FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited consolidated financial statements of MNRB Holdings Berhad and its subsidiaries ("MNRB Group" or "the Group") and the separate financial statements of MNRB Holdings Berhad ("MNRB" or "the Company") for the financial year ended 31 March 2025.

Principal Activities

The Company is an investment holding company, principally engaged in the provision of management services to its subsidiaries.

The principal activities and other information of the subsidiaries are as disclosed in Note 17 to the financial statements.

Results

	Group RM'000	Company RM'000
Net profit for the financial year	394,246	142,183

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

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

Dividend

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

	RM'000
In respect of the financial year ended 31 March 2024:	
Final single-tier dividend of 5.00 sen per ordinary share declared on 26 September 2024 and paid on 24 October 2024	39,155
Final single-tier special dividend of 5.00 sen per ordinary share declared on 26 September 2024 and paid on 24 October 2024	39,155
	78,310

As at the date of this report, no dividend has been declared or proposed by the Company in respect of the current financial year.

Subsequent Event

There are no significant adjusting events after the statements of financial position date up to the date when the financial statements are authorised for issuance.

DIRECTORS' REPORT

Climate-Related Risks and Disclosures

The Group's sustainability governance and its efforts to contribute positively towards global sustainability objectives are disclosed in the Sustainability Statement, which is available on the Group's corporate website and included in this Annual Report for the financial year ended 31 March 2025.

Share Capital and Debentures

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

Directors

The names of the Directors of the Company and its subsidiaries in office since the beginning of the financial year to the date of this report are:

	Directors of the entities						
	Holding Company	Subsidiaries					
Name of Directors	MNRB*	Malaysian Re*	Takaful IKHLAS Family*	Takaful IKHLAS General*	MRDL#	MSSB*	SSB*
Dato' Sulaiman Mohd Tahir	Appointed with effect from 14 February 2025	Appointed with effect from 14 February 2025	-	-	-	-	-
Datuk Johar Che Mat	Resigned on 12 February 2025	Resigned on 12 February 2025	✓	✓	Ceased on 12 July 2024	-	-
George Oommen	✓	Resigned on 28 February 2025	✓	-	Ceased on 12 July 2024	-	-

DIRECTORS' REPORT

Directors (cont'd.)

The names of the Directors of the Company and its subsidiaries in office since the beginning of the financial year to the date of this report are (cont'd.):

	Directors of the entities						
	Holding Company	Subsidiaries					
Name of Directors	MNRB*	Malaysian Re*	Takaful IKHLAS Family*	Takaful IKHLAS General*	MRDL#	MSSB*	SSB*
Khalid Sufat	Deceased on 24 June 2025	Deceased on 24 June 2025	-	-	-	-	-
Junaidah Mohd Said	✓	-	-	-	-	-	-
Zaida Khalida Shaari	✓	-	-	-	-	-	-
Dato' Wan Roshdi Wan Musa	✓	-	-	-	-	-	-
Chin See Mei	✓	-	-	-	-	-	-
Velayudhan Harikes	-	✓	-	-	-	-	-
Wan Zamri Wan Zain	-	✓	-	-	-	-	-
Datin Joanne Marie Lopez	-	✓	-	-	-	-	-
Md Azmi Abu Bakar	-	-	✓	-	-	-	-
Azizul Mohd Said	-	-	✓	-	-	-	-
Arul Sothy S Mylvaganam	-	-	-	✓	-	-	-
Woon Tai Hai	-	-	-	✓	-	-	-
Dato' Amirudin Abdul Halim	-	-	-	✓	-	-	-
Dr. Wan Zamri Wan Ismail	-	-	-	✓	-	-	-
Suharti Mohd Ali	-	-	✓	-	-	-	-
Shareen Ooi Bee Hong	-	-	Retired on 1 October 2024	-	-	-	-
Rosinah Mohd Salleh	-	-	-	Retired on 31 March 2025	-	-	-

DIRECTORS' REPORT

Directors (cont'd.)

