ascertain that there was adequate provision for the insurance liabilities in accordance with the principles outlined under MFRS 17 standards.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and the Company were prepared, the Directors took reasonable steps to ascertain that 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 all known bad debts had been written off and adequate allowance had been made for doubtful debts.

At the date of this report, the Directors of the Group and the Company are not aware of any circumstances which would render the amounts written off for bad debts or the amounts of the allowance for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and the Company were prepared, the Directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including the value of current assets as shown in the accounting records of the Group and the Company have been written down to an amount which the current assets might be expected to realise.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and the Company misleading.

VALUATION METHODS

At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

(a) any charge on the assets of the Group and the Company that has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group and the Company which has arisen since the end of the financial year.

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

For the purpose of this paragraph, contingent or other liabilities do not include liabilities arising from contracts of insurance underwritten in the ordinary course of business of the Group and the Company.

DIRECTORS' REPORT (CONTINUED)

CHANGE OF CIRCUMSTANCES

At the date of this report, the Directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and the Company for the financial year were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Group and the Company for the financial year in which this report is made.

CORPORATE GOVERNANCE DISCLOSURE

A. BOARD OF DIRECTORS

The Directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Tan Sri Azlan Bin Mohd Zainol ^	Chairman, Independent Director
Datuk Leong Kam Weng *	Chairman, Independent Director
Chuah Sue Yin	Independent Director
U Chen Hock	Independent Director
Tang Loo Chuan	Executive Director

^ Deceased on 12 January 2023.

* Datuk Leong Kam Weng was appointed as the Chairman of the Board of Directors ("Board") on 22 June 2023.

The Board has the overall responsibility for promoting sustainable growth and financial soundness of the Group and the Company, and for ensuring reasonable standards of fair dealing, without undue influence from any party. This includes a consideration of the long-term implications of the Board's decisions on the Group and the Company and their customers, officers and the general public.

DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE DISCLOSURE (CONTINUED)

A. BOARD OF DIRECTORS (CONTINUED)

The Board is responsible for:

(a) reviewing and approving the strategic plan for the Group and the Company including the 3-year IT and cybersecurity strategic plans;

(b) reviewing and approving the Group and the Company's overall risk strategy, risk appetite including the technology risk appetite; and oversee their implementation;

(c) identifying principal risks and ensure the implementation of appropriate systems to manage these risks, including application of immediate remedial measures should the need arise;

(d) ensuring the Group and the Company maintain an appropriate level and quality of capital for their risk profile and business plan;

(e) approving and overseeing the effective implementation of sound and robust Technology Risk Management Framework ("TRMF") and Cyber Resilience Framework ("CRF"), and ensure the risk assessments undertaken in relation to material technology applications submitted to BNM are robust and comprehensive.

(f) overseeing the conduct of the Group and the Company's business, including that of participating business, to ensure sound management by the senior management and to evaluate whether the business is properly managed towards achieving corporate objectives, and that the Group and the Company's dealings with shareholders, policyholders, claimants and creditors are conducted in a fair and equitable manner;

(g) safeguarding the integrity and credibility of the Group and the Company, including ensuring that the senior management and all levels of employees conduct business with highest level of moral behavior and in a manner that instills public confidence;

(h) providing a clear framework of objectives and policies for the senior management to operate, including the setting of authority limits and reporting lines;

(i) reviewing and be responsible for the adequacy and integrity of the Group and the Company's internal control systems and management information systems, including policies and procedures for compliance with applicable laws, regulations, rules, directives and guidelines;

CORPORATE GOVERNANCE DISCLOSURE (CONTINUED)

A. BOARD OF DIRECTORS (CONTINUED)

The Board is responsible for: (continued)

(j) developing, implementing and maintaining an effective communications policy that enables both the Board and the senior management to communicate effectively with their shareholders, stakeholders and public;

(k) safeguarding the interests of policyholders and shareholders with trustworthy, prudent, efficient and able administration; and

(l) adhering to sound corporate governance principles in the appointment or reappointment of Directors, Chief Executive Officer and Company Secretary, the structure and composition of the Board and the individual Board committees as well as relevant disclosures.

The detailed responsibilities of the Board is set out in the Board Charter, which is available at the website, www.tokiomarine.com.

A1 Composition of the Board

The Board is made up of 3 Independent Non-Executive Directors and 1 Executive Director. The appointments and re-appointments of all Board members were approved by BNM.

The Board comprises members from diverse backgrounds and qualifications and bring a wide range of financial and commercial experience to the Board. Collectively, they provide the necessary business acumen, knowledge, capabilities and competencies to the Group and the Company. This composition is the right mix for proper governance of and the Group and the Company.

All members of the Board complied with BNM's requirements on the minimum criteria of "A Fit and Proper Person" as prescribed under the Financial Services Act, 2013 ("FSA 2013").

CORPORATE GOVERNANCE DISCLOSURE (CONTINUED)

A. BOARD OF DIRECTORS (CONTINUED)

A1 Composition of the Board (continued)

The profiles of the Board members are as follows:

Datuk Leong Kam Weng – Independent Director
Working experience: Datuk Leong was appointed as a Director of our Company on 1 July 2015. He is a member of Audit Committee, Nominating Committee, Remuneration Committee and Risk Management and Compliance Committee. He was the chairman of the Audit Committee, Nominating Committee and Remuneration Committee until 21 June 2023. On 22 June 2023, he was appointed as the Chairman of the Board and on the same day, relinguished his position as the chairman of the Audit Committee, Nominating Committee and Remuneration Committee. Datuk Leong graduated with a Bachelor of Economics degree and a Bachelor of Laws degree from Monash University, Australia in April 1986 and May 1988 respectively. He is a Chartered Accountant of the Malaysian Institute of Accountants since October 2004 and a Fellow of CPA Australia since September 2013. He was called to the Malaysian Bar in January 1989 and is a certified mediator on the panel of the Malaysian Mediation Centre, Bar Council Malaysia. Datuk Leong was practising as an advocate and solicitor in Chooi & Co from January 1989 to January 1992, after which he joined TA Securities Sdn Bhd as the Manager of the Legal Department to manage and oversee the legal affairs for the TA Enterprise Berhad and TA Global Berhad group of companies in February 1992. He became the Senior Manager / Head of the Legal Department of TA Securities Sdn. Bhd. in July 1993. Between November 1993 and October 1995, he was also made the Vice President of the International Division of TA Enterprise Berhad where his responsibilities include the identification of investment opportunities in the Asia Pacific region, and the negotiation and implementation of such investments. Datuk Leong subsequently took on the position of General Manager cum Executive Director in Credit Leasing Corporation Sdn Bhd (which was, at the time, a wholly-owned subsidiary of TA Enterprise Berhad) from November 1995 to February 1997, where he oversaw and managed the operations of the company. From March 1997 to June 1998, he joined TA Bank of Philippines Inc as an Executive Director where he assisted the Chief Executive Officer in the management of the bank, in particular in relation to corporate finance matters. He was also a member of the bank's Assets and Lending Committee which oversaw the approval of loans and the determination of lending policies and interest rates. He returned to Malaysia and became the Chief Executive Officer of TA Securities Berhad from June 1998 to July 1999. Since July 1999, he has been a Partner at a law firm, Messrs Iza Ng Yeoh & Kit and is now the Joint Managing Partner of the said law firm. Datuk Leong currently holds directorships in a number of public and private companies, including Malayan United Industries Berhad, Only World Group Holdings Berhad, Pan Malaysia Holdings Berhad, Asian Outreach (Malaysia) Bhd, Xin Hwa Holdings Berhad, Pecca Group Berhad and Keep Linked Sdn Bhd.

DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE DISCLOSURE (CONTINUED)

A. BOARD OF DIRECTORS (CONTINUED)

A1 Composition of the Board (continued)

The profiles of the Board members are as follows: (continued)

Chuah Sue Yin – Independent Director
Working experience: Ms. Chuah was appointed as a Director of our Company on 8 May 2016. She is the chairperson of the Audit Committee, Nominating Committee, Remuneration Committee and a member of the Risk Management and Compliance Committee. Ms. Chuah graduated with a Bachelor of Science with Honours in Management Science from the University of Warwick, United Kingdom in July 1994. She is a Chartered Accountant of the Malaysian Institute of Accountants since April 1999 and a Fellow member of the Institute of Chartered Accountants in England & Wales since April 2012. She is also an associate of the Malaysian Institute of Taxation (now known as Chartered Tax Institute of Malaysia) since August 2007. Further, Ms. Chuah is an approved company auditor under the Companies Act, 2016, a Registered Auditor of Public Interest Entity under the Securities Commission Malaysia Act, 1993, an Auditor of Co-operative Societies under the Co-operatives Societies Act, 1993, a Registered ASEAN Chartered Professional Accountant, a tax agent under the Income Tax Act, 1967. Ms. Chuah began her career in September 1994 as a Senior Accountant in Coopers & Lybrand Birmingham, United Kingdom where she performed and managed various audit assignments. Thereafter, she joined PricewaterhouseCoopers London, United Kingdom as the Supervisor of the Risk Assurance Division from September 1997 to December 1998 where she performed and managed various risk management and computer audit assignments. She subsequently returned to Malaysia and joined PCCO PLT as a Senior Manager from January 1999 to April 2004. She became a Partner of PCCO PLT in April 2004 and since April 2007, she has been the Managing Partner of PCCO PLT. She oversees the finance and operations of the firm and she is involved in providing services such as financial accounting and reporting, internal and external audits and due diligence services. She has also been the Director of PCCO Management Services Sdn Bhd ("PCCO Management") since January 1999 and PCCO Tax Services Sdn Bhd ("PCCO Tax") since April 2004. Further, she has been the Managing Director of PCCO Tax and PCCO Management since April 2007, where she oversees the finance and operations of the companies, For PCCO Tax, she is involved in providing tax compliance and tax consultancy services for direct and indirect tax, and as for PCCO Management, she is involved in providing financial accounting and reporting, internal audit, due diligence and human resource related services. Ms. Chuah currently holds directorships in a number of public and private companies including BP Plastics Holding Bhd, PCCO Management and PCCO Tax.

CORPORATE GOVERNANCE DISCLOSURE (CONTINUED)

A. BOARD OF DIRECTORS (CONTINUED)

A1 Composition of the Board (continued)

The profiles of the Board members are as follows: (continued)

Tang Loo Chuan – Executive Director
Working experience: Mr. Tang was appointed as a Director of our Company on 8 May 2016. He is a member of the Nominating Committee. He was a Non-Independent Non-Executive Director and also a member of the Remuneration Committee and the Risk Management and Compliance Committee until 7 May 2018. On 8 May 2018, he was redesignated to Non-Independent Executive Director and on the same day, relinquished his position as member of the Remuneration Committee and the Risk Management and Compliance Committee following BNM's approval for his re-appointment. Mr. Tang graduated from Nanyang Technological University, Singapore with a Bachelor of Business (specialising in Actuarial Science) in May 1994. Since July 2003, he is a Fellow of the Institute of Actuaries, United Kingdom (now known as Institute & Faculty of Actuaries). He began his career in May 1994 as a Senior Actuarial Assistant in the Insurance Corporation of Singapore Limited where he oversaw product pricing and valuation functions as well as the customisation of actuarial valuation software. He subsequently joined The Asia Life Assurance Society Limited (Singapore) as the Actuarial Manager from May 1997 to May 2002 where he oversaw product pricing, product development and stress test reporting. He then took on the position of an Actuarial Manager in John Hancock Life Assurance Company Limited from May 2002 to May 2004 where he oversaw product pricing, product development, stress test reporting and experience studies. Mr. Tang subsequently joined Manulife (Singapore) Pte Limited (following the merger of Manulife (Singapore) Pte Ltd and John Hancock Life Assurance Company Ltd in 2004) as the Vice President and Appointed Actuary, from May 2004 to May 2008, where he was the head of pricing and local risk-based capital reporting. From June 2008 to March 2010, Mr. Tang was the Appointed Actuary of UOB Life Assurance Ltd (now Pru Life Assurance Ltd) where he oversaw product pricing, product development, local risk-based capital framework, stress test reporting, reinsurance and participating fund governance. He was also a member of the company's investment committee and bancassurance committee. He subsequently joined AXA Life Insurance Singapore Pte Ltd from June 2010 to September 2011 as the Chief Actuary and Appointed Actuary where he similarly oversaw product pricing, local risk-based capital framework, stress test reporting, reinsurance, par fund governance and asset liability management. During the same period, he was also a member the Agency Compensation Review Workgroup and the Local Investment Committee of AXA Life Insurance Singapore Pte Ltd. He then joined Aviva Ltd from October 2011 to January 2015 as an Appointed Actuary, where he was also the deputy to the chief financial officer and oversaw product pricing, local risk-based capital framework, capital management, stress test reporting, reinsurance, participating fund governance, asset liability management and experience studies.

DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE DISCLOSURE (CONTINUED)

A. BOARD OF DIRECTORS (CONTINUED)

A1 Composition of the Board (continued)

The profiles of the Board members are as follows: (continued)

Tang Loo Chuan – Executive Director (continued)
Working experience: (continued) Since January 2015, he has been the Senior Vice President of the Life Actuarial Department of Tokio Marine Asia Pte. Ltd. ("TMAP"). He is also a corporate representative of Tokio Marine Life Insurance Singapore Ltd. ("TMLIS") in the Company. Mr. Tang is currently the Chief Life Officer of TMAP. Mr. Tang oversees, among other things, product pricing, capital management policy, investment policy, participating fund governance and experience studies. He is a member of the Executive Committee of TMAP, and Asset Liability Management & Investment Committee of TMLIS. He also plays a regional role in establishing the business strategies for the Tokio Marine Group's life insurance business (outside Japan). Mr. Tang currently holds directorships in a number of life insurance companies, namely PT Tokio Marine Life Insurance Indonesia and TMLIS.

U Chen Hock – Independent Director
Working experience: Mr, U was appointed as a Director of our Company on 1 April 2020. He is the chairman of the Risk Management and Compliance Committee and a member of the Audit Committee, Nominating Committee, Remuneration Committee. Mr. U brings over 36 years of extensive experience in corporate, commercial, investment, and consumer banking to our Company. He was appointed as a Director on 1 April 2020 and currently serves as a member of the Audit Committee, Nominating Committee, Remuneration Committee, and Risk Management and Compliance Committee. Prior to joining our Company, Mr. U had a distinguished banking career at a global banking group, where he held senior leadership roles in Malaysia and Taiwan, as well as at its Asia Pacific Headquarters in Hong Kong. During his tenure, he gained valuable experience in various banking sectors, including corporate, commercial, investment, and consumer banking. Mr. U left the global banking group in 2010 to explore new opportunities and further enhance his skills.

DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE DISCLOSURE (CONTINUED)

A. BOARD OF DIRECTORS (CONTINUED)

A1 Composition of the Board (continued)

The profiles of the Board members are as follows: (continued)

U Chen Hock – Independent Director (continued)
Working experience: (continued) Following his overseas stint, Mr. U returned to Malaysia to join a local investment bank where he was appointed as its Chief Executive Officer. Following a corporate exercise involving the merger of the investment bank with one of the largest Malaysian banking groups, Mr. U took up a new role as an Executive Director of the enlarged banking group, first with overall responsibilities for its Group International Banking Division and thereafter for its Group Retail Banking business. Mr. U was Chairman of the Financial Planning Association Of Malaysia for 2 terms between 2005 and 2007. Mr. U is an Independent Non Executive Director of Ambank Malaysia Berhad since July 2018 where he also serves as its Risk Management Committee Chairman and a member of its Audit & Examination Committee.

None of the Directors hold any share in the Group and the Company.

All Directors are required to attend the in-house orientation and education programmes within 3 months from his/her date of appointment and the Financial Institutions Directors' Education Programme developed by BNM and Perbadanan Insurans Deposit Malaysia in collaboration with the International Centre for Leadership in Finance within one year from his/her date of appointment.

In order to keep the Directors abreast with the dynamic and complex business environments as well as new statutory and regulatory requirements, a budget for Directors' trainings is provided each year by the Group and the Company. During the financial year, the Directors attended an in-house training organised by the Company on the MFRS 17 refresher course and a training session on Director's Evaluation exercises organised by the regional office in Singapore. All Directors had attended various training programmes/seminars during the financial year and the Nominating Committee reviewed the list of training programmes/seminars attended by the Directors and was satisfied with the training programmes/seminars attended by the Directors.

CORPORATE GOVERNANCE DISCLOSURE (CONTINUED)

A. BOARD OF DIRECTORS (CONTINUED)

A2 Board Meetings

The Board held eight (8) meetings during the financial year and the attendance of the existing Board members was as follows:

Board of Directors	Number of meetings attended
Datuk Leong Kam Weng	8/8
Chuah Sue Yin	8/8
U Chen Hock	8/8
Tang Loo Chuan	8/8

A3 Board Committees

The Board has established the following four (4) Board Committees operating on the terms of reference approved by the Board, to assist the Board in the execution of its responsibilities.

Nominating Committee (“NC”)

The composition of the NC as at the date of this report are as follows:

Chuah Sue Yin	Chairperson, Independent Director
Datuk Leong Kam Weng	Independent Director
U Chen Hock	Independent Director
Tang Loo Chuan	Executive Director

The NC is responsible for:

(a) establishing a mechanism for formal assessment and carry out annual evaluation to assess the performance and the effectiveness of the Board as a whole, the contribution by each Director to the effectiveness of the Board, the contribution of the Board’s various committees, and the performance of the Chief Executive Officer;

(b) establishing the minimum requirements for the Board and the Chief Executive Officer to perform their responsibilities effectively;

CORPORATE GOVERNANCE DISCLOSURE (CONTINUED)

A. BOARD OF DIRECTORS (CONTINUED)

A3 Board Committees (continued)

Nominating Committee ("NC") (continued)

The NC is responsible for: (continued)

(c) recommending and assessing the nominees for directorship, nominees for Board Committees membership, as well as nominees for the Chief Executive Officer or senior management or Company Secretary. This includes assessing the Directors and the Chief Executive Officer or senior management or Company Secretary proposed for re-appointment where applicable, before an application is submitted to BNM;

(d) recommending to the Board the removal of a Director or Chief Executive Officer or Company Secretary if he/she is ineffective, errant or negligent in discharging his/her responsibilities;

(e) ensuring Directors, Chief Executive Officer, senior management and Company Secretary are assessed under the Fit and Proper requirements at time of appointment, on an annual basis or as and when circumstance changed that may affect the ability to meet the minimum requirements;

(f) assisting the Board in regular review of succession plans for the Board and Board Committees; and

(g) ensuring that all Directors undergo appropriate induction programmes and regularly review the training needs for Directors to ensure the Directors received continuous training.

The detailed terms of reference of the NC is set out in the Board Charter, which is available at the website, www.tokiomarine.com.

The NC held five (5) meetings during the financial year and the attendance of the NC members was as follows:

Members of the NC	Number of meetings attended:
Chuah Sue Yin	5/5
Datuk Leong Kam Weng	5/5
U Chen Hock	5/5
Tang Loo Chuan	5/5

CORPORATE GOVERNANCE DISCLOSURE (CONTINUED)

A. BOARD OF DIRECTORS (CONTINUED)

A3 Board Committees (continued)

Remuneration Committee ("RC")

The composition of the RC as at the date of this report are as follows:

Chuah Sue Yin	Chairperson, Independent Director
Datuk Leong Kam Weng	Independent Director
U Chen Hock	Independent Director

The RC is responsible for:

(a) recommending and periodically review the remuneration of Directors on the Board, particularly on whether the remuneration remains appropriate to each director's contribution, taking into account the level of expertise, commitment and responsibilities undertaken; and

(b) recommending and periodically review the remuneration framework for the Group and the Company, where the framework should:

(i) be in line with the business and risk strategies, corporate values and long-term interests of the Group and the Company;

(ii) promote prudent risk-taking behaviour and encourage individuals to act in the interests of the Group and the Company as a whole, taking into account the interests of customers; and

(iii) be designed and implemented with input from the control functions and the Risk Management and Compliance Committee to ensure that risk exposures and risk outcomes are adequately considered.

The detailed terms of reference of the RC is set out in the Board Charter, which is available at the website, www.tokiomarine.com.

The RC held one (1) meeting during the financial year and the attendance of the RC members was as follows:

Members of the RC	Number of meetings attended
Chuah Sue Yin	1/1
Datuk Leong Kam Weng	1/1
U Chen Hock	1/1

CORPORATE GOVERNANCE DISCLOSURE (CONTINUED)

A. BOARD OF DIRECTORS (CONTINUED)

A3 Board Committees (continued)

Audit Committee ("AC")

The composition of the AC as at the date of this report are as follows:

Chuah Sue Yin	Chairperson, Independent Director
Datuk Leong Kam Weng	Independent Director
U Chen Hock	Independent Director

The AC is established pursuant to the requirements of BNM/RH/PD/029-9: Guidelines on Corporate Governance to assist the Board in fulfilling its oversight responsibilities by reviewing the financial information to ensure reliable and transparent financial reporting and oversee the effectiveness of internal audit function and external auditor. In doing so, the AC is providing an avenue for external and internal auditors to effectively voice their findings.

The AC is responsible for:

(a) appointing the external auditors having regarded their independence, objectivity, performance, nature and scope of audit, as well as approving the terms of audit engagement and any provision of non-audit services by them where required;

(b) reviewing the audit plans, findings and recommendations by the external auditors and statutory financial statements of the Group and the Company, including the discussion of the results and findings arising from the external audits and ensuring that senior management is taking necessary corrective actions in a timely manner to address external audit findings and recommendation;

(c) considering any related-party transactions that may arise within the Group and the Company or Tokio Marine group of companies;

(d) reviewing the adequacy of the scope, functions and resources of internal audit function to perform audits including technology audits, given the size and complexity of the Group and the Company's operations; and

(e) reviewing the internal audit programme and findings of the internal audit process and where necessary, ensuring that appropriate actions are taken to address control weaknesses non-compliance with laws, regulatory requirements, policies and other problems identified by the internal audit and other control functions.

The detailed terms of reference of the AC is set out in the Board Charter, which is available at the website, www.tokiomarine.com.

CORPORATE GOVERNANCE DISCLOSURE (CONTINUED)

A. BOARD OF DIRECTORS (CONTINUED)

A3 Board Committees (continued)

Audit Committee ("AC") (continued)

The AC held four (4) meetings during the financial year and the attendance of the AC members was as follows:

Members of the AC	Number of meetings attended
Chuah Sue Yin	4/4
Datuk Leong Kam Weng	4/4
U Chen Hock	4/4

Risk Management and Compliance Committee ("RMCC")

The composition of the RMCC as at the date of this report are as follows:

U Chen Hock	Chairman, Independent Director
Datuk Leong Kam Weng	Independent Director
Chuah Sue Yin	Independent Director

The RMCC is responsible for:

(a) reviewing and recommending risk management strategies, policies, risk appetite and risk tolerance levels including the technology risk appetite for the Board's approval;

(b) reviewing and assessing the adequacy of risk management policies and framework for identifying, measuring, monitoring and controlling risks as well as to the extent to which these are operating effectively;

(c) reviewing and overseeing the adequacy of the 3-year IT and cybersecurity strategic plans. These plans shall be periodically reviewed, at least once every three (3) years;

(d) reviewing and recommending to the Board the technology-related frameworks including technology risk management framework (TRMF), cyber resilience framework (CRF) and Cloud Strategy and Policy (CSP), and ensure the risk assessments undertaken in relation to material technology projects are robust and comprehensive;

(e) reviewing reports from management on risk exposure, risk portfolio composition and risk management activities and ensure that these are within the risk appetite set by the Board. This including monitoring the Group and the Company's technology risk against its approved technology risk appetite;

DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE DISCLOSURE (CONTINUED)

A. BOARD OF DIRECTORS (CONTINUED)

A3 Board Committees (continued)

Risk Management and Compliance Committee ("RMCC") (continued)

(f) reviewing and evaluating the adequacy and effectiveness of the overall management of compliance risk on yearly basis;

(g) reviewing the management of any compliance and risk management incidents reported to and managed by the Management as well as to provide oversight on compliance reporting requirements; and

(h) ensuring that adequate infrastructure, resources and systems are in place for effective Compliance and Risk Management. This includes ensuring that the staff responsible for managing Compliance and Risk Management are duly empowered to perform their responsibilities independently.

The detailed terms of reference of the RMCC is set out in the Board Charter, which is available at the website, www.tokiomarine.com.

The RMCC held four (4) meetings during the financial year and the attendance of the RMCC members was as follows:

Members of the RMCC	Number of meetings attended
U Chen Hock	4/4
Datuk Leong Kam Weng	4/4
Chuah Sue Yin	4/4

The RMCC is supported by the Group and the Company's senior management, the Compliance Department and the Risk Management Department.

CORPORATE GOVERNANCE DISCLOSURE (CONTINUED)

B. INTERNAL CONTROL FRAMEWORK

B1 Responsibility

The Board is responsible for the adequacy and effectiveness of the Group and the Company's risk management and internal control framework, including policies and procedures for compliance with applicable laws, regulations, rules, directives and guidelines. The framework is established to manage rather than eliminate risks and is designed to provide reasonable assurance against any occurrence of loss or non-compliances.

At the Board level, the responsibilities for the oversight of the risk management and internal control framework have been delegated to the Board RMCC and Board AC. The responsibilities are clearly defined in the respective committees' Terms of Reference.

B2 Authority & Responsibility

The Management Committee of the Group and the Company, led by the Chief Executive Officer, is responsible for implementation of the risk management and internal control framework. The Group and the Company have clearly defined lines of authority to supervise and monitor the business operations of the Group and the Company. Limits of authority have been established and approved by the Board. Various sub-committees have been formed to manage specific areas such as Asset & Liability Management, Claims, Underwriting, Information Technology ("IT") and Business Continuity. Roles and responsibilities for each committee are clearly defined in the respective committees' Terms of Reference.

B3 Planning, Monitoring & Reporting

The Group and the Company undergo a strategic planning and budgeting process to establish the annual business plan and performance targets which is recommended to the Board for approval. The Management Committee is responsible for implementing strategies to achieve the targets as well as adherence to established policies and procedures. Financial and operational reports are reviewed by the Management Committee on a monthly basis to allow timely response and actions to mitigate any potential risks. Reports are tabled and presented to the Board at least quarterly highlighting the performance of the Group and the Company as well as any updates on risk management, compliance and audit matters.

B4 Policies & Procedures

Policies and procedures have been established to ensure adequacy of internal controls as well as compliance with relevant laws and regulations. These policies and procedures are reviewed periodically to ensure the documents continue to be updated and aligned with business strategies and processes. The effectiveness in implementation of the policies and procedures is regularly reviewed by the governance functions of the Group and the Company. Key policies that have been established for the purpose of governance include the Risk Management Framework and Compliance Policy.

CORPORATE GOVERNANCE DISCLOSURE (CONTINUED)

B. INTERNAL CONTROL FRAMEWORK (CONTINUED)

B4 Policies & Procedures (continued)

The key policies and procedures for:

(a) Risk Management function
- (i) Risk Management Framework ("RMF");
- (ii) Risk Appetite Framework ("RAF");
- (iii) Operational Risk Management Framework ("ORMF");
- (iv) Business Continuity Management related policies and procedures ("BCM Documents");
- (v) Technology Risk Management Framework ("TRMF");
- (vi) Cyber Resilience Framework ("CRF");
- (vii) Cloud Strategy and Policy ("CSP"); and
- (viii) Credit Risk Management Framework ("CRMF")

The above framework and policies are reviewed on an annual basis to ensure all relevant and latest requirements are considered and included. The framework and policies will be presented to Risk Management and Compliance Committee for endorsement before the Board's approval. During the financial year, there was no significant changes made to the framework except for some minor updates in the Risk Management Framework, Operational Risk Management Framework, Technology Risk Management Framework, Cyber Resilience Framework and Cloud Strategy and Policy to include the new requirements of the Operational Risk Reporting (ORR) and to enhance the clarity on the expected requirements and also for reference purposes.

(b) Compliance function

- (i) Compliance Policy;
- (ii) Anti-Money Laundering and Counter Financing of Terrorism Policy;
- (iii) Anti-Bribery and Corruption Policy;
- (iv) Personal Data Protection Policy;
- (v) Competition Policy and Compliance Procedures;
- (vi) Compliance and Risk Management Incidents Reporting Policy; and
- (vii) Whistleblowing Policy

These frameworks/policies are reviewed annually or from time to time to ensure continued relevance and to reflect latest regulatory and group requirements. These will be tabled to the Risk Management and Compliance Committee for endorsement before the Board's approval.

B. INTERNAL CONTROL FRAMEWORK (CONTINUED)

B5 Three Lines of Defense

In accordance with the Group and the Company's RMF, the Group and the Company use the three lines of defense model to ensure the effectiveness of the risk management and internal control framework. The three lines of defense model provides clarity on roles and responsibilities as well as accountability in management of risk.

Line of Defense	Financial Segregation	Responsibilities
First Line	Risk taking units: Senior Management Business Units	• Day-to-day management of risks inherent in their business decisions and activities; and • Putting in place tools and techniques, including monitoring and reporting, for managing risks in their activities.
Second Line	Independent risk oversight and control units that oversee and review the first line's activities: • Risk Management • Compliance	Risk Management: • Responsible for developing the risk management framework, setting policies and methodologies for risk management process. Compliance: • Responsible for developing and implementing the compliance framework, policies and methodologies for managing compliance risk.
Third Line	Internal Audit	Responsible for providing the Board an independent and objective assurance on the adequacy and effectiveness of governance, risk management and internal control process within the Group and the Company.

B6 Internal Audit

The purpose of internal audit is to provide an independent, objective assurance and consulting activity designed to add value and improve the Group and the Company's operations. It helps the Group and the Company to accomplish their objectives by bringing a systematic, disciplined approach to evaluate and improve effectiveness of governance, risk management and internal control processes within the Group and the Company.

C. REMUNERATION FRAMEWORK

The Remuneration Framework forms a key component of the governance and incentive structure. This covers all the employees in the Group and the Company at the headquarter and branches.

The objectives of the Policy are to:

(a) serve as a guide for the performance assessment and compensation matters of the employee through which the Board ensures the remuneration is aligned with the culture, objectives and strategy of the Group and the Company; and

(b) attract, develop and retain high performing and motivated employees.

The overall Remuneration Framework for the Group and the Company is set to:

(a) be in line with the business and risk strategies, corporate values and long-term interests of the Group and the Company;

(b) promote prudent risk-taking behaviour and encourage individuals to act in the interests of the Group and the Company as a whole, taking into account the interests of its customers; and

(c) take into account any input from the control functions and the Board RMCC to ensure that risk exposures and risk outcomes are adequately considered.

At the start of the year, the Board reviews, considers and approves the Corporate Key Performance Indicators ("KPI") and performance bonus pool for the year. The KPI is set by taking into account the business and risk strategies, long-term interest, time horizon of risks and corporate values of the Group and the Company and the performance bonus pool will depend on the actual achievement rate at the end of the financial year. The KPI set is measured by financial metrics linked to business growth, distribution strategies and value creation and non-financial metrics linked to customers' (including employees, customers and intermediaries) engagement. In the financial year ended 31 December 2023, new metrics introduced included those linked to capital management, expense management and corporate governance.

Subsequent to the Board's approval, the Chief Executive Officer will cascade the KPI to the direct reports; who then cascade to their respective departments. The KPI shall be set in accordance to the level of accountability, roles and responsibilities of the individual employee.

DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE DISCLOSURE (CONTINUED)

C. REMUNERATION FRAMEWORK (CONTINUED)

After the financial year ended, the Management will present the performance of the Group and the Company against the Corporate KPIs set and the resulting performance bonus pool. Performance bonus is not guaranteed and shall be subject to the performance of the Group and the Company, the department and the individual employees. If the Group and the Company's performance metrics are weak compared to the Corporate KPIs set, the adjustments will be made accordingly to the performance bonus pool. Staff is appraised against the KPIs set for them. Performance bonus is linked to the contribution of the department and the individual staff to the overall performance of the Group and the Company.

To safeguard the independence and authority of individuals engaged in control functions, the remuneration of such individuals is based principally on the achievement of control functions objectives, and determined in a manner that is independent from the business lines. KPIs of the Appointed Actuary, the Head of Internal Audit, the Head of Risk Management and the Head of Compliance are based on the functions' objectives.

The Group and the Company remunerate the staff in the form of cash where the components comprised of fixed salary and variable performance bonus. The variable performance bonus is not guaranteed and is subject to the performance of the Group and the Company, the department and the individual employee.

The Group and the Company continue to review its Remuneration Framework on an ongoing basis taking into consideration current market practices as well as the guidelines issued by the regulators and have introduced an additional remuneration component as follows:

The Long Term Incentive Plan ("LTI") is a multi-year remuneration framework developed as contingent bonus upon meeting the performance metrics set and such reward is paid 3 years after the assessment period. By aligning key executives' interest with the long term value creation within the risk appetite and the deferment of LTI payment, the LTI Plan would fulfil the regulatory requirement on the adoption of a multi-year remuneration framework for senior management and other material risk takers. In addition, LTI Plan is an effective way to reward, motivate and retain talents who have contributed to the long term value creation of the Group and the Company.

As of 31 December 2023, the Group and the Company have 19 (2022: 19) senior management members comprising of Chief Executive Officer and his direct reports. Besides the senior management members, there are two material risk takers comprising of the Head of Fixed Income and Head of Equity. The quantitative remuneration disclosure for the senior management members for the financial year ended 31 December 2023 is shown in the table below. All the senior management members received variable remuneration for the financial year; one (1) of the senior management member received sign-on award during the financial year none of the members receive any guaranteed bonus, severance payments.

DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE DISCLOSURE (CONTINUED)

C. REMUNERATION FRAMEWORK (CONTINUED)

The remuneration paid and accrued to the Board members, senior management members and other material risk takers during the financial year ended 31 December 2023 are shown in the following tables:

		Fixed Remuneration			Variable Remuneration			
Name	Directorship/Designation	Cash-based	Shares and share-linked instrument	Others	Cash-based	Shares and share-linked instrument	Others	Total value of remuneration awards for the financial year
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Datuk Leong Kam Weng	Chairman/Independent Director	182	-	-	22	-	-	204
Chuah Sue Yin	Independent Director	145	-	-	22	-	-	167
U Chen Hock	Independent Director	135	-	-	22	-	-	157

		Fixed Remuneration			Variable Remuneration			
Name	No of Headcount	Cash-based	Shares and Share-linked instrument	Others	Cash-based	Shares and share-linked instrument	Others	Total value of remuneration awards for the financial year
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Senior management members and other material risk takers	21	11,967	-	-	6,748	-	-	18,715

The quantitative remuneration disclosure for the Chief Executive Officer is disclosed in Note 25(a) to the financial statements.

No deferred fixed remuneration, shares and share-linked instrument was paid and accrued to the Board members, senior management members and other material risk takers during the financial year ended 31 December 2023.

DIRECTORS' REPORT (CONTINUED)

FINANCIAL REPORTING

The Board has the overall responsibilities to ensure that accounting records are properly kept and that the Group and the Company's financial statements are prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Group and the Company meet all prescriptive requirements under this section relating to proper records, annual reports, public disclosure and statutory reporting.

SUBSIDIARIES

The Company do not have any subsidiary except for investment in controlled structured entities as disclosed in Note 8 of the financial statements. There is no director in the controlled structured entities.

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any shares or debentures in the Group and the Company or its holding company or subsidiaries of the holding company during the financial year.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Group and the Company are a party, with the object or objects of enabling Directors of the Group and the Company to acquire benefits by means of the acquisition of shares in or debentures of the Group and the Company or any other body corporate.

Since the end of the previous financial year, no Director of the Group and the Company has received or become entitled to receive any benefit (other than Directors' remuneration and benefits-in-kind shown in page 22 of the Directors' Report) by reason of a contract made by the Group and 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.

DIRECTORS' REPORT (CONTINUED)

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and certain officers of the Group and the Company were RM10,000,000 (2022: RM10,000,000) and RM33,500 (2022: RM18,900) respectively.

IMMEDIATE AND ULTIMATE HOLDING CORPORATION

The Directors regard Tokio Marine Life Insurance Singapore Ltd., a company incorporated in Singapore, as the Group and the Company's immediate holding company and Tokio Marine Holdings, Inc., a company incorporated in Japan, as the ultimate holding company.

SUBSEQUENT EVENTS

There were no material events subsequent to or from the reporting date that require disclosures or adjustments to the financial statements.

AUDITORS' REMUNERATION

There is no indemnity given or insurance effected for any auditor of the Group and the Company. The auditors' remuneration for the financial year is as follows:

	Group RM'000	Company RM'000
Statutory audit	1,137	1,125
Other audit services	450	450
Non-audit services	113	113

DIRECTORS' REPORT (CONTINUED)

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to continue in office.

This report was approved by the Board of Directors on 21 March 2024. Signed on behalf of the Board of Directors:

CHUAH SUE YIN
DIRECTOR

U CHEN HOCK
DIRECTOR

Registration No.

199801001430 (457556-X)

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, U Chen Hock and Chuah Sue Yin, two of the Directors of Tokio Marine Life Insurance Malaysia Bhd., state that, in the opinion of the Directors, the financial statements set out on pages 32 to 263 are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2023 and financial performance and the cash flow of the Group and the Company for the financial year ended 31 December 2023 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with their resolution dated 21 March 2024.

CHUAH SUE YIN
DIRECTOR

U CHEN HOCK
DIRECTOR

STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Toi See Jong, the officer primarily responsible for the financial management of Tokio Marine Life Insurance Malaysia Bhd., do solemnly and sincerely declare that the financial statements set out on pages 32 to 263 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.

TOI SEE JONG

Subscribed and solemnly declared by the above named Toi See Jong at Kuala Lumpur in Malaysia on 21 March 2024.

Before me:

PESURUHJAYA SUMPAH
No. W 540
Dr. T. YOKHESWAREM
PhD., MBA.
1-1-2022 – 31-12-2024
MALAYSIA

COMMISSIONER FOR OATH

Unit A11-1 & 2, Megan Avenue 1,
No. 189, Jalan Tun Razak,
50400 Kuala Lumpur.

pwc

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)
Registration No. 199801001430 (457556-X)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Tokio Marine Life Insurance Malaysia Bhd. ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policies, as set out on pages 32 to 263.

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 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 Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the , but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), Chartered Accountants, Level 10, Menara TH 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(CONTINUED)
(Incorporated in Malaysia)
Registration No. 199801001430 (457556-X)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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, 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.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the 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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF TOKIO MARINE LIFE INSURANCE MALAYSIA BHD. (CONTINUED)
(Incorporated in Malaysia)
Registration No. 199801001430 (457556-X)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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:

(a) 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.

(b) 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 of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

pwc

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

(d) 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 on 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.

(e) 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.

(f) 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.

pwc

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(CONTINUED)
(Incorporated in Malaysia)
Registration No. 199801001430 (457556-X)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

OTHER MATTERS

This report is made solely to the member 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.

PRICEWATERHOUSECOOPERS PLT	LIEW CHI MIN
LLP0014401-LCA & AF 1146	03529/09/2024 J
Chartered Accountants	Chartered Accountant

Kuala Lumpur
21 March 2024

Registration No.

199801001430 (457556-X)

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

GROUP STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	31.12.2023	31.12.2022	01.01.2022
				Group
			Restated	Restated
		RM'000	RM'000	RM'000
ASSETS				
Property, plant and equipment	3	160,684	162,614	163,170
Right-of-use assets	4	9,993	10,556	10,883
Investment properties	5	170,104	169,430	174,345
Intangible assets	6	8,247	11,037	15,552
Financial investments				
Available-for-sale ("AFS") financial assets	7a	-	5,881,155	5,920,191
Fair value through other comprehensive income ("FVOCI") financial assets	7b	6,504,185	-	-
Fair value through profit or loss ("FVTPL") financial assets	7c	3,255,319	1,801,312	1,860,259
Held-to-maturity ("HTM") financial assets	7d	-	930,275	931,288
Loans and receivables ("LAR")	7e	-	690	927
Amortised cost ("AC") financial assets	7f	744	-	-
Reinsurance contract assets	9	81,524	69,313	77,543
Tax recoverable		27,417	28,810	10,282
Other receivables	10	13,393	29,311	10,273
Cash and cash equivalents		610,132	733,321	469,479
TOTAL ASSETS		10,841,742	9,827,824	9,644,192
LIABILITIES AND EQUITY				
Share capital	11	226,000	226,000	226,000
Retained earnings	12	1,077,501	956,085	916,545
Asset revaluation reserve		3,777	3,663	3,526
AFS reserve		-	(5,316)	40,416
FVOCI reserve		66,760	-	-
Insurance finance reserve		(57,793)	(22,854)	(37,110)
Reinsurance finance reserve		1,213	(143)	-
TOTAL EQUITY		1,317,458	1,157,435	1,149,377
Insurance contract liabilities	13	9,061,105	8,272,385	8,086,667
Lease liabilities		484	983	1,337
Other payables	14	132,344	128,849	116,654
Other financial liabilities		674	470	934
Provision for agency long association benefits	15	41,131	39,888	36,719
Current tax liabilities		-	-	2,653
Deferred tax liabilities	16	288,546	227,814	249,851
TOTAL LIABILITIES		9,524,284	8,670,389	8,494,815
TOTAL LIABILITIES AND EQUITY		10,841,742	9,827,824	9,644,192

Registration No.

199801001430 (457556-X)

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	31.12.2023	31.12.2022	Company 01.01.2022
			Restated	Restated
		RM'000	RM'000	RM'000
ASSETS				
Property, plant and equipment	3	160,684	162,614	163,170
Right-of-use assets	4	9,993	10,556	10,883
Investment properties	5	170,104	169,430	174,345
Intangible assets	6	8,247	11,037	15,552
Financial investments				
Available-for-sale ("AFS") financial assets	7a	-	5,883,639	5,925,683
Fair value through other comprehensive income ("FVOCI") financial assets	7b	6,504,185	-	-
Fair value through profit or loss ("FVTPL") financial assets	7c	3,259,322	1,802,217	1,860,981
Held-to-maturity ("HTM") financial assets	7d	-	930,275	931,288
Loans and receivables ("LAR")	7e	-	690	927
Amortised cost ("AC") financial assets	7f	744	-	-
Reinsurance contract assets	9	81,524	69,313	77,543
Tax recoverable		27,417	28,810	10,282
Other receivables	10	13,195	29,298	9,634
Cash and cash equivalents		605,642	727,768	462,721
TOTAL ASSETS		10,841,057	9,825,647	9,643,009
LIABILITIES AND EQUITY				
Share capital	11	226,000	226,000	226,000
Retained earnings	12	1,077,540	956,584	917,059
Asset revaluation reserve		3,777	3,663	3,526
AFS reserve		-	(5,813)	39,902
FVOCI reserve		66,760	-	-
Insurance finance reserve		(57,793)	(22,854)	(37,110)
Reinsurance finance reserve		1,213	(143)	-
TOTAL EQUITY		1,317,497	1,157,437	1,149,377
Insurance contract liabilities	13	9,061,495	8,271,574	8,086,480
Lease liabilities		484	983	1,337
Other payables	14	131,904	127,951	116,592
Provision for agency long association benefits	15	41,131	39,888	36,719
Current tax liabilities		-	-	2,653
Deferred tax liabilities	16	288,546	227,814	249,851
TOTAL LIABILITIES		9,523,560	8,668,210	8,493,632
TOTAL LIABILITIES AND EQUITY		10,841,057	9,825,647	9,643,009

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

Registration No.

199801001430 (457556-X)

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 RM'000	Group 2022 Restated RM'000	Company 2023 RM'000	Company 2022 Restated RM'000
Insurance revenue		685,637	624,963	685,637	624,963
Insurance service expenses		(602,987)	(519,392)	(602,987)	(519,392)
Net expenses from reinsurance contracts held		(11,306)	(17,607)	(11,306)	(17,607)
Insurance service result	17	71,344	87,964	71,344	87,964
Finance expenses from insurance contracts issued		(383,735)	(86,050)	(384,936)	(85,426)
Finance income from reinsurance contracts held		2,447	1,511	2,447	1,511
Net insurance finance expenses	18	(381,288)	(84,539)	(382,489)	(83,915)
Interest revenue from financial assets not measured at FVTPL		294,611	251,319	294,611	249,672
Net gains/(losses) on FVTPL investments		198,992	(182,849)	199,565	(183,574)
Reversal of net credit impairment losses/ (net credit impairment losses)		502	(61,678)	502	(61,678)
Net gains from the derecognition of financial assets measured at HTM		-	8	-	8
Net gains on investments in equity securities measured at AFS		-	129,081	-	130,751
Net gains on investments in debt securities measured at FVOCI		3,171	-	3,171	-
Net gains on investments in debt securities measured at AFS		-	3,845	-	3,541
Net gains from fair value adjustments to investment properties		674	15	674	15
Rental income from investment properties		7,254	7,324	7,254	7,324
Net gains from disposal of Investment properties		-	7,328	-	7,328
Net investment income	19	505,204	154,393	505,777	153,387
Net insurance and investment result		195,260	157,818	194,632	157,436
Other operating expenses	25	(3,185)	(2,527)	(2,562)	(2,160)
Profit before taxation		192,075	155,291	192,070	155,276
Taxation	20	(65,898)	(35,751)	(65,854)	(35,751)
Net profit for the year		126,177	119,540	126,216	119,525
Basic earnings per share (sen)	21	55.83	52.89	55.85	52.89

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

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

STATEMENTS OF TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	2023	2022 Restated	2023	2022 Restated
	RM'000	RM'000	RM'000	RM'000
Net profit for the year	126,177	119,540	126,216	119,525
Other comprehensive income/(loss):				
Items that will be reclassified subsequently to profit or loss				
Fair value change on AFS financial assets:				
Net fair value losses arising during the year	-	(260,021)	-	(260,325)
Realised losses transferred to statement of profit or loss	-	(78,383)	-	(78,062)
Impairment losses transferred to statement of profit or loss	-	61,678	-	61,678
Income tax relating to these items	-	33,688	-	33,688
Fair value change on FVOCI financial assets:				
Net fair value gain arising during the year	182,950	-	182,950	-
Realised losses transferred to statement of profit or loss	(1,749)	-	(1,749)	-
Impairment losses transferred to statement of profit or loss	(502)	-	(502)	-
Income tax relating to these items	(32,592)	-	(32,592)	-
Finance (expenses)/income from insurance contracts issued	(121,046)	212,900	(121,046)	212,900
Tax effects thereon	8,735	(3,564)	8,735	(3,564)
Finance income/(expenses) from reinsurance contracts held	1,695	(179)	1,695	(179)
Tax effects thereon	(339)	36	(339)	36
Items that will not be reclassified to profit or loss				
Asset revaluation reserve:				
Gross asset revaluation surplus	2,120	2,606	2,120	2,606
Income tax relating to these items	(198)	(243)	(198)	(243)
Total other comprehensive income/(loss) for the year, net of tax	39,074	(31,482)	39,074	(31,465)
Total comprehensive income for the year	165,251	88,058	165,290	88,060

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

Registration No.

199801001430 (457556-X)

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

GROUP STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Group	Share Capital RM'000	Available-for-sale reserve RM'000	FVOCI reserve RM'000	Asset revaluation reserves RM'000	Insurance finance reserve RM'000	Reinsurance finance reserve RM'000	Retained earnings* RM'000	Total RM'000
		Non-distributable					Distributable	
Issued and fully paid ordinary shares:								
At 31 December 2021, as previously reported	226,000	40,416	-	3,526	-	-	912,656	1,182,598
Effect of adopting MFRS 17	-	-	-	-	(37,110)	-	3,889	(33,221)
At 1 January 2022 as restated	226,000	40,416	-	3,526	(37,110)	-	916,545	1,149,377
Net profit for the year	-	-	-	-	-	-	119,540	119,540
Other comprehensive (loss)/income for the year	-	(45,732)	-	137	14,256	(143)	-	(31,482)
Total comprehensive (loss)/income for the year	-	(45,732)	-	137	14,256	(143)	119,540	88,058
Dividend paid	-	-	-	-	-	-	(80,000)	(80,000)
At 31 December 2022	226,000	(5,316)	-	3,663	(22,854)	(143)	956,085	1,157,435

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

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

GROUP STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

Group	Share Capital RM'000	Available-for-sale reserve RM'000	FVOCI reserve RM'000	Asset revaluation reserves RM'000	Insurance finance reserve RM'000	Reinsurance finance reserve RM'000	Retained earnings* RM'000	Total RM'000
		Non-distributable					Distributable	
Issued and fully paid ordinary shares:								
At 31 December 2022, as previously reported	226,000	(5,316)	-	3,663	-	-	996,129	1,220,476
Effect of adopting MFRS 17 and MFRS 9	-	5,316	(5,783)	-	(22,854)	(143)	(34,805)	(58,269)
At 1 January 2023 as restated	226,000	-	(5,783)	3,663	(22,854)	(143)	961,324	1,162,207
Net profit for the year	-	-	-	-	-	-	126,177	126,177
Other comprehensive income/(loss) for the year	-	-	72,543	114	(34,939)	1,356	-	39,074
Total comprehensive income/(loss) for the year	-	-	72,543	114	(34,939)	1,356	126,177	165,251
Dividend paid	-	-	-	-	-	-	(10,000)	(10,000)
At 31 December 2023	226,000	-	66,760	3,777	(57,793)	1,213	1,077,501	1,317,458

* Included in the retained earnings as at 31 December 2023 is unallocated surplus in the insurance funds (net of deferred tax). These amounts are only distributable upon the actual recommended transfer from insurance funds to the Shareholders' Fund by the Appointed Actuary and the approval by the Board of Directors of the Group and the Company.

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

Registration No.

199801001430 (457556-X)

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Company	Share Capital RM'000	Available-for-sale reserve RM'000	FVOCI reserve RM'000	Asset revaluation reserves RM'000	Insurance finance reserve RM'000	Reinsurance finance reserve RM'000	Retained earnings* RM'000	Total RM'000
		Non-distributable					Distributable	
Issued and fully paid ordinary shares:								
At 31 December 2021, as previously reported	226,000	39,902	-	3,526	-	-	913,170	1,182,598
Effect of adopting MFRS 17	-	-	-	-	(37,110)	-	3,889	(33,221)
At 1 January 2022 as restated	226,000	39,902	-	3,526	(37,110)	-	917,059	1,149,377
Net profit for the year	-	-	-	-	-	-	119,525	119,525
Other comprehensive (loss)/income for the year	-	(45,715)	-	137	14,256	(143)	-	(31,465)
Total comprehensive (loss)/income for the year	-	(45,715)	-	137	14,256	(143)	119,525	88,060
Dividend paid	-	-	-	-	-	-	(80,000)	(80,000)
At 31 December 2022	226,000	(5,813)	-	3,663	(22,854)	(143)	956,584	1,157,437

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

Registration No.

199801001430 (457556-X)

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

Company	Share Capital RM'000	Available-for-sale reserve RM'000	FVOCI reserve RM'000	Asset revaluation reserves RM'000	Insurance finance reserve RM'000	Reinsurance finance reserve RM'000	Retained earnings* RM'000	Total RM'000
	Non-distributable						Distributable	
Issued and fully paid ordinary shares:								
At 31 December 2022, as previously reported	226,000	(5,813)	-	3,663	-	-	996,626	1,220,476
Effect of adopting MFRS 17 and MFRS 9	-	5,813	(5,783)	-	(22,854)	(143)	(35,302)	(58,269)
At 1 January 2023 as restated	226,000	-	(5,783)	3,663	(22,854)	(143)	961,324	1,162,207
Net profit for the year	-	-	-	-	-	-	126,216	126,216
Other comprehensive income/(loss) for the year	-	-	72,543	114	(34,939)	1,356	-	39,074
Total comprehensive income/(loss) for the year	-	-	72,543	114	(34,939)	1,356	126,216	165,290
Dividend paid	-	-	-	-	-	-	(10,000)	(10,000)
At 31 December 2023	226,000	-	66,760	3,777	(57,793)	1,213	1,077,540	1,317,497

* Included in the retained earnings as at 31 December 2023 is unallocated surplus in the insurance funds (net of deferred tax). These amounts are only distributable upon the actual recommended transfer from insurance funds to the Shareholders' Fund by the Appointed Actuary and the approval by the Board of Directors of the Company.

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

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	2023	2022 Restated	2023	2022 Restated
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit for the year	126,177	119,540	126,216	119,525
Adjustments for non-cash items:				
Investment income	(374,382)	(358,972)	(373,444)	(358,827)
Interest expense for lease liabilities	96	91	96	91
Realised gains of AFS financial assets	-	(78,383)	-	(78,062)
Realised gains of FVOCI financial assets	(1,750)	-	(1,750)	-
ECL on investments in financial assets	(5g02)	-	(502)	-
Gain on disposal of investment properties	-	(7,328)	-	(7,328)
Fair value (gains)/losses of FVTPL financial assets	(125,859)	228,609	(126,397)	229,153
Fair value gains of investment properties	(674)	(15)	(674)	(15)
Loss on early redemption of HTM financial assets	-	12	-	12
Depreciation of property, plant and equipment	5,728	5,906	5,728	5,906
Depreciation of right-of-use assets	707	682	707	682
Write-offs of property, plant and equipment	18	3	18	3
Write-offs of intangible assets	14	1,529	14	1,529
Amortisation of intangible assets	4,565	4,869	4,565	4,869
Impairment of AFS financial assets	-	61,678	-	61,678
Impairment loss of other receivables	511	569	511	569
Provision for agency long association benefits	5,601	5,776	5,601	5,776
Taxation	65,898	35,751	65,854	35,751
Changes in working capital:				
Purchases of financial assets	(2,569,818)	(1,929,530)	(2,534,611)	(1,906,503)
Proceeds from maturity and disposal of financial assets	1,772,859	1,536,079	1,738,013	1,515,144
(Increase)/decrease in loans	(54)	237	(54)	237
(Increase)/decrease in reinsurance contract assets	(12,209)	8,231	(12,209)	8,231
Increase in other receivables	(6,488)	(22,440)	(6,488)	(22,440)
Increase in insurance contract liabilities	650,126	398,445	650,126	397,817
Decrease in other payables	(15,153)	(5,129)	(6,537)	(8,738)
Increase/(decrease) in other financial liabilities	204	(404)	-	-
	(474,385)	5,806	(465,217)	5,060

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

	Group		Company	
	2023	2022 Restated	2023	2022 Restated
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)				
Dividend income received	66,406	77,664	66,227	77,510
Interest income received	321,498	301,357	319,798	299,564
Rental income received	7,480	7,743	7,480	7,743
Agency long association benefits paid	(4,358)	(2,607)	(4,358)	(2,607)
Income tax paid	(31,834)	(49,051)	(31,834)	(49,051)
Fee paid	(660)	(584)	-	-
Net cash (outflows)/inflows from operating activities	(115,853)	340,328	(107,904)	338,219
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(1,838)	(2,902)	(1,838)	(2,902)
Proceeds from disposal of investment properties	-	12,258	-	12,258
Purchase of intangible assets	(1,789)	(1,883)	(1,789)	(1,883)
Net cash (outflows)/inflows from investing activities	(3,627)	7,473	(3,627)	7,473
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	(10,000)	(80,000)	(10,000)	(80,000)
Payment to lease liabilities	(595)	(645)	(595)	(645)
Cash proceed from unit created	10,900	11,886	-	-
Cash paid for unit cancelled	(4,014)	(15,200)	-	-
Net cash outflows from financing activities	(3,709)	(83,959)	(10,595)	(80,645)
Net (decrease)/increase in cash and cash equivalents	(123,189)	263,842	(122,126)	265,047
Cash and cash equivalents at 1 January	733,321	469,479	727,768	462,721
Cash and cash equivalents at 31 December	610,132	733,321	605,642	727,768

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

	Group		Company	
	2023	2022 Restated	2023	2022 Restated
	RM'000	RM'000	RM'000	RM'000
Cash and cash equivalents comprise:				
Cash and bank balances	40,520	46,111	39,384	45,005
Fixed and call deposits with maturity of less than three months	569,612	687,210	566,258	682,763
	610,132	733,321	605,642	727,768

An analysis of changes in liabilities arising from financing activities is as follows:

	Group/Company	
	31.12.2023	31.12.2022
	RM'000	RM'000
Lease liabilities:		
As at 1 January	983	1,337
Lease additions (Note 4)	-	200
Interest expense for lease liabilities	96	91
Payment to lease liabilities	(595)	(645)
As at 31 December	484	983

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

1 PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The Group and the Company are principally engaged in the underwriting of all classes of life insurance business, including investment-linked business. There were no significant changes in the nature of this activity during the financial years relevant to these financial statements.

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at Level 23, Menara Tokio Marine Life, 189, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia. The principal place of business of the Company is located at Ground Floor, Menara Tokio Marine Life, 189 Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia.

The Directors regard Tokio Marine Life Insurance Singapore Ltd., a company incorporated in Singapore, as the Company's immediate holding company and Tokio Marine Holdings, Inc., a company incorporated in Japan, as the ultimate holding company.

2 MATERIAL ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

2.1 Basis of Preparation

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

The preparation of financial statements in conformity with MFRS requires the Directors to exercise their judgement in the process of applying the Group and the Company's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. Although these estimates are based on the Directors' best knowledge of current events and actions, actual results could differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement or complexity, are disclosed in Note 2.3 to the financial statements.

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Group and the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand ("RM'000") except when otherwise indicated.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Standards, amendments to published standards and interpretations to existing standards that are applicable and relevant to the Group and the Company

The accounting policies adopted by the Group and the Company for the financial statements are consistent with those adopted in the Group's consolidated audited financial statements for the financial year ended 31 December 2022, except for the adoption of the following MFRS and amendments to MFRS:

Description	Effective Date
Amendments to MFRS 101, Classification of liabilities and current or non-current	1 January 2023
Amendments to MFRS 101, MFRS Practice Statement 2 and MFRS 108 on Disclosure of Accounting Policies and Definition of Accounting Estimate	1 January 2023
Amendments to MFRS 112, Deferred tax related to Assets and Liabilities arising from a Single Transaction and International Tax Reform - Pillar Two Model Rules	1 January 2023
MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17, Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023

The adoption of the above standard and amendments to standards issued by MASB in the current financial year does not have any material impact to the financial statements of the Group and the Company, except as discussed below.

(a) MFRS 17 Insurance Contracts

MFRS 17 was issued in May 2017. MFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes MFRS 4: Insurance Contracts.

MFRS 17 provides comprehensive guidance on accounting for insurance contracts issued, reinsurance contracts held, and investment contracts with discretionary participation features. It introduces three new measurement models, reflecting a different extent of policyholder participation in investment performance or overall insurance entity performance. The General Measurement Model ("GMM"), also known as the building block approach, consists of the fulfilment cash flows and the contractual service margin. The fulfilment cash flows ("FCF") represent the risk-adjusted present value of an entity's rights and obligations to the policyholders, comprising estimates of expected cash flows, discounting and an explicit risk adjustment for non-financial risk. The contractual service margin ("CSM") represents the unearned profit from in-force contracts that an entity will recognise as it provides services over the coverage period.

At inception, the CSM cannot be negative. If the fulfilment cash flows lead to a negative CSM at inception, it will be set to zero and the negative amount will be recorded immediately in the statement of profit or loss. At the end of a reporting period, the carrying amount of a group of insurance contracts is the sum of the liability for remaining coverage and the liability of incurred claims. The liability for remaining coverage ("LFRC") consists of the fulfilment cash flows related to future services and the CSM, while the liability for incurred claims ("LFIC") consists of the fulfilment cash flows related to past services.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Standards, amendments to published standards and interpretations to existing standards that are applicable and relevant to the Group and the Company (continued)

(a) MFRS 17 Insurance Contracts (continued)

The CSM gets adjusted for changes in cash flows related to future services and for the interest accretion at interest rates locked-in at initial recognition of the group of contracts. A release from the CSM is recognised in profit or loss for each period to reflect the services provided in that period based on “coverage units”.

MFRS 17 only provides principle-based guidance on how to determine these coverage units. The Group and the Company have assessed the nature of contracts underwritten and selected appropriate coverage units to reflect underlying quantities and timing of benefits provided. The Variable Fee Approach (“VFA”) model is a mandatory modification of the GMM regarding the treatment of the contractual service margin in order to accommodate direct participating contracts.

Methods used and judgements applied in determining the MFRS 17 transition amounts

The Group and the Company have adopted MFRS 17 retrospectively, applying alternative transition methods where the full retrospective approach was impracticable. The full retrospective approach was applied to the insurance contracts in force at the transition date that originated on/after 1 January 2022. For insurance contracts originating prior to 1 January 2022, a combination of modified retrospective approach and fair value approach was applied taking into consideration availability of reliable data to support the necessary MFR17 related computations.

The transition approach was determined at the level of a group of insurance contracts and affected the approach to calculating the CSM on initial adoption of MFRS 17:

(i) full retrospective approach - the CSM at initial recognition is based on initial assumptions when groups of contracts were recognised and rolled forward to the date of transition as if MFRS 17 had always been applied;
(ii) modified retrospective approach - the CSM at initial recognition is calculated based on assumptions at transition using some simplifications and taking into account the actual pre-transition fulfilment cash flows; and
(iii) fair value approach - the pre-transition FCF and experience are not considered.

Full retrospective approach

The Group and the Company have determined that reasonable and supportable information was available for all contracts in force at the transition date that were issued on/after 1 January 2022.

Accordingly, the Group and the Company have identified, recognised and measured each group of insurance contracts and each insurance acquisition cash flows asset in this category as if MFRS 17 had always applied (except that a retrospective impairment test has not been performed); derecognised any existing balances that would not exist if MFRS 17 had always applied; and recognised any resulting net difference in equity.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Standards, amendments to published standards and interpretations to existing standards that are applicable and relevant to the Group and the Company (continued)

(a) MFRS 17 Insurance Contracts (continued)

<u>Modified retrospective and fair value approaches</u>

After making reasonable efforts to gather necessary historical information, the Group and the Company have determined that, for certain groups of contracts, such information was not available or was not available in a form that would enable it to be used without undue cost and effort. It was therefore impracticable to apply the full retrospective approach, and either the modified retrospective approach or the fair value approach has been used for these groups. The Group and the Company apply significant judgement in determining the transition amounts under these approaches.

Judgements in applying the modified retrospective approach

The Group and the Company have determined that key transactional-level data and annual actuarial assumptions are available as far back as 1 January 2013 for Non-Participating and Investment-Linked portfolios of insurance contracts issued. The Group and the Company have used that threshold to apply the modified retrospective approach to these contracts in force as at transition and originated on/after 1 January 2013, where the full retrospective approach has not been applied because it was impracticable but the closest possible outcome could have been achieved using reasonable and supportable information. The modified retrospective approach was applied as follows:

(i) Definition and classification

The following assessments were performed, based on the information available as at transition date, to the extent that reasonable and supportable information was not available to perform the assessment as at contract inception:

- an assessment whether an insurance contract meets the definition of an insurance contract
- with direct participation features; and
- an assessment whether a contract issued that does not transfer significant insurance risk meets the definition of an investment contract with DPF within the scope of MFRS 17.

(ii) Aggregation of contracts

Groups of contracts were divided into annual cohorts. Aggregation of insurance contracts by expected profitability was assessed as at the transition date to the extent that reasonable and supportable information was not available to perform this assessment as at initial recognition. For this assessment, the Group and the Company estimate the FCF at the initial recognition as described below. Further, to aggregate non-onerous insurance contracts issued into groups of contracts that had no significant possibility of becoming onerous subsequently or groups of remaining contracts, the Group and the Company assess the likelihood of changes in insurance, financial and other exposures on the FCF prospectively as at the transition date.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Standards, amendments to published standards and interpretations to existing standards that are applicable and relevant to the Group and the Company (continued)

(a) MFRS 17 Insurance Contracts (continued)

Modified retrospective and fair value approaches (continued)

Judgements in applying the modified retrospective approach (continued)

(iii) Future cash flows

To the extent that reasonable and supportable information was not available to estimate future cash flows at initial recognition, future cash flows at the date of initial recognition of a group of insurance contracts were estimated as the future cash flows at the transition date, adjusted by the actual cash flows that have occurred between the transition (or earlier) date and the date of initial recognition. Actual cash flows included cash flows from contracts derecognised before the transition date.

(iv) Risk adjustment for non-financial risk

Similar to the cash flow simplification above, the risk adjustment for non-financial risk was estimated at the transition date by adjusting the risk adjustment for non-financial risk at the transition date by the expected release of risk before the transition date. In estimating the release of risk, reference was made to the release of risk for similar insurance contracts that were issued at the transition date.

(v) Discount rates

The Group and the Company do not apply the modification for discount rates determination as permitted by paragraph C13 of MFRS 17.

(vi) Insurance acquisition cash flows assets

The Group and the Company recognise insurance acquisition cash flows assets for Bancassurance Facilitation Fee paid before the transition date.

(vii) Insurance finance income or expenses

For the insurance contracts measured under the VFA, the Group and the Company determine the cumulative amount of insurance finance income or expenses recognised in accumulated other comprehensive income ("AOCI") at the transition date as equal to the cumulative amount recognised in AOCI on the respective underlying assets.

(viii) CSM, loss component and loss-recovery component

The Group and the Company have determined that it does not have reasonable and supportable information to determine the carrying value of the CSM, loss component or loss-recovery component on a discrete interim reporting period basis prior to the transition date. Accordingly, the Group and the Company have determined the amounts at transition, assuming that it had not prepared any interim reports prior to transition.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Standards, amendments to published standards and interpretations to existing standards that are applicable and relevant to the Group and the Company (continued)

(a) MFRS 17 Insurance Contracts (continued)

Modified retrospective and fair value approaches (continued)

Judgements in applying the modified retrospective approach (continued)

(viii) CSM, loss component and loss-recovery component (continued)

a) For contracts measured under the GMM, the CSM, loss component and loss-recovery component of the LFRC at the transition date were determined applying modifications in the FCF estimation, as described above. The CSM was reduced for the allocation to profit or loss for services provided or received before the transition date, by comparing the remaining coverage units as at the transition date with the coverage units provided or received under the group of contracts before the transition date.
   i) For insurance contracts issued, where the calculated CSM resulted in a loss component, the Group and the Company use a consistent systematic approach described for full retrospective to determine amounts allocated to the loss component before the transition date.
   ii) Groups of reinsurance contracts held that provide coverage for onerous groups of underlying contracts in force at the transition date were in place by the time that the underlying contracts were issued. Loss-recovery components of the asset for remaining coverage were determined at the transition date by multiplying the loss components of the LFRC for the respective groups of underlying insurance contracts by the percentage of claims for the group of underlying insurance contracts that the Group and the Company expect to recover from the group of reinsurance contracts held.
   iii) When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Group and the Company apply a systematic and rational method of allocation to determine the portion of the loss component that relates to underlying insurance contracts.

b) For contracts measured under the VFA, a proxy for the CSM or loss component of the LFRC at the transition date was calculated based on:
   i) the total fair value of the underlying assets at the transition date; minus
   ii) the FCF at that date, adjusted for:
      - amounts charged to policyholders before that date;
      - amounts paid before the transition date that would not have varied based on the returns
      - on the underlying items; and
      - the estimated release of the risk adjustment for non-financial risk before the transition date

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Standards, amendments to published standards and interpretations to existing standards that are applicable and relevant to the Group and the Company (continued)

(a) MFRS 17 Insurance Contracts (continued)

Modified retrospective and fair value approaches (continued)

Judgements in applying the modified retrospective approach (continued)

(viii) CSM, loss component and loss-recovery component (continued)

The CSM was reduced for the allocation to profit or loss for services provided before the transition date, by comparing the remaining coverage units as at the transition date with the coverage units provided under the group of contracts before the transition date. Where the calculated CSM resulted in a loss component, the Group and the Company adjust the loss component to nil and increased the LFRC excluding the loss component by the same amount.

Judgements in applying the fair value approach

For the balance of portfolios not covered under full retrospective or modified retrospective approach (outlined above), Group and the Company have applied the fair value approach. This is taking into consideration absence of reliable data to support accurate MFRS 17 related computations.

Applying the fair value approach, the Group and the Company determine the CSM to be the difference between the fair value of a group of insurance contracts, measured in accordance with MFRS 13, 'Fair Value Measurement' (MFRS 13), and its FCF at the transition date. The Group and the Company do not apply the deposit floor when measuring insurance contracts when using the fair value approach on transition.

The fair value of an insurance liability is the price that a market participant would be willing to pay to assume the obligation and the remaining risks of the in-force contracts as at the transition date. Where available, recent market transactions were used to estimate the fair value of groups of contracts. In the absence of recent market transactions for similar contracts, a present value technique was used to value groups of contracts.

In estimating the fair value of groups of insurance contracts, the following considerations were applied:

a. only future cash flows within the boundaries of the insurance contracts were included in the fair value estimation, excluding future renewals and new business that would be outside the contract boundary of the contracts under MFRS 17;
b. assumptions about expected future cash flows and risk allowances were adjusted for the market participant's view, as required by MFRS 13; and
c. profit margins were included to reflect what a market participant would require for accepting obligations under insurance contracts, beyond the risk adjustment for non-financial risk.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Standards, amendments to published standards and interpretations to existing standards that are applicable and relevant to the Group and the Company (continued)

(a) MFRS 17 Insurance Contracts (continued)

Modified retrospective and fair value approaches (continued)

Judgements in applying the fair value approach (continued)

The Group and the Company use significant judgement to determine adjustments required to reflect the market participant's view, and it considered the following:

(i) Definition and classification

The following assessments were performed, based on the information available as at the transition date:

- an assessment of whether a contract issued that does not transfer significant insurance risk meets the definition of an investment contract with DPF within the scope of MFRS 17; and
- an assessment of whether an insurance contract issued meets the definition of an insurance contract with direct participation features.

(ii) Aggregation of contracts

Groups of contracts include contracts issued more than one year apart.
Aggregation of insurance contracts by expected profitability was assessed as at the transition date. For this assessment, the Group and the Company estimate the FCF at the transition date. Further, to aggregate non-onerous insurance contracts issued into groups of contracts that had no significant possibility of becoming onerous subsequently or groups of remaining contracts, the Group and the Company assess the likelihood of changes in insurance, financial and other exposures on the FCF prospectively as at the transition date. Similarly, to aggregate reinsurance contracts held in a net cost or net gain position, the Group and the Company assess FCF prospectively as at the transition date.

(iii) Future cash flows

The FCF were estimated prospectively as at the transition date.

(iv) Discount rates

The discount rates at the dates of initial recognition were determined at the transition date.

(v) Insurance finance income or expenses

For the insurance contracts measured under the VFA, the Group and the Company determine the cumulative amount of insurance finance income or expenses recognised in AOCI at the transition date as equal to the cumulative amount recognised in AOCI on the respective underlying assets.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Standards, amendments to published standards and interpretations to existing standards that are applicable and relevant to the Group and the Company (continued)

(a) MFRS 17 Insurance Contracts (continued)

Modified retrospective and fair value approaches (continued)

Judgements in applying the fair value approach (continued)

The Group and the Company used significant judgement to determine adjustments required to reflect the market participant's view, and it considered the following: (continued)

(vi) CSM, loss component and loss-recovery component

The CSM or a loss component (for insurance contracts issued) were estimated to be the difference between the fair value of a group of insurance contracts, measured in accordance with MFRS 13 as described above, and its FCF at the transition date.

For groups of reinsurance contracts held, loss-recovery components of the asset for remaining coverage were determined at the transition date by multiplying the loss components of the LFRC for the respective onerous groups of underlying insurance contracts and the percentage of claims for the group of underlying insurance contracts that the Group and the Company expect to recover from the group of reinsurance contracts held. When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Group and the Company apply a systematic and rational method of allocation to determine the portion of the loss component that relates to the underlying insurance contracts.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Standards, amendments to published standards and interpretations to existing standards that are applicable and relevant to the Group and the Company (continued)

(a) MFRS 17 Insurance Contracts (continued)

Restatement of comparative:
Comparatives have been restated due to the adoption of MFRS 17 as disclosed below:

Group	31.12.2021 (As previously stated) RM'000	Effect of adoption of MFRS 17 RM'000	01.01.2022 Restated RM'000
ASSETS			
Property, plant and equipment	163,170	-	163,170
Right-of-use assets	10,883	-	10,883
Investment properties	174,345	-	174,345
Intangible assets	65,952	(50,400)	15,552
Financial investments	9,095,832	(383,167)	8,712,665
Reinsurance contract assets	22,198	55,345	77,543
Insurance receivables	21,394	(21,394)	-
Tax recoverable	10,282	-	10,282
Other receivables	10,286	(13)	10,273
Cash and cash equivalents	469,479	-	469,479
TOTAL ASSETS	10,043,821	(399,629)	9,644,192
EQUITY AND LIABILITIES			
Share capital	226,000	-	226,000
Retained earnings	912,656	3,889	916,545
Asset revaluation reserve	3,526	-	3,526
AFS reserve	40,416	-	40,416
Insurance finance reserve	-	(37,110)	(37,110)
TOTAL EQUITY	1,182,598	(33,221)	1,149,377

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Standards, amendments to published standards and interpretations to existing standards that are applicable and relevant to the Group and the Company (continued)

(a) MFRS 17 Insurance Contracts (continued)

Restatement of comparative:
Comparatives have been restated due to the adoption of MFRS 17 as disclosed below: (continued)

Group	31.12.2021 (As previously stated) RM'000	Effect of adoption of MFRS 17 RM'000	01.01.2022 Restated RM'000
EQUITY AND LIABILITIES (CONTINUED)			
Insurance contract liabilities	7,872,214	214,453	8,086,667
Lease liabilities	1,337	-	1,337
Insurance payables	614,502	(614,502)	-
Other payables	74,708	41,946	116,654
Other financial liabilities	934	-	934
Provision for agency long association benefits	36,719	-	36,719
Current tax liabilities	2,653	-	2,653
Deferred tax liabilities	258,156	(8,305)	249,851
TOTAL LIABILITIES	8,861,223	(366,408)	8,494,815
TOTAL EQUITY AND LIABILITIES	10,043,821	(399,629)	9,644,192

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Standards, amendments to published standards and interpretations to existing standards that are applicable and relevant to the Group and the Company (continued)

(a) MFRS 17 Insurance Contracts (continued)

Restatement of comparative:
Comparatives have been restated due to the adoption of MFRS 17 as disclosed below: (continued)

Company	31.12.2021 (As previously stated) RM'000	Effect of adoption of MFRS 17 RM'000	01.01.2022 Restated RM'000
ASSETS			
Property, plant and equipment	163,170	-	163,170
Right-of-use assets	10,883	-	10,883
Investment properties	174,345	-	174,345
Intangible assets	65,952	(50,400)	15,552
Financial investments	9,102,046	(383,167)	8,718,879
Reinsurance contract assets	22,198	55,345	77,543
Insurance receivables	21,394	(21,394)	-
Tax recoverable	10,282	-	10,282
Other receivables	9,647	(13)	9,634
Cash and cash equivalents	462,721	-	462,721
TOTAL ASSETS	10,042,638	(399,629)	9,643,009
EQUITY AND LIABILITIES			
Share capital	226,000	-	226,000
Retained earnings	913,170	3,889	917,059
Asset revaluation reserve	3,526	-	3,526
AFS reserve	39,902	-	39,902
Insurance finance reserve	-	(37,110)	(37,110)
TOTAL EQUITY	1,182,598	(33,221)	1,149,377

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Standards, amendments to published standards and interpretations to existing standards that are applicable and relevant to the Group and the Company (continued)

(a) MFRS 17 Insurance Contracts (continued)

Restatement of comparative:
Comparatives have been restated due to the adoption of MFRS 17 as disclosed below: (continued)

Company	31.12.2021 (As previously stated) RM'000	Effect of adoption of MFRS 17 RM'000	01.01.2022 Restated RM'000
EQUITY AND LIABILITIES (CONTINUED)			
Insurance contract liabilities	7,872,027	214,453	8,086,480
Lease liabilities	1,337	-	1,337
Insurance payables	614,502	(614,502)	-
Other payables	74,646	41,946	116,592
Provision for agency long association benefits	36,719	-	36,719
Current tax liabilities	2,653	-	2,653
Deferred tax liabilities	258,156	(8,305)	249,851
TOTAL LIABILITIES	8,860,040	(366,408)	8,493,632
TOTAL EQUITY AND LIABILITIES	10,042,638	(399,629)	9,643,009

The adoption of MFRS 17 resulted the following effect to the statement of financial position of the Group and the Company as at 1 January 2023 are disclosed in note 2.2 (d).

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Standards, amendments to published standards and interpretations to existing standards that are applicable and relevant to the Group and the Company (continued)

(b) MFRS 9, Financial Instruments

MFRS 9 'Financial Instruments' replaces MFRS 139 'Financial Instruments: Recognition and Measurement'. In July 2014, IASB issued the new IFRS 9: Financial Instruments which is intended to replace the existing standard on financial instruments, IAS 39 Financial Instruments: Recognition and Measurement. Hence, in Malaysia, MASB adopted the new standard, MFRS 9 and replaces MFRS 139 accordingly.

However, as insurance companies are allowed under Amendments to MFRS 4 Insurance Contract Liabilities: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts to defer adoption of MFRS 9 until 1 January 2023, in line with the adoption of MFRS 17 Insurance Contracts. The Group and the Company applied the temporary exemption as allowed under the Amendments to MFRS 4 as the Group and the Company meet the predominance "insurance related industry" test.

The Group and the Company applied MFRS 9 retrospectively but did not restate comparative information for 2022 for financial instruments in scope under MFRS 9. Differences arising from the adoption of MFRS 9 were recognised in retained earnings as of 1 January 2023 and are disclosed in Note 2.2 (d).

The key changes to the Group and the Company's accounting policies resulting from its adoption of MFRS 9 are summaries below.

<u>Classification and measurements</u>

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost ("AC"), fair value through profit or loss ("FVTPL") and fair value through other comprehensive income ("FVOCI").

The classification of financial assets depends on the Group and the Company's business model of managing the financial assets in order to generate cashflows ("business model test") and the contractual cashflow characteristics of the financial instruments, Solely Payments of Principal and Interest ("SPPI test"). The business model test determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. The SPPI test determines whether the contractual cash flows are solely for payments of principal and interest.

A financial asset is measured at FVOCI if its business model is both to hold the asset to collect contractual cash flows and to sell the financial asset. In addition, the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal. These investments are initially recorded at fair value and transaction costs are expensed in the profit or loss. Subsequent to initial recognition, these investments are re-measured at fair value. All fair value adjustments are recognised through OCI. Debt instruments at FVOCI are subject to impairment assessment.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Standards, amendments to published standards and interpretations to existing standards that are applicable and relevant to the Group and the Company (continued)

(b) MFRS 9, Financial Instruments (continued)

Classification and measurements (continued)

Financial assets are classified as FVTPL if the financial assets are held for trading or are managed on a fair value basis (including derivatives). Other financial assets with contractual cash flow that are not solely payments of principal and interest, regardless of its business model are classified as FVTPL. Debt securities which do not pass SPPI test are recognised as FVTPL.

Certain financial assets that otherwise meets the requirements to be either measured at amortised cost or at FVOCI, may irrevocably be designated at FVTPL on initial recognition, when such designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. These investments are initially recorded at fair value and transaction costs are expensed in the profit or loss. Subsequent to initial recognition, these investments are remeasured at fair value. All subsequent fair value adjustments are recognised through profit or loss.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Standards, amendments to published standards and interpretations to existing standards that are applicable and relevant to the Group and the Company (continued)

(b) MFRS 9, Financial Instruments (continued)

Impact of classification and measurement

The following table reconciles the carrying amounts of financial assets under MFRS 139 to the carrying amount under MFRS 9 on transition on 1 January 2023.

Group	At 31 December 2022 MFRS 139	Remeasurement	At 1 January 2023 Classification under MFRS 9			
			FVOCI	FVTPL	AC	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
AFS						
Government bonds	2,061,195	-	2,020,657	40,538	-	2,061,195
Other debt securities	2,371,209	(12,561)	2,358,648	-	-	2,358,648
Equity securities	1,448,751	12,561	-	1,461,312	-	1,461,312
FVTPL						
Government bonds	127,163	-	99,943	27,220	-	127,163
Other debt securities	423,149	12,561	212,574	223,136	-	435,710
Equity securities	1,251,000	(15,116)	-	1,235,884	-	1,235,884
HTM						
Government bonds	788,136	27,454	815,590	-	-	815,590
Other debt securities	142,139	4,026	146,165	-	-	146,165
LAR						
Loans	690	-	-	-	690	690
Other receivables	29,279	-	-	-	29,279	29,279
Cash and cash equivalents	733,321	-	-	-	733,321	733,321
	9,376,032	28,925	5,653,577	2,988,090	763,290	9,404,957

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Standards, amendments to published standards and interpretations to existing standards that are applicable and relevant to the Group and the Company (continued)

(b) MFRS 9, Financial Instruments (continued)

Impact of classification and measurement (continued)

The following table reconciles the carrying amounts of financial assets under MFRS 139 to the carrying amount under MFRS 9 on transition on 1 January 2023. (continued)

Company	At 31 December 2022 MFRS 139	Remeasurement	At 1 January 2023 Classification under MFRS 9			
			FVOCI	FVTPL	AC	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
AFS						
Government bonds	2,020,657	-	2,020,657	-	-	2,020,657
Other debt securities	2,371,209	(12,561)	2,358,648	-	-	2,358,648
Equity securities	1,448,751	12,561	-	1,461,312	-	1,461,312
Controlled structured entities	43,022	-	-	43,022	-	43,022
FVTPL						
Government bonds	127,163	-	99,943	27,220	-	127,163
Other debt securities	423,149	12,561	212,574	223,136	-	435,710
Equity securities	1,236,850	(15,116)	-	1,221,734	-	1,221,734
Controlled structured entities	15,055	-	-	15,055	-	15,055
HTM						
Government bonds	788,136	27,454	815,590	-	-	815,590
Other debt securities	142,139	4,026	146,165	-	-	146,165
LAR						
Loans	690	-	-	-	690	690
Other receivables	29,266	-	-	-	29,266	29,266
Cash and cash equivalents	727,768	-	-	-	727,768	727,768
	9,373,855	28,925	5,653,577	2,991,479	757,724	9,402,780

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Standards, amendments to published standards and interpretations to existing standards that are applicable and relevant to the Group and the Company (continued)

(b) MFRS 9, Financial Instruments (continued)

Transition

Changes in accounting policies resulting from the adoption of MFRS 9 will be applied retroactively. As permitted by the transitional provisions of MFRS 9, the Group and the Company have elected not to restate comparative figures and continued to report these comparative figures under the previous accounting policies governed under MFRS 139. Any adjustments to the carrying amount of financial assets and liabilities at the date of transition were recognised in the opening retained earnings and other reserves as at January 2023.

Impairment of financial assets

MFRS 9 introduces an expected credit loss ("ECL") model on impairment that replaces the incurred loss impairment model used in MFRS 139. The ELC model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The new impairment model requires the recognition of impairment allowances based on ECL rather than only incurred credit losses as is the case under MFRS 139. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, lease receivables, loan commitments, financial guarantee contracts and other loan commitments.

The Group and the Company's accounting policy of financial assets are included in Note 2.4 (h).

The impact of applying MFRS 9 on impairment as at 1 January 2023 is as follows:

The following table reconciles the closing impairment allowance under MFRS 139 as at 31 December 2022 with the opening loss allowance under MFRS 9 as at 1 January 2023.

Group/Company	31.12.2022 (As previously stated) MFRS 139 RM'000	Remeasurement RM'000	01.01.2023 MFRS 9 RM'000
Financial Assets			
FVTPL			
Equities*	105,007	(105,007)	-
FVOCI			
Debt securities	-	1,070	1,070
	105,007	(103,937)	1,070

* This relates to the derecognition of impairment due to significant and prolonged decline in the fair value of AFS equities instrument.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Standards, amendments to published standards and interpretations to existing standards that are applicable and relevant to the Group and the Company (continued)

(c) Impact of transition to MFRS 17 and MFRS 9 on reserves and retained earnings.

The following table summaries the impact, net of tax, of transition to MFRS 17 and MFRS 9 on the opening reserves and retained earnings. There is no impact on other components of equity.