The names of the Directors of the Company and its subsidiaries in office since the beginning of the financial year to the date of this report are (cont'd.):

	Directors of the entities						
	Holding Company	Subsidiaries					
Name of Directors	MNRB*	Malaysian Re*	Takaful IKHLAS Family*	Takaful IKHLAS General*	MRDL#	MSSB*	SSB*
Sharmini Perampalam	-	-	-	-	-	✓	✓
Ahmad Noor Azhari Abdul Manaf	-	-	-	-	Ceased on 12 July 2024	✓	-
Ekmarrudy Othman	-	-	-	-	-	✓	✓
Zaharudin Daud	-	Resigned on 1 October 2024	Resigned on 1 October 2024	Resigned on 1 October 2024	Ceased on 12 July 2024	-	-

In accordance with the Company's Constitution, the following Directors will be retiring at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election:

i. Clause 90 - George Oommen and Junaidah Mohd Said
ii. Clause 95 - Dato' Sulaiman Mohd Tahir

* MNRB - MNRB Holdings Berhad
Malaysian Re - Malaysian Reinsurance Berhad
Takaful IKHLAS Family - Takaful Ikhlas Family Berhad
Takaful IKHLAS General - Takaful Ikhlas General Berhad
MSSB - MMIP Services Sdn. Bhd.
SSB - Sinar Seroja Berhad
\# MRDL - Malaysian Re (Dubai) Ltd. (Dissolved effective on 19 March 2025)

DIRECTORS' REPORT

Directors (cont'd.)

Directors' Benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company or its subsidiaries were a party, whereby the Directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors from the Company and its related corporations, or the fixed salary of a full-time employee of the Company as shown below) by reason of a contract made by the Company or its related corporations with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

	Group RM'000	Company RM'000
Directors' fee	1,491	817
Benefits-in-kind and other emoluments	638	398
	2,129	1,215

Directors' Indemnity

During the financial year, the Company maintained a Directors and Officers Liability Takaful certificate to indemnify the Directors of the MNRB Group, up to a coverage of RM60,000,000, at a contribution of RM138,996 for liability incurred in the discharging of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage.

Directors' Interest

According to the register of Directors' shareholdings, none of the Directors in office at the end of the financial year had any interest in shares of the Company or its related corporation during the financial year.

Other Statutory Information

(a) Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

  (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

  (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected to realise.

(b) At the date of this report, the Directors are not aware of any circumstances which would render:

  (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

  (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

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

DIRECTORS' REPORT

Other Statutory Information (cont'd.)

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

(e) As at the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year other than those arising in the normal course of business of the Group and of the Company.

(f) In the opinion of the Directors:

(i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve (12) months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

For the purpose of paragraphs (e)(ii) and (f)(i) above, contingent or other liabilities do not include liabilities arising from reinsurance, takaful and retakaful contracts underwritten in the ordinary course of business of the reinsurance/retakaful and takaful subsidiaries and associate companies.

Auditors and Auditors' Remuneration

The auditors, Messrs. Ernst & Young PLT, have expressed their willingness to continue in office. The auditors' remuneration of the Group and of the Company during the year are as follows:

	Group RM'000	Company RM'000
Ernst & Young PLT		
- Statutory audit	2,562	182
- Regulatory-related	568	26
- Other services	1,156	243
Other auditors	8	-
	4,294	451

Signed on behalf of the Board in accordance with a resolution of the Directors dated 26 June 2025.

Dato' Sulaiman Mohd Tahir

Junaidah Mohd Said

Kuala Lumpur, Malaysia

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

We, Dato' Sulaiman Mohd Tahir and Junaidah Mohd Said, being two of the Directors of MNRB Holdings Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 131 to 337 are drawn up in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act, 2016 in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2025 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 26 June 2025.