Group	AFS/ FVOCI reserve RM'000	Insurance/ reinsurance finance reserve RM'000	Total reserves RM'000	Retained earnings RM'000	Total Equity RM'000
Impact under MFRS 9					
Closing balance under MFRS 139 at 31 December 2022	(5,316)	-	(5,316)	996,129	990,813
Reclassification of investment in equity instruments from AFS to FVTPL	(7,337)	-	(7,337)	7,192	(145)
Reclassification of investment in debt securities from FVTPL to FVOCI	(319)	-	(319)	319	-
Reclassification of investment in debt securities from HTM to FVOCI	6,655	-	6,655	-	6,655
Deferred tax in relation to MFRS 9 adoption	18	-	18	(1,757)	(1,739)
Recognition of MFRS 9 ECL for investment in debt securities measured at FVOCI	516	-	516	(516)	-
Impact of MFRS 17 adoption	-	(22,997)	(22,997)	(40,043)	(63,040)
Opening balance under MFRS 9 at 1 January 2023	(5,783)	(22,997)	(28,780)	961,324	932,544
Impact under MFRS 17					
Closing balance under MFRS 4 at 31 December 2021	40,416	-	40,416	912,656	953,072
Impact of initial adoption of MFRS 17	-	(46,388)	(46,388)	4,862	(41,526)
Deferred tax in relation to MFRS 17 adoption	-	9,278	9,278	(973)	8,305
Opening balance under MFRS 17 at 1 January 2022	40,416	(37,110)	3,306	916,545	919,851

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Standards, amendments to published standards and interpretations to existing standards that are applicable and relevant to the Group and the Company (continued)

(c) Impact of transition to MFRS 17 and MFRS 9 on reserves and retained earnings. (continued)

The following table summaries the impact, net of tax, of transition to MFRS 17 and MFRS 9 on the opening reserves and retained earnings. There is no impact on other components of equity. (continued)

Company	AFS/ FVOCI reserve RM'000	Insurance/ reinsurance finance reserve RM'000	Total reserves RM'000	Retained earnings RM'000	Total Equity RM'000
Impact under MFRS 9					
Closing balance under MFRS 139 at 31 December 2022	(5,813)	-	(5,813)	996,626	990,813
Reclassification of investment in equity instruments from AFS to FVTPL	(6,840)	-	(6,840)	6,695	(145)
Reclassification of investment in debt securities from FVTPL to FVOCI	(319)	-	(319)	319	-
Reclassification of investment in debt securities from HTM to FVOCI	6,655	-	6,655	-	6,655
Deferred tax in relation to MFRS 9 adoption	18	-	18	(1,757)	(1,739)
Recognition of MFRS 9 ECL for investment in debt securities measured at FVOCI	516	-	516	(516)	-
Impact of MFRS 17 adoption	-	(22,997)	(22,997)	(40,043)	(63,040)
Opening balance under MFRS 9 at 1 January 2023	(5,783)	(22,997)	(28,780)	961,324	932,544
Impact under MFRS 17					
Closing balance under MFRS 4 at 31 December 2021	39,902	-	39,902	913,170	953,072
Impact of initial adoption of MFRS 17	-	(46,388)	(46,388)	4,862	(41,526)
Deferred tax in relation to MFRS 17 adoption	-	9,278	9,278	(973)	8,305
Opening balance under MFRS 17 at 1 January 2022	39,902	(37,110)	2,792	917,059	919,851

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Standards, amendments to published standards and interpretations to existing standards that are applicable and relevant to the Group and the Company (continued)

(d) Overall impact on the statement of financial position

Restatement of comparative
Comparatives have been restated due to the adoption of MFRS 17 and MFRS 9 as disclosed below:

Group	31.12.2022 (As previously stated)	Effect of adoption of MFRS 17 and MFRS 9	01.01.2023 Restated
	RM'000	RM'000	RM'000
ASSETS			
Property, plant and equipment	162,614	-	162,614
Right-of-use assets	10,556	-	10,556
Investment properties	169,430	-	169,430
Intangible assets	44,637	(33,600)	11,037
Financial investments	8,983,213	(340,856)	8,642,357
Reinsurance contract assets	19,237	50,076	69,313
Insurance receivables	20,881	(20,881)	-
Tax recoverable	28,810	-	28,810
Other receivables	29,459	(148)	29,311
Cash and cash equivalents	733,321	-	733,321
TOTAL ASSETS	10,202,158	(345,409)	9,856,749
EQUITY AND LIABILITIES			
Share capital	226,000	-	226,000
Retained earnings	996,129	(34,805)	961,324
Asset revaluation reserve	3,663	-	3,663
AFS reserve	(5,316)	5,316	-
FVOCI reserve	-	(5,783)	(5,783)
Insurance finance reserve	-	(22,854)	(22,854)
Reinsurance finance reserve	-	(143)	(143)
TOTAL EQUITY	1,220,476	(58,269)	1,162,207

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Standards, amendments to published standards and interpretations to existing standards that are applicable and relevant to the Group and the Company (continued)

(d) Overall impact on the statement of financial position (continued)

Restatement of comparative
Comparatives have been restated due to the adoption of MFRS 17 and MFRS 9 as disclosed below: (continued)

Group	31.12.2022 (As previously stated) RM'000	Effect of adoption of MFRS 17 and MFRS 9 RM'000	01.01.2023 Restated RM'000
EQUITY AND LIABILITIES (CONTINUED)			
Insurance contract liabilities	7,934,026	358,801	8,292,827
Lease liabilities	983	-	983
Insurance payables	668,780	(668,780)	-
Other payables	87,742	41,107	128,849
Other financial liabilities	470	-	470
Provision for agency long association benefits	39,888	-	39,888
Deferred tax liabilities	249,793	(18,268)	231,525
TOTAL LIABILITIES	8,981,682	(287,140)	8,694,542
TOTAL EQUITY AND LIABILITIES	10,202,158	(345,409)	9,856,749

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Standards, amendments to published standards and interpretations to existing standards that are applicable and relevant to the Group and the Company (continued)

(d) Overall impact on the statement of financial position (continued)

Restatement of comparative
Comparatives have been restated due to the adoption of MFRS 17 and MFRS 9 as disclosed below: (continued)

Company	31.12.2022 (As previously stated) RM'000	Effect of adoption of MFRS 17 and MFRS 9 RM'000	01.01.2023 Restated RM'000
ASSETS			
Property, plant and equipment	162,614	-	162,614
Right-of-use assets	10,556	-	10,556
Investment properties	169,430	-	169,430
Intangible assets	44,637	(33,600)	11,037
Financial investments	8,986,602	(340,856)	8,645,746
Reinsurance contract assets	19,237	50,076	69,313
Insurance receivables	20,881	(20,881)	-
Tax recoverable	28,810	-	28,810
Other receivables	29,446	(148)	29,298
Cash and cash equivalents	727,768	-	727,768
TOTAL ASSETS	10,199,981	(345,409)	9,854,572
EQUITY AND LIABILITIES			
Share capital	226,000	-	226,000
Retained earnings	996,626	(35,302)	961,324
Asset revaluation reserve	3,663	-	3,663
AFS reserve	(5,813)	5,813	-
FVOCI reserve	-	(5,783)	(5,783)
Insurance finance reserve	-	(22,854)	(22,854)
Reinsurance finance reserve	-	(143)	(143)
TOTAL EQUITY	1,220,476	(58,269)	1,162,207

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Standards, amendments to published standards and interpretations to existing standards that are applicable and relevant to the Group and the Company (continued)

(d) Overall impact on the statement of financial position (continued)

Restatement of comparative
Comparatives have been restated due to the adoption of MFRS 17 and MFRS 9 as disclosed below: (continued)

Company	31.12.2022 (As previously stated)	Effect of adoption of MFRS 17 and MFRS 9	01.01.2023 Restated
	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES (CONTINUED)			
Insurance contract liabilities	7,933,215	358,801	8,292,016
Lease liabilities	983	-	983
Insurance payables	668,780	(668,780)	-
Other payables	86,846	41,107	127,953
Provision for agency long association benefits	39,888	-	39,888
Deferred tax liabilities	249,793	(18,268)	231,525
TOTAL LIABILITIES	8,979,505	(287,140)	8,692,365
TOTAL EQUITY AND LIABILITIES	10,199,981	(345,409)	9,854,572

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Standards, amendments to published standards and interpretations to existing standards that are applicable and relevant to the Group and the Company (continued)

(e) The Group and the Company will apply the new standards, amendments to published standards and interpretations that are issued but not yet effective in the following financial years:

Financial year beginning after 1 January 2024

- Amendments to MFRS 7 and MFRS 107, New disclosures for supplier finance arrangements
- Amendments to MFRS 121 on Lack of Exchangeability
- Amendments to MFRS 16 on Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, Classification of liabilities as current or non-current and Non-current liabilities with covenant

The adoption of these amendments will not have material impact to the Company in future periods.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Group and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. These factors could include:

(a) Critical judgements in applying the Group and the Company's accounting policies

In determining and applying accounting policies, judgement is often required in respect of items where the choice of specific policy could materially affect the reported results and financial position of the Group and the Company. However, the Directors are of the opinion that there are currently no accounting policies which require significant judgement to be exercised.

(b) Key sources of estimation, uncertainty and assumptions

The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

<u>Valuation of insurance and reinsurance contract liabilities</u>

Fulfilment cash flows that comprise:
- Estimates of future cash flows;
- An adjustment to reflect the time value of money and the financial risks related to future cash flows, to the extent that the financial risks are not included in the estimates of future cash flows; and
- A risk adjustment for non-financial risk.

The CSM represents the unearned profit the Company will recognise as it provides insurance contract services in the future. The CSM is released in each reporting period for an amount recognised in profit or loss to reflect the insurance contract services provided under the group of insurance contracts in that period.

Summary of accounting policies and assumptions adopted for the valuation of liabilities can be found in Note 2.4 and Note 29b. Additionally, sensitivity of reported financial position to key assumptions is disclosed in Note 29d.

.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Significant Accounting Judgements, Estimates and Assumptions (continued)

(b) Key sources of estimation, uncertainty and assumptions (continued)

Consolidation of investment in collective investment schemes

The Company assesses the requirements under MFRS 10 – Consolidated Financial Statements and accounting policies in Note 2.4 on its investments in collective investment schemes as at 31 December 2023. The considerations on which the Company assesses control over its investment in collective investment schemes (covering both wholesale or retail funds) include but not limited to the following:

- whether the Company, being the unit holder, has the practical ability to summon for a unitholders' meeting or any other alternative mechanism to remove the Trustee or the Manager of the collective investment schemes;
- whether the Company has the ability to change the investment objectives / mandates of the collective investment schemes to affect the collective investment schemes' investment strategies and returns;
- any rights arising from other contractual arrangements; and
- whether the Company is exposed to, or has rights to variable returns from its investment in collective investment schemes.

The Company's assessment and conclusion on whether the Company has control over collective investment schemes are included in Note 8 to the financial statements.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Material Accounting Policies

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, and the relevant activities are directed by means of contractual arrangements. The Company has determined that the investment in structured securities, such as unit trust investments that the Company has interests in are structured entities.

(ii) Change in ownership interest in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. The difference between fair value of any consideration paid and relevant shares equivalent of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(b) Investment in subsidiaries

In the Company's separate financial statements, investments in subsidiaries (including structured entities) are carried at fair value in accordance with MFRS 9: Financial Instrument. On disposal of investment in subsidiaries, the difference between the disposal proceeds and the carrying amounts of the investment is recognised in the profit or loss.

(c) Business combination

The purchase method of accounting is used to account for business combinations. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the Company's share of the identifiable net assets acquired at the date of acquisition is reflected as goodwill. If the cost of acquisition is less than fair value of the acquired net assets, the difference is recognised directly in the profit or loss.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Material Accounting Policies (continued)

(d) Property, plant and equipment

Property, plant and equipment are initially stated at cost. Land and buildings are subsequently shown at fair value less accumulated depreciation and impairment losses. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the assets, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when 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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Surpluses arising on revaluation are credited to revaluation reserve. Any deficit arising from revaluation is charged against the revaluation reserve to the extent of a previous surplus held in the revaluation reserve for the same asset. In all other cases, a decrease in carrying amount is charged to profit or loss.

Freehold land is not depreciated as it has an infinite life. Depreciation is provided so as to write off the cost of other property, plant and equipment on a straight line basis to their residual values over the expected useful lives of the assets. The expected useful lives of the assets are summarised as follows:

Motor vehicles	5 years
Office equipment, furniture and fittings	10 years
Computer equipment	4 years
Renovation	10 years
Leasehold land	Lease period ranging from 63 to 914 years
Leasehold buildings	Lease period subject to a maximum of 50 years
Freehold buildings	50 years

Depreciation on assets under construction commences when the assets are ready for their intended use. Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of each reporting year.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Material Accounting Policies (continued)

(e) Investment properties

Investment properties, comprising principally land and buildings, are held for long-term rental yields or for capital appreciation or both, and are not occupied by the Group and the Company.

Investment properties are initially stated at cost including related and incidental expenditure incurred, and are subsequently carried at fair value, representing open market value determined by independent professional valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The fair values of investment properties are reviewed annually by an independent professional valuer. Valuations are performed as of the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. Changes in fair values are recognised in profit or loss.

Right-of-use assets that meet the definition of investment property in accordance with MFRS 140 is presented in the statement of financial position as investment property. Subsequent measurement of the right-of-use asset is consistent with those investment properties owned by the Group and the Company.

(f) Intangible assets

All intangible assets are stated at cost less accumulated amortisation and impairment losses.

The intangible assets mainly consist of computer software. Where computer software is not an integral part of a related item of computer hardware, the software is treated as an intangible asset. Capitalised internal-use software costs include external direct costs of materials and services consumed in developing or obtaining the software, payroll and payroll-related costs for employees who are directly associated with and who devote substantial time to the project. These costs are amortised over their expected useful life of 4 years on a straight-line basis, with the useful lives being reviewed annually.

Depreciation on assets under construction commences when the assets are ready for their intended use.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Material Accounting Policies (continued)

(g) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment.

Assets that are subject to amortisation are reviewed for impairment losses, whenever events or changes in circumstances indicate that the carrying amount may be impaired. An impairment loss is recognised for the amount by which the carrying value of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and the value in use. Recoverable amount is estimated for an individual asset, or, if it is not possible, for the cash-generating unit. Assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

A subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

(h) Financial instruments

(i) Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group and the Company become a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on the trade date (that is, the date on which the Company commits to purchase or sell the asset).

At initial recognition, the Group and the Company measure a financial asset or financial liability at its fair value, plus or minus (in the case of a financial asset or financial liability not at fair value through profit or loss ("FVTPL") transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance is recognised for financial assets measured at AC and investments in debt instruments measured at fair value through other comprehensive income.

(ii) Financial Asset classification and subsequent measurement

a) Debt Instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer’s perspective, such as government and corporate bonds. The debt instruments depend on the Group and the Company’s business model test and the contractual cashflow characteristics of the assets (SPPI test). If the debt instrument meets both the business model test and the SPPI test, the debt instruments shall be measured at FVOCI. The debt instrument will be initially recorded at fair value and transaction costs are expensed in the profit or loss. Subsequent to initial recognition, these investments are re-measured at fair value.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Material Accounting Policies (continued)

(h) Financial instruments (continued)

(ii) Financial Asset classification and subsequent measurement (continued)

a) Debt Instruments (continued)

All fair value adjustments are recognised through OCI. Debt instruments at FVOCI are subject to impairment assessment. Debt instruments that are held for trading or are managed on a fair value basis (including derivatives) will be classified as FVTPL. Such financial assets do not meet the business model test as well as the contractual cashflow characteristics test. These investments are initially recorded at fair value and transaction costs are expensed in the profit or loss. Subsequent to initial recognition, these investments are remeasured at fair value. All subsequent fair value adjustments are recognised through profit or loss.

Nonetheless, debt instruments which meets the requirements to be either measured at FVOCI, may irrevocably be designated to FVTPL on initial recognition, when such designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. The Group and the Company classify debt instruments as financial assets at FVOCI, except for financial assets for investment-linked funds which remains as FVTPL.

b) Equity

Equity are instruments that meet the definition of equity from the issuer’s perspective (that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer’s net assets).

The Group and the Company subsequently measures all equity investments, including real estate investment trust and unit trust funds at FVTPL. Gains and losses on equity investments at FVTPL are included in the line ‘Net gains on FVTPL investments’ in the statement of profit or loss.

c) Financial Assets at Amortised Cost

A financial asset is measured at amortised cost if the business model is to hold the asset in order to collect contractual cash flows, and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal. Financial assets at amortised cost are subsequently measured using the effective interest rates and are subject to impairment assessment. The Group and the Company classified loans and receivables as financial assets measured at amortised cost.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Material Accounting Policies (continued)

(h) Financial instruments (continued)

(iii) Impairment of financial instruments

Under MFRS 9, impairment will be measured on each reporting date according to a three-stage ECL impairment model:

Stage 1: 12-month ECL

For financial assets that have no significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the 12-month ECL that results from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months) will be recognised in profit or loss.

Stage 2: Lifetime ECL - Non-credit impaired

For financial assets that have significant increase in credit risks since initial recognition but do not have objective evidence of impairment, a lifetime ECL that results from all possible default events over the expected life of the financial assets will be recognised in profit or loss. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group and the Company is exposed to credit risk.

Stage 3: Impairment - Credit impaired

Financial assets are assessed as credit impaired when one or more events that have detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that are credit impaired, impairment will be recognised in profit or loss.

The assessment of credit risk and the estimation of ECL are required to be unbiased, probability-weighted and should incorporate all available information which is relevant to the assessment, including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL should also take into account the time value of money.

The Group and the Company used the general approach to measure loss allowances for the following:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Material Accounting Policies (continued)

(h) Financial instruments (continued)

(iii) Impairment of financial instruments (continued)

The Group and the Company considered debt security to have low credit risk when its credit risk rating is a minimum base rating of “BBB”. The Group and the Company also considered all government issued or government guaranteed debt securities to have low credit risk. The Group and the Company’s fixed deposits with licensed banks are also assessed to have low credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group and the Company considered reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group and the Company’s historical experience and informed credit assessment and including forward-looking information.

A significant increase in credit risk since inception may occur in the following:
a) if the financial assets are 30 days past due;
b) in the case of corporate debt securities, if there is a significant deterioration of credit risk rating by 2 ranks from the initial purchase or contract date; or
c) significant increase in bond yields due to market’s assessment of creditworthiness of those investments.

At each reporting date, the Group and the Company assessed whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer, such as lawsuits of similar actions that threaten the financial viability of the counterparty;
- a breach of contract such as a default or being more than 90 days past due;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The simplified approach impairment recognition allows for loss allowance to be recognised based on expected lifetime ECL, without considering credit risk. Loss allowances for trade and other receivables, with no financing component, are always measured at an amount equal to lifetime ECLs.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Material Accounting Policies (continued)

(h) Financial instruments (continued)

(iii) Impairment of financial instruments (continued)

ECL is a probability weighted estimate of credit losses over the expected life of a financial asset. The estimated ECL incorporates time value of money and considers historical data, current conditions and forecasts of future economic conditions.

The Group and the Company measured the ECL on an individual basis for debts securities that are deemed significant. When estimating ECL, the Group and the Company considered the probability of default (“PD”), loss given default (“LGD”) and the exposure at default (“EAD”).

$$ECL = PD \times LGD \times EAD$$

PD represents the likelihood of a borrower defaulting on its financial obligation at the time of default, either over the next 12 months, or over the remaining lifetime of the obligation. Multi-year PDs (of up to 30 years) are generated, based on proprietary and publicly available ratings data, using statistical methods. PDs representing different economic scenarios are projected, allowing the Group and the Company to consider a range of possible outcomes as required under MFRS 9. If a counterparty of exposure migrates between rating classes, this will lead to a change in the estimate of the associated PD.

LGD is the estimated magnitude of the likely loss if there is a default, based on statistical method. LGD is expressed as a percentage per loss per unit of exposure at the time of default and varies by type and seniority of claims, availability of collateral, geographical location and industry of borrower and existing market conditions.

EAD represents the expected exposure in the event of a default. The EAD of a financial asset is its gross carrying amount.

The PDs and LGDs are then applied accordingly to the carrying value of financial assets (debt securities at FVOCI) to obtain an ECL.

As the Group and the Company measured ECL on a collective basis, the financial assets are grouped based on shared characteristics such as credit risk rating, type of financial asset, and etc. Forward looking information and key economic variables are considered while assessing the change in credit risk of an instrument. These economic variables and their associated impact on PD, LGD and EAD vary by financial instruments. Some of the key macroeconomics factors incorporated into the ECL estimation include Gross Domestic Product, current and future interest rates environment.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Material Accounting Policies (continued)

(h) Financial instruments (continued)

(iv) Derecognition of financial assets

The Group and the Company derecognised a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group and the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of financial assets in its entirety, other than for equity instruments which are FVOCI, all gains and losses, (difference between the carrying amount and the sum of consideration received or receivable), if any, is recognised in the profit or loss. Accumulated fair value gains and losses on debt securities at FVOCI which were recognised within OCI will be reclassified from OCI to profit or loss; whilst accumulated fair value gains and losses on equity instruments at FVOCI which were recognised within OCI are directly transferred to retained earnings.

(v) Fair value of financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the date of the statement of financial position.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Material Accounting Policies (continued)

(h) Financial instruments (continued)

(v) Fair value of financial instruments (continued)

For investments in unit and real estate investment trusts, fair value is determined by reference to published bid values.

For financial instruments where there is not an active market, the fair value is determined by using valuation techniques. Such techniques include using recent arm's length transactions, reference to the current market value of another instrument which is substantially the same, discounted cash flow analysis and/or option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs. For discounted cash flow techniques, estimated future cash flows are based on management's best estimates and the discount rate used is a market related rate for a similar instrument.

Certain financial instruments are valued using pricing models that consider, among other factors, contractual and market prices, co-relation, time value of money, credit risk, yield curve volatility factors and/or prepayment rates of the underlying positions. The use of different pricing models and assumptions could produce materially different estimates of fair values.

The fair value of floating rate and over-night deposits with financial institutions is their carrying value. The carrying value is the cost of the deposit/placement and accrued interest/profit. The fair value of fixed interest/yield-bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the date of the statement of financial position.

If investments in equity instruments do not have quoted market price in an active market and whose fair value cannot be measured reliably, these financial instruments are measured at cost, being the fair value of the consideration paid for the acquisition of the instrument or the amount received on issuing the financial liability. All transaction costs directly attributable to the acquisition of financial assets are also included in the cost of the financial assets except for FVTPL financial assets, where the transaction cost are expensed in profit or loss as they are incurred.

The carrying values of financial assets and financial liabilities with maturity period of less than one year are assumed to approximate their fair values.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Material Accounting Policies (continued)

(i) Insurance contracts

The Group and the Company issue contracts that transfer mainly insurance risk.

Insurance risk is the risk other than 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 variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Insurance contracts are those contracts that transfer significant insurance risk. An insurance contract is a contract under which the Group and the Company (the insurer) have accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. Such contracts may also transfer financial risk. As a general guideline, the Group and the Company determine whether they have significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur.

Investment contracts are those contracts that do not transfer significant insurance risk. Currently, the Group and the Company do not issue any investment contracts.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its life-time, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expired.

Insurance contracts are further classified as being either with or without discretionary participation features (“DPF”). An insurance contract with direct participation features is defined by the Group and the Company as one which, at inception, meets the following criteria:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the Group and the Company expect to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the Group and the Company expect a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

These criteria are assessed at inception, and they are not reassessed in subsequent periods, unless the contract is modified. The variability in the cash flows is assessed over the expected duration of a contract. The duration of a contract takes into account all cash flows within the contract boundary.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Material Accounting Policies (continued)

(i) Insurance contracts (continued)

The Group and the Company use judgement to assess whether the amounts expected to be paid to the policyholder constitute a substantial share of the fair value returns on the underlying items. Participating and Investment-Linked contracts typically satisfy the aforementioned criteria.

The assessment of whether an insurance contract meets these three criteria is made at inception of the contract and not revised subsequently, except in case of a substantial modification of the contract.

(i) Unit of account

The Group and the company manage insurance contracts issued by product lines of similar risk nature. All insurance contracts within a product line represent a portfolio of contracts. Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts) and are (i) contracts that are onerous at initial recognition; (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or (iii) a group of remaining contracts. These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. Such groups are not subsequently reconsidered.

For each portfolio of contracts, the Group and the Company determine the appropriate level at which reasonable and supportable information is available to assess whether these contracts are onerous at initial recognition and whether non-onerous contracts have a significant possibility of becoming onerous. This level of granularity determines sets of contracts. The Group and the Company use significant judgement to determine at what level of granularity they have reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment.

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Group and the Company aggregate reinsurance contracts held concluded within a calendar year (annual cohorts) into groups of contracts for which there is a net gain at initial recognition, if any.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Material Accounting Policies (continued)

(i) Insurance contracts (continued)

(ii) Recognition and derecognition

Groups of insurance contracts issued are initially recognised from the earliest of the following:
- the beginning of the coverage period;
- the date when the first payment from the policyholder is due or actually received, if there is no due date; and
- when the Group and the Company determine that a group of contracts becomes onerous.

A group of reinsurance contracts held that covers the losses of separate insurance contracts on a proportionate basis (proportionate or quota share reinsurance) is recognised at the later of:
- the beginning of the coverage period of the group; or
- the initial recognition of any underlying insurance contract.

The Group and the Company do not recognise a group of quota share reinsurance contracts held until they have recognised at least one of the underlying insurance contracts.

A group of reinsurance contracts held that covers aggregate losses from underlying contracts in excess of a specified amount (non-proportionate reinsurance contracts, such as excess of loss reinsurance) is recognised at the beginning of the coverage period of that group.

Only contracts that meet the recognition criteria by the end of the reporting period are included in the groups. When contracts 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.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Material Accounting Policies (continued)

(i) Insurance contracts (continued)

(ii) Recognition and derecognition (continued)

Accounting for contract modification and derecognition

An insurance contract is derecognised when it is:
- extinguished (i.e. when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- the contract is modified and certain additional criteria are met.

When an insurance contract is modified by the Group and the Company as a result of an agreement with the counterparties or due to a change in regulations, they treat changes in cash flows caused by the modification as changes in estimates of the FCF, unless the conditions for the derecognition of the original contract are met. The Group and the Company derecognise the original contract and recognise the modified contract as a new contract if any of the following conditions are present:
a) if the modified terms had been included at contract inception and the Group and the Company would have concluded that the modified contract:
   i) is not in scope of MFRS 17;
   ii) results in different separable components;
   iii) results in a different contract boundary; or
   iv) belongs to a different group of contracts;
b) the original contract represents an insurance contract with direct participation features, but the modified contract no longer meets that definition, or vice versa; or
c) the original contract was accounted for under the premium allocation approach. However, the modification means that the contract no longer meets the eligibility criteria for that approach.

The Premium Allocation Approach (“PAA”) is a simplified approach for the measurement of the liability of remaining coverage an entity may choose to use when the PAA provides a measurement which is not materially different from that under the GMM or if the coverage period of each contract in the group of insurance contracts is one year or less. Under the PAA, the liability for remaining coverage is measured as the amount of premiums received net of acquisition cash flows paid, less the net amount of premiums 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.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Material Accounting Policies (continued)

(i) Insurance contracts (continued)

(ii) Recognition and derecognition (continued)

Accounting for contract modification and derecognition (continued)

When an insurance contract not accounted for under the PAA is derecognised from within a group of insurance contracts, the Group and the Company:

a) Adjusts the FCF to eliminate the present value of future cash flows and risk adjustment for non-financial risk relating to the rights and obligations removed from the group.
b) Adjusts the CSM (unless the decrease in the FCF is allocated to the loss component of the LFRC of the group) in the following manner, depending on the reason for the derecognition:
    i) If the contract is extinguished, in the same amount as the adjustment to the FCF relating to future service.
    ii) If the contract is transferred to a third party, in the amount of the FCF adjustment in (a) less the premium charged by the third party.
    iii) If the original contract is modified resulting in its derecognition, in the amount of the FCF adjustment in (a) adjusted for the premium the Group and the Company would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification. When recognising the new contract in this case, the Group and the Company assume such a hypothetical premium as actually received.
c) Adjusts the number of coverage units for the expected remaining coverage to reflect the number of coverage units removed.

When an insurance contract accounted for under the PAA is derecognised, adjustments to the FCF to remove relating rights and obligations and account for the effect of the derecognition result in the following amounts being charged immediately to profit or loss:

a) if the contract is extinguished, any net difference between the derecognised part of the LFRC of the original contract and any other cash flows arising from extinguishment;
b) if the contract is transferred to the third party, any net difference between the derecognised part of the LFRC of the original contract and the premium charged by the third party;
c) if the original contract is modified resulting in its derecognition, any net difference between the derecognised part of the LFRC and the hypothetical premium the entity would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Material Accounting Policies (continued)

(i) Insurance contracts (continued)

(iii) Measurement

a) Fulfilment cash flows

Fulfilment cash flows within contract boundary

The FCF are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Group and the Company expect to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows:
i) are based on a probability weighted mean of the full range of possible outcomes;
ii) are determined from the perspective of the Group and the Company, provided the estimates are consistent with observable market prices for market variables; and
iii) reflect conditions existing at the measurement date.

These cash flows comprise:
- premiums and any other costs specifically chargeable to the policyholders under the terms of the contract;
- payments to (or on behalf of) policyholders, including claim payments to policyholder, claims that have already been reported but not yet paid, incurred claims for occurred events but for which claims have not been reported, future claims for which the Company has a substantive obligation and payments that vary on the return of the underlying items;
- insurance acquisition costs arise from the costs of selling, underwriting, and starting a group of insurance contracts that are directly attributable to the portfolio of insurance contracts to which the group belongs;
- claims handling, policy administrative, and maintenance costs;
- costs that the company will incur in performing investment activities, providing investment-return service to policyholders of insurance contracts without direct participation feature, and providing investment-related service to policyholders of insurance contracts with direct participation features;
- transaction-based taxes and levies that arise directly from existing insurance contracts, or that can be attributed to them on a reasonable and consistent basis; and
- payments by the insurer in a fiduciary capacity to meet tax obligations incurred by the policyholder, and related receipts.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Material Accounting Policies (continued)

(i) Insurance contracts (continued)

(iii) Measurement (continued)

a) Fulfilment cash flows (continued)

Fulfilment cash flows within contract boundary (continued)

In the measurement of reinsurance contracts held, the estimates of the present value of future cash flows include the potential credit losses and other disputes of the reinsurer to reflect the non-performance risk of the reinsurer.

The Company estimates certain FCF at the portfolio level or higher and then allocates such estimates to groups of contracts.

The Company uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts held and such estimates for the groups of underlying insurance contracts.

Contract boundary

The Group and the Company use the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts.

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Group and the Company have a substantive obligation to provide the policyholder with insurance coverage or other services. A substantive obligation ends when:

i) the Group and the Company have the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or
ii) both of the following criteria are satisfied:
   a. the Group and the Company have the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and
   b. the pricing of premiums related to coverage to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Group and the Company that exist during the reporting period in which they are compelled to pay amounts to the reinsurer or in which the Group and the Company have a substantive right to receive services from the reinsurer.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Material Accounting Policies (continued)

(i) Insurance contracts (continued)

(iii) Measurement (continued)

a) Fulfilment cash flows (continued)

Contract boundary (continued)

Cash flows that are not directly attributable to a portfolio of insurance contracts, such as some product development and training costs, are recognised in other operating expenses as incurred.

Insurance acquisition costs

The Group and the Company include the following acquisition cash flows within the insurance contract boundary that arise from selling, underwriting and starting a group of insurance contracts and that are:

i) costs directly attributable to individual contracts and groups of contracts; and
ii) costs directly attributable to the portfolio of insurance contracts to which the group belongs, which are allocated on a reasonable and consistent basis to measure the group of insurance contracts.

Discount Rates

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation

A bottom-up approach is adopted to determine the discount rates. Specifically, risk free rates are constructed from Malaysian Government Securities (MGS). Illiquidity adjustment (where applicable) is based on the spread of reference portfolio, suitably corrected for credit loss. Methodology is detailed below in Note 29b below.

The Company applies the OCI option where the impact of changes in discount rates is recognised in OCI. Measurement of FCF in the statement of financial position is based on current interest rates. The interest rates applied to recognise the insurance finance income or expense in the statement of profit or loss is based on locked-in interest rates determined at initial recognition.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Material Accounting Policies (continued)

(i) Insurance contracts (continued)

(iii) Measurement (continued)

a) Fulfilment cash flows (continued)

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk reflects the compensation the Group and the Company require for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as they fulfil insurance contracts. For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group and the Company to the reinsurer. The cost of capital method was used to derive the overall risk adjustment for non-financial risk.

Specifically, the risk adjustment is determined by applying a cost rate to the present value of projected capital relating to non-financial risk. The cost rate is set at 6% per annum, representing the return required to compensate for the exposure to non-financial risk. The capital is determined based on internal capital requirements applicable to the Group and the Company as it is projected in line with the run-off of the business.

The resulting amount of the calculated risk adjustment corresponds to the confidence level of 86% (2022: 85%). The methods and assumptions used to determine the risk adjustment for non-financial risk were not changed in 2022 and 2023.

Contractual service margin

The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Company will recognise as it provides insurance contract services in the future.

At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous or insurance revenue and insurance service expenses are recognised as in (d) below) arising from:
i) the initial recognition of the FCF;
ii) cash flows arising from the contracts in the group at that date;
iii) the derecognition of any insurance acquisition cash flows asset; and
iv) the derecognition of any other pre-recognition cash flows. Insurance revenue and insurance service expenses are derecognised immediately for any such assets derecognised.

When the above calculation results in a net outflow, the group of insurance contracts issued is onerous. A loss from onerous insurance contracts is recognised in profit or loss immediately, with no CSM recognised on the statement of financial position on initial recognition, and a loss component is established in the amount of loss recognised.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Material Accounting Policies (continued)

(i) Insurance contracts (continued)

(iii) Measurement (continued)

b) Initial measurement - Groups of contracts not measured under the PAA

Contractual service margin (continued)

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Group and the Company recognise the net cost immediately in profit or loss. For reinsurance contracts held, the CSM represents a deferred gain or loss that the Group and the Company recognise as a reinsurance expense as it receives reinsurance coverage in the future.

Investment Component

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

Investment-linked, participating, and non-participating contracts that have explicit surrender values are determined as contracts that contain investment components. The investment component excluded from insurance revenue and insurance service expenses is determined as the surrender value specified in the contractual terms.

c) Subsequent measurement - Groups of contracts not measured under the PAA

The carrying amount at the end of each reporting period of a group of insurance contracts issued at the is the sum of:

i) the LFRC, comprising:
   a. the FCF related to future service allocated to the group at that date; and
   b. the CSM of the group at that date; and
ii) the LFIC, comprising the FCF related to past service allocated to the group at the reporting date.

The carrying amount at the end of each reporting period of a group of reinsurance contracts held is the sum of:

i) the remaining coverage, comprising:
   a. the FCF related to future service allocated to the group at that date; and
   b. the CSM of the group at that date; and
ii) the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Material Accounting Policies (continued)

(i) Insurance contracts (continued)

(iii) Measurement (continued)

c) Subsequent measurement - Groups of contracts not measured under the PAA (continued)

Changes in fulfilment cash flows

The FCF are updated by the Group and the Company for current assumptions at the end of every reporting period, using the current estimates of the amount, timing and uncertainty of future cash flows and of discount rates.

The way in which the changes in estimates of the FCF are treated depends on which estimate is being updated:

i) changes that relate to current or past service are recognised in profit or loss; and
ii) changes that relate to future service are recognised by adjusting the CSM or the loss component within the LFRC as per the policy below.

For insurance contracts under the GMM, the following adjustments relate to future service and thus adjust the CSM:

i) experience adjustments arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows and premium-based taxes;
ii) changes in estimates of the present value of future cash flows in the LFRC, except those described in the following paragraph;
iii) differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period; and
iv) changes in the risk adjustment for non-financial risk that relate to future service.

Adjustments i) - ii) and iv) are measured using the locked-in discount rates as described in the section Interest accretion on the CSM below.

For insurance contracts under the GMM, the following adjustments do not relate to future service and thus do not adjust the CSM:

i) changes in the FCF for the effect of the time value of money and the effect of financial risk and changes thereof;
ii) changes in the FCF relating to the LFIC; and
iii) experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Material Accounting Policies (continued)

(i) Insurance contracts (continued)

(iii) Measurement (continued)

c) Subsequent measurement - Groups of contracts not measured under the PAA (continued)

Changes in fulfilment cash flows (continued)

For insurance contracts under the VFA, the following adjustments relate to future service and thus adjust the CSM:

i) changes in the Group and the Company's share of the fair value of the underlying items; and
ii) changes in the FCF that do not vary based on the returns of underlying items:
   a. changes in the effect of the time value of money and financial risks including the effect of financial guarantees;
   b. experience adjustments arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows and premium-based taxes;
   c. changes in estimates of the present value of future cash flows in the LFRC, except those described in the following paragraph;
   d. differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period; and
   e. changes in the risk adjustment for non-financial risk that relate to future service.
   Adjustments b.-e. are measured using the current discount rates.

For insurance contracts under the VFA, the following adjustments do not relate to future service and thus do not adjust the CSM:

i) changes in the obligation to pay the policyholder the amount equal to the fair value of the underlying items;
ii) changes in the FCF that do not vary based on the returns of underlying items:
   a. changes in the FCF relating to the LFIC; and
   b. experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

The Group and the Company do not have any products with complex guarantees and does not use derivatives to economically hedge the risks.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Material Accounting Policies (continued)

(i) Insurance contracts (continued)

(iii) Measurement (continued)

c) Subsequent measurement - Groups of contracts not measured under the PAA (continued)

<u>Changes to the contractual service margin</u>

For insurance contracts issued, at the end of each reporting period (which the Group and the Company define as three-month interim), the carrying amount of the CSM is adjusted by the Group and the Company to reflect the effect of the following changes:

i) The effect of any new contracts added to the group.
ii) For contracts measured under the GMM, interest accreted on the carrying amount of the CSM.
iii) Changes in the FCF relating to future service are recognised by adjusting the CSM. Changes in the FCF are recognised in the CSM to the extent the CSM is available. When an increase in the FCF exceeds the carrying amount of the CSM, the CSM is reduced to zero, the excess is recognised in insurance service expenses and a loss component is recognised within the LFRC. When the CSM is zero, changes in the FCF adjust the loss component within the LFRC with correspondence to insurance service expenses. The excess of any decrease in the FCF over the loss component reduces the loss component to zero and reinstates the CSM.
iv) The effect of any currency exchange differences.
v) The amount recognised as insurance revenue for services provided during the period determined after all other adjustments above.

For a group of reinsurance contracts held, the carrying amount of the CSM at the end of each reporting period is adjusted to reflect changes in the FCF in the same manner as a group of underlying insurance contracts issued, except that when underlying contracts are onerous and thus changes in the underlying FCF related to future service are recognised in insurance service expenses by adjusting the loss component, respective changes in the FCF of reinsurance contracts held are also recognised in the insurance service result.

Interest accretion on the CSM

Under the GMM, interest is accreted on the CSM using discount rates determined at initial recognition that are applied to nominal cash flows that do not vary based on the returns of underlying items (locked-in discount rates). If more contracts are added to the existing groups in the subsequent reporting periods, the Group and the Company revise the locked-in discount curves by calculating Annualized Premium Equivalent (APE) weighted-average discount curves over the period that contracts in the group are issued.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Material Accounting Policies (continued)

(i) Insurance contracts (continued)

(iii) Measurement (continued)

c) Subsequent measurement - Groups of contracts not measured under the PAA (continued)

Changes to the contractual service margin (continued)

Adjusting the CSM for changes in the FCF relating to future service

The CSM is adjusted for changes in the FCF measured applying the discount rates as specified above in the Changes in fulfilment cash flows section.

Release of the CSM to profit or loss

The amount of the CSM recognised in profit or loss for services in the period is determined by considering the quantify of benefits provided under a contract in the specified period relative to its expected coverage duration. Quantity of benefit is measured by coverage units that best presents the underlying insurance service provided by contracts.

For insurance contracts issued, the Group and the Company determine the coverage period for the CSM recognition as the policy coverage for insurance risk.

The total number of coverage units in a group is the quantity of coverage provided by the contracts in the group over the expected coverage period. The coverage units are determined at each reporting period-end prospectively by considering:
- the quantity of benefits provided by contracts in the group;
- the expected coverage duration of contracts in the group; and
- the likelihood of insured events occurring, only to the extent that they affect the expected duration of contracts in the group.

The Group and the Company use the amount that they expect the policyholder to be able to validly claim in each period if an insured event occurs as the basis for the quantity of benefits.

The Group and the Company determine coverage units as follows:
- for Participating contracts, coverage units are determined based on the higher of Sum Assured or Asset Share;
- for Non-Participating contracts, coverage units are based on the fixed coverage benefit (mortality, medical, critical illness, etc.) amounts during the insurance coverage period; and
- for Investment-Linked contracts, coverage units are based on policyholders’ account values, sum-at-risk benefits payable and rider coverage benefit amounts (where applicable);

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Material Accounting Policies (continued)

(i) Insurance contracts (continued)

(iii) Measurement (continued)

c) Subsequent measurement - Groups of contracts not measured under the PAA (continued)

Changes to the contractual service margin (continued)

Release of the CSM to profit or loss (continued)

The Group and the Company do not reflect the time value of money in the allocation of the CSM to coverage units. For reinsurance contracts held, the CSM is released to profit or loss as services are received from the reinsurer in the period.

Coverage units for the proportionate reinsurance contracts are based on the insurance coverage provided by the reinsurer, and they are determined by the ceded policies' fixed face values, taking into account new business projected within the reinsurance contract boundary.

The coverage period for these contracts is determined based on the coverage of all underlying contracts whose cash flows are included in the reinsurance contract boundary.

Onerous contracts *- Loss component*

When adjustments to the CSM exceed the amount of the CSM, the group of contracts becomes onerous and the Group and the Company recognise the excess in insurance service expenses and records it as a loss component of the LFRC.

When a loss component exists, the Group and the Company allocate the following between the loss component and the remaining component of the LFRC for the respective group of contracts, based on the ratio of the loss component to the FCF relating to the expected future cash outflows:
- expected incurred claims and expenses for the period;
- changes in the risk adjustment for non-financial risk for the risk expired; and
- finance income (expenses) from insurance contracts issued.

The amounts of loss component allocation above reduce the respective components of insurance revenue and are reflected in insurance service expenses. Decreases in the FCF in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Increases in the FCF in subsequent periods increase the loss component.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Material Accounting Policies (continued)

(i) Insurance contracts (continued)

(iii) Measurement (continued)

c) Subsequent measurement - Groups of contracts not measured under the PAA (continued)

<u>Changes to the contractual service margin (continued)</u>

Reinsurance *contracts held - Loss-recovery component*

A loss-recovery component is established or adjusted within the asset for remaining coverage for reinsurance contracts held for the amount of income recognised in profit or loss when the Group and the Company recognise a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group. Subsequently, the loss-recovery component is adjusted to reflect changes in the loss component of an onerous group of underlying insurance. The loss-recovery component is further adjusted, if required, to ensure that it does not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Group and the Company expect to recover from the group of reinsurance contracts held. The loss-recovery component determines the amounts that are presented as a reduction of incurred claims recovery from reinsurance contracts held and are consequently excluded from the reinsurance expenses determination.

d) Initial and Subsequent measurement - Groups of contracts measured under the PAA

With the exception for Catastrophe reinsurance treaty, the Group and the Company do not apply PAA measurement model for insurance and reinsurance contracts.

On initial recognition, the Group and the Company measure the remaining coverage as the amount of ceding premiums paid and any amounts arising from the derecognition of the insurance acquisition cash flows liabilities.

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:
i) the remaining coverage; and
ii) the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

At each of the subsequent reporting dates, the remaining coverage is:
i) increased for ceding premiums paid in the period; and
ii) decreased for the expected amounts of ceding premiums recognised as reinsurance expenses for the services received in the period.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Material Accounting Policies (continued)

(i) Insurance contracts (continued)

(iv) Amounts recognised in comprehensive income

a) Insurance service result from insurance contracts issued

Insurance revenue

As the Group and the Company provide services under the group of insurance contracts, it reduces the LFRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration the Group and the Company expect to be entitled to in exchange for those services.

Insurance revenue comprises the following:
Amounts relating to the changes in the LFRC:

i) insurance claims and expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:
   - amounts related to the loss component;
   - repayments of investment components;
   - amounts of transaction-based taxes collected in a fiduciary capacity; and
   - insurance acquisition expenses;
ii) changes in the risk adjustment for non-financial risk, excluding:
   - changes included in insurance finance income (expenses);
   - changes that relate to future coverage (which adjust the CSM); and
   - amounts allocated to the loss component;
iii) amounts of the CSM recognised in profit or loss for the services provided in the period; and
iv) experience adjustments arising from premiums received in the period that relate to past and current service and related cash flows such as insurance acquisition cash flows and premium-based taxes.

Insurance acquisition cash flows recovery is determined by allocating the portion of premiums related to the recovery of those cash flows on the basis of the passage of time over the expected coverage of a group of contracts.

Insurance service expenses

Insurance service expenses include the following:

i) incurred claims and benefits excluding investment components;
ii) other incurred directly attributable insurance service expenses;
iii) amortisation of insurance acquisition cash flows;
iv) changes that relate to past service (i.e. changes in the FCF relating to the LFIC); and changes that relate to future service (i.e. losses/reversals on onerous groups of contracts from changes in the loss components).

Amortisation of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue as described above.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Material Accounting Policies (continued)

(i) Insurance contracts (continued)

(iv) Amounts recognised in comprehensive income (continued)

b) Insurance service result from reinsurance contracts held

Net income (expenses) from reinsurance contracts held

The Group and the Company present financial performance of groups of reinsurance contracts held on a net basis in net income/(expenses) from reinsurance contracts held, comprising the following amounts:
i) reinsurance expenses;
ii) incurred claims recovery;
iii) other incurred directly attributable insurance service expenses;
iv) effect of changes in risk of reinsurer non-performance;
v) for contracts measured under the GMM, changes that relate to future service (i.e. changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts); and
vi) changes relating to past service (i.e. adjustments to incurred claims).

Reinsurance expenses are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received services at an amount that reflects the portion of ceding premiums the Group and the Company expect to pay in exchange for those services.

For contracts not measured under the PAA, reinsurance expenses comprise the following amounts relating to changes in the remaining coverage:
i) insurance claims and other expenses recovery in the period measured at the amounts expected to be incurred at the beginning of the period, excluding repayments of investment components;
ii) changes in the risk adjustment for non-financial risk, excluding:
iii) changes included in finance income (expenses) from reinsurance contracts held; and
iv) changes that relate to future coverage (which adjust the CSM);
v) amounts of the CSM recognised in profit or loss for the services received in the period; and
vi) ceded premium experience adjustments relating to past and current service.

For groups of reinsurance contracts held measured under the PAA, the Group and the Company recognise reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance expenses.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Material Accounting Policies (continued)

(i) Insurance contracts (continued)

(iv) Amounts recognised in comprehensive income (continued)

c) Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:
i) the effect of the time value of money and changes in the time value of money; and
ii) the effect of financial risk and changes in financial risk.

For contracts measured under the GMM, the main amounts within insurance finance income or expenses are:
i) interest accreted on the FCF and the CSM;
ii) the effect of changes in interest rates and other financial assumptions; and
iii) foreign exchange differences arising from contracts denominated in a foreign currency.

For contracts measured under the VFA, the main amounts within insurance finance income or expenses are:
i) changes in the fair value of underlying items;
ii) interest accreted on the FCF relating to cash flows that do not vary with returns on underlying items; and
iii) the effect of changes in interest rates and other financial assumptions on the FCF relating to cash flows that do not vary with returns on underlying items.

The Group and the Company do not disaggregate changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses.

For the contracts measured under the GMM, the effect of changes in the value of money is disaggregated between PL and OCI. However, for the contracts measured using the VFA, no disaggregation is applied (PL option is applied). Choice of presentation was made taking into consideration financial asset classification under MFRS 9.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Material Accounting Policies (continued)

(j) Other revenue recognition

Interest income for all interest-bearing financial instruments including financial instruments measured at FVTPL, are recognised within investment income in profit or loss using the effective interest rate method. When a receivable is impaired, the Group and the Company reduce the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continue unwinding the discount as interest income.

Rental income from investment properties is recognised on an accrual basis.

Dividend income is recognised when the right to receive payment is established.

Gains or losses arising on disposal of investments are credited or charged to profit or loss.

(k) Right-of-use ("ROU") assets

ROU assets are initially measured at cost comprising the following:
- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The Group and the Company apply the fair value model to ROU assets that meet the definition of investment property of MFRS 140 consistent with those investment properties owned by the Group and the Company. Refer to accounting policy Note 2.4 (e) on investment property.

The Group and the Company present ROU assets that meet the definition of investment property in the statement of financial position as investment property. ROU assets that are not investment property are presented as a separate line in the statement of financial position.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Material Accounting Policies (continued)

(l) Income taxes

Current tax expense is determined according to the tax laws of the jurisdiction in which the Group and the Company operate and include all taxes based upon the taxable profits. The tax expense on the Life Fund is based on the method prescribed under the Income Tax Act, 1967 for life insurance business. Current tax is recognised in profit or loss.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purpose and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the date of the statement of financial position and are expected to apply when the related deferred tax assets is realised or the deferred tax liability is settled.

Deferred tax is recognised in profit or loss except when it arises from a transaction which is recognised in other comprehensive income, in which case, the deferred tax is also charged or credited to other comprehensive income.

The Group and the Company presumed investment property measured at fair value will be recovered entirely through sale. Accordingly, deferred tax assets or liabilities arising on such investment property are measured at the tax rate of 8% when the Group and the Company sell the property.

(m) Foreign currencies

Items included in the financial statements of the Group and the Company are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The financial statements are presented in RM, which is the Group and the Company’s functional and presentation currency.

(n) Employee benefits

(i) Short term employee benefits

Wages, salaries, paid annual leave and bonuses are accrued in the financial year in which the associated services are rendered by employees of the Group and the Company.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Material Accounting Policies (continued)

(n) Employee benefits (continued)

(ii) Post-employment benefits

Defined contribution plan

The Group and the Company's contributions to the Employees' Provident Fund ("EPF"), the national defined contribution plan, are charged to profit or loss in the financial year to which they relate. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(o) Contingent liabilities and contingent assets

The Group and the Company do not recognise a contingent liability but discloses its existence in the financial statements.

(p) Dividends

Dividends are recognised as liabilities when the obligation to pay is established in which the dividends are declared and approved by the Group and the Company's shareholder and the regulator. No provision is made for a proposed dividend.

(q) Provisions for agency long association benefits

Provisions for agency long association benefits is recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Material Accounting Policies (continued)

(r) Other payables

Other payables are recognised when due and measured on initial recognition at the fair value less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective yield method. The acquisition cost and maintenance cost payable under MFRS 17 Insurance Contracts are included under other payables as the Group and the Company deemed such cash flows should be removed from the LFRC and/or LFIC under MFRS 17 once they are incurred and recognised under other MFRSs.

(s) Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances, and fixed and call deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. It excludes deposits which are held for investment purpose.

(t) Statement of cash flows

The Group and the Company classify the cash flows for the purchase and disposal of financial investments as operating cash flows, as the purchases are funded from cash flows associated with the origination of insurance contracts, net of cash flows for payments of benefits and claims incurred for insurance contracts, which are respectively treated under operating activities.

(u) Share capital

Ordinary shares are classified as equity. Incremental costs that are directly attributable to the issuance of new shares are recognised as equity, net of tax.

(v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer that makes strategic decisions.

3 PROPERTY, PLANT AND EQUIPMENT

Group/Company	Motor vehicles RM'000	Office equipment furniture and fittings RM'000	Computer equipment RM'000	Renovation RM'000	Freehold land RM'000	Freehold buildings RM'000	Total RM'000
Cost/Valuation							
At 1 January 2023	918	7,742	14,607	23,789	79,439	71,869	198,364
Additions	-	102	891	202	-	643	1,838
Write-offs	-	(97)	(17)	-	-	-	(114)
Reclassification	-	-	-	(829)	-	829	-
Revaluation surplus for the financial year	-	-	-	-	967	1,011	1,978
Elimination of accumulated depreciation arising from revaluation	-	-	-	-	-	(2,483)	(2,483)
At 31 December 2023	918	7,747	15,481	23,162	80,406	71,869	199,583
Cost	918	7,747	15,481	23,162	-	-	47,308
Valuation	-	-	-	-	80,406	71,869	152,275
At 31 December 2023	918	7,747	15,481	23,162	80,406	71,869	199,583

3 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group/Company	Motor vehicles RM'000	Office equipment furniture and fittings RM'000	Computer equipment RM'000	Renovation RM'000	Freehold land RM'000	Freehold buildings RM'000	Total RM'000
Accumulated depreciation							
At 1 January 2023	918	5,661	10,869	18,302	-	-	35,750
Charge for the financial year (Note 25)	-	479	1,747	1,019	-	2,483	5,728
Write-offs	-	(79)	(17)	-	-	-	(96)
Elimination of accumulated depreciation arising from revaluation	-	-	-	-	-	(2,483)	(2,483)
At 31 December 2023	918	6,061	12,599	19,321	-	-	38,899
Net book value							
At 31 December 2023	-	1,686	2,882	3,841	80,406	71,869	160,684

3 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group/Company	Motor vehicles RM'000	Office equipment furniture and fittings RM'000	Computer equipment RM'000	Renovation RM'000	Freehold land RM'000	Freehold buildings RM'000	Total RM'000
Cost/Valuation							
At 1 January 2022	918	7,639	12,552	23,067	79,378	71,869	195,423
Additions	-	120	2,060	722	-	-	2,902
Write-offs	-	(17)	(5)	-	-	-	(22)
Revaluation surplus for the financial year	-	-	-	-	61	2,390	2,451
Elimination of accumulated depreciation arising from revaluation	-	-	-	-	-	(2,390)	(2,390)
At 31 December 2022	918	7,742	14,607	23,789	79,439	71,869	198,364
Cost	918	7,742	14,607	23,789	-	-	47,056
Valuation	-	-	-	-	79,439	71,869	151,308
At 31 December 2022	918	7,742	14,607	23,789	79,439	71,869	198,364

3 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group/Company	Motor vehicles	Office equipment furniture and fittings	Computer equipment	Renovation	Freehold land	Freehold buildings	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Accumulated depreciation							
At 1 January 2022	852	5,152	9,017	17,232	-	-	32,253
Charge for the financial year (Note 25)	66	522	1,858	1,070	-	2,390	5,906
Write-offs	-	(13)	(6)	-	-	-	(19)
Elimination of accumulated depreciation arising from revaluation	-	-	-	-	-	(2,390)	(2,390)
At 31 December 2022	918	5,661	10,869	18,302	-	-	35,750
Net book value							
At 31 December 2022	-	2,081	3,738	5,487	79,439	71,869	162,614

3 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The net book value of revalued land and buildings, had these assets been carried at cost less accumulated depreciation is as follows:

Group/Company	Freehold land RM'000	Freehold buildings RM'000	Total RM'000
At 31 December 2023	15,728	47,850	63,578
At 31 December 2022	15,728	48,043	63,771

The fair value hierarchy of the self-occupied properties is as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31 December 2023				
Recurring fair value measurements				
- Freehold land	-	-	80,406	80,406
- Buildings	-	-	71,869	71,869
	-	-	152,275	152,275
31 December 2022				
Recurring fair value measurements				
- Freehold land	-	-	79,439	79,439
- Buildings	-	-	71,869	71,869
	-	-	151,308	151,308

3 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The Group and the Company engaged external, independent and qualified valuer to determine the fair value of the Group and the Company's land and buildings annually. As at 31 December 2023, the fair values of the self-occupied properties have been determined by Raine & Horne International Zaki + Partners Sdn. Bhd.

The main level 3 inputs used by the Group and the Company are term yield, reversionary yield and average price per square feet derived and evaluated by Raine & Horne International Zaki + Partners Sdn. Bhd. based on comparable transactions and industry data.

The self-occupied properties of the Group and the Company were valued by an independent professional valuer based on the following parameters:

Description	Fair value (RM'000)	Valuation technique	Unobservable Inputs	Input	Sensitivity in term yield and reversionary yield +/- 25 basis point (RM'000)	Sensitivity in average price per square feet +/- 5% (RM'000)
31 December 2023						
Self-occupied properties	152,275	Investment method and comparison method	Term yield	6.00%	+381	-
			Reversionary yield	6.50%	-381	-
			Average price per square feet	RM250 to RM865	-	+7,614 -7,614
31 December 2022						
Self-occupied properties	151,308	Investment method and comparison method	Term yield	6.00%	+378	-
			Reversionary yield	6.50%	-378	-
			Average price per square feet	RM250 to RM865	-	+7,565 -7,565

4 RIGHT-OF-USE ASSETS

Group/Company	Office equipment RM'000	Building RM'000	Leasehold land and building RM'000	Total RM'000
Net book value				
At 1 January 2023	372	592	9,592	10,556
Charge for the financial year (Note 25)	(161)	(422)	(124)	(707)
Revaluation surplus for the financial year	-	-	144	144
At 31 December 2023	211	170	9,612	9,993
Net book value				
At 1 January 2022	531	795	9,557	10,883
Addition	-	200	-	200
Charge for the financial year (Note 25)	(159)	(403)	(120)	(682)
Revaluation surplus for the financial year	-	-	155	155
At 31 December 2022	372	592	9,592	10,556

5 INVESTMENT PROPERTIES

	Group/Company RM'000
At 1 January 2023	169,430
Fair value changes for the financial year (Note 18)	674
At 31 December 2023	170,104
At 1 January 2022	174,345
Disposals	(4,930)
Fair value changes for the financial year (Note 18)	15
At 31 December 2022	169,430

The fair value hierarchy of the investment properties is as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31 December 2023				
Recurring fair value measurements				
- Freehold land	-	-	115,504	115,504
- Leasehold land	-	-	6,242	6,242
- Buildings	-	-	48,358	48,358
	-	-	170,104	170,104
31 December 2022				
Recurring fair value measurements				
- Freehold land	-	-	115,221	115,221
- Leasehold land	-	-	5,852	5,852
- Buildings	-	-	48,357	48,357
	-	-	169,430	169,430

5 INVESTMENT PROPERTIES (CONTINUED)

The Group and the Company engaged external, independent and qualified valuers to determine the fair value of the Group and the Company's land and buildings annually. As at 31 December 2023, the fair values of the investment properties have been determined by Raine & Horne International Zaki + Partners Sdn. Bhd.

The main level 3 input used by the Group and the Company is average price per square feet derived and evaluated by Raine & Horne International Zaki + Partners Sdn. Bhd. based on comparable transactions and industry data.

The investment properties of the Group and the Company were valued by an independent professional valuer based on the following parameters:

Description	Fair value (RM'000)	Valuation technique	Unobservable Inputs	Input	Sensitivity in average price per square feet +/- 5% (RM'000)
31 December 2023					
Investment properties	170,104	Comparison method	Average price per square feet	RM15 to RM1,166	+8,505 -8,505
31 December 2022					
Investment properties	169,430	Comparison method	Average price per square feet	RM12 to RM1,166	+8,472 -8,472

The rental income and direct operating expenses arising from investment properties that have been recognised in profit or loss during the financial year are as follows:

	Group/Company	
	2023	2022
	RM'000	RM'000
Rental income	9,434	8,937
Direct operating expenses	(2,180)	(1,613)
Net rental income from investment properties (Note 19)	7,254	7,324

6 INTANGIBLE ASSETS

Group/Company	Computer software RM'000	Total RM'000
Net book value		
2023		
At 1 January 2023	11,037	11,037
Additions	1,789	1,789
Write-offs	(14)	(14)
Amortisation charged to profit or loss (Note 25)	(4,565)	(4,565)
At 31 December 2023	8,247	8,247
Cost	51,626	51,626
Accumulated amortisation	(43,379)	(43,379)
At 31 December 2023	8,247	8,247
2022		
At 1 January 2022	15,552	15,552
Additions	1,883	1,883
Write-offs	(1,529)	(1,529)
Amortisation charged to profit or loss (Note 25)	(4,869)	(4,869)
At 31 December 2022	11,037	11,037
Cost	53,056	53,056
Accumulated amortisation	(42,019)	(42,019)
At 31 December 2022	11,037	11,037

Included in the net book value of computer software, there are software under development phase amounting to RM1,657,000 as at 31 December 2023 (2022: RM1,429,000).

7 FINANCIAL INVESTMENTS

	Group		Company	
	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
Government bonds	3,489,928	2,976,494	3,442,061	2,935,956
Other debt securities	3,362,744	2,936,497	3,362,744	2,936,497
Equities	2,906,832	2,699,751	2,887,758	2,685,601
Controlled structured entities (Note 8)	-	-	70,944	58,077
Loans	744	690	744	690
	9,760,248	8,613,432	9,764,251	8,616,821

The Group and the Company's financial investments are summarised by the following categories:

	Group		Company	
	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
AFS financial assets	-	5,881,155	-	5,883,639
FVOCI financial assets	6,504,185	-	6,504,185	-
FVTPL financial assets	3,255,319	1,801,312	3,259,322	1,802,217
HTM financial assets	-	930,275	-	930,275
Loans and receivables	-	690	-	690
AC financial assets	744	-	744	-
	9,760,248	8,613,432	9,764,251	8,616,821

7 FINANCIAL INVESTMENTS (CONTINUED)

7a AFS FINANCIAL ASSETS

	Group		Company	
	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
At fair value:				
Government bonds	-	2,061,195	-	2,020,657
Other debt securities	-	2,371,209	-	2,371,209
Equities	-	1,448,751	-	1,448,751
Controlled structured entities (Note 8)	-	-	-	43,022
	-	5,881,155	-	5,883,639
Current	-	1,777,307	-	1,814,261
Non-current	-	4,103,848	-	4,069,378
	-	5,881,155	-	5,883,639

7 FINANCIAL INVESTMENTS (CONTINUED)

7a AFS FINANCIAL ASSETS (CONTINUED)

Movement in impairment allowance accounts:

	Group/Company	
	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
Allowance for impairment loss:		
At 31 December, as previously reported	105,007	117,223
Effect of adopting MFRS 9	(105,007)	-
At 1 January as restated	-	117,223
Transferred to realised gain upon disposal	-	(73,894)
Impairment loss during the financial period/year	-	61,678
At 31 December	-	105,007

The impairment losses as at 31 December 2022 arose on equity securities for which there have been significant or prolonged decline in fair value.

7b FVOCI FINANCIAL ASSETS

	Group/Company	
	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
At fair value:		
Government bonds	3,414,668	-
Other debt securities	3,089,517	-
	6,504,185	-
Current	330,424	-
Non-current	6,173,761	-
	6,504,185	-

7 FINANCIAL INVESTMENTS (CONTINUED)

7c FVTPL FINANCIAL ASSETS

	Group		Company	
	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
At fair value:				
Government bonds	75,260	127,163	27,393	127,163
Other debt securities	273,227	423,149	273,227	423,149
Equities	2,906,832	1,251,000	2,887,758	1,236,850
Controlled structured entities (Note 8)	-	-	70,944	15,055
	3,255,319	1,801,312	3,259,322	1,802,217
Current	55,833	1,281,498	55,833	1,282,403
Non-current	3,199,486	519,814	3,203,489	519,814
	3,255,319	1,801,312	3,259,322	1,802,217

7d HTM FINANCIAL ASSETS

	Group/Company	
	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
At amortised cost:		
Government bonds	-	788,136
Other debt securities	-	142,139
	-	930,275
At fair value:		
Government bonds	-	815,590
Other debt securities	-	146,165
	-	961,755

7 FINANCIAL INVESTMENTS (CONTINUED)

7e LOANS AND RECEIVABLES

	Group/Company	
	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
At amortised cost:		
Secured:		
Mortgage loans	-	690

The carrying values of loans and receivables approximate the fair values at the date of the statement of financial position.

	Group/Company	
	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
Current	-	-
Non-current	-	690
	-	690

7f AC FINANCIAL ASSETS

	Group/Company	
	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
Secured:		
Mortgage loans	544	-
Other loans	200	-
	744	-

The carrying values approximate the fair values at the date of the statement of financial position.

	Group/Company	
	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
Current	200	-
Non-current	544	-
	744	-

7 FINANCIAL INVESTMENTS (CONTINUED)

7g MOVEMENTS IN THE CARRYING VALUES OF FINANCIAL INSTRUMENTS

Group	AFS RM'000	FVOCI RM'000	FVTPL RM'000	HTM RM'000	LAR RM'000	AC RM'000	Total RM'000
At 1 January 2022, as previously reported	5,920,191	-	1,860,259	931,288	384,094	-	9,095,832
Effect of adopting MFRS 17	-	-	-	-	(383,167)	-	(383,167)
January 2022 as restated	5,920,191	-	1,860,259	931,288	927	-	8,712,665
Purchases	1,453,080	-	487,442	-	-	-	1,940,522
Maturities	(487,744)	-	(45,000)	-	-	-	(532,744)
Disposals	(748,562)	-	(273,291)	(1,000)	-	-	(1,022,853)
Decrease in loans	-	-	-	-	(237)	-	(237)
Movement of investment income accrued	1,765	-	511	(22)	-	-	2,254
Fair value gains/(losses) recorded in:							
- Profit or loss	78,383	-	(228,609)	(12)	-	-	(150,238)
- Other comprehensive loss	(276,726)	-	-	-	-	-	(276,726)
- Impairment loss	(61,678)	-	-	-	-	-	(61,678)
Accretion adjustment	2,446	-	-	21	-	-	2,467
At 31 December 2022	5,881,155	-	1,801,312	930,275	690	-	8,613,432

7 FINANCIAL INVESTMENTS (CONTINUED)

7g MOVEMENTS IN THE CARRYING VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

Group	AFS RM'000	FVOCI RM'000	FVTPL RM'000	HTM RM'000	LAR RM'000	AC RM'000	Total RM'000
At 31 December 2022, as previously reported	5,881,155	-	1,801,312	930,275	370,471	-	8,983,213
Effect of adopting MFRS 17 and MFRS 9	(5,881,155)	5,653,577	1,186,778	(930,275)	(370,471)	690	(340,856)
At 1 January 2023 as restated	-	5,653,577	2,988,090	-	-	690	8,642,357
Purchases	-	1,433,985	1,136,060	-	-	-	2,570,045
Maturities	-	(517,776)	(11,500)	-	-	-	(529,276)
Disposals	-	(258,638)	(985,477)	-	-	-	(1,244,115)
Increase in loans	-	-	-	-	-	54	54
Movement of investment income accrued	-	7,075	2,375	-	-	-	9,450
Fair value gains recorded in:							
- Profit or loss	-	1,750	125,859	-	-	-	127,609
- Other comprehensive loss	-	180,699	-	-	-	-	180,699
- ECL	-	502	-	-	-	-	502
Accretion/(amortisation) adjustment	-	3,011	(88)	-	-	-	2,923
At 31 December 2023	-	6,504,185	3,255,319	-	-	744	9,760,248

7 FINANCIAL INVESTMENTS (CONTINUED)

7g MOVEMENTS IN THE CARRYING VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

Company	AFS RM'000	FVOCI RM'000	FVTPL RM'000	HTM RM'000	LAR RM'000	AC RM'000	Total RM'000
At 1 January 2022, as previously reported	5,925,683	-	1,860,981	931,288	384,094	-	9,102,046
Effect of adopting MFRS 17	-	-	-	-	(383,167)	-	(383,167)
At 1 January 2022, restated	5,925,683	-	1,860,981	931,288	927	-	8,718,879
Purchases	1,432,273	-	485,222	-	-	-	1,917,495
Maturities	(487,744)	-	(45,000)	-	-	-	(532,744)
Disposals	(730,574)	-	(270,344)	(1,000)	-	-	(1,001,918)
Decrease in loans	-	-	-	-	(237)	-	(237)
Movement of investment income accrued	1,695	-	511	(22)	-	-	2,184
Fair value gains/(losses) recorded in:							
- Profit or loss	78,062	-	(229,153)	(12)	-	-	(151,103)
- Other comprehensive loss	(276,709)	-	-	-	-	-	(276,709)
- Impairment loss	(61,678)	-	-	-	-	-	(61,678)
Accretion adjustment	2,631	-	-	21	-	-	2,652
At 31 December 2022	5,883,639	-	1,802,217	930,275	690	-	8,616,821

7 FINANCIAL INVESTMENTS (CONTINUED)

7g MOVEMENTS IN THE CARRYING VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

Company	AFS RM'000	FVOCI RM'000	FVTPL RM'000	HTM RM'000	LAR RM'000	AC RM'000	Total RM'000
At 31 December 2022, as previously reported	5,883,639	-	1,802,217	930,275	370,471	-	8,986,602
Effect of adopting MFRS 17 and MFRS 9	(5,883,639)	5,653,577	1,189,262	(930,275)	(370,471)	690	(340,856)
At 1 January 2023 as restated	-	5,653,577	2,991,479	-	-	690	8,645,746
Purchases	-	1,433,985	1,100,780	-	-	-	2,534,765
Maturities	-	(517,776)	(11,500)	-	-	-	(529,276)
Disposals	-	(258,638)	(950,099)	-	-	-	(1,208,737)
Increase in loans	-	-	-	-	-	54	54
Movement of investment income accrued	-	7,075	2,265	-	-	-	9,340
Fair value gains recorded in:							
- Profit or loss	-	1,750	126,397	-	-	-	128,147
- Other comprehensive loss	-	180,699	-	-	-	-	180,699
- ECL	-	502	-	-	-	-	502
Accretion adjustment	-	3,011	-	-	-	-	3,011
At 31 December 2023	-	6,504,185	3,259,322	-	-	744	9,764,251

7 FINANCIAL INVESTMENTS (CONTINUED)

7h FAIR VALUES OF FINANCIAL INSTRUMENTS

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

	AFS RM'000	FVOCI RM'000	FVTPL RM'000	Total RM'000
Group				
31 December 2023				
Level 1	-	-	1,710,148	1,710,148
Level 2	-	6,504,185	1,524,883	8,029,068
Level 3	-	-	20,288	20,288
	-	6,504,185	3,255,319	9,759,504
31 December 2022				
Level 1	1,162,435	-	617,324	1,779,759
Level 2	4,699,218	-	1,183,988	5,883,206
Level 3	19,502	-	-	19,502
	5,881,155	-	1,801,312	7,682,467
Company				
31 December 2023				
Level 1	-	-	1,711,621	1,711,621
Level 2	-	6,504,185	1,527,413	8,031,598
Level 3	-	-	20,288	20,288
	-	6,504,185	3,259,322	9,763,507
31 December 2022				
Level 1	1,162,435	-	603,174	1,765,609
Level 2	4,701,702	-	1,199,043	5,900,745
Level 3	19,502	-	-	19,502
	5,883,639	-	1,802,217	7,685,856

7 FINANCIAL INVESTMENTS (CONTINUED)

7h FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

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

Level 2 financial instruments are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions that are instruments for which pricing is obtained via pricing services but where prices have not been determined in an active market, instruments with fair values based on broker quotes, investment in unit and property trusts with fair values obtained via fund managers and instruments that are valued using the Group and the Company's own models whereby the majority of assumptions are market observable.

Level 3 financial instruments are determined in whole or in part using a valuation technique based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. The main asset class in this category are unquoted equity securities. Valuation techniques are used to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the instrument at the measurement date. However, the fair value measurement objective remains the same, that is, an exit price from the perspective of the Group and the Company. Therefore, unobservable inputs reflect the Group and the Company's own assumptions about the assumptions that market participants would use in pricing the instrument (including assumptions about risk). These inputs are developed based on the best information available, which might include the Group and the Company's own data.

The following table presents the changes in Level 3 instruments:

	Group/Company	
	2023 RM'000	2022 RM'000
At the beginning of the financial year	19,502	18,399
Fair value gains recognised in other comprehensive income	-	1,103
Fair value gains recognised in profit or loss	786	-
At the end of the financial year	20,288	19,502

7 FINANCIAL INVESTMENTS (CONTINUED)

7i The carrying amount of the financial assets by product line is as follows:

Group	Life Risk and Savings RM'000	Participating RM'000	Other RM'000	Total RM'000
31 December 2023				
Underlying assets				
Cash and cash equivalents	208,455	203,404	-	411,859
Government bonds	606,643	1,604,180	-	2,210,823
Other debt securities	735,262	1,629,483	-	2,364,745
Equity securities	1,106,598	1,380,735	-	2,487,333
Loans	-	544	-	544
	2,656,958	4,818,346	-	7,475,304
Other investments				
Cash and cash equivalents	194,094	-	4,179	198,273
Government bonds	1,231,238	-	47,867	1,279,105
Other debt securities	997,999	-	-	997,999
Equity securities	299,076	-	120,423	419,499
Loans	-	-	200	200
	2,722,407	-	172,669	2,895,076
Total investment assets and cash and cash equivalents	5,379,365	4,818,346	172,669	10,370,380
31 December 2022				
Underlying assets				
Cash and cash equivalents	272,629	200,210	-	472,839
Government bonds	472,120	1,433,135	-	1,905,255
Other debt securities	621,733	1,519,010	-	2,140,743
Equity securities	826,010	1,556,768	-	2,382,778
Loans	-	544	-	544
	2,192,492	4,709,667	-	6,902,159
Other investments				
Cash and cash equivalents	255,443	-	5,039	260,482
Government bonds	1,030,701	-	40,538	1,071,239
Other debt securities	795,754	-	-	795,754
Equity securities	204,929	-	112,044	316,973
Loans	-	-	146	146
	2,286,827	-	157,767	2,444,594
Total investment assets and cash and cash equivalents	4,479,319	4,709,667	157,767	9,346,753

7 FINANCIAL INVESTMENTS (CONTINUED)

7i The carrying amount of the financial assets by product line is as follows: (continued)

Company	Life Risk and Savings RM'000	Participating RM'000	Other RM'000	Total RM'000
31 December 2023				
Underlying assets				
Cash and cash equivalents	206,516	203,404	-	409,920
Government bonds	606,643	1,604,180	-	2,210,823
Other debt securities	735,262	1,629,483	-	2,364,745
Equity securities	1,087,524	1,380,735	-	2,468,259
Controlled structured entities	20,547	-	-	20,547
Loans	-	544	-	544
	2,656,492	4,818,346	-	7,474,838
Other investments				
Cash and cash equivalents	194,094	-	1,628	195,722
Government bonds	1,231,238	-	-	1,231,238
Other debt securities	997,999	-	-	997,999
Equity securities	299,076	-	120,423	419,499
Controlled structured entities	-	-	50,397	50,397
Loans	-	-	200	200
	2,722,407	-	172,648	2,895,055
Total investment assets and cash and cash equivalents	5,378,899	4,818,346	172,648	10,369,893

7 FINANCIAL INVESTMENTS (CONTINUED)

7i The carrying amount of the financial assets by product line is as follows: (continued)

Company	Life Risk and Savings	Participating	Other	Total
	RM'000	RM'000	RM'000	RM'000
31 December 2022				
Underlying assets				
Cash and cash equivalents	269,579	200,210	-	469,789
Government bonds	472,120	1,433,135	-	1,905,255
Other debt securities	621,733	1,519,010	-	2,140,743
Equity securities	811,860	1,556,768	-	2,368,628
Controlled structured entities	15,055	-	-	15,055
Loans	-	544	-	544
	2,190,347	4,709,667	-	6,900,014
Other investments				
Cash and cash equivalents	255,443	-	2,536	257,979
Government bonds	1,030,701	-	-	1,030,701
Other debt securities	795,754	-	-	795,754
Equity securities	204,929	-	112,044	316,973
Controlled structured entities	-	-	43,022	43,022
Loans	-	-	146	146
	2,286,827	-	157,748	2,444,575
Total investment assets and cash and cash equivalents	4,477,174	4,709,667	157,748	9,344,589

7 FINANCIAL INVESTMENTS (CONTINUED)

7j Amounts arising from expected credit loss ("ECL")

Group/Company	Stage 1* Carrying amount RM'000	Stage 1* Related ECL allowance RM'000	Total Carrying amount RM'000	Total ECL allowance RM'000
Balance as at 1 January 2023	5,653,577	1,070	5,653,577	1,070
Originated or purchased	1,433,985	121	1,433,985	121
Matured or disposal	(776,414)	(561)	(776,414)	(561)
Remeasurements	193,037	(62)	193,037	(62)
Total impairment charge for the year	850,608	(502)	850,608	(502)
Balance as at 31 December 2023	6,504,185	568	6,504,185	568

* ECL are all Stage 1 (12-month ECL) impairment model.

Impairment of financial assets

The following table reconciles the closing impairment allowance under MFRS 139 as at 31 December 2022 with the opening loss allowance under MFRS 9 as at 1 January 2023.

Group/Company	31.12.2022 (As previously stated) MFRS 139 RM'000	Remeasurement RM'000	01.01.2023 MFRS 9 RM'000
Financial Assets			
FVTPL			
Equities*	105,007	(105,007)	-
FVOCI			
Debt securities	-	1,070	1,070
	105,007	(103,937)	1,070

* This relates to the derecognition of impairment due to significant and prolonged decline in the fair value of AFS equities instrument.

8 CONTROLLED STRUCTURED ENTITIES

The Company has determined that its investment in a wholesale unit trust fund and a retail fund amounting to RM50.4 million (2022: RM43.0 million) and RM20.5 million (2022: RM15.1 million) respectively as disclosed in Note 7 to the financial statements as investment in structured entities ("investee funds"). The Company invests in the investee funds whose objectives range from achieving medium to long-term capital growth and whose investment strategy does not include the use of leverage. The investee funds are managed by RHB Asset Management Sdn Bhd and apply various investment strategies to accomplish their respective investment objectives. The investee funds finance their operations through the creation of investee fund units which entitles the holder to variable returns and fair values in the respective investee fund's net assets.

The Company holds 100% of RHB Income Plus Fund 8 and 97% of RHB Leisure, Lifestyle and Luxury Fund respectively (2022: 100% of RHB Income Plus Fund 8 and 97% of RHB Leisure, Lifestyle and Luxury Fund). All funds were established in Malaysia and the Company has control over these investee funds. The Company is exposed to, or has rights to variable returns from its involvement with the entities and has the ability to affect those returns through its power over the entities.

As the Company has control over these investee funds which are considered controlled structured entities, these structured entities are consolidated at Group level.

All investee funds are audited by PricewaterhouseCoopers PLT.

RHB Income Plus Fund 8, a wholesale unit trust fund and RHB Leisure, Lifestyle and Luxury Fund, a retail unit trust fund are classified as fair value through profit or loss investment and the change in fair value of the investee funds are recognised in the statement of profit or loss in the Company's separate financial statements.

8 CONTROLLED STRUCTURED ENTITIES (CONTINUED)

The Company's exposure to the investments in the investee funds is disclosed below.

	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
Fair value of underlying net assets:		
Cash equivalents	1,137	1,106
Deposits with licensed financial institutions	3,353	4,447
Investments - Unquoted fixed income securities	47,867	40,162
Investments - Quoted investments - foreign	19,074	12,884
Investments - Collective investment schemes - foreign	-	1,266
Other payables	(192)	(896)
	71,239	58,969

The Company's maximum exposure to loss from its interests in the investee funds is equal to the fair value of its investment in the investee funds.