Dato' Sulaiman Mohd Tahir
Kuala Lumpur, Malaysia

Junaidah Mohd Said

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT, 2016

I, Sharmini Perampalam (MIA membership no. 20010), being the officer primarily responsible for the financial management of MNRB Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 131 to 337 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the above named Sharmini Perampalam)
at Kuala Lumpur in Wilayah Persekutuan)
on 26 June 2025.)

Sharmini Perampalam

Before me,

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MNRB HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of MNRB Holdings Berhad, which comprise the statements of financial position as at 31 March 2025 of the Group and of the Company, and income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 131 to 337.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2025, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

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

Independence and other ethical responsibilities

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

1. *Measurement of the liability for incurred claims ("LFIC")*

   As at 31 March 2025, the Group recognised a LFIC of RM4,459 million in its consolidated statement of financial position. The measurement of the LFIC comprises an estimate of future cash flows, an adjustment to reflect the time value of money, and a risk adjustment for non-financial risk.

   The estimate of future cash flows includes all expected cash outflows arising from incurred claims that have not been fully settled, including claims payments, claims handling expenses, and associated administration costs. The cash flow estimates shall reflect all reasonable and supportable information available at the reporting date without undue cost or effort and shall be updated at each reporting date. These estimates are determined on an entity-specific basis.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MNRB HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

Key audit matters (cont'd.)

1. *Measurement of the liability for incurred claims ("LFIC") (cont'd.)*

The estimation of future cash flows involves significant judgement and is subject to inherent uncertainty. Actuarial models are used to project the expected cash flows, taking into account historical claims experience and assumptions about future developments, including social, economic, and technological changes. In forming these estimates, the Group considers historical data, including settlement patterns from its own portfolio, supplemented by relevant external benchmarks or expert judgement where appropriate. Such assumptions include, but are not limited to, ultimate loss ratios, claims development patterns, inflation rates, and settlement delays.

The future cash flows shall be discounted to reflect the time value of money using discount rates that are consistent with the characteristics of the insurance contracts or takaful certificates, including the currency, timing, and liquidity of the underlying cash flows. The discount rates shall be consistent with observable current market prices for financial instruments with similar cash flow characteristics and shall be updated at each reporting date in accordance with the chosen measurement model.

In addition, a risk adjustment for non-financial risk is included to reflect the compensation the Group requires for bearing the uncertainty inherent in the amount and timing of future cash flows. This risk adjustment shall also be updated at each measurement date.

Given the significant degree of judgement and estimation involved in the measurement of the LFIC, particularly in relation to the expected future cash flows, discount rates, and the risk adjustment for non-financial risk, we considered this area to be subject to a risk of material misstatement. Accordingly, we identified this as a key audit matter.

Our audit procedures in this area included, among others:

- Obtaining an understanding of, and evaluating the design and operating effectiveness of, key controls over methodology selection, data completeness and accuracy, relevant information technology systems, and key assumptions applied by management in estimating the LFIC.

- With the involvement of our actuarial specialists, performing substantive procedures on selected lines of business identified based on risk considerations.

- Testing the completeness and accuracy of the data used in the estimation of the LFIC by reconciling it to the underlying accounting records and performing data-enabled audit procedures and plausibility checks on selected claims data.

- Evaluating the actuarial methodologies applied and the reasonableness of key assumptions used by the Group through both quantitative and qualitative assessments.

- Comparing the Group's recorded LFIC to an independently developed range of reasonable estimates.

2. *Measurement of the liability for remaining coverage ("LFRC") under the General Measurement Model ("GMM") and the Variable Fee Approach ("VFA")*

As at 31 March 2025, the Group recognised a LFRC measured under the GMM and VFA of RM3,330 million in its consolidated statement of financial position.

At initial recognition, the Group measures a group of insurance contracts or takaful certificates under the GMM or the VFA as the sum of the fulfilment cash flows and the contractual service margin ("CSM"). The fulfilment cash flows comprise an estimate of future cash flows, adjusted to reflect the time value of money and financial risks, and a risk adjustment for non-financial risk. The CSM represents the unearned profit that the Group will recognise over the coverage period as it provides insurance or takaful services.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MNRB HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

Key audit matters (cont'd.)