9 REINSURANCE CONTRACT ASSETS

	Group/Company		
	As at 31.12.2023 Restated RM'000	As at 31.12.2022 Restated RM'000	As at 01.01.2022 Restated RM'000
Contracts not under PAA	81,608	69,313	77,616
Contracts under PAA	(84)	-	(73)
Reinsurance contract assets	81,524	69,313	77,543

The reinsurance contract assets and the movements are further analysed as follows:

	Group/Company		
	As at 31.12.2023 RM'000	As at 31.12.2022 Restated RM'000	As at 01.01.2022 Restated RM'000
Contractual service margin ("CSM")	5,285	15,848	30,729
Risk adjustment for non-financial risk	34,511	32,143	31,561
Present value of future cash flows	41,728	21,322	15,253
	81,524	69,313	77,543

9 REINSURANCE CONTRACT ASSETS (CONTINUED)

9a Reconciliation of the remaining coverage and incurred claims

Reinsurance contract not measured under the PAA

Group/Company	Assets for remaining coverage: Excluding loss-recovery component RM'000	Assets for remaining coverage: Loss-recovery component RM'000	Assets for incurred claim RM'000	Total RM'000
Net reinsurance contract assets as at 1 January 2022	25,998	-	51,618	77,616
Reinsurance contract assets as at 1 January 2022	32,026	-	47,648	79,674
Reinsurance contract liabilities as at 1 January 2022	(6,028)	-	3,970	(2,058)
Changes in the statement of profit or loss and OCI				
Allocation of reinsurance premiums paid	(50,745)	-	-	(50,745)
Amounts recoverable from reinsurers:				
- Recoveries of incurred claims and other insurance service expenses	-	-	33,265	33,265
- Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	26	-	26
Net (expenses)/income from reinsurance contracts	(50,745)	26	33,265	(17,454)
Finance income/(expenses) from reinsurance contracts held	1,333	-	(1)	1,332
Total changes in the statement of profit or loss and other comprehensive (loss)/income	(49,412)	26	33,264	(16,122)

9 REINSURANCE CONTRACT ASSETS (CONTINUED)

9a Reconciliation of the remaining coverage and incurred claims (continued)

Reinsurance contract not measured under the PAA (continued)

Group/Company	Assets for remaining coverage		Assets for incurred claim	Total
	Excluding loss-recovery component	Loss-recovery component		
	RM'000	RM'000	RM'000	RM'000
Investment component	(2,021)	-	2,021	-
Cash flows				
Premiums paid	33,374	-	-	33,374
Amounts received	-	-	(25,555)	(25,555)
Total cash flows	33,374	-	(25,555)	7,819
Net reinsurance contract assets as at 31 December 2022	7,939	26	61,348	69,313
Reinsurance contract assets as at 31 December 2022	13,901	26	60,217	74,144
Reinsurance contract liabilities as at 31 December 2022	(5,962)	-	1,131	(4,831)

9 REINSURANCE CONTRACT ASSETS (CONTINUED)

9a Reconciliation of the remaining coverage and incurred claims (continued)

Reinsurance contract not measured under the PAA (continued)

Group/Company	Assets for remaining coverage: Excluding loss-recovery component RM'000	Assets for remaining coverage: Loss-recovery component RM'000	Assets for incurred claim RM'000	Total RM'000
Net reinsurance contract assets as at 1 January 2023	7,939	26	61,348	69,313
Reinsurance contract assets as at 1 January 2023	13,901	26	60,217	74,144
Reinsurance contract liabilities as at 1 January 2023	(5,962)	-	1,131	(4,831)
Changes in the statement of profit or loss and OCI				
Allocation of reinsurance premiums paid	(55,495)	-	-	(55,495)
Amounts recoverable from reinsurers:				
- Recoveries of incurred claims and other insurance service expenses	-	(5)	44,186	44,181
- Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	11	-	11
Net (expenses)/income from reinsurance contracts	(55,495)	6	44,186	(11,303)
Finance income/(expenses) from reinsurance contracts held	4,150	-	(8)	4,142
Total changes in the statement of profit or loss and other comprehensive (loss)/income	(51,345)	6	44,178	(7,161)

9 REINSURANCE CONTRACT ASSETS (CONTINUED)

9a Reconciliation of the remaining coverage and incurred claims (continued)

Reinsurance contract not measured under the PAA (continued)

Group/Company	Assets for remaining coverage: Excluding loss-recovery component RM'000	Assets for remaining coverage: Loss-recovery component RM'000	Assets for incurred claim RM'000	Total RM'000
Investment component	(4,005)	-	4,005	-
Cash flows				
Premiums paid	70,586	-	-	70,586
Amounts received	-	-	(51,130)	(51,130)
Total cash flows	70,586	-	(51,130)	19,456
Net reinsurance contract assets as at 31 December 2023	23,175	32	58,401	81,608
Reinsurance contract assets as at 31 December 2023	28,693	32	57,423	86,148
Reinsurance contract liabilities as at 31 December 2023	(5,518)	-	978	(4,540)

9 REINSURANCE CONTRACT ASSETS (CONTINUED)

9a Reconciliation of the remaining coverage and incurred claims (continued)

Reinsurance contract measured under the PAA

Group/Company	Assets for remaining coverage: Excluding loss-recovery component	Assets for remaining coverage: Loss-recovery component	Assets for incurred claim	Total
	RM'000	RM'000	RM'000	RM'000
Net reinsurance contract liabilities as at 1 January 2022	(73)	-	-	(73)
Reinsurance contract liabilities as at 1 January 2022	(73)	-	-	(73)
Changes in the statement of profit or loss and OCI				
Allocation of reinsurance premiums paid	(153)	-	-	(153)
Net expenses from reinsurance contracts	(153)	-	-	(153)
Total changes in the statement of profit or loss and other comprehensive loss	(153)	-	-	(153)
Cash flows				
Premiums paid	226	-	-	226
Total cash flows	226	-	-	226
Net reinsurance contract assets/ (liabilities) as at 31 December 2022	-	-	-	-

9 REINSURANCE CONTRACT ASSETS (CONTINUED)

9a Reconciliation of the remaining coverage and incurred claims (continued)

Reinsurance contract measured under the PAA (continued)

Group/Company	Assets for remaining coverage: Excluding loss-recovery component RM'000	Assets for remaining coverage: Loss-recovery component RM'000	Assets for incurred claim RM'000	Total RM'000
Net reinsurance contract assets/ (liabilities) as at 1 January 2023	-	-	-	-
Changes in the statement of profit or loss and OCI				
Allocation of reinsurance premiums paid	(228)	-	-	(228)
Amounts recoverable from reinsurers:				
- Recoveries of incurred claims and other insurance service expenses	-	-	225	225
Net (expenses)/income from reinsurance contracts	(228)	-	225	(3)
Total changes in the statement of profit or loss and other comprehensive (loss)/income	(228)	-	225	(3)
Cash flows				
Premiums paid	144	-	-	144
Amounts received	-	-	(225)	(225)
Total cash flows	144	-	(225)	(81)
Net reinsurance contract liabilities as at 31 December 2023	(84)	-	-	(84)
Reinsurance contract liabilities as at 31 December 2023	(84)	-	-	(84)

9 REINSURANCE CONTRACT ASSETS (CONTINUED)

9b Reconciliation of the measurement components of reinsurance contract balances

Reinsurance contract not measured under the PAA

Group/Company	Estimates of present value future cash flows RM'000	Risks adjustment for non-financial risks RM'000	CSM RM'000	Total RM'000
Net reinsurance contract assets as at 1 January 2022	15,326	31,561	30,729	77,616
Reinsurance contract assets as at 1 January 2022	17,384	31,561	30,729	79,674
Reinsurance contract liabilities as at 1 January 2022	(2,058)	-	-	(2,058)
Changes in the statement of profit or loss and OCI				
Changes that relate to current services:				
- CSM recognised for services provided	-	-	(3,691)	(3,691)
- Change in risk adjustment for non-financial risk for risk expired	-	(5,255)	-	(5,255)
- Experience adjustment	(10,937)	-	2,403	(8,534)
Changes that relate to future services:				
- Contracts initially recognised in the year	5,585	6,083	(11,668)	-
- Changes in estimates that adjust the CSM	3,233	(848)	(2,385)	-
- Changes in estimates that result in losses and reversal of losses on onerous contracts	-	-	26	26
Net expenses from reinsurance contracts	(2,119)	(20)	(15,315)	(17,454)
Finance income from reinsurance contracts held	296	602	434	1,332
Total changes in the statement of profit or loss and other comprehensive (loss)/income	(1,823)	582	(14,881)	(16,122)

9 REINSURANCE CONTRACT ASSETS (CONTINUED)

9b Reconciliation of the measurement components of reinsurance contract balances (continued)

Reinsurance contract not measured under the PAA (continued)

Group/Company	Estimates of present value future cash flows RM'000	Risks adjustment for non-financial risks RM'000	CSM RM'000	Total RM'000
Cash flows				
Premiums paid	33,374	-	-	33,374
Amounts received	(25,555)	-	-	(25,555)
Total cash flows	7,819	-	-	7,819
Net reinsurance contract assets as at 31 December 2022	21,322	32,143	15,848	69,313
Reinsurance contract assets as at 31 December 2022	25,398	32,143	16,603	74,144
Reinsurance contract liabilities as at 31 December 2022	(4,076)	-	(755)	(4,831)

9 REINSURANCE CONTRACT ASSETS (CONTINUED)

9b Reconciliation of the measurement components of reinsurance contract balances (continued)

Reinsurance contract not measured under the PAA (continued)

Group/Company	Estimates of present value future cash flows RM'000	Risks adjustment for non-financial risks RM'000	CSM RM'000	Total RM'000
Net reinsurance contract assets as at 1 January 2023	21,322	32,143	15,848	69,313
Reinsurance contract assets as at 1 January 2023	25,398	32,143	16,603	74,144
Reinsurance contract liabilities as at 1 January 2023	(4,076)	-	(755)	(4,831)
Changes in the statement of profit or loss and OCI				
Changes that relate to current services:				
- CSM recognised for services provided	-	-	(6,219)	(6,219)
- Change in risk adjustment for non-financial risk for risk expired	-	(4,939)	-	(4,939)
- Experience adjustment	(3,383)	-	3,227	(156)
Changes that relate to future services:				
- Contracts initially recognised in the year	2,587	4,578	(7,165)	-
- Changes in estimates that adjust the CSM	286	599	(885)	-
- Changes in estimates that result in losses and reversal of losses on onerous contracts	-	-	11	11
Net (expenses)/income from reinsurance contracts	(510)	238	(11,031)	(11,303)
Finance income from reinsurance contracts held	1,544	2,130	468	4,142
Total changes in the statement of profit or loss and other comprehensive income/(loss)	1,034	2,368	(10,563)	(7,161)

9 REINSURANCE CONTRACT ASSETS (CONTINUED)

9b Reconciliation of the measurement components of reinsurance contract balances (continued)

Reinsurance contract not measured under the PAA (continued)

Group/Company	Estimates of present value future cash flows RM'000	Risks adjustment for non-financial risks RM'000	CSM RM'000	Total RM'000
Cash flows				
Premiums paid	70,586	-	-	70,586
Amounts received	(51,130)	-	-	(51,130)
Total cash flows	19,456	-	-	19,456
Net reinsurance contract assets as at 31 December 2023	41,812	34,511	5,285	81,608
Reinsurance contract assets as at 31 December 2023	45,102	34,511	6,535	86,148
Reinsurance contract liabilities as at 31 December 2023	(3,290)	-	(1,250)	(4,540)

9 REINSURANCE CONTRACT ASSETS (CONTINUED)

9b Reconciliation of the measurement components of reinsurance contract balances (continued)

Reinsurance contract measured under the PAA

Group/Company	Estimates of present value future cash flows RM'000
Net reinsurance contract liabilities as at 1 January 2022	(73)
Reinsurance contract liabilities as at 1 January 2022	(73)
Changes in the statement of profit or loss and OCI	
Changes that relate to current services:	
Experience adjustment	(153)
Net expenses from reinsurance contracts	(153)
Total changes in the statement of profit or loss and other comprehensive loss	(153)
Cash flows	
Premiums paid	226
Total cash flows	226
Net reinsurance contract assets/(liabilities) as at 31 December 2022	-

9 REINSURANCE CONTRACT ASSETS (CONTINUED)

9b Reconciliation of the measurement components of reinsurance contract balances (continued)

Reinsurance contract measured under the PAA (continued)

Group/Company	Estimates of present value future cash flows RM'000
Net reinsurance contract assets/(liabilities) as at 1 January 2023	-
Changes in the statement of profit or loss and OCI	
Changes that relate to current services:	
Experience adjustment	(3)
Net expenses from reinsurance contracts	(3)
Total changes in the statement of profit or loss and other comprehensive loss	(3)
Cash flows	
Premiums paid	144
Amounts received	(225)
Total cash flows	(81)
Net reinsurance contract liabilities as at 31 December 2023	(84)
Reinsurance contract liabilities as at 31 December 2023	(84)

10 OTHER RECEIVABLES

	As at 31.12.2023 RM'000	As at 31.12.2022 Restated RM'000	As at 01.01.2022 Restated RM'000
Group			
Amount due from related parties (Note 26)	615	33	30
Investment income receivable	2,184	4,436	3,459
Outstanding proceeds from sale of investments	1,094	19,518	4
Prepayment of expenses	1,084	1,092	1,097
Deposits	781	773	534
Sundry debtors	6,828	7,394	7,644
Others	5,574	321	1,192
	18,160	33,567	13,960
Accumulated impairment loss (Note 30a)	(4,767)	(4,256)	(3,687)
	13,393	29,311	10,273
Current	12,612	28,538	9,739
Non-current	781	773	534
	13,393	29,311	10,273
Company			
Amount due from related parties (Note 26)	615	33	30
Investment income receivable	2,184	4,436	3,446
Outstanding proceeds from sale of investments	1,094	19,518	4
Prepayment of expenses	1,084	1,092	1,097
Deposits	781	773	534
Sundry debtors	6,828	7,394	7,644
Others	5,376	308	566
	17,962	33,554	13,321
Accumulated impairment loss (Note 30a)	(4,767)	(4,256)	(3,687)
	13,195	29,298	9,634
Current	12,414	28,525	9,100
Non-current	781	773	534
	13,195	29,298	9,634

10 OTHER RECEIVABLES (CONTINUED)

The Company records impairment loss for other receivables in separate allowance accounts. A reconciliation of the allowance for impairment losses for other receivables are as follows:

	Group/Company		
	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000	As at 01.01.2022 RM'000
At 1 January	4,256	3,687	2,502
Movement during the financial year	511	569	1,185
At 31 December	4,767	4,256	3,687

11 SHARE CAPITAL

	Number of shares '000	RM'000
Group/Company		
Ordinary shares issued and fully paid up:		
At the beginning and end of the financial year	226,000	226,000

The holder of ordinary shares is entitled to receive dividends or declared from time-to-time and is entitled to one vote per share at general meetings of the Group and the Company.

12 RETAINED EARNINGS

Under the single-tier system which came into effect from the year of assessment 2008 onwards, companies are not required to have tax credits under Section 108 of the Income Tax Act, 1967 for dividend payment purposes. Dividends paid under this system will be tax exempt in the hands of shareholders.

The Company may distribute single tier exempt dividend to its shareholder out of its retained earnings. Pursuant to Section 51(1) of the Financial Services Act, 2013, the Company is required to obtain BNM's written approval prior to declaring or paying any dividend. Pursuant to the RBC Framework for Insurers, the Company shall not pay dividends if its Capital Adequacy Ratio position is less than its internal target capital level or if the payment of dividend would impair its Capital Adequacy Ratio position to below its internal target.

13 INSURANCE CONTRACT LIABILITIES

	Group			Company		
	As at 31.12.2023	As at 31.12.2022 Restated	As at 01.01.2022 Restated	As at 31.12.2023	As at 31.12.2022 Restated	As at 01.01.2022 Restated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Life Risk and Savings	4,103,335	3,365,562	2,869,554	4,103,725	3,364,751	2,869,367
Participating	4,957,770	4,906,823	5,217,113	4,957,770	4,906,823	5,217,113
Insurance contract liabilities	9,061,105	8,272,385	8,086,667	9,061,495	8,271,574	8,086,480

The insurance contract liabilities and the movements are further analysed as follows:

	As at 31.12.2023	As at 31.12.2022 Restated	As at 01.01.2022 Restated
	RM'000	RM'000	RM'000
Group			
Contractual service margin ("CSM")	1,094,448	998,769	941,816
Risk adjustment for non-financial risk	188,765	184,473	170,942
Present value of future cash flows	7,794,692	7,122,743	7,024,309
Assets for insurance acquisition cash flows	(16,800)	(33,600)	(50,400)
	9,061,105	8,272,385	8,086,667
Company			
Contractual service margin ("CSM")	1,094,448	998,769	941,816
Risk adjustment for non-financial risk	188,765	184,473	170,942
Present value of future cash flows	7,795,082	7,121,932	7,024,122
Assets for insurance acquisition cash flows	(16,800)	(33,600)	(50,400)
	9,061,495	8,271,574	8,086,480

13 INSURANCE CONTRACT LIABILITIES (CONTINUED)

13a Reconciliation of the liability for remaining coverage and the liability for incurred claims.

Life Risk and Savings

Group	Liabilities for remaining coverage: Excluding loss component	Liabilities for remaining coverage: Loss component	Liabilities for incurred claims	Assets for insurance acquisition cash flows	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Net insurance contract liabilities/ (assets) as at 1 January 2022	2,686,451	10,838	222,665	(50,400)	2,869,554
Insurance contract liabilities as at 1 January 2022	2,686,451	10,838	222,665	-	2,919,954
Insurance contract assets as at 1 January 2022	-	-	-	(50,400)	(50,400)
Changes in the statement of profit or loss and OCI					
Insurance revenue	(529,684)	-	-	-	(529,684)
Insurance service expenses:					
Incurred claims and other insurance service expenses	56	(1,968)	377,505	-	375,593
Losses and reversal of losses on onerous contracts	-	5,421	(4,328)	-	1,093
Insurance acquisition cash flows amortisation	40,832	-	-	-	40,832
Insurance service result	(488,796)	3,453	373,177	-	(112,166)
Finance expenses from insurance contracts issued	(54,759)	(103)	-	-	(54,862)
Total changes in the statement of profit or loss and other comprehensive (loss)/income	(543,555)	3,350	373,177	-	(167,028)

13 INSURANCE CONTRACT LIABILITIES (CONTINUED)

13a Reconciliation of the liability for remaining coverage and the liability for incurred claims. (continued)

Life Risk and Savings (continued)

Group	Liabilities for remaining coverage: Excluding loss component	Liabilities for remaining coverage: Loss component	Liabilities for incurred claims	Assets for insurance acquisition cash flows	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Investment components	(112,824)	-	112,824	-	-
Derecognition of assets for insurance acquisition cash flows	(16,800)	-	-	16,800	-
Cash flows					
Premiums received	1,260,531	-	-	-	1,260,531
Claims and other directly attributable expenses paid	-	-	(452,131)	-	(452,131)
Insurance acquisition cash flows	(145,364)	-	-	-	(145,364)
Total cash flows	1,115,167	-	(452,131)	-	663,036
Other movements	2,117	-	(2,117)	-	-
Net insurance contract liabilities/ (assets) as at 31 December 2022	3,130,556	14,188	254,418	(33,600)	3,365,562
Insurance contract liabilities as at 31 December 2022	3,130,556	14,188	254,418	-	3,399,162
Insurance contract assets as at 31 December 2022	-	-	-	(33,600)	(33,600)

13 INSURANCE CONTRACT LIABILITIES (CONTINUED)

13a Reconciliation of the liability for remaining coverage and the liability for incurred claims (continued)

Life Risk and Savings (continued)

Group	Liabilities for remaining coverage: Excluding loss component RM'000	Liabilities for remaining coverage: Loss component RM'000	Liabilities for incurred claims RM'000	Assets for insurance acquisition cash flows RM'000	Total RM'000
Net insurance contract liabilities/ (assets) as at 1 January 2023	3,130,556	14,188	254,418	(33,600)	3,365,562
Insurance contract liabilities as at 1 January 2023	3,130,556	14,188	254,418	-	3,399,162
Insurance contract assets as at 1 January 2023	-	-	-	(33,600)	(33,600)
Changes in the statement of profit or loss and OCI					
Insurance revenue	(586,885)	-	-	-	(586,885)
Insurance service expenses:					
Incurred claims and other insurance service expenses	1,148	(1,641)	450,941	-	450,448
Losses and reversal of losses on onerous contracts	-	(2,918)	4,328	-	1,410
Insurance acquisition cash flows amortisation	52,473	-	-	-	52,473
Insurance service result	(533,264)	(4,559)	455,269	-	(82,554)
Finance income/(expenses) from insurance contracts issued	194,435	(125)	-	-	194,310
Total changes in the statement of profit or loss and other comprehensive (loss)/income	(338,829)	(4,684)	455,269	-	111,756

13 INSURANCE CONTRACT LIABILITIES (CONTINUED)

13a Reconciliation of the liability for remaining coverage and the liability for incurred claims (continued)

Life Risk and Savings (continued)

Group	Liabilities for remaining coverage: Excluding loss component RM'000	Liabilities for remaining coverage: Loss component RM'000	Liabilities for incurred claims RM'000	Assets for insurance acquisition cash flows RM'000	Total RM'000
Investment components	(123,754)	-	123,754	-	-
Derecognition of assets for insurance acquisition cash flows	(16,800)	-	-	16,800	-
Cash flows					
Premiums received	1,276,842	-	-	-	1,276,842
Claims and other directly attributable expenses paid	-	-	(514,071)	-	(514,071)
Insurance acquisition cash flows	(136,754)	-	-	-	(136,754)
Total cash flows	1,140,088	-	(514,071)	-	626,017
Other movements	697	-	(697)	-	-
Net insurance contract liabilities/ (assets) as at 31 December 2023	3,791,958	9,504	318,673	(16,800)	4,103,335
Insurance contract liabilities as at 31 December 2023	3,791,958	9,504	318,673	-	4,120,135
Insurance contract assets as at 31 December 2023	-	-	-	(16,800)	(16,800)

13 INSURANCE CONTRACT LIABILITIES (CONTINUED)

13a Reconciliation of the liability for remaining coverage and the liability for incurred claims (continued)

Life Risk and Savings (continued)

Company	Liabilities for remaining coverage: Excluding loss component RM'000	Liabilities for remaining coverage: Loss component RM'000	Liabilities for incurred claims RM'000	Assets for insurance acquisition cash flows RM'000	Total RM'000
Net insurance contract liabilities/ (assets) as at 1 January 2022	2,686,264	10,838	222,665	(50,400)	2,869,367
Insurance contract liabilities as at 1 January 2022	2,686,264	10,838	222,665	-	2,919,767
Insurance contract assets as at 1 January 2022	-	-	-	(50,400)	(50,400)
Changes in the statement of profit or loss and OCI					
Insurance revenue	(529,684)	-	-	-	(529,684)
Insurance service expenses:					
Incurred claims and other insurance service expenses	56	(1,968)	377,505	-	375,593
Losses and reversal of losses on onerous contracts	-	5,421	(4,328)	-	1,093
Insurance acquisition cash flows amortisation	40,832	-	-	-	40,832
Insurance service result	(488,796)	3,453	373,177	-	(112,166)
Finance expenses from insurance contracts issued	(55,383)	(103)	-	-	(55,486)
Total changes in the statement of profit or loss and other comprehensive (loss)/income	(544,179)	3,350	373,177	-	(167,652)

13 INSURANCE CONTRACT LIABILITIES (CONTINUED)

13a Reconciliation of the liability for remaining coverage and the liability for incurred claims (continued)

Life Risk and Savings (continued)

Company	Liabilities for remaining coverage		Liabilities for incurred claims	Assets for insurance acquisition cash flows	Total
	Excluding loss component	Loss component			
	RM'000	RM'000	RM'000	RM'000	RM'000
Investment components	(112,824)	-	112,824	-	-
Derecognition of assets for insurance acquisition cash flows	(16,800)	-	-	16,800	-
Cash flows					
Premiums received	1,260,531	-	-	-	1,260,531
Claims and other directly attributable expenses paid	-	-	(452,131)	-	(452,131)
Insurance acquisition cash flows	(145,364)	-	-	-	(145,364)
Total cash flows	1,115,167	-	(452,131)	-	663,036
Other movements	2,117	-	(2,117)	-	-
Net insurance contract liabilities/ (assets) as at 31 December 2022	3,129,745	14,188	254,418	(33,600)	3,364,751
Insurance contract liabilities as at 31 December 2022	3,129,745	14,188	254,418	-	3,398,351
Insurance contract assets as at 31 December 2022	-	-	-	(33,600)	(33,600)

13 INSURANCE CONTRACT LIABILITIES (CONTINUED)

13a Reconciliation of the liability for remaining coverage and the liability for incurred claims (continued)

Life Risk and Savings (continued)

Company	Liabilities for remaining coverage: Excluding loss component RM'000	Liabilities for remaining coverage: Loss component RM'000	Liabilities for incurred claims RM'000	Assets for insurance acquisition cash flows RM'000	Total RM'000
Net insurance contract liabilities/ (asset) as at 1 January 2023	3,129,745	14,188	254,418	(33,600)	3,364,751
Insurance contract liabilities as at 1 January 2023	3,129,745	14,188	254,418	-	3,398,351
Insurance contract assets as at 1 January 2023	-	-	-	(33,600)	(33,600)
Changes in the statement of profit or loss and OCI					
Insurance revenue	(586,885)	-	-	-	(586,885)
Insurance service expenses:					
Incurred claims and other insurance service expenses	1,148	(1,641)	450,941	-	450,448
Losses and reversal of losses on onerous contracts	-	(2,918)	4,328	-	1,410
Insurance acquisition cash flows amortisation	52,473	-	-	-	52,473
Insurance service result	(533,264)	(4,559)	455,269	-	(82,554)
Finance income/(expenses) from insurance contracts issued	195,636	(125)	-	-	195,511
Total changes in the statement of profit or loss and other comprehensive (loss)/income	(337,628)	(4,684)	455,269	-	112,957

13 INSURANCE CONTRACT LIABILITIES (CONTINUED)

13a Reconciliation of the liability for remaining coverage and the liability for incurred claims (continued)

Life Risk and Savings (continued)

Company	Liabilities for remaining coverage: Excluding loss component RM'000	Liabilities for remaining coverage: Loss component RM'000	Liabilities for incurred claims RM'000	Assets for insurance acquisition cash flows RM'000	Total RM'000
Investment components	(123,754)	-	123,754	-	-
Derecognition of assets for insurance acquisition cash flows	(16,800)	-	-	16,800	-
Cash flows					
Premiums received	1,276,842	-	-	-	1,276,842
Claims and other directly attributable expenses paid	-	-	(514,071)	-	(514,071)
Insurance acquisition cash flows	(136,754)	-	-	-	(136,754)
Total cash flows	1,140,088	-	(514,071)	-	626,017
Other movements	697	-	(697)	-	-
Net insurance contract liabilities/ (asset) as at 31 December 2023	3,792,348	9,504	318,673	(16,800)	4,103,725
Insurance contract liabilities as at 31 December 2023	3,792,348	9,504	318,673	-	4,120,525
Insurance contract assets as at 31 December 2023	-	-	-	(16,800)	(16,800)

13 INSURANCE CONTRACT LIABILITIES (CONTINUED)

13a Reconciliation of the liability for remaining coverage and the liability for incurred claims (continued)

Participating

Group/Company	Liabilities for remaining coverage: Excluding loss component	Liabilities for remaining coverage: Loss component	Liabilities for incurred claims	Assets for insurance acquisition cash flows	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Net insurance contract liabilities as at 1 January 2022	4,552,942	-	664,171	-	5,217,113
Insurance contract liabilities as at 1 January 2022	4,552,942	-	664,171	-	5,217,113
Changes in the statement of profit or loss and OCI					
Insurance revenue	(95,279)	-	-	-	(95,279)
Insurance service expenses:					
- Incurred claims and other insurance service expenses	98	-	101,569	-	101,667
- Losses and reversal of losses on onerous contracts	-	102	-	-	102
- Insurance acquisition cash flows amortisation	105	-	-	-	105
Insurance service result	(95,076)	102	101,569	-	6,595
Finance expenses from insurance contracts issued	(71,988)	-	-	-	(71,988)
Total changes in the statement of profit or loss and other comprehensive (loss)/income	(167,064)	102	101,569	-	(65,393)

13 INSURANCE CONTRACT LIABILITIES (CONTINUED)

13a Reconciliation of the liability for remaining coverage and the liability for incurred claims (continued)

Participating (continued)

Group/Company	Liabilities for remaining coverage: Excluding loss component RM'000	Liabilities for remaining coverage: Loss component RM'000	Liabilities for incurred claims RM'000	Assets for insurance acquisition cash flows RM'000	Total RM'000
Investment components	(371,903)	-	371,903	-	-
Cash flows					
Premiums received	182,146	-	-	-	182,146
Claims and other directly attributable expenses paid	-	-	(423,870)	-	(423,870)
Insurance acquisition cash flows	(3,173)	-	-	-	(3,173)
Total cash flows	178,973	-	(423,870)	-	(244,897)
Other movements	3,928	-	(3,928)	-	-
Net insurance contract liabilities as at 31 December 2022	4,196,876	102	709,845	-	4,906,823
Insurance contract liabilities as at 31 December 2022	4,196,876	102	709,845	-	4,906,823

13 INSURANCE CONTRACT LIABILITIES (CONTINUED)

13a Reconciliation of the liability for remaining coverage and the liability for incurred claims (continued)

Participating (continued)

Group/Company	Liabilities for remaining coverage: Excluding loss component RM'000	Liabilities for remaining coverage: Loss component RM'000	Liabilities for incurred claims RM'000	Assets for insurance acquisition cash flows RM'000	Total RM'000
Net insurance contract liabilities as at 1 January 2023	4,196,876	102	709,845	-	4,906,823
Insurance contract liabilities as at 1 January 2023	4,196,876	102	709,845	-	4,906,823
Effect of adopting MFRS 9 and MFRS 17	20,442	-	-	-	20,442
Net insurance contract liabilities as at 1 January 2023 (restated)	4,217,318	102	709,845	-	4,927,265
Insurance contract liabilities as at 1 January 2023	4,217,318	102	709,845	-	4,927,265
Changes in the statement of profit or loss and OCI					
Insurance revenue	(98,752)	-	-	-	(98,752)
Insurance service expenses:					
Incurred claims and other insurance service expenses	112	(17)	98,113	-	98,208
Losses and reversal of losses on onerous contracts	-	244	-	-	244
Insurance acquisition cash flows amortisation	204	-	-	-	204
Insurance service result	(98,436)	227	98,113	-	(96)
Finance income from insurance contracts issued	310,471	-	-	-	310,471
Total changes in the statement of profit or loss and other comprehensive income	212,035	227	98,113	-	310,375

13 INSURANCE CONTRACT LIABILITIES (CONTINUED)

13a Reconciliation of the liability for remaining coverage and the liability for incurred claims (continued)

Participating (continued)

Group/Company	Liabilities for remaining coverage: Excluding loss component RM'000	Liabilities for remaining coverage: Loss component RM'000	Liabilities for incurred claims RM'000	Assets for insurance acquisition cash flows RM'000	Total RM'000
Investment components	(381,591)	-	381,591	-	-
Cash flows					
Premiums received	157,106	-	-	-	157,106
Claims and other directly attributable expenses paid	-	-	(436,339)	-	(436,339)
Insurance acquisition cash flows	(637)	-	-	-	(637)
Total cash flows	156,469	-	(436,339)	-	(279,870)
Other movements	4,345	-	(4,345)	-	-
Net insurance contract liabilities as at 31 December 2023	4,208,576	329	748,865	-	4,957,770
Insurance contract liabilities as at 31 December 2023	4,208,576	329	748,865	-	4,957,770

13 INSURANCE CONTRACT LIABILITIES (CONTINUED)

13b Reconciliation of the measurement components of insurance contract balances

Life Risk and Savings

Group	Estimates of present value future cash flows RM'000	Risks adjustment for non-financial risks RM'000	CSM RM'000	Assets for insurance acquisition cash flows RM'000	Total RM'000
Net insurance contract liabilities/ (asset) as at 1 January 2022	1,904,446	170,942	844,566	(50,400)	2,869,554
Insurance contract liabilities as at 1 January 2022	1,904,446	170,942	844,566	-	2,919,954
Insurance contract assets as at 1 January 2022	-	-	-	(50,400)	(50,400)
Changes in the statement of profit or loss and OCI					
Changes that relate to current services:					
- CSM recognised for services provided	-	-	(78,869)	-	(78,869)
- Change in risk adjustment for non-financial risk for risk expired	-	(24,266)	-	-	(24,266)
- Experience adjustments	(10,124)	-	-	-	(10,124)
Changes that relate to future services:					
- Contracts initially recognised in the year	(214,333)	29,224	185,137	-	28
- Changes in estimates that adjust the CSM	33,161	6,484	(39,073)	-	572
- Changes in estimates that result in losses and reversal of losses on onerous contracts	482	11	-	-	493
Insurance service result	(190,814)	11,453	67,195	-	(112,166)
Finance (expenses)/income from insurance contracts issued	(69,855)	2,078	12,915	-	(54,862)
Total changes in the statement of profit or loss and other comprehensive (loss)/income	(260,669)	13,531	80,110	-	(167,028)

13 INSURANCE CONTRACT LIABILITIES (CONTINUED)

13b Reconciliation of the measurement components of insurance contract balances (continued)

Life Risk and Savings (continued)

Group	Estimates of present value future cash flows RM'000	Risks adjustment for non-financial risks RM'000	CSM RM'000	Assets for insurance acquisition cash flows RM'000	Total RM'000
Derecognition of assets for insurance acquisition cash flows	(16,800)	-	-	16,800	-
Cash flows					
Premiums received	1,260,531	-	-	-	1,260,531
Claims and other directly attributable expenses paid	(452,131)	-	-	-	(452,131)
Insurance acquisition cash flows	(145,364)	-	-	-	(145,364)
Total cash flows	663,036	-	-	-	663,036
Net insurance contract liabilities/(asset) as at 31 December 2022	2,290,013	184,473	924,676	(33,600)	3,365,562
Insurance contract liabilities as at 31 December 2022	2,290,013	184,473	924,676	-	3,399,162
Insurance contract assets as at 31 December 2022	-	-	-	(33,600)	(33,600)

13 INSURANCE CONTRACT LIABILITIES (CONTINUED)

13b Reconciliation of the measurement components of insurance contract balances (continued)

Life Risk and Savings (continued)

Group	Estimates of present value future cash flows RM'000	Risks adjustment for non-financial risks RM'000	CSM RM'000	Assets for insurance acquisition cash flows RM'000	Total RM'000
Net insurance contract liabilities/ (asset) as at 1 January 2023	2,290,013	184,473	924,676	(33,600)	3,365,562
Insurance contract liabilities as at 1 January 2023	2,290,013	184,473	924,676	-	3,399,162
Insurance contract assets as at 1 January 2023	-	-	-	(33,600)	(33,600)
Changes in the statement of profit or loss and OCI					
Changes that relate to current services:					
- CSM recognised for services provided	-	-	(92,633)	-	(92,633)
- Change in risk adjustment for non-financial risk for risk expired	-	(26,545)	-	-	(26,545)
- Experience adjustments	35,214	-	-	-	35,214
Changes that relate to future services:					
- Contracts initially recognised in the year	(209,192)	27,951	181,323	-	82
- Changes in estimates that adjust the CSM	19,404	(4,748)	(20,885)	-	(6,229)
- Changes in estimates that result in losses and reversal of losses on onerous contracts	7,581	(24)	-	-	7,557
Insurance service result	(146,993)	(3,366)	67,805	-	(82,554)
Finance income from insurance contracts issued	170,461	7,658	16,191	-	194,310
Total changes in the statement of profit or loss and other comprehensive income	23,468	4,292	83,996	-	111,756

13 INSURANCE CONTRACT LIABILITIES (CONTINUED)

13b Reconciliation of the measurement components of insurance contract balances (continued)

Life Risk and Savings (continued)

Group	Estimates of present value future cash flows RM'000	Risks adjustment for non-financial risks RM'000	CSM RM'000	Assets for insurance acquisition cash flows RM'000	Total RM'000
Derecognition of assets for insurance acquisition cash flows	(16,800)	-	-	16,800	-
Cash flows					
Premiums received	1,276,842	-	-	-	1,276,842
Claims and other directly attributable expenses paid	(514,071)	-	-	-	(514,071)
Insurance acquisition cash flows	(136,754)	-	-	-	(136,754)
Total cash flows	626,017	-	-	-	626,017
Net insurance contract liabilities/(asset) as at 31 December 2023	2,922,698	188,765	1,008,672	(16,800)	4,103,335
Insurance contract liabilities as at 31 December 2023	2,922,698	188,765	1,008,672	-	4,120,135
Insurance contract assets as at 31 December 2023	-	-	-	(16,800)	(16,800)

13 INSURANCE CONTRACT LIABILITIES (CONTINUED)

13b Reconciliation of the measurement components of insurance contract balances (continued)

Life Risk and Savings (continued)

Company	Estimates of present value future cash flows RM'000	Risks adjustment for non-financial risks RM'000	CSM RM'000	Assets for insurance acquisition cash flows RM'000	Total RM'000
Net insurance contract liabilities/ (asset) as at 1 January 2022	1,904,259	170,942	844,566	(50,400)	2,869,367
Insurance contract liabilities as at 1 January 2022	1,904,259	170,942	844,566	-	2,919,767
Insurance contract assets as at 1 January 2022	-	-	-	(50,400)	(50,400)
Changes in the statement of profit or loss and OCI					
Changes that relate to current services:					
- CSM recognised for services provided	-	-	(78,869)	-	(78,869)
- Change in risk adjustment for non-financial risk for risk expired	-	(24,266)	-	-	(24,266)
- Experience adjustments	(10,124)	-	-	-	(10,124)
Changes that relate to future services:					
- Contracts initially recognised in the year	(214,333)	29,224	185,137	-	28
- Changes in estimates that adjust the CSM	33,161	6,484	(39,073)	-	572
- Changes in estimates that result in losses and reversal of losses on onerous contracts	482	11	-	-	493
Insurance service result	(190,814)	11,453	67,195	-	(112,166)
Finance (expenses)/income from insurance contracts issued	(70,479)	2,078	12,915	-	(55,486)
Total changes in the statement of profit or loss and other comprehensive (loss)/income	(261,293)	13,531	80,110	-	(167,652)

13 INSURANCE CONTRACT LIABILITIES (CONTINUED)

13b Reconciliation of the measurement components of insurance contract balances (continued)

Life Risk and Savings (continued)

Company	Estimates of present value future cash flows RM'000	Risks adjustment for non-financial risks RM'000	CSM RM'000	Assets for insurance acquisition cash flows RM'000	Total RM'000
Derecognition of assets for insurance acquisition cash flows	(16,800)	-	-	16,800	-
Cash flows					
Premiums received	1,260,531	-	-	-	1,260,531
Claims and other directly attributable expenses paid	(452,131)	-	-	-	(452,131)
Insurance acquisition cash flows	(145,364)	-	-	-	(145,364)
Total cash flows	663,036	-	-	-	663,036
Net insurance contract liabilities/ (asset) as at 31 December 2022	2,289,202	184,473	924,676	(33,600)	3,364,751
Insurance contract liabilities as at 31 December 2022	2,289,202	184,473	924,676	-	3,398,351
Insurance contract assets as at 31 December 2022	-	-	-	(33,600)	(33,600)

13 INSURANCE CONTRACT LIABILITIES (CONTINUED)

13b Reconciliation of the measurement components of insurance contract balances (continued)

Life Risk and Savings (continued)

Company	Estimates of present value future cash flows RM'000	Risks adjustment for non-financial risks RM'000	CSM RM'000	Assets for insurance acquisition cash flows RM'000	Total RM'000
Net insurance contract liabilities/ (asset) as at 1 January 2023	2,289,202	184,473	924,676	(33,600)	3,364,751
Insurance contract liabilities as at 1 January 2023	2,289,202	184,473	924,676	-	3,398,351
Insurance contract assets as at 1 January 2023	-	-	-	(33,600)	(33,600)
Changes in the statement of profit or loss and OCI					
Changes that relate to current services:					
- CSM recognised for services provided	-	-	(92,633)	-	(92,633)
- Change in risk adjustment for non-financial risk for risk expired	-	(26,545)	-	-	(26,545)
- Experience adjustments	35,214	-	-	-	35,214
Changes that relate to future services:					
- Contracts initially recognised in the year	(209,192)	27,951	181,323	-	82
- Changes in estimates that adjust the CSM	19,404	(4,748)	(20,885)	-	(6,229)
- Changes in estimates that result in losses and reversal of losses on onerous contracts	7,581	(24)	-	-	7,557
Insurance service result	(146,993)	(3,366)	67,805	-	(82,554)
Finance income from insurance contracts issued	171,662	7,658	16,191	-	195,511
Total changes in the statement of profit or loss and other comprehensive income	24,669	4,292	83,996	-	112,957

13 INSURANCE CONTRACT LIABILITIES (CONTINUED)

13b Reconciliation of the measurement components of insurance contract balances (continued)

Life Risk and Savings (continued)

Company	Estimates of present value future cash flows RM'000	Risks adjustment for non-financial risks RM'000	CSM RM'000	Assets for insurance acquisition cash flows RM'000	Total RM'000
Derecognition of assets for insurance acquisition cash flows	(16,800)	-	-	16,800	-
Cash flows					
Premiums received	1,276,842	-	-	-	1,276,842
Claims and other directly attributable expenses paid	(514,071)	-	-	-	(514,071)
Insurance acquisition cash flows	(136,754)	-	-	-	(136,754)
Total cash flows	626,017	-	-	-	626,017
Net insurance contract liabilities/ (asset) as at 31 December 2023	2,923,088	188,765	1,008,672	(16,800)	4,103,725
Insurance contract liabilities as at 31 December 2023	2,923,088	188,765	1,008,672	-	4,120,525
Insurance contract assets as at 31 December 2023	-	-	-	(16,800)	(16,800)

13 INSURANCE CONTRACT LIABILITIES (CONTINUED)

13b Reconciliation of the measurement components of insurance contract balances (continued)

Participating

Group/Company	Estimates of present value future cash flows RM'000	Risks adjustment for non-financial risks RM'000	CSM RM'000	Assets for insurance acquisition cash flows RM'000	Total RM'000
Net insurance contract liabilities as at 1 January 2022	5,119,863	-	97,250	-	5,217,113
Insurance contract liabilities as at 1 January 2022	5,119,863	-	97,250	-	5,217,113
Changes in the statement of profit or loss and OCI					
Changes that relate to current services:					
- CSM recognised for services provided	-	-	(4,062)	-	(4,062)
- Experience adjustments	10,555	-	-	-	10,555
Changes that relate to future services:					
- Contracts initially recognised in the year	(514)	-	526	-	12
- Changes in estimates that adjust the CSM	9,126	-	(9,066)	-	60
- Changes in estimates that result in losses and reversal of losses on onerous contracts	30	-	-	-	30
Insurance service result	19,197	-	(12,602)	-	6,595
Finance expenses from insurance contracts issued	(61,433)	-	(10,555)	-	(71,988)
Total changes in the statement of profit or loss and other comprehensive loss	(42,236)	-	(23,157)	-	(65,393)

13 INSURANCE CONTRACT LIABILITIES (CONTINUED)

13b Reconciliation of the measurement components of insurance contract balances (continued)

Participating (continued)

Group/Company	Estimates of present value future cash flows RM'000	Risks adjustment for non-financial risks RM'000	CSM RM'000	Assets for insurance acquisition cash flows RM'000	Total RM'000
Cash flows					
Premiums received	182,146	-	-	-	182,146
Claims and other directly attributable expenses paid	(423,870)	-	-	-	(423,870)
Insurance acquisition cash flows	(3,173)	-	-	-	(3,173)
Total cash flows	(244,897)	-	-	-	(244,897)
Net insurance contract liabilities as at 31 December 2022	4,832,730	-	74,093	-	4,906,823
Insurance contract liabilities as at 31 December 2022	4,832,730	-	74,093	-	4,906,823

13 INSURANCE CONTRACT LIABILITIES (CONTINUED)

13b Reconciliation of the measurement components of insurance contract balances (continued)

Participating (continued)

Group/Company	Estimates of present value future cash flows RM'000	Risks adjustment for non-financial risks RM'000	CSM RM'000	Assets for insurance acquisition cash flows RM'000	Total RM'000
Net insurance contract liabilities as at 1 January 2023	4,832,730	-	74,093	-	4,906,823
Insurance contract liabilities as at 1 January 2023	4,832,730	-	74,093	-	4,906,823
Effect of adopting MFRS 9 and MFRS 17	18,977	-	1,465	-	20,442
Net insurance contract liabilities as at 1 January 2023 (restated)	4,851,707	-	75,558	-	4,927,265
Insurance contract liabilities as at 1 January 2023	4,851,707	-	75,558	-	4,927,265
Changes in the statement of profit or loss and OCI					
Changes that relate to current services:					
- CSM recognised for services provided	-	-	(4,766)	-	(4,766)
- Experience adjustments	4,426	-	-	-	4,426
Changes that relate to future services:					
- Contracts initially recognised in the year	(32)	-	39	-	7
- Changes in estimates that adjust the CSM	(19,215)	-	19,372	-	157
- Changes in estimates that result in losses and reversal of losses on onerous contracts	80	-	-	-	80
Insurance service result	(14,741)	-	14,645	-	(96)

13 INSURANCE CONTRACT LIABILITIES (CONTINUED)

13b Reconciliation of the measurement components of insurance contract balances (continued)

Participating (continued)

Group/Company	Estimates of present value future cash flows RM'000	Risks adjustment for non-financial risks RM'000	CSM RM'000	Assets for insurance acquisition cash flows RM'000	Total RM'000
Changes in the statement of profit or loss and OCI (continued)					
Finance income/(expenses) from insurance contracts issued	314,898	-	(4,427)	-	310,471
Total changes in the statement of profit or loss and other comprehensive income	300,157	-	10,218	-	310,375
Cash flows					
Premiums received	157,106	-	-	-	157,106
Claims and other directly attributable expenses paid	(436,339)	-	-	-	(436,339)
Insurance acquisition cash flows	(637)	-	-	-	(637)
Total cash flows	(279,870)	-	-	-	(279,870)
Net insurance contract liabilities as at 31 December 2023	4,871,994	-	85,776	-	4,957,770
Insurance contract liabilities as at 31 December 2023	4,871,994	-	85,776	-	4,957,770

14 OTHER PAYABLES

	As at 31.12.2023	As at 31.12.2022 Restated	As at 01.01.2022 Restated
	RM'000	RM'000	RM'000
Group			
Amount due from related parties (Note 26)	519	598	926
Outstanding payable on purchases of investment securities	153	10,992	1,223
Tenant deposits	3,081	2,861	2,683
Staff related accrued expenses	39,101	30,311	25,650
Other accrued expenses	39,338	34,508	32,530
Sundry creditors	37,039	37,261	39,061
Other payables	13,113	12,318	14,581
	132,344	128,849	116,654
Current	129,263	125,988	113,971
Non-current	3,081	2,861	2,683
	132,344	128,849	116,654
Company			
Amount due from related parties (Note 26)	519	598	926
Outstanding payable on purchases of investment securities	153	10,992	1,223
Tenant deposits	3,081	2,861	2,683
Staff related accrued expenses	39,101	30,311	25,650
Other accrued expenses	39,338	34,508	32,530
Sundry creditors	37,039	37,261	39,061
Other payables	12,673	11,420	14,519
	131,904	127,951	116,592
Current	128,823	125,090	113,909
Non-current	3,081	2,861	2,683
	131,904	127,951	116,592

15 PROVISION FOR AGENCY LONG ASSOCIATION BENEFITS

	Group/Company	
	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
At 1 January	39,888	36,719
Charged to profit or loss	5,601	5,776
Paid during the financial year	(4,358)	(2,607)
At 31 December	41,131	39,888
Payable within 12 months	14,451	14,475
Payable after 12 months	26,680	25,413
	41,131	39,888

16 DEFERRED TAX LIABILITIES

	Group/Company	
	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
At 1 January, as previously reported	249,793	258,156
Effect of adopting MFRS 17 and MFRS 9	(18,268)	(8,305)
At 1 January as restated	231,525	249,851
Recognised in:		
Profit or loss (Note 20)	32,627	7,880
Other comprehensive income/(loss)	24,394	(29,917)
At 31 December	288,546	227,814
Current	15,308	(9,522)
Non-current	273,238	237,336
At 31 December	288,546	227,814

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 taxes relate to the same tax authority.