2. *Measurement of the liability for remaining coverage ("LFRC") under the General Measurement Model ("GMM") and the Variable Fee Approach ("VFA") (cont'd.)*

The determination of the LFRC is inherently complex and involves significant judgement, particularly in relation to the use of actuarial models and the application of assumptions about future events. These assumptions include, among others, mortality rates, lapse rates, expense levels, and behavioural expectations of policyholders or certificate holders. Given the longterm nature of the contracts, even minor changes in key assumptions may have a material impact on the measurement of the LFRC.

Furthermore, the use of complex actuarial formulas, models, and systems in the measurement of LFRC increases the risk of error in configuration or logic, as well as the risk of using inaccurate or incomplete input data and inappropriate assumptions. In view of the complexity and estimation uncertainty involved, we identified the measurement of LFRC as a key audit matter.

Our audit procedures in this area included, among others:

- Obtaining an understanding of, and evaluating the design and operating effectiveness of, key controls over model development and configuration, data accuracy, assumption setting, and methodologies applied by management in measuring the LFRC.
- With the involvement of our actuarial specialists, performing substantive procedures on selected lines of business identified based on risk considerations.
- Testing the completeness and accuracy of input data used in the measurement of the LFRC, including in-force policy or certificate holder data, by reconciling such information to the underlying accounting records.
- Evaluating the appropriateness of key assumptions applied in selected actuarial models through quantitative and qualitative assessments, supported by reviews of relevant experience studies, market data, and macroeconomic benchmarks.
- Challenging the rationale for changes made to key assumptions, models, or methodologies and assessing whether such changes were appropriately treated as refinements of estimates or corrections of prior period errors.
- Reviewing the calculation logic and outputs of selected actuarial models and comparing the results to those reported by management.
- Performing analytical procedures, including period-over-period comparisons of LFRC movements, and assessing whether such changes appropriately reflect current period facts and circumstances.
- Assessing the adequacy of related disclosures in the notes to the consolidated financial statements.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the Annual Report, which is expected to be made available to us after the date of this auditors' report.

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 identified above 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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MNRB HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

Key audit matters (cont'd.)

Information other than the financial statements and auditors' report thereon (cont'd.)

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MNRB HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

Key audit matters (cont'd.)

Auditors' responsibilities for the audit of the financial statements (cont'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 the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence. and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when. in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, are disclosed in Note 17 to the financial statements.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MNRB HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

Other matters

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

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Kannan A/L Rajagopal
No. 03490/03/2026 J
Chartered Accountant

Kuala Lumpur, Malaysia
26 June 2025

INCOME STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Insurance/takaful revenue	3(a)	**3,135,118**	3,098,154	**-**	-
Insurance/takaful service expenses	3(b)	**(2,583,495)**	(2,433,776)	**-**	-
Insurance contracts/takaful certificates service results before reinsurance contracts/retakaful certificates held		**551,623**	664,378	**-**	-
Allocation of reinsurance/retakaful premiums/contributions		**(665,146)**	(604,752)	**-**	-
Amounts recoverable from reinsurers/ retakaful operators for incurred claims		**459,713**	434,778	**-**	-
Net expense from reinsurance contracts/retakaful certificates held	6	**(205,433)**	(169,974)	**-**	-
Insurance/takaful service results		**346,190**	494,404	**-**	-
Interest income/profit revenue calculated using the effective interest/profit method	7(a)	**199,951**	266,171	**10,989**	6,444
Other investment income	7(b)	**239,887**	144,613	**150,818**	102,913
Net realised gains/(losses)	8	**11,194**	(3,018)	**7,316**	(67)
Net fair value gains on financial assets at fair value through profit and loss		**25,334**	145,230	**-**	-
Net foreign exchange (losses)/gains on investments	9	**(82,437)**	48,009	**-**	-
(Allowance for)/reversal of impairment losses on financial assets	10	**(191)**	(41)	**12**	(11)
Investment results		**393,738**	600,964	**169,135**	109,279
Net insurance/takaful finance/profit expenses from insurance contracts/takaful certificates issued		**(275,450)**	(433,552)	**-**	-
Net reinsurance/retakaful finance/profit income from reinsurance contracts/retakaful certificates held		**14,083**	11,518	**-**	-
Unallocated deficit/(surplus) and changes in the value of the underlying items attributable to participants		**52,948**	(90,091)	**-**	-
Net insurance/takaful financial results	11	**(208,419)**	(512,125)	**-**	-