16 DEFERRED TAX LIABILITIES (CONTINUED)

Group/Company	Unallocated surplus arising from non-DPF	Property, plant and equipment	Self-occupied properties	Investment properties	Financial investments	Insurance/ reinsurance reserve	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2022, as previously reported	188,481	579	5,559	13,308	50,229	-	258,156
Effect of adopting MFRS 17	973	-	-	-	-	(9,278)	(8,305)
At 1 January 2022 (restated)	189,454	579	5,559	13,308	50,229	(9,278)	249,851
Recognised in:							
Profit or loss (Note 20)	21,918	(105)	-	(393)	(13,540)	-	7,880
Other comprehensive income/(loss)	-	-	243	-	(33,688)	3,528	(29,917)
At 31 December 2022	211,372	474	5,802	12,915	3,001	(5,750)	227,814
At 1 January 2023, as previously reported	227,601	474	5,802	12,915	3,001	-	249,793
Effect of adopting MFRS 17 and MFRS 9	(14,872)	-	-	-	2,354	(5,750)	(18,268)
At 1 January 2023 (restated)	212,729	474	5,802	12,915	5,355	(5,750)	231,525
Recognised in:							
Profit or loss (Note 20)	21,402	(67)	-	58	11,234	-	32,627
Other comprehensive income/(loss)	-	-	198	-	32,592	(8,396)	24,394
At 31 December 2023	234,131	407	6,000	12,973	49,181	(14,146)	288,546

17 INSURANCE SERVICE RESULT

Group/Company	Life Risk and Savings RM'000	Participating RM'000	Total RM'000
2023			
Contracts not measured under PAA			
Amounts relating to the changes in the liability for remaining coverage:			
- Expected incurred claims and other directly attributable expenses	415,234	93,782	509,016
- Change in the risk adjustment for non-financial risk for the risk expired	26,545	-	26,545
- CSM recognised for the services provided	92,633	4,766	97,399
Insurance acquisition cash flows recovery	52,473	204	52,677
Insurance revenue from contracts not measured under the PAA	586,885	98,752	685,637
Insurance revenue	586,885	98,752	685,637
Incurred claims and other directly attributable expenses	(450,448)	(98,208)	(548,656)
Losses on onerous contracts and reversal of those losses	(1,410)	(244)	(1,654)
Insurance acquisition cash flows amortisation	(52,473)	(204)	(52,677)
Insurance service expenses	(504,331)	(98,656)	(602,987)
Insurance service result before reinsurance	82,554	96	82,650
Amounts relating to the changes in the remaining coverage:			
- Expected incurred claims and other directly attributable expenses recovery	(44,338)	-	(44,338)
- Change in the risk adjustment for non-financial risk for the risk expired	(4,939)	-	(4,939)
- CSM recognised for the services received	(6,219)	-	(6,219)
Reinsurance expenses - contracts not measured under the PAA	(55,496)	-	(55,496)
Reinsurance expenses - contracts measured under the PAA	(3)	-	(3)
Effect of changes in the risk of reinsurers' non-performance	(9)	-	(9)
Amount recoverable from reinsurers for incurred claims	44,191	-	44,191
Income on initial recognition of onerous underlying contracts	11	-	11
Net expenses from reinsurance contracts held	(11,306)	-	(11,306)
Insurance service result	71,248	96	71,344

17 INSURANCE SERVICE RESULT (CONTINUED)

Group/Company	Life Risk and Savings RM'000	Participating RM'000	Total RM'000
2022			
Contracts not measured under PAA			
Amounts relating to the changes in the liability for remaining coverage:			
- Expected incurred claims and other directly attributable expenses	385,717	91,112	476,829
- Change in the risk adjustment for non-financial risk for the risk expired	24,266	-	24,266
- CSM recognised for the services provided	78,869	4,062	82,931
Insurance acquisition cash flows recovery	40,832	105	40,937
Insurance revenue from contracts not measured under the PAA	529,684	95,279	624,963
Insurance revenue	529,684	95,279	624,963
Incurred claims and other directly attributable expenses	(375,593)	(101,667)	(477,260)
Losses on onerous contracts and reversal of those losses	(1,093)	(102)	(1,195)
Insurance acquisition cash flows amortisation	(40,832)	(105)	(40,937)
Insurance service expenses	(417,518)	(101,874)	(519,392)
Insurance service result before reinsurance	112,166	(6,595)	105,571
Amounts relating to the changes in the remaining coverage:			
- Expected incurred claims and other directly attributable expenses recovery	(41,799)	-	(41,799)
- Change in the risk adjustment for non-financial risk for the risk expired	(5,255)	-	(5,255)
- CSM recognised for the services received	(3,691)	-	(3,691)
Reinsurance expenses - contracts not measured under the PAA	(50,745)	-	(50,745)
Reinsurance expenses - contracts measured under the PAA	(153)	-	(153)
Effect of changes in the risk of reinsurers' non-performance	(20)	-	(20)
Amount recoverable from reinsurers for incurred claims	33,284	-	33,284
Income on initial recognition of onerous underlying contracts	27	-	27
Net expenses from reinsurance contracts held	(17,607)	-	(17,607)
Insurance service result	94,559	(6,595)	87,964

17 INSURANCE SERVICE RESULT (CONTINUED)

17a Impact of contracts recognised in the year for insurance contracts issued

Life Risk and Savings

Group/Company	Non-onerous contracts originated RM'000	Onerous contracts originated RM'000	Total RM'000
2023			
Estimates of the present value of future cash outflows			
Insurance acquisition cash flows	158,149	541	158,690
Claims and other directly attributable expenses	827,459	1,702	829,161
Estimates of the present value of future cash outflows	985,608	2,243	987,851
Estimates of the present value of future cash inflows	(1,194,529)	(2,514)	(1,197,043)
Risk adjustment for non-financial risk	27,598	353	27,951
CSM	181,323	-	181,323
Increase in insurance contract liabilities from contracts recognised in the year	-	82	82
2022			
Estimates of the present value of future cash outflows			
Insurance acquisition cash flows	170,371	279	170,650
Claims and other directly attributable expenses	829,072	859	829,931
Estimates of the present value of future cash outflows	999,443	1,138	1,000,581
Estimates of the present value of future cash inflows	(1,213,629)	(1,285)	(1,214,914)
Risk adjustment for non-financial risk	29,049	175	29,224
CSM	185,137	-	185,137
Increase in insurance contract liabilities from contracts recognised in the year	-	28	28

17 INSURANCE SERVICE RESULT (CONTINUED)

17a Impact of contracts recognised in the year for insurance contracts issued (continued)

Participating

Group/Company	Non-onerous contracts originated RM'000	Onerous contracts originated RM'000	Total RM'000
2023			
Estimates of the present value of future cash outflows			
Insurance acquisition cash flows	215	83	298
Claims and other directly attributable expenses	1,714	510	2,224
Estimates of the present value of future cash outflows	1,929	593	2,522
Estimates of the present value of future cash inflows	(1,968)	(586)	(2,554)
CSM	39	-	39
Increase in insurance contract liabilities from contracts recognised in the year	-	7	7
2022			
Estimates of the present value of future cash outflows			
Insurance acquisition cash flows	3,022	118	3,140
Claims and other directly attributable expenses	26,130	707	26,837
Estimates of the present value of future cash outflows	29,152	825	29,977
Estimates of the present value of future cash inflows	(29,678)	(813)	(30,491)
CSM	526	-	526
Increase in insurance contract liabilities from contracts recognised in the year	-	12	12

17 INSURANCE SERVICE RESULT (CONTINUED)

17b Impact of contracts recognised in the year for reinsurance contracts held

Group/Company	Contracts originated not in a net gain RM'000	Contracts originated in a net gain RM'000	Total RM'000
2023			
Estimates of the present value of future cash inflows	(35,210)	(12,501)	(47,711)
Estimates of the present value of future cash outflows	40,499	9,799	50,298
Risk adjustment for non-financial risk	4,213	365	4,578
CSM	(7,165)	-	(7,165)
Increase/(decrease) in reinsurance contract assets from contracts recognised in the year	2,337	(2,337)	-
2022			
Estimates of the present value of future cash inflows	(50,169)	(6,062)	(56,231)
Estimates of the present value of future cash outflows	58,716	3,100	61,816
Risk adjustment for non-financial risk	5,593	490	6,083
CSM	(11,668)	-	(11,668)
Increase/(decrease) in reinsurance contract assets from contracts recognised in the year	2,472	(2,472)	-

18 INVESTMENT INCOME AND INSURANCE FINANCE EXPENSES

Group	Life Risk and and Savings RM'000	Participating RM'000	Other RM'000	Total RM'000
2023				
Interest revenue from financial assets not measured at FVTPL	47,721	150,926	-	198,647
Net gains on FVTPL investments	85,903	96,393	-	182,296
Net credit impairment losses	62	227	-	289
Net gains on investments in debt securities measured at FVOCI	32,875	85,541	-	118,416
Net investment income - underlying assets	166,561	333,087	-	499,648
Interest revenue from financial assets not measured at FVTPL	95,595	-	369	95,964
Net gains on FVTPL investments	6,866	-	9,830	16,696
Net credit impairment losses	213	-	-	213
Net gains on investments in debt securities measured at FVOCI	65,454	-	-	65,454
Net investment income - other investments	168,128	-	10,199	178,327
Net gains from fair value adjustments to investment properties	80	594	-	674
Rental income from investment properties	712	6,542	-	7,254
Net investment income - other	792	7,136	-	7,928
Total net investment income	335,481	340,223	10,199	685,903
Changes in value of underlying assets of contracts measured under the VFA	(83,596)	(302,698)	-	(386,294)
Effect of time value of money at locked-in rates	(102,689)	-	-	(102,689)
Interest expenses	(8,025)	(7,773)	-	(15,798)
Finance expenses from insurance contracts issued	(194,310)	(310,471)	-	(504,781)

18 INVESTMENT INCOME AND INSURANCE FINANCE EXPENSES (CONTINUED)

Group	Life Risk and Savings RM'000	Participating RM'000	Other RM'000	Total RM'000
2023				
Effect of time value of money at locked-in rates	16	-	-	16
Effect of changes in interest rates and other financial assumptions	4,126	-	-	4,126
Finance income from reinsurance contracts held	4,142	-	-	4,142
Net insurance finance expenses	(190,168)	(310,471)	-	(500,639)
Summary of the amounts recognised in profit or loss				
Net investment income - underlying assets	131,764	250,953	-	382,717
Net investment income - other investments	104,360	-	10,199	114,559
Net investment income - other	792	7,136	-	7,928
Net insurance finance expenses	(148,189)	(233,099)	-	(381,288)
	88,727	24,990	10,199	123,916
Summary of the amounts recognised in OCI				
Net investment income - underlying assets	34,797	82,134	-	116,931
Net investment income - other investments	63,768	-	-	63,768
Net insurance finance expenses	(41,979)	(77,372)	-	(119,351)
	56,586	4,762	-	61,348

18 INVESTMENT INCOME AND INSURANCE FINANCE EXPENSES (CONTINUED)

Group	Life Risk and and Savings RM'000	Participating RM'000	Other RM'000	Total RM'000
2022				
Interest revenue from financial assets not measured at FVTPL	34,094	136,716	-	170,810
Net losses on FVTPL investments	(101,472)	(72,762)	-	(174,234)
Reversal of net impairment losses	-	(55,835)	-	(55,835)
Net gains from the derecognition of financial assets measured at HTM	-	36	-	36
Net losses on investments in equity securities measured at AFS	(1,092)	(29,934)	-	(31,026)
Net losses on investments in debt securities measured at AFS	(17,055)	(59,151)	-	(76,206)
Net investment loss - underlying assets	(85,525)	(80,930)	-	(166,455)
Interest revenue from financial assets not measured at FVTPL	78,444	-	2,065	80,509
Net losses on FVTPL investments	(8,615)	-	-	(8,615)
Reversal of net impairment losses	(2,058)	-	(3,785)	(5,843)
Net losses from the derecognition of financial assets measured at HTM	(28)	-	-	(28)
Net (losses)/gains on investments in equity securities measured at AFS	(3,744)	-	4,982	1,238
Net losses on investments in debt securities measured at AFS	(38,110)	-	304	(37,806)
Net investment income - other investments	25,889	-	3,566	29,455
Net (losses)/gains from fair value adjustments to investment properties	(1)	16	-	15
Rental income from investment properties	648	6,676	-	7,324
Net gains from disposal of investment properties	898	6,430	-	7,328
Net investment income - other	1,545	13,122	-	14,667
Total net investment (loss)/income	(58,091)	(67,808)	3,566	(122,333)

18 INVESTMENT INCOME AND INSURANCE FINANCE EXPENSES (CONTINUED)

Group	Life Risk and and Savings RM'000	Participating RM'000	Other RM'000	Total RM'000
2022				
Changes in value of underlying assets of contracts measured under the VFA	89,963	78,831	-	168,794
Effect of time value of money at locked-in rates	(29,313)	-	-	(29,313)
Interest expenses	(5,788)	(6,843)	-	(12,631)
Finance income from insurance contracts issued	54,862	71,988	-	126,850
Effect of time value of money at locked-in rates	22	-	-	22
Effect of changes in interest rates and other financial assumptions	1,310	-	-	1,310
Finance income from reinsurance contracts held	1,332	-	-	1,332
Net insurance finance income	56,194	71,988	-	128,182
Summary of the amounts recognised in profit or loss				
Net investment (loss)/income - underlying assets	(69,126)	133,533	-	64,407
Net investment income/(loss) - other investments	75,808	-	(489)	75,319
Net investment income - other	1,545	13,122	-	14,667
Net insurance finance income/(expenses)	38,553	(123,092)	-	(84,539)
	46,780	23,563	(489)	69,854
Summary of the amounts recognised in OCI				
Net investment loss - underlying assets	(16,399)	(214,463)	-	(230,862)
Net investment (loss)/income - other investments	(49,919)	-	4,055	(45,864)
Net insurance finance income	17,641	195,080	-	212,721
	(48,677)	(19,383)	4,055	(64,005)

18 INVESTMENT INCOME AND INSURANCE FINANCE EXPENSES (CONTINUED)

Company	Life Risk and Savings RM'000	Participating RM'000	Other RM'000	Total RM'000
2023				
Interest revenue from financial assets not measured at FVTPL	47,721	150,926	-	198,647
Net gains on FVTPL investments	86,552	96,393	-	182,945
Net credit impairment losses	62	227	-	289
Net gains on investments in debt securities measured at FVOCI	32,875	85,541	-	118,416
Net investment income - underlying assets	167,210	333,087	-	500,297
Interest revenue from financial assets not measured at FVTPL	95,595	-	369	95,964
Net gains on FVTPL investments	6,866	-	9,754	16,620
Net credit impairment losses	213	-	-	213
Net gains on investments in debt securities measured at FVOCI	65,454	-	-	65,454
Net investment income - other investments	168,128	-	10,123	178,251
Net gains from fair value adjustments to investment properties	80	594	-	674
Rental income from investment properties	712	6,542	-	7,254
Net investment income - other	792	7,136	-	7,928
Total net investment income	336,130	340,223	10,123	686,476
Changes in value of underlying assets of contracts measured under the VFA	(84,797)	(302,698)	-	(387,495)
Effect of time value of money at locked-in rates	(102,689)	-	-	(102,689)
Interest expenses	(8,025)	(7,773)	-	(15,798)
Finance expenses from insurance contracts issued	(195,511)	(310,471)	-	(505,982)

18 INVESTMENT INCOME AND INSURANCE FINANCE EXPENSES (CONTINUED)

Company	Life Risk and Savings RM'000	Participating RM'000	Other RM'000	Total RM'000
2023				
Effect of time value of money at locked-in rates	16	-	-	16
Effect of changes in interest rates and other financial assumptions	4,126	-	-	4,126
Finance income from reinsurance contracts held	4,142	-	-	4,142
Net insurance finance expenses	(191,369)	(310,471)	-	(501,840)
Summary of the amounts recognised in profit or loss				
Net investment income - underlying assets	132,413	250,953	-	383,366
Net investment income - other investments	104,360	-	10,123	114,483
Net investment income - other	792	7,136	-	7,928
Net insurance finance expenses	(149,390)	(233,099)	-	(382,489)
	88,175	24,990	10,123	123,288
Summary of the amounts recognised in OCI				
Net investment income - underlying assets	34,797	82,134	-	116,931
Net investment income - other investments	63,768	-	-	63,768
Net insurance finance expenses	(41,979)	(77,372)	-	(119,351)
	56,586	4,762	-	61,348

18 INVESTMENT INCOME AND INSURANCE FINANCE EXPENSES (CONTINUED)

Company	Life Risk and Savings RM'000	Participating RM'000	Other RM'000	Total RM'000
2022				
Interest revenue from financial assets not measured at FVTPL	34,094	136,716	-	170,810
Net losses on FVTPL investments	(102,197)	(72,762)	-	(174,959)
Reversal of net impairment losses	-	(55,835)	-	(55,835)
Net gains from the derecognition of financial assets measured at HTM	-	36	-	36
Net losses on investments in equity securities measured at AFS	(1,092)	(29,934)	-	(31,026)
Net losses on investments in debt securities measured at AFS	(17,055)	(59,151)	-	(76,206)
Net investment loss - underlying assets	(86,250)	(80,930)	-	(167,180)
Interest revenue from financial assets not measured at FVTPL	78,444	-	418	78,862
Net losses on FVTPL investments	(8,615)	-	-	(8,615)
Reversal of net impairment losses	(2,058)	-	(3,785)	(5,843)
Net losses from the derecognition of financial assets measured at HTM	(28)	-	-	(28)
Net (losses)/gains on investments in equity securities measured at AFS	(3,744)	-	6,669	2,925
Net losses on investments in debt securities measured at AFS	(38,110)	-	-	(38,110)
Net investment income - other investments	25,889	-	3,302	29,191
Net (losses)/gains from fair value adjustments to investment properties	(1)	16	-	15
Rental income from investment properties	648	6,676	-	7,324
Net gains from disposal of investment properties	898	6,430	-	7,328
Net investment income - other	1,545	13,122	-	14,667
Total net investment (loss)/income	(58,816)	(67,808)	3,302	(123,322)

18 INVESTMENT INCOME AND INSURANCE FINANCE EXPENSES (CONTINUED)

Company	Life Risk and Savings RM'000	Participating RM'000	Other RM'000	Total RM'000
2022				
Changes in value of underlying assets of contracts measured under the VFA	90,587	78,831	-	169,418
Effect of time value of money at locked-in rates	(29,313)	-	-	(29,313)
Interest expenses	(5,788)	(6,843)	-	(12,631)
Finance income from insurance contracts issued	55,486	71,988	-	127,474
Effect of time value of money at locked-in rates	22	-	-	22
Effect of changes in interest rates and other financial assumptions	1,310	-	-	1,310
Finance income from reinsurance contracts held	1,332	-	-	1,332
Net insurance finance income	56,818	71,988	-	128,806
Summary of the amounts recognised in profit or loss				
Net investment (loss)/income - underlying assets	(69,851)	133,533	-	63,682
Net investment income/(loss) - other investments	75,808	-	(770)	75,038
Net investment income - other	1,545	13,122	-	14,667
Net insurance finance income/(expenses)	39,177	(123,092)	-	(83,915)
	46,679	23,563	(770)	69,472
Summary of the amounts recognised in OCI				
Net investment loss - underlying assets	(16,399)	(214,463)	-	(230,862)
Net investment (loss)/income - other investments	(49,919)	-	4,072	(45,847)
Net insurance finance income	17,641	195,080	-	212,721
	(48,677)	(19,383)	4,072	(63,988)

19 NET GAIN OR LOSS BY MEASUREMENT

The net gain or loss for each class of financial instrument by measurement category is as follows:

Group	AC	FVOCI	FVTPL	HTM	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
2023					
Interest revenue from financial assets not measured at FVTPL:					
Cash and cash equivalents	20,187	-	-	-	20,187
Government bonds	-	136,461	-	-	136,461
Other debt securities	-	137,960	-	-	137,960
Others	3	-	-	-	3
	20,190	274,421	-	-	294,611
Net gains on FVTPL investments					
Government bonds	-	-	2,396	-	2,396
Other debt securities	-	-	22,277	-	22,277
Equity securities	-	-	174,319	-	174,319
	-	-	198,992	-	198,992
Other:					
Net gains on investments in debt securities measured at FVOCI	-	183,870	-	-	183,870
Net gains from fair value adjustments to investment properties	-	-	674	-	674
Rental income from investment properties	-	-	7,254	-	7,254
Net credit impairment losses	-	502	-	-	502
	-	184,372	7,928	-	192,300
Total interest revenue and investment income	20,190	458,793	206,920	-	685,903
Amounts recognised in profit or loss	20,190	278,094	206,920	-	505,204
Amounts recognised in OCI	-	180,699	-	-	180,699
Total interest revenue and investment income	20,190	458,793	206,920	-	685,903

19 NET GAIN OR LOSS BY MEASUREMENT (CONTINUED)

The net gain or loss for each class of financial instrument by measurement category is as follows: (continued)

	AC RM'000	AFS RM'000	FVTPL RM'000	HTM RM'000	Total RM'000
Group					
2022					
Interest revenue from financial assets not measured at FVTPL:					
Cash and cash equivalents	13,484	-	-	-	13,484
Government bonds	-	73,798	-	37,136	110,934
Other debt securities	-	119,940	-	6,955	126,895
Others	6	-	-	-	6
	13,490	193,738	-	44,091	251,319
Net (loss)/gains on FVTPL investments:					
Government bonds	-	-	1,699	-	1,699
Other debt securities	-	-	9,776	-	9,776
Equity securities	-	-	(194,324)	-	(194,324)
	-	-	(182,849)	-	(182,849)
Other:					
Net losses on investments in equities securities measured at AFS	-	(29,788)	-	-	(29,788)
Net losses on investments in debt securities measured at AFS	-	(114,012)	-	-	(114,012)
Net gains from the derecognition of financial assets measured at HTM	-	-	-	8	8
Net gains from fair value adjustments to investment properties	-	-	15	-	15

19 NET GAIN OR LOSS BY MEASUREMENT (CONTINUED)

The net gain or loss for each class of financial instrument by measurement category is as follows: (continued)

	AC RM'000	AFS RM'000	FVTPL RM'000	HTM RM'000	Total RM'000
Group					
2022 (continued)					
Other: (continued)					
Rental income from investment properties	-	-	7,324	-	7,324
Net gains from disposal of investment properties	-	-	7,328	-	7,328
Net impairment losses	-	(61,678)	-	-	(61,678)
	-	(205,478)	14,667	8	(190,803)
Total interest revenue and investment income	13,490	(11,740)	(168,182)	44,099	(122,333)
Amounts recognised in profit or loss	13,490	264,986	(168,182)	44,099	154,393
Amounts recognised in OCI	-	(276,726)	-	-	(276,726)
Total interest revenue and investment income	13,490	(11,740)	(168,182)	44,099	(122,333)

19 NET GAIN OR LOSS BY MEASUREMENT (CONTINUED)

The net gain or loss for each class of financial instrument by measurement category is as follows: (continued)

Company	AC RM'000	FVOCI RM'000	FVTPL RM'000	HTM RM'000	Total RM'000
2023					
Interest revenue from financial assets not measured at FVTPL:					
Cash and cash equivalents	20,187	-	-	-	20,187
Government bonds	-	136,461	-	-	136,461
Other debt securities	-	137,960	-	-	137,960
Others	3	-	-	-	3
	20,190	274,421	-	-	294,611
Net gains on FVTPL investments					
Government bonds	-	-	2,396	-	2,396
Other debt securities	-	-	22,066	-	22,066
Equity securities	-	-	175,103	-	175,103
	-	-	199,565	-	199,565
Other:					
Net gains on investments in debt securities measured at FVOCI	-	183,870	-	-	183,870
Net gains from fair value adjustments to investment properties	-	-	674	-	674
Net gains on investment properties measured as FVTPL	-	-	7,254	-	7,254
Net credit impairment losses	-	502	-	-	502
	-	184,372	7,928	-	192,300
Total interest revenue and investment income	20,190	458,793	207,493	-	686,476
Amounts recognised in profit or loss	20,190	278,094	207,493	-	505,777
Amounts recognised in OCI	-	180,699	-	-	180,699
Total interest revenue and investment income	20,190	458,793	207,493	-	686,476

19 NET GAIN OR LOSS BY MEASUREMENT (CONTINUED)

The net gain or loss for each class of financial instrument by measurement category is as follows: (continued)

	AC RM'000	AFS RM'000	FVTPL RM'000	HTM RM'000	Total RM'000
Company					
2022					
Interest revenue from financial assets not measured at FVTPL:					
Cash and cash equivalents	13,484	-	-	-	13,484
Government bonds	-	73,798	-	37,136	110,934
Other debt securities	-	118,293	-	6,955	125,248
Others	6	-	-	-	6
	13,490	192,091	-	44,091	249,672
Net gains on FVTPL Investments:					
Government bonds	-	-	1,699	-	1,699
Other debt securities	-	-	9,744	-	9,744
Equity securities	-	-	(195,017)	-	(195,017)
	-	-	(183,574)	-	(183,574)
Other:					
Net losses on investments in equities securities measured at AFS	-	(28,101)	-	-	(28,101)
Net losses on investments in debt securities measured at AFS	-	(114,316)	-	-	(114,316)
Net gains from the derecognition of financial assets measured at HTM	-	-	-	8	8
Net gains from fair value adjustments to investment properties	-	-	15	-	15
Rental income from investment properties	-	-	7,324	-	7,324

19 NET GAIN OR LOSS BY MEASUREMENT (CONTINUED)

The net gain or loss for each class of financial instrument by measurement category is as follows: (continued)

	AC RM'000	AFS RM'000	FVTPL RM'000	HTM RM'000	Total RM'000
Company					
2022 (continued)					
Other: (continued)					
Net gains from disposal of investment properties	-	-	7,328	-	7,328
Net impairment losses	-	(61,678)	-	-	(61,678)
	-	(204,095)	14,667	8	(189,420)
Total interest revenue and investment income	13,490	(12,004)	(168,907)	44,099	(123,322)
Amounts recognised in profit or loss	13,490	264,705	(168,907)	44,099	153,387
Amounts recognised in OCI	-	(276,709)	-	-	(276,709)
Total interest revenue and investment income	13,490	(12,004)	(168,907)	44,099	(123,322)

20 TAXATION

	Group		Company	
	2023	2022 Restated	2023	2022 Restated
	RM'000	RM'000	RM'000	RM'000
Current tax	33,271	27,871	33,227	27,871
Taxation of life insurance business	25,895	19,357	25,851	19,357
Taxation of the Company	7,376	8,514	7,376	8,514
Deferred tax (Note 16)	32,627	7,880	32,627	7,880
Taxation of life insurance business	10,091	(13,131)	10,091	(13,131)
Taxation of the Company	22,536	21,011	22,536	21,011
Taxation	65,898	35,751	65,854	35,751
Current tax				
Current financial year	34,114	28,306	34,070	28,306
Over-provision in prior financial years	(843)	(435)	(843)	(435)
	33,271	27,871	33,227	27,871
Deferred tax				
Origination and reversal of temporary differences (Note 16)	32,627	7,880	32,627	7,880
Taxation	65,898	35,751	65,854	35,751

20 TAXATION (CONTINUED)

The explanation of the relationship between taxation, and profit before taxation and change in insurance contract liabilities is as follows:

	Group		Company	
	2023	2022 Restated	2023	2022 Restated
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	192,075	155,291	192,070	155,276
Tax calculated at the Malaysian tax rate of 24% (2022: 24%)	46,098	37,270	46,097	37,266
Tax on investment income of policyholders' and unitholder funds	58,780	30,226	58,780	30,226
Expenses not deductible for tax purposes	(400)	(499)	(443)	(495)
Section 110B tax credit	(2,174)	(1,410)	(2,174)	(1,410)
Income not subject to tax	(35,563)	(29,401)	(35,563)	(29,401)
Over-provision of tax in prior financial years	(843)	(435)	(843)	(435)
Tax expense for the financial year	65,898	35,751	65,854	35,751

The tax expense of the Life Fund is based on the method prescribed under the Income Tax Act, 1967 for the life business, where the income tax in the Life Fund is calculated at 8% on investment income. The income tax for the Shareholders' Fund is calculated based on the tax rate of 24% (2022: 24%) of the estimated assessable profit for the financial year.

In 2008, the Ministry of Finance has gazetted an order on the allowance of income tax set-off/credit for the tax charged on the surplus transferred from the Life Fund to the Shareholders' Fund with effect from year of assessment 2008 under Section 110B of the Income Tax Act, 1967.

The Group and the Company adopted IC Interpretation 23 'Uncertainty over Income Tax Treatments' for financial year beginning on or after 1 January 2019. The IFRS Interpretations Committee developed IFRIC 23 to clarify the accounting for uncertainties in income taxes. This interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under MFRS 112.

21 BASIC EARNINGS PER SHARE (SEN)

The earnings per share has been calculated based on the net profit for the financial year and the weighted average number of ordinary shares of the Group and the Company in issue during the financial year.

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit attributable to ordinary equity holders	126,177	119,540	126,216	119,525
Weighted average number of shares in issue	226,000	226,000	226,000	226,000
Basic earnings per share (sen)	55.83	52.89	55.85	52.89

There have been no other transactions involving ordinary shares between the reporting date and the date of completion of these financial statements.

No diluted earnings per share is disclosed in these financial statements as there are no dilutive potential ordinary shares.

22 DIVIDENDS PAID

Group/Company

A first and final single tier dividend of 4.43 sen (2022: 35.40 sen) per ordinary share on 226,000,000 ordinary shares amounting to RM10,000,000 (2022: RM80,000,000) for the financial year ended 31 December 2022 was approved at the Annual General Meeting held on 22 June 2023 and this dividend was paid in full on 23 June 2023.

23 CAPITAL COMMITMENTS

Capital expenditure not provided for in the financial statements are as follows:

	Group/Company	
	2023	2022
	RM'000	RM'000
Authorised and contracted but not provided for:		
- Computer hardware and software	2,030	1,668
- Renovation	310	1,186
	2,340	2,854

24 OPERATING LEASE COMMITMENTS

	Group/Company	
	2023	2022
	RM'000	RM'000
Commitments under non-cancellable operating leases where the Group and the Company is a lessee:		
Payable within one year	32	40
Payable after one year	100	30
	132	70
Commitments under non-cancellable operating leases where the Group and the Company is a lessor:		
Receivable within one year	8,707	8,156
Receivable after one year	3,339	5,471
	12,046	13,627

25 EXPENSES BY NATURE

An analysis of the expenses incurred by the Group and the Company is included in the table below:

Group	Expenses attributed to insurance acquisition cash flows	Other directly attributable expenses	Other operating expenses	Total
	RM'000	RM'000	RM'000	RM'000
2023				
Commission and agency expenses	58,663	95,688	-	154,351
Staff costs	39,363	58,153	-	97,516
Directors' remuneration (Note 26(c))	-	528	-	528
Depreciation of property, plant and equipment (Note 3)	2,460	3,268	-	5,728
Depreciation for right-of-use assets (Note 4)	304	403	-	707
Amortisation of intangible assets (Note 6)	1,915	2,650	-	4,565
Auditors' remuneration				
- statutory audit	-	1,137	-	1,137
- other audit services	-	450	-	450
- non-audit services	-	113	-	113
Information technology expenses	-	10,855	-	10,855
Interest expenses for lease liabilities	41	55	-	96
Distribution related expenses	28,797	-	-	28,797
Management and administrative expenses	5,448	12,431	1,432	19,311
Other expenses	989	4,144	1,753	6,886
Total	137,980	189,875	3,185	331,040
2022				
Commission and agency expenses	66,742	97,831	-	164,573
Staff costs	38,605	50,945	-	89,550
Directors' remuneration (Note 26(c))	-	500	-	500
Depreciation of property, plant and equipment (Note 3)	2,684	3,222	-	5,906
Depreciation for right-of-use assets (Note 4)	310	372	-	682
Amortisation of intangible assets (Note 6)	2,190	2,679	-	4,869
Auditors' remuneration				
- statutory audit	-	572	-	572
- other audit services	-	1,627	-	1,627
- non-audit services	-	50	-	50
Information technology expenses	-	9,689	-	9,689
Interest expenses for lease liabilities	41	50	-	91
Distribution related expenses	29,098	-	-	29,098
Management and administrative expenses	7,235	19,053	1,348	27,636
Other expenses	1,966	4,995	1,179	8,140
Total	148,871	191,585	2,527	342,983

25 EXPENSES BY NATURE (CONTINUED)

An analysis of the expenses incurred by the Group and the Company is included in the table below: (continued)

Company	Expenses attributed to insurance acquisition cash flows	Other directly attributable expenses	Other operating expenses	Total
	RM'000	RM'000	RM'000	RM'000
2023				
Commission and agency expenses	58,663	95,688	-	154,351
Staff costs	39,363	58,153	-	97,516
Directors' remuneration (Note 26(c))	-	528	-	528
Depreciation of property, plant and equipment (Note 3)	2,460	3,268	-	5,728
Depreciation for right-of-use assets (Note 4)	304	403	-	707
Amortisation of intangible assets (Note 6)	1,915	2,650	-	4,565
Auditors' remuneration				
- statutory audit	-	1,125	-	1,125
- other audit services	-	450	-	450
- non-audit services	-	113	-	113
Information technology expenses	-	10,855	-	10,855
Interest expenses for lease liabilities	41	55	-	96
Distribution related expenses	28,797	-	-	28,797
Management and administrative expenses	5,448	12,431	1,432	19,311
Other expenses	989	4,156	1,130	6,275
Total	137,980	189,875	2,562	330,417
2022				
Commission and agency expenses	66,742	97,831	-	164,573
Staff costs	38,605	50,945	-	89,550
Directors' remuneration (Note 26(c))	-	500	-	500
Depreciation of property, plant and equipment (Note 3)	2,684	3,222	-	5,906
Depreciation for right-of-use assets (Note 4)	310	372	-	682
Amortisation of intangible assets (Note 6)	2,190	2,679	-	4,869
Auditors' remuneration				
- statutory audit	-	560	-	560
- other audit services	-	1,627	-	1,627
- non-audit services	-	50	-	50
Information technology expenses	-	9,689	-	9,689
Interest expenses for lease liabilities	41	50	-	91
Distribution related expenses	29,098	-	-	29,098
Management and administrative expenses	7,235	19,053	1,348	27,636
Other expenses	1,966	5,007	812	7,785
Total	148,871	191,585	2,160	342,616

25 EXPENSES BY NATURE (CONTINUED)

An analysis of the expenses incurred by the Group and the Company is included in the table below: (continued)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Attributable expenses to insurance service contract				
Amortisation of insurance acquisition cash flows	9,016	9,393	9,016	9,393
Deferred acquisition cash flows	128,964	139,478	128,964	139,478
Other maintenance expenses	189,875	191,585	189,875	191,585
	327,855	340,456	327,855	340,456
Non-attributable expenses to insurance service contract	3,185	2,527	2,562	2,160
Total	331,040	342,983	330,417	342,616

Included in staff costs are the remuneration, including benefits-in-kind, attributable to the Chief Executive Officer of the Group and the Company during the financial year which amounted to RM5.99 million (2022: RM5.71 million).

25 EXPENSES BY NATURE (CONTINUED)

(a) The total remuneration of the Chief Executive Officer during the financial year is as follows:

	Group/Company	
	2023	2022
	RM'000	RM'000
Salaries and other remuneration	2,890	2,740
Benefits-in-kind	24	34
Bonus	3,076	2,940
	5,990	5,714

(b) The details of remuneration of the Directors during the financial year are as follows:

Group/Company	Fees RM'000	Other emoluments RM'000	Total RM'000
2023			
Independent Directors:			
- Datuk Leong Kam Weng	182	22	204
- Chuah Sue Yin	145	22	167
- U Chen Hock	135	22	157
	462	66	528
2022			
Non-Independent Non-Executive Director:			
- Tan Sri Dato' Dr Yahya Bin Awang	85	2	87
Independent Directors:			
- Tan Sri Azlan Bin Mohd Zainol	40	2	42
- Datuk Leong Kam Weng	130	6	136
- Chuah Sue Yin	120	6	126
- U Chen Hock	103	6	109
	478	22	500

26 RELATED PARTY DISCLOSURES

The related parties of, and their relationship with the Group and the Company, are as follows:

	Country of incorporation	Relationship
Tokio Marine Holdings, Inc. ("TMH")	Japan	Ultimate holding corporation
Tokio Marine & Nichido Life Insurance Co., Ltd. ("TMNL")	Japan	Subsidiary of ultimate holding corporation
Tokio Marine & Nichido Fire Insurance Co., Ltd. ("TMNF")	Japan	Subsidiary of ultimate holding corporation
Tokio Marine Life Insurance Singapore Ltd. ("TMLIS")	Singapore	Holding corporation
Tokio Marine Asia Pte. Ltd. ("TMAP")	Singapore	Subsidiary of ultimate holding corporation
Tokio Marine Asset Management International Pte. Ltd. ("TMAMI")	Singapore	Subsidiary of ultimate holding corporation
Tokio Marine Insurans (Malaysia) Berhad ("TMIM")	Malaysia	Subsidiary of ultimate holding corporation
Key management personnel	-	Key management personnel includes the Directors, Chief Executive Officer ("CEO") and senior management who report directly to the CEO

In the normal course of business, the Group and the Company undertake at agreed terms and prices, various transactions with its holding and ultimate holding corporations and other corporations deemed related parties by virtue of them being members of Tokio Marine Holdings, Inc. group of corporations.

The related party balances as at the date of the statement of financial position and significant related party transactions arising from normal business transactions during the financial year are set out below.

	Group/Company	
	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
(a) Related party balances		
Other receivables (Note 10)		
Amount due from TMIM	615	33
Other payables (Note 14)		
Amount due to TMAP	417	423
Amount due to TMIM	102	175

26 RELATED PARTY DISCLOSURES (CONTINUED)

The related party balances as at the date of the statement of financial position and significant related party transactions arising from normal business transactions during the financial year are set out below. (continued)

	Group/Company 2023 RM'000	Group/Company 2022 RM'000
(b) Significant related party transactions		
Income/(expenses):		
Transactions with TMIM:		
Directly attributable expense:		
Management fee	192	187
Premiums paid/payable - Non-life insurance	(517)	(466)
Insurance contract liabilities:		
Premiums received/receivable - Group insurance	1,043	374
Office rental income	344	452
Transactions with TMAP:		
Directly attributable expense:		
Management fee	(451)	(735)
Reimbursement of system subscription and license fees paid/payable	(907)	(1,017)
Transactions with TMLIS:		
Reinsurance contract asset:		
Reinsurance arrangements	-	11

(c) Key management compensation

	2023 RM'000	2022 RM'000
Salaries and bonuses	15,763	14,364
Directors' remuneration (Note 25)	528	500
Contribution to Employees' Provident Fund	2,337	2,134
Other allowances	475	456
Benefits-in-kind	140	135
	19,243	17,589

27 RISK MANAGEMENT FRAMEWORK

The Group and the Company being a member of the Tokio Marine Holdings, Inc. Group of Companies take into consideration the risk management philosophy and business strategy of Tokio Marine Group when managing the risk of the Group and the Company. The Group and the Company aim to assume risks that are consistent with maintaining their solvency and supporting their business objectives. The Group and the Company are selective in their approach to risk taking, striking a balance between risk accepted and the reward they can derive from accepting that risk.

The Board of Directors is responsible for the overall establishment, supervision and review of all risk management processes in the Group and the Company. The Board is assisted by the Group and the Company’s Risk Management and Compliance Committee in the identification, evaluation and assessment of risks in the Group and the Company.

The compositions, functions and the responsibilities of Risk Management and Compliance Committee are explained in the Directors’ Report.

The Group and the Company’s risk management strategy includes maintaining sound, robust and effective risk management processes which are appropriate to the nature, scale and complexity of the Group and the Company’s life insurance business to safeguard the interests of Company’s shareholders as well as to protect the Group and the Company’s policyholders’ interests. The risks are classified into broad categories to streamline the risk management processes and are not meant to be restrictive as to the risk identification and evaluation process.

The following are the four broad categories of risks faced by the Group and the Company:

A. Business Risks

Business risks arise from the Group and the Company’s business strategy, the environment in which the Group and the Company operate, and their ability to provide suitable products and services to customers. The Group and the Company provide insurance protection against risks such as mortality and morbidity risks.

Within the business risks, insurance risk has significant impact on business results. Insurance risks arise with respect to the adverse change in the value of insurance liabilities, resulting from changes in the level, trend, or volatility of a number of insurance risk drivers. This includes adverse mortality, longevity, morbidity, persistency and expense experience. The definition and management of insurance risks are explained in Note 33 to the financial statements.

The Group and the Company have in place various risk management techniques to control and optimise the Group and the Company’s exposure to business risks in pursuit of the Group and the Company’s business objectives. New risks are assessed before they are considered for acceptance.

27 RISK MANAGEMENT FRAMEWORK (CONTINUED)

The following are the four broad categories of risks faced by the Group and the Company: (continued)

B. Financial Risks

Financial risks pertain to credit risks, liquidity risks and market risks. Credit risks is the risk of loss for the Group and the Company's business, or of adverse change in the financial situation resulting from fluctuations in the credit standing of issuers of securities, counterparties and any debtors in the form of default or other significant credit event.

Liquidity risk refers to the possibility of the Group and the Company having insufficient cash resources to meet their financial obligations as they fall due under business as usual and stress scenarios.

The Group and the Company are exposed to market risk arising from their investment in debt securities, equities and properties. Changes in interest rates, foreign exchange rates, and equity prices will impact the financial position of the Group and the Company as any reaction to market changes will affect the present and future earnings of the Group and the Company for the life insurance operations and shareholders' equity. The definition and management of financial risks are explained in Note 34 to the financial statements.

C. Operational Risks

Operational risks may arise from inadequate or failed internal processes and controls, from personnel and systems, or from external events such as sudden disasters crippling the operations of the Group and the Company. Such risks, although difficult to quantify, have the potential to impose significant costs and disruption to the financial soundness and ongoing business of the Group and the Company. Business continuity risks are the risks of not being able to resume normal business operations in view of disruption which include civil, economic, natural disasters, etc. Such risks may cause the Group and the Company to be unable to continue business as a going concern due to significant financial losses or the destruction of lives and infrastructures arising from natural catastrophes. The Group and the Company have put in place measures to control and minimize the Group and the Company's exposure to operational risks.

D. Technology Risks

Technology risks emanating from the use of IT and the Internet. These risks arise from failures or breaches of IT systems, applications, platforms or infrastructure, which could result in financial loss, disruptions in, our services or operations, or reputational harm. The Group and the Company are committed to minimize the exposure and impact of technology risk by putting in measures and controls to ensure confidentiality, availability of information and information processing facilities including critical systems and infrastructure to be protected against cyberattacks, fraudulent activities, information loss and other security risks and threats arising internally and externally.

28 CAPITAL MANAGEMENT

The Group and the Company's capital management objective is to maintain a strong capital position with optimum buffer to meet obligations towards policyholders and to comply with the required capital requirements.

A. Investment Management

The investment portfolio of the Group and the Company which forms the largest asset pool is managed by an investment team through setting of investment policy and strategic asset allocation. The investment limits are set and monitored at various levels to ensure that all investment activities are within the guidelines set by the local statutory requirements governed by BNM.

B. Regulatory Capital Framework

Regulatory capital is the minimum amount of assets that must be held throughout the financial year to meet statutory solvency requirements governed under the RBC Framework. As part of the statutory requirements, the Company is required to provide its capital position on a quarterly basis to BNM.

The capital structure of the Company, consisting of all funds, as at the date of statements of financial position, as prescribed under the RBC Framework is provided below:

		Company	
	Note	2023 RM'000	2022 RM'000
Eligible Tier 1 Capital			
Share capital (paid-up)	12	226,000	226,000
Reserves, including retained earnings		2,621,032	2,359,662
Tier 2 Capital		255,754	216,749
Amount deducted from capital		(25,048)	(44,637)
Total capital available		3,077,738	2,757,774

The Company has met both the minimum and internal capital requirements specified in the RBC Framework for the financial years ended 31 December 2022 and 31 December 2023.

These are based on statistical returns for financial year 2023 and 2022, including the estimation of insurance contract liabilities based on the valuation methods specified in Part D of the RBC Framework in accordance with the provisions of the FSA 2013 and the accounting policies prescribed in the notes to the statistical returns. The accounting policies prescribed in the notes to the statistical returns are the accounting policies adopted in the audited financial statements of the Company for the financial year ending 31 December 2023 prepared in accordance with the MFRS, as modified by the BNM pursuant to Section 65 of the FSA 2013.

29 INSURANCE RISKS

The risk under any one life insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the nature of an insurance contract, this risk is random and therefore unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group and the Company face under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits will vary from year to year from the estimate. A more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. Stress testing on the financial condition is conducted regularly to assess its ability to withstand adverse deviations in various assumptions. A dynamic solvency testing is performed annually to monitor its solvency position.

29a Underwriting risks concentration

Life Risk and Savings

The following tables present the concentration of insured benefits across three bands of insured benefits per individual life assured, separately for non-linked and investment-linked business. These tables do not include annuity contracts:

Insured benefits per individual life assured at the end of reporting period:	Gross of reinsurance		Net of reinsurance	
	RM'000		RM'000	
31 December 2023				
0 - 500	55,628,873	66%	27,171,129	62%
500 - 1,000	14,739,931	17%	7,223,628	16%
More than 1,000	13,999,438	17%	9,630,098	22%
Total	84,368,242	100%	44,024,855	100%
31 December 2022				
0 - 500	55,466,072	67%	28,127,094	63%
500 - 1,000	14,078,730	17%	7,194,642	16%
More than 1,000	13,239,918	16%	9,371,192	21%
Total	82,784,720	100%	44,692,928	100%

Participating

The Group and the Company do not present underwriting risk concentration, because mortality risk in the case of direct participating contracts is not substantial, and it is managed by underwriting procedures in the same way as in Life Risk and Savings products.

29 INSURANCE RISKS (CONTINUED)

29b Key assumptions

In applying MFRS 17 measurement requirements, the following inputs and methods were used that include significant estimates. The present value of future cash flows is estimated using deterministic scenarios, except where stochastic modelling is used to measure financial guarantees. The assumptions used in the deterministic scenarios are derived to approximate the probability-weighted mean of a full range of scenarios.

Material judgement is required in determining the liabilities and in the choice of assumptions. Assumptions in use are based on past experience, current internal data, external market indices and benchmarks which reflect current observable market prices and other published information. All assumptions are reviewed and updated, if necessary, each financial year in order to value insurance contract liabilities that reflect the Group and the Company's experience. The assumptions are required to be on best estimate basis, where actual experience has equal chance of being better or worse than estimated.

(i) Mortality and morbidity

Mortality assumptions used are based on annual investigation into their respective mortality experience over the recent financial years, and are expressed as a percentage of a standard mortality table.

The morbidity assumptions for dread disease benefits are based on a percentage of the reinsurer's risk premium rates.

(ii) Lapse and surrender rates

Lapse and surrender assumptions are based on an annual investigation into their respective withdrawal experience over the recent financial years, and are expressed as rates of withdrawal, split by duration in-force.

29 INSURANCE RISKS (CONTINUED)

29b Key assumptions (continued)

(iii) Discount rate

The discount rates applied to the estimates of the future cash flows shall reflect the time value of money, the characteristics of the cash flows and the liquidity characteristics of the insurance contracts.

The Group and the Company consider Malaysia Government Securities (“MGS”) yield curves a good foundation for determining a risk-free yield curve using the bottom-up approach. Insurance contracts cash flows can go beyond liquid segments of the MGS market. The Group and the Company have adopted Smith-Wilson method to extrapolate market observable prices and yields towards long term forward rate of 5.0% per annum.

In a bottom-up approach, an entity may adjust a liquid risk-free yield curve to include a premium for the illiquidity characteristics of the insurance contracts. Liquidity of an insurance contract depends on the ability of the policyholders to terminate / exit the contract with minimal loss in policyholder value. Illiquidity premium is estimated from market observed credit spread on “AA” corporate bonds with suitable adjustments for credit risks.

The Group and the Company consider the application of illiquidity premium to the valuation of Participating and Non-participating contract liabilities to be appropriate. However, illiquidity premium is not applied for Investment-Linked contracts as cash flows underlying these contracts are expected to be considerably less predictable (fluctuations in equity values, premium holiday, fund withdrawals, surrenders without penalties, etc.).

	2023		2022	
Spot Yield (by tenure)	Investment-Linked	Participating and Non-Participating	Investment-Linked	Participating and Non-Participating
1	3.3%	3.4%	3.3%	3.4%
5	3.7%	3.8%	3.9%	4.1%
10	3.7%	3.8%	4.1%	4.3%
20	4.3%	4.4%	4.5%	4.7%
30	4.5%	4.6%	4.7%	4.8%

29 INSURANCE RISKS (CONTINUED)

29c Composition of the statement of financial position

An analysis of the amounts presented on the consolidated statement of financial position for insurance contracts is included in the table below, along with the presentation of current and non-current portions of the balances:

Group	Life Risk and Savings RM'000	Participating RM'000	Total RM'000	Current portion RM'000	Non-current portion RM'000	Total RM'000
As at 31 December 2023						
Insurance contract liabilities:						
- Insurance contract liabilities excluding insurance acquisition cash flows assets and other pre-recognition cash flows	4,120,135	4,957,770	9,077,905	1,620,515	7,457,390	9,077,905
- Insurance acquisition cash flows assets	(16,800)	-	(16,800)	(16,800)	-	(16,800)
	4,103,335	4,957,770	9,061,105	1,603,715	7,457,390	9,061,105
Reinsurance contract assets	(81,524)	-	(81,524)	(20,651)	(60,873)	(81,524)
As at 31 December 2022						
Insurance contract liabilities:						
- Insurance contract liabilities excluding insurance acquisition cash flows assets and other pre-recognition cash flows	3,399,162	4,906,823	8,305,985	1,924,335	6,381,650	8,305,985
- Insurance acquisition cash flows assets	(33,600)	-	(33,600)	(16,800)	(16,800)	(33,600)
	3,365,562	4,906,823	8,272,385	1,907,535	6,364,850	8,272,385
Reinsurance contract assets	(69,313)	-	(69,313)	(5,294)	(64,019)	(69,313)

29 INSURANCE RISKS (CONTINUED)

29c Composition of the statement of financial position (continued)

An analysis of the amounts presented on the consolidated statement of financial position for insurance contracts is included in the table below, along with the presentation of current and non-current portions of the balances: (continued)

Company	Life Risk and Savings RM'000	Participating RM'000	Total RM'000	Current portion RM'000	Non-current portion RM'000	Total RM'000
As at 31 December 2023						
Insurance contract liabilities						
- Insurance contract liabilities excluding insurance acquisition cash flows assets and other pre-recognition cash flows	4,120,525	4,957,770	9,078,295	1,620,905	7,457,390	9,078,295
- Insurance acquisition cash flows assets	(16,800)	-	(16,800)	(16,800)	-	(16,800)
	4,103,725	4,957,770	9,061,495	1,604,105	7,457,390	9,061,495
Reinsurance contract assets	(81,524)	-	(81,524)	(20,651)	(60,873)	(81,524)
As at 31 December 2022						
Insurance contract liabilities:						
- Insurance contract liabilities excluding insurance acquisition cash flows assets and other pre-recognition cash flows	3,398,351	4,906,823	8,305,174	1,923,524	6,381,650	8,305,174
- Insurance acquisition cash flows assets	(33,600)	-	(33,600)	(16,800)	(16,800)	(33,600)
	3,364,751	4,906,823	8,271,574	1,906,724	6,364,850	8,271,574
Reinsurance contract assets	(69,313)	-	(69,313)	(5,294)	(64,019)	(69,313)

29 INSURANCE RISKS (CONTINUED)

29d Sensitivity

The Group and the Company conducted a sensitivity analysis on the actuarial liabilities as at the date of the statements of financial position, based on the change in one specific assumption while holding all other assumptions constant. Sensitivity information will also vary according to the current economic assumptions.

Life Risk and Savings	Change in assumption	Impact on CSM Gross	Impact on CSM Net	Impact on FCF Gross	Impact on FCF Net	Impact on profit after tax Gross	Impact on profit after tax Net	Impact on equity Gross	Impact on equity Net
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 31 December 2023:									
Worsening of mortality/morbidity	25%	(362,320)	(277,674)	(365,955)	(294,047)	(47,986)	(41,656)	(54,198)	(47,868)
Improvement in mortality/morbidity	-25%	361,111	286,937	371,947	298,294	30,637	25,029	36,748	31,140
Worsening of lapse/surrender rates	25%	(65,098)	(69,695)	(68,746)	(71,378)	3,009	2,669	6,459	6,119
Improvement in lapse/surrender rates	-25%	95,744	98,408	101,711	104,698	(2,700)	(2,601)	(6,367)	(6,268)
Worsening of expense	25%	(121,289)	(120,637)	(123,114)	(123,114)	(11,220)	(11,180)	(12,128)	(12,088)
Improvement in expense	-25%	116,907	115,727	123,114	123,114	10,602	10,528	11,508	11,434
As at 31 December 2022:									
Worsening of mortality/morbidity	25%	(332,452)	(253,614)	(345,008)	(277,548)	(55,861)	(49,930)	(58,504)	(52,573)
Improvement in mortality/morbidity	-25%	344,314	272,940	350,966	281,925	29,222	23,836	31,818	26,432
Worsening of lapse/surrender rates	25%	(68,849)	(72,604)	(76,337)	(78,021)	2,579	2,214	4,443	4,078
Improvement in lapse/surrender rates	-25%	100,277	104,513	109,747	111,560	(2,801)	(2,475)	(4,910)	(4,584)
Worsening of expense	25%	(116,333)	(116,143)	(118,130)	(118,130)	(12,169)	(12,154)	(12,484)	(12,469)
Improvement in expense	-25%	112,193	111,307	118,130	118,130	10,820	10,764	11,134	11,078

29 INSURANCE RISKS (CONTINUED)

29d Sensitivity (continued)

The Group and the Company conducted a sensitivity analysis on the actuarial liabilities as at the date of the statements of financial position, based on the change in one specific assumption while holding all other assumptions constant. Sensitivity information will also vary according to the current economic assumptions. (continued)

Participating	Change in assumption	Impact on CSM Gross RM'000	Impact on CSM Net RM'000	Impact on FCF Gross RM'000	Impact on FCF Net RM'000	Impact on profit after tax Gross RM'000	Impact on profit after tax Net RM'000	Impact on equity Gross RM'000	Impact on equity Net RM'000
As at 31 December 2023:									
Worsening of mortality/morbidity	25%	(13,210)	(13,210)	(13,796)	(13,796)	(469)	(469)	(469)	(469)
Improvement in mortality/morbidity	-25%	13,771	13,771	14,256	14,256	388	388	388	388
Worsening of lapse/surrender rates	25%	809	809	1,703	1,703	715	715	715	715
Improvement in lapse/surrender rates	-25%	(1,597)	(1,597)	(2,495)	(2,495)	(719)	(719)	(719)	(719)
Worsening of expense	25%	(9,716)	(9,716)	(10,449)	(10,449)	(586)	(586)	(586)	(586)
Improvement in expense	-25%	8,799	8,799	9,454	9,454	523	523	523	523
As at 31 December 2022:									
Worsening of mortality/morbidity	25%	(9,309)	(9,309)	(9,704)	(9,704)	(316)	(316)	(316)	(316)
Improvement in mortality/morbidity	-25%	16,103	16,103	14,627	14,627	550	550	550	550
Worsening of lapse/surrender rates	25%	(902)	(902)	(313)	(313)	471	471	471	471
Improvement in lapse/surrender rates	-25%	5,145	5,145	4,787	4,787	(286)	(286)	(286)	(286)
Worsening of expense	25%	(3,781)	(3,781)	(4,082)	(4,082)	(241)	(241)	(241)	(241)
Improvement in expense	-25%	7,487	7,487	8,003	8,003	413	413	413	413

29 INSURANCE RISKS (CONTINUED)

29e Expected recognition of the contractual service margin

	Insurance contract issued			Reinsurance contract held	
Group/Company	Life Risk and Savings	Participating	Total CSM	Life Risk	Total CSM
	RM'000	RM'000	RM'000	RM'000	RM'000
Number of years until expected to be recognised:					
As at 31 December 2023					
1 year	88,952	4,532	93,484	(1,486)	(1,486)
2 years	82,035	4,279	86,314	(904)	(904)
3 years	76,822	4,037	80,859	(792)	(792)
4 years	71,158	3,856	75,014	(689)	(689)
5 years	65,784	3,693	69,477	(606)	(606)
6 - 10 years	261,075	16,121	277,196	(1,878)	(1,878)
More than 10 years	362,846	49,258	412,104	1,070	1,070
Total	1,008,672	85,776	1,094,448	(5,285)	(5,285)
As at 31 December 2022					
1 year	76,717	3,841	80,558	(2,064)	(2,064)
2 years	72,053	3,679	75,732	(1,645)	(1,645)
3 years	67,430	3,480	70,910	(1,464)	(1,464)
4 years	62,892	3,289	66,181	(1,309)	(1,309)
5 years	58,413	3,146	61,559	(1,179)	(1,179)
6 - 10 years	236,124	13,825	249,949	(4,346)	(4,346)
More than 10 years	351,047	42,833	393,880	(3,841)	(3,841)
Total	924,676	74,093	998,769	(15,848)	(15,848)

29 INSURANCE RISKS (CONTINUED)

29f Amounts determined on transition to MFRS 17

Group/Company	Life Risk and Savings RM'000	Participating RM'000	Total RM'000
31 December 2023			
Insurance contracts issued:			
Insurance revenue			
- New contracts and contracts measured under the full retrospective approach at transition	139,838	1,292	141,130
- Contracts measured under the modified retrospective approach at transition	408,768	-	408,768
- Contracts measured under the fair value approach at transition	38,279	97,460	135,739
	586,885	98,752	685,637
CSM as at 31 December 2023			
- New contracts and contracts measured under the full retrospective approach at transition	347,893	3,093	350,986
- Contracts measured under the modified retrospective approach at transition	637,220	-	637,220
- Contracts measured under the fair value approach at transition	23,559	82,683	106,242
	1,008,672	85,776	1,094,448
Reinsurance contracts held:			
CSM as at 31 December 2023			
- New contracts and contracts measured under the full retrospective approach at transition	(18,170)	-	(18,170)
- Contracts measured under the fair value approach at transition	23,455	-	23,455
	5,285	-	5,285

29 INSURANCE RISKS (CONTINUED)

29f Amounts determined on transition to MFRS 17 (continued)

Group/Company	Life Risk and Savings RM'000	Participating RM'000	Total RM'000
31 December 2022			
Insurance contracts issued:			
Insurance revenue			
- New contracts and contracts measured under the full retrospective approach at transition	50,588	284	50,872
- Contracts measured under the modified retrospective approach at transition	442,071	-	442,071
- Contracts measured under the fair value approach at transition	37,025	94,995	132,020
	529,684	95,279	624,963
CSM as at 31 December 2022			
- New contracts and contracts measured under the full retrospective approach at transition	186,702	3,235	189,937
- Contracts measured under the modified retrospective approach at transition	723,868	-	723,868
- Contracts measured under the fair value approach at transition	14,106	70,858	84,964
	924,676	74,093	998,769
Reinsurance contracts held:			
CSM as at 31 December 2022			
- New contracts and contracts measured under the full retrospective approach at transition	(13,311)	-	(13,311)
- Contracts measured under the fair value approach at transition	29,159	-	29,159
	15,848	-	15,848

29 INSURANCE RISKS (CONTINUED)

29f Amounts determined on transition to MFRS 17 (continued)

Insurance revenue and the CSM by transition method

Life Risk and Savings - Insurance contract issued

Group/Company	New contracts and contracts measured under the full retrospective approach at transition RM'000	Contracts measured under the modified retrospective approach at transition RM'000	Contracts measured under the fair value approach at transition RM'000	Total RM'000
31 December 2023				
Insurance revenue	139,838	408,768	38,279	586,885
CSM as at 1 January 2023	186,703	723,867	14,106	924,676
Changes that relate to current service				
CSM recognised for the services provided	(28,852)	(60,811)	(2,970)	(92,633)
Changes that relate to future service				
Changes in estimates that adjust the CSM	3,304	(36,236)	12,047	(20,885)
Contracts initially recognised in the year	181,323	-	-	181,323
	155,775	(97,047)	9,077	67,805
Finance income from insurance contracts issued	5,415	10,400	376	16,191
Total amounts recognised in comprehensive income/(loss)	161,190	(86,647)	9,453	83,996
CSM as at 31 December 2023	347,893	637,220	23,559	1,008,672

29 INSURANCE RISKS (CONTINUED)

29f Amounts determined on transition to MFRS 17 (continued)

Insurance revenue and the CSM by transition method (continued)

Life Risk and Savings - Insurance contract issued (continued)

Group/Company	New contracts and contracts measured under the full retrospective approach at transition RM'000	Contracts measured under the modified retrospective approach at transition RM'000	Contracts measured under the fair value approach at transition RM'000	Total RM'000
31 December 2022				
Insurance revenue	50,588	442,071	37,025	529,684
CSM as at 1 January 2022	-	823,979	20,587	844,566
Changes that relate to current service				
CSM recognised for the services provided	(11,984)	(65,139)	(1,746)	(78,869)
Changes that relate to future service				
Changes in estimates that adjust the CSM	12,145	(46,096)	(5,122)	(39,073)
Contracts initially recognised in the year	185,137	-	-	185,137
	185,298	(111,235)	(6,868)	67,195
Finance income from insurance contracts issued	1,404	11,124	387	12,915
Total amounts recognised in comprehensive income/(loss)	186,702	(100,111)	(6,481)	80,110
CSM as at 31 December 2022	186,702	723,868	14,106	924,676

29 INSURANCE RISKS (CONTINUED)

29f Amounts determined on transition to MFRS 17 (continued)

Insurance revenue and the CSM by transition method (continued)

Participating - Insurance contract issued

Group/Company	New contracts and contracts measured under the full retrospective approach at transition RM'000	Contracts measured under the modified retrospective approach at transition RM'000	Contracts measured under the fair value approach at transition RM'000	Total RM'000
31 December 2023				
Insurance revenue	1,292	-	97,460	98,752
CSM as at 1 January 2023	3,235	-	70,858	74,093
Effect of adopting MFRS 9 and MFRS 17	(32)	-	1,497	1,465
CSM as at 1 January 2023 (restated)	3,203	-	72,355	75,558
Changes that relate to current service				
CSM recognised for the services provided	(129)	-	(4,637)	(4,766)
Changes that relate to future service				
Changes in estimates that adjust the CSM	45	-	19,327	19,372
Contracts initially recognised in the year	39	-	-	39
	(45)	-	14,690	14,645
Finance expenses from insurance contracts issued	(65)	-	(4,362)	(4,427)
Total amounts recognised in comprehensive (loss)/income	(110)	-	10,328	10,218
CSM as at 31 December 2023	3,093	-	82,683	85,776

29 INSURANCE RISKS (CONTINUED)

29f Amounts determined on transition to MFRS 17 (continued)

Insurance revenue and the CSM by transition method (continued)

Participating - Insurance contract issued (continued)

Group/Company	New contracts and contracts measured under the full retrospective approach at transition RM'000	Contracts measured under the modified retrospective approach at transition RM'000	Contracts measured under the fair value approach at transition RM'000	Total RM'000
31 December 2022				
Insurance revenue	284	-	94,995	95,279
CSM as at 1 January 2022	-	-	97,250	97,250
Changes that relate to current service				
CSM recognised for the services provided	(76)	-	(3,986)	(4,062)
Changes that relate to future service				
Changes in estimates that adjust the CSM	2,788	-	(11,854)	(9,066)
Contracts initially recognised in the year	526	-	-	526
	3,238	-	(15,840)	(12,602)
Finance expenses from insurance contracts issued	(3)	-	(10,552)	(10,555)
Total amounts recognised in comprehensive income/(loss)	3,235	-	(26,392)	(23,157)
CSM as at 31 December 2022	3,235	-	70,858	74,093

29 INSURANCE RISKS (CONTINUED)

29f Amounts determined on transition to MFRS 17 (continued)

The CSM by transition method

Life Risk and Savings - Reinsurance contracts held

Group/Company	New contracts and contracts measured under the full retrospective approach at transition RM'000	Contracts measured under the modified retrospective approach at transition RM'000	Contracts measured under the fair value approach at transition RM'000	Total RM'000
CSM as at 1 January 2023	(13,311)	-	29,159	15,848
Changes that relate to current service				
CSM recognised for the services provided	(3,265)	-	(2,954)	(6,219)
Experience adjustments for ceded premiums	4,254	-	(1,027)	3,227
Changes that relate to future service				
Changes in estimates that adjust the CSM	1,832	-	(2,717)	(885)
Contracts initially recognised in the year	(7,165)	-	-	(7,165)
Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts	11	-	-	11
	(4,333)	-	(6,698)	(11,031)
Finance (expenses)/income from reinsurance contracts issued	(526)	-	994	468
Total amounts recognised in comprehensive (loss)/income	(4,859)	-	(5,704)	(10,563)
CSM as at 31 December 2023	(18,170)	-	23,455	5,285

29 INSURANCE RISKS (CONTINUED)

29f Amounts determined on transition to MFRS 17 (continued)

The CSM by transition method (continued)

Life Risk and Savings - Reinsurance contracts held (continued)

Group/Company	New contracts and contracts measured under the full retrospective approach at transition RM'000	Contracts measured under the modified retrospective approach at transition RM'000	Contracts measured under the fair value approach at transition RM'000	Total RM'000
CSM as at 1 January 2022	-	-	30,729	30,729
Changes that relate to current service				
CSM recognised for the services provided	(359)	-	(3,332)	(3,691)
Experience adjustments for ceded premiums	(1,212)	-	3,615	2,403
Changes that relate to future service				
Changes in estimates that adjust the CSM	64	-	(2,449)	(2,385)
Contracts initially recognised in the year	(11,668)	-	-	(11,668)
Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts	26	-	-	26
	(13,149)	-	(2,166)	(15,315)
Finance (expenses)/income from reinsurance contracts issued	(162)	-	596	434
Total amounts recognised in comprehensive loss	(13,311)	-	(1,570)	(14,881)
CSM as at 31 December 2022	(13,311)	-	29,159	15,848

29 INSURANCE RISKS (CONTINUED)

29g Changes in AOCI for AFS/FVOCI investment assets outstanding on transition to MFRS 17

The reconciliation of cumulative amounts of the fair value reserve within OCI, for investment assets measured at AFS or FVOCI including of the groups of direct participating contracts to which the Group and the Company applied the modified retrospective approach or the fair value approach at the transition date, is provided in the table below.

	Group/Company	
	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
Opening FV reserve	162,525	408,642
Net losses on investments in debt securities measured at AFS	-	(259,902)
Net gains on investments in debt securities measured at FVOCI	182,950	-
Net losses on investments in debt securities measured at AFS reclassified to profit or loss on disposal	-	(20,880)
Net losses on investments in debt securities measured at FVOCI reclassified to profit or loss on disposal	(2,251)	-
Income tax relating to these items	(32,592)	34,665
Closing FV reserve	310,632	162,525

30 FINANCIAL RISKS

The Group and the Company are exposed to a range of financial risks, including credit risk, liquidity risk and market risk.

Financial risks of investment-linked investment is not further provided and analysed as the financial risks in respect of investment-linked investments are generally wholly borne by the policyholders, and do not directly affect the profit before tax of the Group and the Company. Furthermore, investment-linked policyholders are responsible for allocation of the policy values amongst investment options offered by the Group and the Company. Although profit before tax is not affected by investment-linked investments, the investment return from such financial investments is included in the Group and the Company's profit or loss, as the Group and the Company have selected the fair value option for all investment-linked investments with corresponding change in insurance contract liabilities for investment-linked contracts.

30a Credit risks

The Group and the Company are exposed to credit risk through investments in cash, money market and debt instruments, lending activities and exposure to counterparty's credit in reinsurance contracts.

For all three types of exposures, financial loss may materialise as a result of default by the borrower or counterparty. For investments in cash, money market and debt instruments, financial loss may also materialise as a result of a default by the issuer on coupon payment or principal amount. The Group and the Company have internal limits by issuer or counterparty and by investment grades. These limits are actively monitored to manage the credit and concentration risk. These limits are reviewed on a regular basis by the management.

The creditworthiness of reinsurers is assessed on an annual basis by reviewing their financial strength through published credit ratings and other publicly available financial information.

The Group and the Company manage its lending activities by extending loans against collateral pledged to the Group and the Company. Regular monitoring and review of the payments of loans are performed by the Group and the Company to identify any non-performing loans. Any non-performing loan identified is communicated to the management. Appropriate actions will be taken for the possible course of recovery and provision of these loans.

There were no significant changes to the credit risk management of the Group and the Company.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

30 FINANCIAL RISKS (CONTINUED)

30a Credit risks (continued)

Credit exposure by credit rating

The table below provides information regarding the credit risk exposure of the Group and the Company by classifying financial assets in accordance with the Group and the Company's credit ratings of counterparties:

Group	Neither past due nor impaired investment grade (AAA to A-) RM'000	(BBB to B-) RM'000	Not rated RM'000	Impaired RM'000	Total RM'000
31 December 2023					
FVOCI financial assets					
Debt securities	3,033,602	-	3,470,583	-	6,504,185
FVTPL financial assets					
Debt securities	321,094	-	27,393	-	348,487
AC financial assets	-	-	744	-	744
Reinsurance assets	65,130	16,394	-	-	81,524
Other receivables*	-	-	12,309	4,767	17,076
Cash and cash equivalents	610,088	-	44	-	610,132
Allowance for impairment	-	-	-	(4,767)	(4,767)
	4,029,914	16,394	3,511,073	-	7,557,381
31 December 2022					
AFS financial assets					
Debt securities	2,315,400	-	2,117,004	-	4,432,404
FVTPL financial assets					
Debt securities	423,148	-	127,164	-	550,312
HTM financial assets					
Debt securities	142,139	-	788,136	-	930,275
Loans and receivables					
Loans	-	-	690	-	690
Reinsurance assets	53,464	15,849	-	-	69,313
Other receivables*	-	-	28,219	4,256	32,475
Cash and cash equivalents	733,214	-	107	-	733,321
Allowance for impairment	-	-	-	(4,256)	(4,256)
	3,667,365	15,849	3,061,320	-	6,744,534

There is no past due but not impaired financial assets during the financial year ended 31 December 2023 and 31 December 2022.

* Exclude prepayments of RM1,084,000 as At 31 December 2023 (2022: RM1,092,000).

30 FINANCIAL RISKS (CONTINUED)

30a Credit risks (continued)

Credit exposure by credit rating

The table below provides information regarding the credit risk exposure of the Group and the Company by classifying financial assets in accordance with the Group and the Company's credit ratings of counterparties:

Company	Neither past due nor impaired investment grade (AAA to A-)	(BBB to B-)	Not rated	Impaired	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2023					
FVOCI financial assets					
Debt securities	3,033,602	-	3,470,583	-	6,504,185
FVTPL financial assets					
Debt securities	273,227	-	27,393	-	300,620
AC financial assets	-	-	744	-	744
Reinsurance assets	65,130	16,394	-	-	81,524
Other receivables*	-	-	12,111	4,767	16,878
Cash and cash equivalents	605,598	-	44	-	605,642
Allowance for impairment	-	-	-	(4,767)	(4,767)
	3,977,557	16,394	3,510,875	-	7,504,826
31 December 2022					
AFS financial assets					
Debt securities	2,315,400	-	2,076,466	-	4,391,866
FVTPL financial assets					
Debt securities	423,148	-	127,164	-	550,312
HTM financial assets					
Debt securities	142,139	-	788,136	-	930,275
Loans and receivables					
Loans	-	-	690	-	690
Reinsurance assets	53,464	15,849	-	-	69,313
Other receivables*	-	-	28,206	4,256	32,462
Cash and cash equivalents	727,661	-	107	-	727,768
Allowance for impairment	-	-	-	(4,256)	(4,256)
	3,661,812	15,849	3,020,769	-	6,698,430

There is no past due but not impaired financial assets during the financial year ended 31 December 2023 and 31 December 2022.

* Exclude prepayments of RM1,084,000 as At 31 December 2023 (2022: RM1,092,000).

30 FINANCIAL RISKS (CONTINUED)

30a Credit risks (continued)

The financial assets are classified according to the credit rating by rating agencies approved by BNM. The creditworthiness of the debt securities is assessed by way of credit reviews performed on the issuers on an annual basis.

The financial assets which are not rated mainly comprise Malaysian government securities, corporate debt securities guaranteed by the Federal Government of Malaysia and loans. The corporate debt securities, although not rated are issued or guaranteed by the Federal Government of Malaysia which carry minimal credit risk.

The Group and the Company's loans receivable include mortgage loans and other secured loans to staff and policyholders. Mortgage loans are generally secured by collateral. The amount of loan is based on the valuation of collateral as well as an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of the types of collateral and the valuation parameters. The type of collaterals, held by the Group and the Company as lender, for which it is entitled to in the event of default is as follows:

Group/Company	Type of collaterals	Carrying value As at 31.12.2023 RM'000	Carrying value As at 31.12.2022 RM'000
Mortgage loans	Properties	744	690

Impairment of other receivables are performed based on a collective assessment. No collateral is held as security for any impaired assets. The Group and the Company record impairment loss for other receivables in separate allowance accounts. A reconciliation of the allowance for impairment losses for other receivables are as follows:

Group/Company	As at 31.12.2023		As at 31.12.2022	
	Other Receivables RM'000	Impairment RM'000	Other Receivables RM'000	Impairment RM'000
At 1 January	8,869	4,256	9,539	3,687
Movement during the financial year	(791)	511	(670)	569
At 31 December	8,078	4,767	8,869	4,256

30 FINANCIAL RISKS (CONTINUED)

30b Interest rate and liquidity risks - Maturity analysis for other financial assets and liabilities

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments. In respect of catastrophic events, there is also a liquidity risk associated with the timing differences between gross cash outflows and expected reinsurance recoveries.

The liquidity demands of the Group and the Company are met through ongoing operations which include continuous premium income and investment income. The expected liquidity needs are often met through projection of outflows from the in-force insurance policy contract liabilities; the liabilities include renewal commissions, claims and other benefits (maturity and surrender). Whilst the nature of these outflows is deemed to be largely stable and can be assumed at outset, the Group and the Company remain susceptible to exceptional experiences (surrender or catastrophic events) for its insurance portfolio. Also, the Group and the Company may be subject to unexpected liquidity tightening due to adverse implications from the wider economic factors (domestic or global) or undue volatilities and unexpected losses experienced within investments.

Liquidity risk is reduced by having insurance contract liabilities that are well diversified by product and policyholder. The Group and the Company design insurance products to encourage policyholders to maintain their policies-in-force, thereby generating a diversified and stable flow of recurring premium income.

The Group and the Company adopt prudent liquidity risk management by monitoring daily liquidity and cash movements to ensure liquidity is available and cash is employed optimally.

Demand for funds can usually be met through ongoing normal operations, premiums received, sale of assets or borrowings. Unexpected demands for liquidity may be triggered by negative publicity, deterioration of the economy, reports of problems in other companies in the same or similar lines of business, unanticipated policy claims, or other unexpected cash demands from policyholders. Expected liquidity demands are managed through a combination of treasury, investment and capital management practices, which are monitored on an ongoing basis. Actual and projected cash inflows and outflows are monitored and a reasonable amount of assets are kept in liquid instruments at all times. The projected cash flows from the in-force insurance policy contract liabilities consist of renewal premiums, commissions, claims, maturities and surrenders. Renewal premiums, commissions, claims and maturities are generally stable and predictable. Surrenders can be more uncertain although it has been quite stable over the past several years. Unexpected liquidity demands are managed through a combination of product design, diversification limits, investment strategies and systematic monitoring. The existence of surrender penalty in insurance contracts also protects the Group and the Company from losses due to unexpected surrender trends as well as reduces the sensitivity of surrenders to changes in interest rates.

30 FINANCIAL RISKS (CONTINUED)

30b Interest rate and liquidity risks - Maturity analysis for other financial assets and liabilities (continued)

Maturity profiles of financial assets and financial liabilities

The table below summarises the maturity profile of the financial assets and financial liabilities of the Group and the Company based on remaining contractual obligations.

Group	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5-10 years	Over 10 years	No maturity date	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2023									
FINANCIAL ASSETS									
FVOCI financial assets									
Government bonds	35,514	68,969	100,828	123,892	162,142	791,323	2,132,000	-	3,414,668
Other debt securities	294,909	245,932	221,403	474,160	455,758	1,052,391	344,964	-	3,089,517
FVTPL financial assets									
Government bonds	2,022	-	-	8,059	16,208	21,212	27,759	-	75,260
Other debt securities	15,550	12,521	29,057	37,581	28,512	122,284	27,722	-	273,227
Equities	-	-	-	-	-	-	-	2,906,832	2,906,832
AC financial assets									
Loans	-	-	-	-	-	-	-	744	744
Other receivables	13,393	-	-	-	-	-	-	-	13,393
Cash and cash equivalents	610,132	-	-	-	-	-	-	-	610,132
	971,520	327,422	351,288	643,692	662,620	1,987,210	2,532,445	2,907,576	10,383,773

30 FINANCIAL RISKS (CONTINUED)

30b Interest rate and liquidity risks - Maturity analysis for other financial assets and liabilities (continued)

Maturity profiles of financial assets and financial liabilities (continued)

The table below summarises the maturity profile of the financial assets and financial liabilities of the Group and the Company based on remaining contractual obligations. (continued)

Group	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5-10 years	Over 10 years	No maturity date	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2023									
LIABILITIES									
Lease liabilities	484	-	-	-	-	-	-	-	484
Other payables	132,344	-	-	-	-	-	-	-	132,344
Other financial liabilities	674	-	-	-	-	-	-	-	674
Provision for agency long association benefits	14,451	1,064	1,671	587	1,012	11,007	10,027	1,312	41,131
	147,953	1,064	1,671	587	1,012	11,007	10,027	1,312	174,633
Net discounted cash flows	1,119,473	328,486	352,959	644,279	663,632	1,998,217	2,542,472	2,908,888	10,558,406

30 FINANCIAL RISKS (CONTINUED)

30b Interest rate and liquidity risks - Maturity analysis for other financial assets and liabilities (continued)

Maturity profiles of financial assets and financial liabilities (continued)

The table below summarises the maturity profile of the financial assets and financial liabilities of the Group and the Company based on remaining contractual obligations. (continued)

Group	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5-10 years	Over 10 years	No maturity date	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2022									
FINANCIAL ASSETS									
AFS financial assets									
Government bonds	70,761	32,403	61,539	68,877	106,783	344,787	1,376,045	-	2,061,195
Other debt securities	258,802	250,811	221,438	177,062	386,813	810,470	265,813	-	2,371,209
Equities	-	-	-	-	-	-	-	1,448,751	1,448,751
FVTPL financial assets									
Government bonds	-	10,183	-	-	-	24,726	92,254	-	127,163
Other debt securities	30,498	40,711	34,825	55,355	63,839	130,919	67,002	-	423,149
Equities	-	-	-	-	-	-	-	1,251,000	1,251,000
HTM financial assets									
Government bonds	-	-	8,181	40,602	39,039	283,740	416,574	-	788,136
Other debt securities	20,367	-	-	-	-	121,772	-	-	142,139
Loan and receivables									
Loans	-	-	-	-	-	-	-	690	690
Other receivables	29,311	-	-	-	-	-	-	-	29,311
Cash and cash equivalents	733,321	-	-	-	-	-	-	-	733,321
	1,143,060	334,108	325,983	341,896	596,474	1,716,414	2,217,688	2,700,441	9,376,064

30 FINANCIAL RISKS (CONTINUED)

30b Interest rate and liquidity risks - Maturity analysis for other financial assets and liabilities (continued)

Maturity profiles of financial assets and financial liabilities (continued)

The table below summarises the maturity profile of the financial assets and financial liabilities of the Group and the Company based on remaining contractual obligations. (continued)

Group	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5-10 years	Over 10 years	No maturity date	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2022									
LIABILITIES									
Lease liabilities	983	-	-	-	-	-	-	-	983
Other payables	128,849	-	-	-	-	-	-	-	128,849
Other financial liabilities	470	-	-	-	-	-	-	-	470
Provision for agency long association benefits	14,475	1,978	962	1,510	556	9,809	9,287	1,311	39,888
	144,777	1,978	962	1,510	556	9,809	9,287	1,311	170,190
Net discounted cash flows	1,287,837	336,086	326,945	343,406	597,030	1,726,223	2,226,975	2,701,752	9,546,254

Registration No.

199801001430 (457556-X)

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2023 (CONTINUED)

30 FINANCIAL RISKS (CONTINUED)

30b Interest rate and liquidity risks - Maturity analysis for other financial assets and liabilities (continued)

Maturity profiles of financial assets and financial liabilities (continued)

The table below summarises the maturity profile of the financial assets and financial liabilities of the Group and the Company based on remaining contractual obligations. (continued)

Company	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5-10 years	Over 10 years	No maturity date	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2023									
FINANCIAL ASSETS									
FVOCI financial assets									
Government bonds	35,514	68,969	100,828	123,892	162,142	791,323	2,132,000	-	3,414,668
Other debt securities	294,909	245,932	221,403	474,160	455,758	1,052,391	344,964	-	3,089,517
FVTPL financial assets									
Government bonds	-	-	-	-	-	7,279	20,114	-	27,393
Other debt securities	15,550	12,521	29,057	37,581	28,512	122,284	27,722	-	273,227
Equities	-	-	-	-	-	-	-	2,887,758	2,887,758
Controlled structured entities	-	-	-	-	-	-	-	70,944	70,944
AC financial assets									
Loans	-	-	-	-	-	-	-	744	744
Other receivables	13,195	-	-	-	-	-	-	-	13,195
Cash and cash equivalents	605,642	-	-	-	-	-	-	-	605,642
	964,810	327,422	351,288	635,633	646,412	1,973,277	2,524,800	2,959,446	10,383,088

30 FINANCIAL RISKS (CONTINUED)

30b Interest rate and liquidity risks - Maturity analysis for other financial assets and liabilities (continued)

Maturity profiles of financial assets and financial liabilities (continued)

The table below summarises the maturity profile of the financial assets and financial liabilities of the Group and the Company based on remaining contractual obligations. (continued)

Company	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5-10 years	Over 10 years	No maturity date	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2023									
LIABILITIES									
Lease liabilities	484	-	-	-	-	-	-	-	484
Other payables	131,904	-	-	-	-	-	-	-	131,904
Provision for agency long association benefits	14,451	1,064	1,671	587	1,012	11,007	10,027	1,312	41,131
	146,839	1,064	1,671	587	1,012	11,007	10,027	1,312	173,519
Net discounted cash flows	1,111,649	328,486	352,959	636,220	647,424	1,984,284	2,534,827	2,960,758	10,556,607

30 FINANCIAL RISKS (CONTINUED)

30b Interest rate and liquidity risks - Maturity analysis for other financial assets and liabilities (continued)

Maturity profiles of financial assets and financial liabilities (continued)

The table below summarises the maturity profile of the financial assets and financial liabilities of the Group and the Company based on remaining contractual obligations. (continued)

Company	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5-10 years	Over 10 years	No maturity date	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2022									
FINANCIAL ASSETS									
AFS financial assets									
Government bonds	63,682	30,386	61,539	68,877	100,846	324,953	1,370,374	-	2,020,657
Other debt securities	258,802	250,811	221,438	177,062	386,813	810,470	265,813	-	2,371,209
Equities	-	-	-	-	-	-	-	1,448,751	1,448,751
Controlled structured entities	-	-	-	-	-	-	-	43,022	43,022
FVTPL financial assets									
Government bonds	-	10,183	-	-	-	24,726	92,254	-	127,163
Other debt securities	30,498	40,711	34,825	55,355	63,839	130,919	67,002	-	423,149
Equities	-	-	-	-	-	-	-	1,236,850	1,236,850
Controlled structured entities	-	-	-	-	-	-	-	15,055	15,055
HTM financial assets									
Government bonds	-	-	8,181	40,602	39,039	283,740	416,574	-	788,136
Other debt securities	20,367	-	-	-	-	121,772	-	-	142,139
Loan and receivables									
Loans	-	-	-	-	-	-	-	690	690

30 FINANCIAL RISKS (CONTINUED)

30b Interest rate and liquidity risks - Maturity analysis for other financial assets and liabilities (continued)

Maturity profiles of financial assets and financial liabilities (continued)

The table below summarises the maturity profile of the financial assets and financial liabilities of the Group and the Company based on remaining contractual obligations. (continued)

Company	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5-10 years	Over 10 years	No maturity date	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2022									
FINANCIAL ASSETS (CONTINUED)									
Other receivables	29,298	-	-	-	-	-	-	-	29,298
Cash and cash equivalents	727,768	-	-	-	-	-	-	-	727,768
	1,130,415	332,091	325,983	341,896	590,537	1,696,580	2,212,017	2,744,368	9,373,887
LIABILITIES									
Lease liabilities	983	-	-	-	-	-	-	-	983
Other payables	127,951	-	-	-	-	-	-	-	127,951
Provision for agency long association benefits	14,475	1,978	962	1,510	556	9,809	9,287	1,311	39,888
	143,409	1,978	962	1,510	556	9,809	9,287	1,311	168,822
Net discounted cash flows	1,273,824	334,069	326,945	343,406	591,093	1,706,389	2,221,304	2,745,679	9,542,709

30 FINANCIAL RISKS (CONTINUED)

30c Interest rate and liquidity risks - Maturity analysis

The following tables present the estimated amount and timing of the remaining contractual discounted cash flows arising from investment assets and insurance liabilities in the Non-Participating, Investment-Linked and Participating product lines. When debt securities mature, the proceeds that are not needed to meet liability cash flows will be reinvested.

Group	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5-10 years	Over 10 years	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2023								
Underlying assets [1]								
Government bonds	17,162	27,886	54,391	75,834	130,729	534,740	1,370,081	2,210,823
Other debt securities	210,742	193,390	147,316	351,943	342,423	875,189	243,742	2,364,745
Other investments								
Government bonds	20,374	41,083	46,437	56,117	47,620	277,795	789,679	1,279,105
Other debt securities	99,718	65,064	103,144	159,797	141,847	299,487	128,942	997,999
Total investment assets	347,996	327,423	351,288	643,691	662,619	1,987,211	2,532,444	6,852,672
Reinsurance contract assets	(19,111)	150	190	305	12	1,785	(25,059)	(41,728)
Insurance contract liabilities	1,526,846	178,585	122,737	103,016	94,260	623,834	5,145,414	7,794,692
Total insurance contract balances	1,507,735	178,735	122,927	103,321	94,272	625,619	5,120,355	7,752,964

[1] An equity securities balance of RM1,380,735 held within underlying assets is excluded from table above.

30 FINANCIAL RISKS (CONTINUED)

30c Interest rate and liquidity risks - Maturity analysis (continued)

The following tables present the estimated amount and timing of the remaining contractual discounted cash flows arising from investment assets and insurance liabilities in the Non-Participating, Investment-Linked and Participating product lines. When debt securities mature, the proceeds that are not needed to meet liability cash flows will be reinvested. (continued)

Group	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5-10 years	Over 10 years	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2022								
Underlying assets [1]								
Government bonds	44,088	22,135	28,676	68,482	93,091	462,989	1,185,794	1,905,255
Other debt securities	214,496	205,725	191,956	137,992	321,982	835,784	232,808	2,140,743
Other investments								
Government bonds	26,674	20,451	41,044	40,997	52,732	190,263	699,078	1,071,239
Other debt securities	95,170	85,797	64,307	94,424	128,670	227,378	100,008	795,754
Total investment assets	380,428	334,108	325,983	341,895	596,475	1,716,414	2,217,688	5,912,991
Reinsurance contract assets	(3,172)	29	132	126	71	569	(19,077)	(21,322)
Insurance contract liabilities	1,843,582	138,755	167,467	113,438	93,609	522,995	4,242,897	7,122,743
Total insurance contract balances	1,840,410	138,784	167,599	113,564	93,680	523,564	4,223,820	7,101,421

[1] An equity securities balance of RM1,914,305 held within underlying assets is excluded from table above.

30 FINANCIAL RISKS (CONTINUED)

30c Interest rate and liquidity risks - Maturity analysis (continued)

The following tables present the estimated amount and timing of the remaining contractual discounted cash flows arising from investment assets and insurance liabilities in the Non-Participating, Investment-Linked and Participating product lines. When debt securities mature, the proceeds that are not needed to meet liability cash flows will be reinvested. (continued)

Company	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5-10 years	Over 10 years	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2023								
Underlying assets [1]								
Government bonds	17,162	27,886	54,391	75,834	130,729	534,740	1,370,081	2,210,823
Other debt securities	210,742	193,390	147,316	351,943	342,423	875,189	243,742	2,364,745
Other investments								
Government bonds	18,352	41,083	46,437	48,058	31,412	263,862	782,034	1,231,238
Other debt securities	99,718	65,064	103,144	159,797	141,847	299,487	128,942	997,999
Total investment assets	345,974	327,423	351,288	635,632	646,411	1,973,278	2,524,799	6,804,805
Reinsurance contract assets	(19,111)	150	190	305	12	1,785	(25,059)	(41,728)
Insurance contract liabilities	1,527,236	178,585	122,737	103,016	94,260	623,834	5,145,414	7,795,082
Total insurance contract balances	1,508,125	178,735	122,927	103,321	94,272	625,619	5,120,355	7,753,354

[1] An equity securities balance of RM1,380,735 held within underlying assets is excluded from table above.

30 FINANCIAL RISKS (CONTINUED)

30c Interest rate and liquidity risks - Maturity analysis (continued)

The following tables present the estimated amount and timing of the remaining contractual discounted cash flows arising from investment assets and insurance liabilities in the Non-Participating, Investment-Linked and Participating product lines. When debt securities mature, the proceeds that are not needed to meet liability cash flows will be reinvested. (continued)

Company	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5-10 years	Over 10 years	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2022								
Underlying assets [(1)]								
Government bonds	44,088	22,135	28,676	68,482	93,091	462,989	1,185,794	1,905,255
Other debt securities	214,496	205,725	191,956	137,992	321,982	835,784	232,808	2,140,743
Other investments								
Government bonds	19,595	18,434	41,044	40,997	46,795	170,429	693,407	1,030,701
Other debt securities	95,170	85,797	64,307	94,424	128,670	227,378	100,008	795,754
Total investment assets	373,349	332,091	325,983	341,895	590,538	1,696,580	2,212,017	5,872,453
Reinsurance contract assets	(3,172)	29	132	126	71	569	(19,077)	(21,322)
Insurance contract liabilities	1,842,771	138,755	167,467	113,438	93,609	522,995	4,242,897	7,121,932
Total insurance contract balances	1,839,599	138,784	167,599	113,564	93,680	523,564	4,223,820	7,100,610

[(1)] An equity securities balance of RM1,914,305 held within underlying assets is excluded from table above.

30 FINANCIAL RISKS (CONTINUED)

30d Liquidity risk - Amounts payable on demand

For contracts issued within the product lines, the amounts payable on demand and the carrying amount of the respective groups of contracts are presented in the following tables:

Group	As at 31.12.2023		As at 31.12.2022	
	Amount payable on demand	Carrying amount	Amount payable on demand	Carrying amount
	RM'000	RM'000	RM'000	RM'000
Life Risk and Savings	1,832,852	4,103,335	1,439,796	3,365,562
Participating	3,865,792	4,957,770	3,168,967	4,906,823

Company	As at 31.12.2023		As at 31.12.2022	
	Amount payable on demand	Carrying amount	Amount payable on demand	Carrying amount
	RM'000	RM'000	RM'000	RM'000
Life Risk and Savings	1,832,852	4,103,725	1,439,796	3,364,751
Participating	3,865,792	4,957,770	3,168,967	4,906,823

The amounts payable on demand represent the policyholders' account values less applicable surrender fees as at the reporting date stated in the tables above. All of these amounts relate to contracts issued that are liabilities (no groups of contracts were in the asset position as at 31 December 2023 and 31 December 2022).

30e Market Risk - Currency

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group and the Company's primary transactions are carried out in Ringgit Malaysia ("RM"). The Group and the Company are exposed to foreign exchange risk primarily from transactions denominated in foreign currencies such as United States Dollar ("USD") and others pertaining to investment activities. The management manages foreign currency risk by setting limits and monitoring the exposure to foreign currency on a regular basis.

As the Group and the Company's business is conducted primarily in Malaysia, the Group and the Company's financial assets are also primarily maintained in Malaysia as required under the Financial Services Act, 2013, and hence, primarily denominated in the same currency (the local RM) as its insurance contract liabilities. Thus, the main foreign exchange risk from recognised assets and liabilities arises from transactions other than those in which insurance contract liabilities are expected to be settled. Currency risk arising from investments in foreign currency instruments is generally not hedged as the Group and the Company's exposure is minimal.

30 FINANCIAL RISKS (CONTINUED)

30e Market Risk - Currency (continued)

The analysis below summarises the currency exposure of the Group and the Company.

31 December 2023

	USD	RM	Others	Total '000
Group				
Financial assets:				
FVOCI financial assets	-	6,504,185	-	6,504,185
FVTPL financial assets	808,351	2,446,968	-	3,255,319
AC financial assets	-	744	-	744
Reinsurance assets	-	81,524	-	81,524
Other receivables*	-	12,309	-	12,309
Cash and cash equivalents	-	610,115	17	610,132
	808,351	9,655,845	17	10,464,213
Financial liabilities:				
Insurance contract liabilities	-	9,061,105	-	9,061,105
Lease liabilities	-	484	-	484
Other payables	-	132,344	-	132,344
Other financial liabilities	-	674	-	674
Provision for agency long association benefits	-	41,131	-	41,131
	-	9,235,738	-	9,235,738

30 FINANCIAL RISKS (CONTINUED)

30e Market Risk - Currency (continued)

The analysis below summarises the currency exposure of the Group and the Company.

31 December 2022

				’000
	USD	RM	Others	Total
Group				
Financial assets:				
AFS financial assets	-	5,881,155	-	5,881,155
FVTPL financial assets	559,158	1,242,154	-	1,801,312
HTM financial assets	-	930,275	-	930,275
Loans and receivables	-	690	-	690
Reinsurance contract assets	-	69,313	-	69,313
Other receivables*	-	28,219	-	28,219
Cash and cash equivalents	-	733,305	16	733,321
	559,158	8,885,111	16	9,444,285
Financial liabilities:				
Insurance contract liabilities	-	8,272,385	-	8,272,385
Lease liabilities	-	983	-	983
Other payables	-	128,849	-	128,849
Other financial liabilities	-	470	-	470
Provision for agency long association benefits	-	39,888	-	39,888
	-	8,442,575	-	8,442,575

* Exclude prepayments of RM1,084,000 as at 31 December 2023 (2022: RM1,092,000).

The potential impacts arising from currency risk are deemed insignificant. Accordingly, no sensitivity analysis is being disclosed.

30 FINANCIAL RISKS (CONTINUED)

30e Market Risk - Currency (continued)

The analysis below summarises the currency exposure of the Group and the Company. (continued)

31 December 2023

	USD	RM	Others	'000 Total
Company				
Financial assets				
FVOCI financial assets	-	6,504,185	-	6,504,185
FVTPL financial assets	789,277	2,470,045	-	3,259,322
AC financial assets	-	744	-	744
Reinsurance contract assets	-	81,524	-	81,524
Other receivables*	-	12,111	-	12,111
Cash and cash equivalents	-	605,625	17	605,642
	789,277	9,674,234	17	10,463,528
Financial liabilities				
Insurance contract liabilities	-	9,061,495	-	9,061,495
Lease liabilities	-	484	-	484
Other payables	-	131,904	-	131,904
Provision for agency long association benefits	-	41,131	-	41,131
	-	9,235,014	-	9,235,014

30 FINANCIAL RISKS (CONTINUED)

30e Market Risk - Currency (continued)

The analysis below summarises the currency exposure of the Group and the Company. (continued)

31 December 2022

				'000
	USD	RM	Others	Total
Company				
Financial assets				
AFS financial assets	-	5,883,639	-	5,883,639
FVTPL financial assets	545,008	1,257,209	-	1,802,217
HTM financial assets	-	930,275	-	930,275
Loans and receivables	-	690	-	690
Reinsurance contract assets	-	69,313	-	69,313
Other receivables*	-	28,206	-	28,206
Cash and cash equivalents	-	727,752	16	727,768
	545,008	8,897,084	16	9,442,108
Financial liabilities				
Insurance contract liabilities	-	8,271,574	-	8,271,574
Lease liabilities	-	983	-	983
Other payables	-	127,951	-	127,951
Provision for agency long association benefits	-	39,888	-	39,888
	-	8,440,396	-	8,440,396

* Exclude prepayments of RM1,084,000 as at 31 December 2023 (2022: RM1,092,000).

30f Market Risk - Interest Rate/Profit Yield Risk

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

A study of movement in risk-free rate is undertaken for the market. A 100 (2022: 100) basis point movement in the interest rate market is considered to be reasonable basis for interest rate sensitivity analysis.

For investment-linked funds, the risk exposure to the Group and the Company is limited only to the underwriting aspect as all investment risks are borne by the policyholders.

30 FINANCIAL RISKS (CONTINUED)

30f Market Risk - Interest Rate/Profit Yield Risk (continued)

Interest rate risk sensitivity

The analysis below summarises the Group and the Company's sensitivity analysis.

			100bps increase in interest rate impact on				100bps decrease in interest rate impact on			
Group/Company	Net insurance/ investment contracts balance [1]	Investment assets subject to interest rate risks [2]	Net insurance/ investment contracts balance	Investment assets	Profit or loss	Equity	Net insurance/ investment contracts balance	Investment assets	Profit or loss	Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2023										
Life Risk and Savings	(4,039,002)	3,349,744	259,094	(231,294)	2,680	(107,688)	(306,477)	263,493	(4,669)	119,239
Participating	(4,957,770)	3,248,451	142,916	(208,997)	166	166	(189,425)	238,757	(938)	(938)
31 December 2022										
Life Risk and Savings	(3,329,040)	2,587,148	194,439	(171,763)	(3,909)	(64,060)	(233,637)	194,815	2,587	68,722
Participating	(4,906,821)	2,215,388	111,078	(132,516)	586	586	(125,659)	149,572	(634)	(634)

[1] The net in insurance contracts balance excludes insurance acquisition cash flows assets and other pre-recognition cash flows.
[2] Cash and cash equivalents were excluded from this table due to their short maturity and the insignificant impact from the variability in interest rates.

30 FINANCIAL RISKS (CONTINUED)

30g Market Risk - Price Risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate/profit yield 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 and the Company's equity price risk exposure relates to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices, principally investment in securities not held for the account of investment-linked business.

The Group and the Company's price risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments, diversification plans, limits on investments in each country, sector, market and issuer, having regard also to such limits stipulated by BNM. The Group and the Company comply with BNM stipulated limits during the financial year, and has no significant concentration of price risk.

30 FINANCIAL RISKS (CONTINUED)

30g Market Risk - Price Risk (continued)

Equity price risk sensitivity

The analysis below summarises the Group and the Company's price risk analysis.

Group/Company	Net insurance/ investment contracts balance [1]	Investment assets subject to interest rate risks [2]	10% increase in equity prices: Net insurance/ investment contracts balance	Investment assets	Profit or loss	Equity	10% decrease in equity prices: Net insurance/ investment contracts balance	Investment assets	Profit or loss	Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2023										
Life Risk and Savings	(4,039,002)	302,228	(63,811)	30,223	22,037	22,037	64,593	(30,223)	(21,985)	(21,985)
Participating	(4,957,770)	1,331,809	(73,029)	133,181	625	625	70,441	(133,181)	(701)	(701)
Others	-	170,820	-	17,082	122	122	-	(17,082)	(122)	(122)
31 December 2022										
Life Risk and Savings	(3,329,040)	138,673	(56,143)	13,867	7,326	12,757	55,716	(13,867)	(7,312)	(12,743)
Participating	(4,906,821)	1,508,238	(99,392)	150,824	662	662	78,314	(150,824)	(11,874)	(11,874)
Others	-	155,066	-	15,507	-	391	-	(15,507)	-	(391)

[1] The net in insurance contracts balance excludes insurance acquisition cash flows assets and other pre-recognition cash flows.
[2] Cash and cash equivalents were excluded from this table due to their short maturity and the insignificant impact from the variability in interest rates.

31 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer (Chief Operating decision maker). The Group and the Company have three operating segments which comprises Life Risk and Savings, Participating and Others. Life Risk and Savings consists of non-participating whole-life and investment-linked contracts, including all reinsurance contracts whilst Participating refers to contracts with discretionary participation features. Others refer to non-insurance segment.

Statement of Financial Position by Segments

	Life Risk and Savings			Participating			Others			Total		
Group	31.12.2023	31.12.2022	01.01.2022	31.12.2023	31.12.2022	01.01.2022	31.12.2023	31.12.2022	01.01.2022	31.12.2023	31.12.2022	01.01.2022
		Restated	Restated		Restated	Restated		Restated	Restated		Restated	Restated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS												
Property, plant and equipment	11,187	11,260	11,304	149,497	151,354	151,866	-	-	-	160,684	162,614	163,170
Right-of-use assets	1,352	1,933	2,294	8,641	8,623	8,589	-	-	-	9,993	10,556	10,883
Investment properties	19,745	19,664	20,269	150,359	149,766	154,076	-	-	-	170,104	169,430	174,345
Intangible assets	2,760	4,770	8,171	5,487	6,267	7,381	-	-	-	8,247	11,037	15,552
Financial investments												
Financial assets												
AFS	-	2,478,380	2,262,763	-	3,250,193	3,517,238	-	152,582	140,190	-	5,881,155	5,920,191
FVOCI	3,271,074	-	-	3,233,111	-	-	-	-	-	6,504,185	-	-
FVTPL	1,705,742	1,305,372	1,271,822	1,381,287	495,940	588,437	168,290	-	-	3,255,319	1,801,312	1,860,259
HTM	-	167,495	167,520	-	762,780	763,768	-	-	-	-	930,275	931,288
LAR	-	-	-	-	544	544	-	146	383	-	690	927
AC	-	-	-	544	-	-	200	-	-	744	-	-
Reinsurance contract assets	81,524	69,313	77,543	-	-	-	-	-	-	81,524	69,313	77,543

31 SEGMENT INFORMATION (CONTINUED)

Statement of Financial Position by Segments (continued)

	Life Risk and Savings			Participating			Others			Total		
Group	31.12.2023	31.12.2022	01.01.2022	31.12.2023	31.12.2022	01.01.2022	31.12.2023	31.12.2022	01.01.2022	31.12.2023	31.12.2022	01.01.2022
		Restated	Restated		Restated	Restated		Restated	Restated		Restated	Restated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS (CONTINUED)												
Tax recoverable	65	17,222	7,501	18,135	14,286	2,781	9,217	(2,698)	-	27,417	28,810	10,282
Other receivables	6,634	6,891	1,723	3,875	18,465	3,781	42,820	46,259	122,444	53,329	71,615	127,948
(-) Elimination	-	-	-	-	-	-	(39,936)	(42,304)	(117,675)	(39,936)	(42,304)	(117,675)
Cash and cash equivalents	402,549	528,072	302,896	203,404	200,210	158,741	4,179	5,039	7,842	610,132	733,321	469,479
TOTAL ASSETS	5,502,632	4,610,372	4,133,806	5,154,340	5,058,428	5,357,202	184,770	159,024	153,184	10,841,742	9,827,824	9,644,192
LIABILITIES AND EQUITY												
Share capital	-	-	-	-	-	-	226,000	226,000	226,000	226,000	226,000	226,000
Retained earnings	983,376	891,535	804,869	28,645	29,454	28,448	65,480	35,096	83,228	1,077,501	956,085	916,545
Reserves												
Asset revaluation	3,777	3,663	3,526	-	-	-	-	-	-	3,777	3,663	3,526
AFS	-	(5,128)	43,682	-	-	-	-	(188)	(3,266)	-	(5,316)	40,416
FVOCI	66,760	-	-	-	-	-	-	-	-	66,760	-	-
Insurance finance	(57,793)	(22,854)	(37,110)	-	-	-	-	-	-	(57,793)	(22,854)	(37,110)
Reinsurance finance	1,213	(143)	-	-	-	-	-	-	-	1,213	(143)	-
TOTAL EQUITY	997,333	867,073	814,967	28,645	29,454	28,448	291,480	260,908	305,962	1,317,458	1,157,435	1,149,377

31 SEGMENT INFORMATION (CONTINUED)

Statement of Financial Position by Segments (continued)

	Life Risk and Savings			Participating			Others			Total		
Group	31.12.2023	31.12.2022	01.01.2022	31.12.2023	31.12.2022	01.01.2022	31.12.2023	31.12.2022	01.01.2022	31.12.2023	31.12.2022	01.01.2022
		Restated	Restated		Restated	Restated		Restated	Restated		Restated	Restated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
LIABILITIES AND EQUITY (CONTINUED)												
Insurance contract liabilities	4,103,335	3,365,562	2,869,554	4,957,770	4,906,823	5,217,113	-	-	-	9,061,105	8,272,385	8,086,667
Lease liabilities	484	983	1,337	-	-	-	-	-	-	484	983	1,337
Other payables	140,714	162,642	226,368	98,350	66,966	58,338	(66,784)	(58,455)	(50,377)	172,280	171,153	234,329
(-) Elimination	-	-	-	-	-	-	(39,936)	(42,304)	(117,675)	(39,936)	(42,304)	(117,675)
Other financial liabilities	674	470	934	-	-	-	-	-	-	674	470	934
Provision for agency long association benefits	15,726	15,726	13,460	25,405	24,162	23,259	-	-	-	41,131	39,888	36,719
Current tax liabilities/ (tax recoverable)	-	-	9,182	-	-	(22,997)	-	-	16,468	-	-	2,653
Deferred tax (assets)/ liabilities	244,366	197,916	198,004	44,170	31,023	53,041	10	(1,125)	(1,194)	288,546	227,814	249,851
TOTAL LIABILITIES	4,505,299	3,743,299	3,318,839	5,125,695	5,028,974	5,328,754	(106,710)	(101,884)	(152,778)	9,524,284	8,670,389	8,494,815
TOTAL LIABILITIES AND EQUITY	5,502,632	4,610,372	4,133,806	5,154,340	5,058,428	5,357,202	184,770	159,024	153,184	10,841,742	9,827,824	9,644,192

31 SEGMENT INFORMATION (CONTINUED)

Statement of Profit or Loss by Segments

Group	Life Risk and Savings		Participating		Others		Elimination		Total	
	2023	2022 Restated	2023	2022 Restated	2023	2022 Restated	2023	2022 Restated	2023	2022 Restated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Insurance revenue	586,885	529,684	98,752	95,279	-	-	-	-	685,637	624,963
Insurance service expenses	(504,331)	(417,518)	(98,656)	(101,874)	-	-	-	-	(602,987)	(519,392)
Net expenses from reinsurance contracts held	(11,306)	(17,607)	-	-	-	-	-	-	(11,306)	(17,607)
Insurance service result	71,248	94,559	96	(6,595)	-	-	-	-	71,344	87,964
Finance (expenses)/ income from insurance contracts issued	(150,636)	37,042	(233,099)	(123,092)	-	-	-	-	(383,735)	(86,050)
Finance income from reinsurance contracts held	2,447	1,511	-	-	-	-	-	-	2,447	1,511
Net insurance finance (expenses)/income	(148,189)	38,553	(233,099)	(123,092)	-	-	-	-	(381,288)	(84,539)

31 SEGMENT INFORMATION (CONTINUED)

Statement of Profit or Loss by Segments (continued)

Group	Life Risk and Savings		Participating		Others		Elimination		Total	
	2023	2022 Restated	2023	2022 Restated	2023	2022 Restated	2023	2022 Restated	2023	2022 Restated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Interest revenue from financial assets not measured at FVTPL	143,316	112,538	150,926	136,716	369	2,065	-	-	294,611	251,319
Net gains/(losses) on FVTPL investments	92,769	(110,087)	96,393	(72,762)	9,830	-	-	-	198,992	(182,849)
Reversal of net credit impairment losses/(net credit impairment losses)	275	(2,058)	227	(55,835)	-	(3,785)	-	-	502	(61,678)
Net gains/(losses) from the derecognition of financial assets measured at HTM	-	(28)	-	36	-	-	-	-	-	8
Net gains on investments in equity securities measured at AFS	-	5,864	-	122,290	-	927	-	-	-	129,081
Net gains/(losses) on investments in debt securities measured at FVOCI	(236)	-	3,407	-	-	-	-	-	3,171	-
Net gains on investments in debt securities measured at AFS	-	453	-	3,088	-	304	-	-	-	3,845

31 SEGMENT INFORMATION (CONTINUED)

Statement of Profit or Loss by Segments (continued)

Group	Life Risk and Savings		Participating		Others		Elimination		Total	
	2023	2022 Restated	2023	2022 Restated	2023	2022 Restated	2023	2022 Restated	2023	2022 Restated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net gains/(losses) from fair value adjustments to investment properties	80	(1)	594	16	-	-	-	-	674	15
Rental income from investment properties	712	648	6,542	6,676	-	-	-	-	7,254	7,324
Net gains from disposal of Investment properties	-	898	-	6,430	-	-	-	-	-	7,328
Net investment income	236,916	8,227	258,089	146,655	10,199	(489)	-	-	505,204	154,393
Net insurance and investment result	159,975	141,339	25,086	16,968	10,199	(489)	-	-	195,260	157,818
Other operating expenses	(1,830)	(1,389)	(194)	(104)	(1,161)	(1,034)	-	-	(3,185)	(2,527)
Profit before taxation	158,145	139,950	24,892	16,864	9,038	(1,523)	-	-	192,075	155,291
Taxation	(37,619)	(15,240)	(19,813)	(12,905)	(8,466)	(7,606)	-	-	(65,898)	(35,751)
Net profit for the year	120,526	124,710	5,079	3,959	572	(9,129)	-	-	126,177	119,540

31 SEGMENT INFORMATION (CONTINUED)

Statement of Total Comprehensive Income by Segments

Group	Life Risk and Savings		Participating		Others		Elimination		Total	
	2023	2022 Restated	2023	2022 Restated	2023	2022 Restated	2023	2022 Restated	2023	2022 Restated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net profit for the year	120,526	124,710	5,079	3,959	572	(9,129)	-	-	126,177	119,540
Other comprehensive income/(loss):										
Items that will be reclassified subsequently to profit or loss										
Fair value change on AFS financial assets:										
Net fair value losses arising during the year	-	(64,197)	-	(195,704)	-	(120)	-	-	-	(260,021)
Realised (losses)/gains transferred to statement of profit or loss	-	(4,179)	-	(74,594)	-	390	-	-	-	(78,383)
Impairment losses transferred to statement of profit or loss	-	2,058	-	55,835	-	3,785	-	-	-	61,678
Income tax relating to these items	-	17,508	-	17,157	-	(977)	-	-	-	33,688

31 SEGMENT INFORMATION (CONTINUED)

Statement of Total Comprehensive Income by Segments (continued)

Group	Life Risk and Savings		Participating		Others		Elimination		Total	
	2023	2022 Restated	2023	2022 Restated	2023	2022 Restated	2023	2022 Restated	2023	2022 Restated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Other comprehensive income/(loss): (continued)										
Fair value through FVOCI financial assets:										
Net fair value gain arising during the year	99,005	-	83,945	-	-	-	-	-	182,950	-
Realised losses transferred to statement of profit or loss	(166)	-	(1,583)	-	-	-	-	-	(1,749)	-
Reversal of impairment losses transferred to statement of profit or loss	(275)	-	(227)	-	-	-	-	-	(502)	-
Income tax relating to these items	(26,021)	-	(6,571)	-	-	-	-	-	(32,592)	-
Finance (expenses)/ income from insurance contracts issued	(43,674)	17,820	(77,372)	195,080	-	-	-	-	(121,046)	212,900
Tax effects thereon	8,735	(3,564)	-	-	-	-	-	-	8,735	(3,564)
Finance income/(expenses) from reinsurance contracts held	1,695	(179)	-	-	-	-	-	-	1,695	(179)
Tax effects thereon	(339)	36	-	-	-	-	-	-	(339)	36

31 SEGMENT INFORMATION (CONTINUED)

Statement of Total Comprehensive Income by Segments (continued)

Group	Life Risk and Savings		Participating		Others		Elimination		Total	
	2023	2022 Restated	2023	2022 Restated	2023	2022 Restated	2023	2022 Restated	2023	2022 Restated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Other comprehensive income /(loss): (continued)										
Items that will be reclassified subsequently to profit or loss										
Asset revaluation reserve:										
Gross asset revaluation surplus	155	186	1,965	2,420	-	-	-	-	2,120	2,606
Income tax relating to these items	(41)	(49)	(157)	(194)	-	-	-	-	(198)	(243)
Total other comprehensive income/(loss) for the year, net of tax	39,074	(34,560)	-	-	-	3,078	-	-	39,074	(31,482)
Total comprehensive income /(loss) for the financial year	159,600	90,150	5,079	3,959	572	(6,051)	-	-	165,251	88,058

31 SEGMENT INFORMATION (CONTINUED)

Statement of Financial Position by Segments

Company	Life Risk and Savings			Participating			Others			Total		
	31.12.2023	31.12.2022	01.01.2022	31.12.2023	31.12.2022	01.01.2022	31.12.2023	31.12.2022	01.01.2022	31.12.2023	31.12.2022	01.01.2022
		Restated	Restated		Restated	Restated		Restated	Restated		Restated	Restated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS												
Property, plant and equipment	11,187	11,260	11,304	149,497	151,354	151,866	-	-	-	160,684	162,614	163,170
Right-of-use assets	1,352	1,933	2,294	8,641	8,623	8,589	-	-	-	9,993	10,556	10,883
Investment properties	19,745	19,664	20,269	150,359	149,766	154,076	-	-	-	170,104	169,430	174,345
Intangible assets	2,760	4,770	8,171	5,487	6,267	7,381	-	-	-	8,247	11,037	15,552
Financial investments												
Financial assets												
AFS	-	2,478,380	2,262,763	-	3,250,193	3,517,238	-	155,066	145,682	-	5,883,639	5,925,683
FVOCI	3,271,074	-	-	3,233,111	-	-	-	-	-	6,504,185	-	-
FVTPL	1,707,215	1,306,277	1,272,544	1,381,287	495,940	588,437	170,820	-	-	3,259,322	1,802,217	1,860,981
HTM	-	167,495	167,520		762,780	763,768	-	-	-	-	930,275	931,288
LAR	-	-	-	-	544	544	-	146	383	-	690	927
AC	-	-	-	544	-	-	200	-	-	744	-	-
Reinsurance contract assets	81,524	69,313	77,543	-	-	-	-	-	-	81,524	69,313	77,543
Tax recoverable	65	17,222	7,501	18,135	14,286	2,781	9,217	(2,698)	-	27,417	28,810	10,282
Other receivables	6,446	6,879	1,084	3,875	18,465	3,781	42,810	46,258	122,444	53,131	71,602	127,309
(-) Elimination	-	-	-	-	-	-	(39,936)	(42,304)	(117,675)	(39,936)	(42,304)	(117,675)
Cash and cash equivalents	400,610	525,022	301,654	203,404	200,210	158,741	1,628	2,536	2,326	605,642	727,768	462,721
TOTAL ASSETS	5,501,978	4,608,215	4,132,647	5,154,340	5,058,428	5,357,202	184,739	159,004	153,160	10,841,057	9,825,647	9,643,009

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2023 (CONTINUED)

31 SEGMENT INFORMATION (CONTINUED)

Statement of Financial Position by Segments (continued)

Company	Life Risk and Savings			Participating			Others			Total		
	31.12.2023	31.12.2022 Restated	01.01.2022 Restated	31.12.2023	31.12.2022 Restated	01.01.2022 Restated	31.12.2023	31.12.2022 Restated	01.01.2022 Restated	31.12.2023	31.12.2022 Restated	01.01.2022 Restated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
LIABILITIES AND EQUITY												
Share capital	-	-	-	-	-	-	226,000	226,000	226,000	226,000	226,000	226,000
Retained earnings	983,376	891,535	804,869	28,645	29,454	28,448	65,519	35,595	83,742	1,077,540	956,584	917,059
Reserves												
Asset revaluation	3,777	3,663	3,526	-	-	-	-	-	-	3,777	3,663	3,526
AFS	-	(5,128)	43,682	-	-	-	-	(685)	(3,780)	-	(5,813)	39,902
FVOCI	66,760	-	-	-	-	-	-	-	-	66,760	-	-
Insurance finance	(57,793)	(22,854)	(37,110)	-	-	-	-	-	-	(57,793)	(22,854)	(37,110)
Reinsurance finance	1,213	(143)	-	-	-	-	-	-	-	1,213	(143)	-
TOTAL EQUITY	997,333	867,073	814,967	28,645	29,454	28,448	291,519	260,910	305,962	1,317,497	1,157,437	1,149,377
Insurance contract liabilities	4,103,725	3,364,751	2,869,367	4,957,770	4,906,823	5,217,113	-	-	-	9,061,495	8,271,574	8,086,480
Lease liabilities	484	983	1,337	-	-	-	-	-	-	484	983	1,337
Other payables	140,344	161,766	226,330	98,350	66,966	58,338	(66,854)	(58,477)	(50,401)	171,840	170,255	234,267
(-) Elimination	-	-	-	-	-	-	(39,936)	(42,304)	(117,675)	(39,936)	(42,304)	(117,675)
Provision for agency long association benefits	15,726	15,726	13,460	25,405	24,162	23,259	-	-	-	41,131	39,888	36,719

31 SEGMENT INFORMATION (CONTINUED)

Statement of Financial Position by Segments (continued)

Company	Life Risk and Savings			Participating			Others			Total		
	31.12.2023	31.12.2022 Restated	01.01.2022 Restated	31.12.2023	31.12.2022 Restated	01.01.2022 Restated	31.12.2023	31.12.2022 Restated	01.01.2022 Restated	31.12.2023	31.12.2022 Restated	01.01.2022 Restated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
LIABILITIES AND EQUITY (CONTINUED)												
Current tax liabilities/ (tax recoverable)	-	-	9,182	-	-	(22,997)	-	-	16,468	-	-	2,653
Deferred tax (assets)/ liabilities	244,366	197,916	198,004	44,170	31,023	53,041	10	(1,125)	(1,194)	288,546	227,814	249,851
TOTAL LIABILITIES	4,504,645	3,741,142	3,317,680	5,125,695	5,028,974	5,328,754	(106,780)	(101,906)	(152,802)	9,523,560	8,668,210	8,493,632
TOTAL LIABILITIES AND EQUITY	5,501,978	4,608,215	4,132,647	5,154,340	5,058,428	5,357,202	184,739	159,004	153,160	10,841,057	9,825,647	9,643,009

31 SEGMENT INFORMATION (CONTINUED)

Statement of Profit or Loss by Segments

Company	Life Risk and Savings 2023 RM'000	Life Risk and Savings 2022 Restated RM'000	Participating 2023 RM'000	Participating 2022 Restated RM'000	Others 2023 RM'000	Others 2022 Restated RM'000	Elimination 2023 RM'000	Elimination 2022 Restated RM'000	Total 2023 RM'000	Total 2022 Restated RM'000
Insurance revenue	586,885	529,684	98,752	95,279	-	-	-	-	685,637	624,963
Insurance service expenses	(504,331)	(417,518)	(98,656)	(101,874)	-	-	-	-	(602,987)	(519,392)
Net expenses from reinsurance contracts held	(11,306)	(17,607)	-	-	-	-	-	-	(11,306)	(17,607)
Insurance service result	71,248	94,559	96	(6,595)	-	-	-	-	71,344	87,964
Finance (expenses)/ income from insurance contracts issued	(151,837)	37,666	(233,099)	(123,092)	-	-	-	-	(384,936)	(85,426)
Finance income from reinsurance contracts held	2,447	1,511	-	-	-	-	-	-	2,447	1,511
Net insurance finance (expenses)/income	(149,390)	39,177	(233,099)	(123,092)	-	-	-	-	(382,489)	(83,915)

31 SEGMENT INFORMATION (CONTINUED)

Statement of Profit or Loss by Segments (continued)

Company	Life Risk and Savings 2023 RM'000	Life Risk and Savings 2022 Restated RM'000	Participating 2023 RM'000	Participating 2022 Restated RM'000	Others 2023 RM'000	Others 2022 Restated RM'000	Elimination 2023 RM'000	Elimination 2022 Restated RM'000	Total 2023 RM'000	Total 2022 Restated RM'000
Interest revenue from financial assets not measured at FVTPL	143,316	112,538	150,926	136,716	369	418	-	-	294,611	249,672
Net gains/(losses) on FVTPL investments	93,418	(110,812)	96,393	(72,762)	9,754	-	-	-	199,565	(183,574)
Reversal of net credit impairment losses/(net credit impairment losses)	275	(2,058)	227	(55,835)	-	(3,785)	-	-	502	(61,678)
Net gains/(losses) from the derecognition of financial assets measured at HTM	-	(28)	-	36	-	-	-	-	-	8
Net gains on investments in equity securities measured at AFS	-	5,864	-	122,290	-	2,597	-	-	-	130,751
Net gains/(losses) on investments in debt securities measured at FVOCI	(236)	-	3,407	-	-	-	-	-	3,171	-
Net gains on investments in debt securities measured at AFS	-	453	-	3,088	-	-	-	-	-	3,541

31 SEGMENT INFORMATION (CONTINUED)

Statement of Profit or Loss by Segments (continued)

Company	Life Risk and Savings		Participating		Others		Elimination		Total	
	2023	2022 Restated	2023	2022 Restated	2023	2022 Restated	2023	2022 Restated	2023	2022 Restated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net gains/(losses) from fair value adjustments to investment properties	80	(1)	594	16	-	-	-	-	674	15
Rental income from investment properties	712	648	6,542	6,676	-	-	-	-	7,254	7,324
Net gains from disposal of Investment properties	-	898	-	6,430	-	-	-	-	-	7,328
Net investment income	237,565	7,502	258,089	146,655	10,123	(770)	-	-	505,777	153,387
Net insurance and investment result	159,423	141,238	25,086	16,968	10,123	(770)	-	-	194,632	157,436
Other operating expenses	(1,322)	(1,288)	(194)	(104)	(1,046)	(768)	-	-	(2,562)	(2,160)
Profit before taxation	158,101	139,950	24,892	16,864	9,077	(1,538)	-	-	192,070	155,276
Taxation	(37,575)	(15,240)	(19,813)	(12,905)	(8,466)	(7,606)	-	-	(65,854)	(35,751)
Net profit for the year	120,526	124,710	5,079	3,959	611	(9,144)	-	-	126,216	119,525

31 SEGMENT INFORMATION (CONTINUED)

Statement of Total Comprehensive Income by Segments

Company	Life Risk and Savings		Participating		Others		Elimination		Total	
	2023	2022 Restated	2023	2022 Restated	2023	2022 Restated	2023	2022 Restated	2023	2022 Restated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net profit for the year	120,526	124,710	5,079	3,959	611	(9,144)	-	-	126,216	119,525
Other comprehensive income/(loss):										
Items that will be reclassified subsequently to profit or loss										
Fair value change on AFS financial assets:										
Net fair value losses arising during the year	-	(64,197)	-	(195,704)	-	(424)	-	-	-	(260,325)
Realised (losses)/gains transferred to statement of profit or loss	-	(4,179)	-	(74,594)	-	711	-	-	-	(78,062)
Impairment losses transferred to statement of profit or loss	-	2,058	-	55,835	-	3,785	-	-	-	61,678
Income tax relating to these items	-	17,508	-	17,157	-	(977)	-	-	-	33,688

31 SEGMENT INFORMATION (CONTINUED)

Statement of Total Comprehensive Income by Segments (continued)

Company	Life Risk and Savings 2023 RM'000	Life Risk and Savings 2022 Restated RM'000	Participating 2023 RM'000	Participating 2022 Restated RM'000	Others 2023 RM'000	Others 2022 Restated RM'000	Elimination 2023 RM'000	Elimination 2022 Restated RM'000	Total 2023 RM'000	Total 2022 Restated RM'000
Other comprehensive income/(loss): (continued)										
Fair value through FVOCI financial assets:										
Net fair value gain arising during the year	99,005	-	83,945	-	-	-	-	-	182,950	-
Realised losses transferred to statement of profit or loss	(166)	-	(1,583)	-	-	-	-	-	(1,749)	-
Reversal of impairment losses transferred to statement of profit or loss	(275)	-	(227)	-	-	-	-	-	(502)	-
Income tax relating to these items	(26,021)	-	(6,571)	-	-	-	-	-	(32,592)	-
Finance (expenses)/ income from insurance contracts issued	(43,674)	17,820	(77,372)	195,080	-	-	-	-	(121,046)	212,900
Tax effects thereon	8,735	(3,564)	-	-	-	-	-	-	8,735	(3,564)
Finance income/(expenses) from reinsurance contracts held	1,695	(179)	-	-	-	-	-	-	1,695	(179)
Tax effects thereon	(339)	36	-	-	-	-	-	-	(339)	36

31 SEGMENT INFORMATION (CONTINUED)

Statement of Total Comprehensive Income by Segments (continued)

Company	Life Risk and Savings		Participating		Others		Elimination		Total	
	2023	2022 Restated	2023	2022 Restated	2023	2022 Restated	2023	2022 Restated	2023	2022 Restated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Other comprehensive income /(loss): (continued)										
Items that will be reclassified subsequently to profit or loss										
Asset revaluation reserve:										
Gross asset revaluation surplus	155	186	1,965	2,420	-	-	-	-	2,120	2,606
Income tax relating to these items	(41)	(49)	(157)	(194)	-	-	-	-	(198)	(243)
Total other comprehensive income/(loss) for the year, net of tax	39,074	(34,560)	-	-	-	3,095	-	-	39,074	(31,465)
Total comprehensive income/(loss) for the financial year, net of tax	159,600	90,150	5,079	3,959	611	(6,049)	-	-	165,290	88,060