INCOME STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Fees and other income	4(a)	**25,579**	23,711	**74,556**	57,484
Management and other expenses	4(b)	**(78,092)**	(93,448)	**(84,446)**	(70,521)
Finance cost		**(28,978)**	(27,270)	**(18,459)**	(16,842)
Other expenses		**(81,491)**	(97,007)	**(28,349)**	(29,879)
Share of results of associates		**6,471**	44,623	**-**	-
Profit before zakat and taxation		**456,489**	530,859	**140,786**	79,400
Taxation attributable to participants	12	**(2,239)**	(25,078)	**-**	-
Profit before zakat and taxation attributable to equity holders of the Holding Company		**454,250**	505,781	**140,786**	79,400
Zakat		**(1,638)**	(1,334)	**-**	-
Taxation	13	**(58,366)**	(70,908)	**1,397**	(6,323)
Net profit for the year attributable to equity holders of the Holding Company		**394,246**	433,539	**142,183**	73,077
Basic and diluted earnings per share attributable to equity holders of the Holding Company (sen)	27	**50.3**	55.4	**18.2**	9.3

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Net profit for the year		**394,246**	433,539	**142,183**	73,077
Other comprehensive (loss)/income					
Other comprehensive (loss)/income to be reclassified to income statements in subsequent periods:					
Effects of post-acquisition foreign exchange translation reserve on investment in associate		**(8,300)**	(16,702)	**-**	-
Effects of foreign exchange translation reserve on investment in a subsidiary		**(641)**	877	**-**	-
Net gains/(losses) on financial assets at fair value through other comprehensive income ("FVOCI"):					
Net gains on fair value changes		**3,056**	9,491	**62**	120
Realised gains transferred to income statements	8	**1,459**	340	**-**	-
Deferred tax relating to fair value changes on financial assets at FVOCI	20	**(661)**	101	**(15)**	29
		(5,087)	(5,893)	**47**	149
Other comprehensive income/(loss) not to be reclassified to income statements in subsequent periods:					
Net gains on fair value changes on financial assets at FVOCI		**5,040**	548	**-**	-
Deferred tax relating to fair value changes on financial assets at FVOCI	20	**(403)**	-	**-**	-
Revaluation of land and buildings	14	**5,929**	4,905	**-**	-
Deferred tax relating to revaluation of land and buildings	20	**(283)**	(3,787)	**-**	-
Other comprehensive income attributable to participants		**(3,898)**	(7,454)	**-**	-
		6,385	(5,788)	**-**	-
Other comprehensive income/(loss) for the year, net of tax		**1,298**	(11,681)	**47**	149
Total comprehensive income for the year		**395,544**	421,858	**142,230**	73,226

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Assets					
Property and equipment	14	**237,951**	234,972	**3,421**	8,448
Intangible assets	15	**114,438**	117,118	**5,960**	6,633
Right-of-use assets	16	**2,202**	2,827	**1,157**	2,314
Investments in subsidiaries	17	**-**	-	**1,298,106**	1,304,476
Investments in associates	18	**165,795**	174,911	**1,957**	1,957
Financial and other assets	19	**12,020,752**	11,275,697	**373,882**	298,433
Deferred tax assets	20	**42,442**	47,391	**5,978**	5,397
Insurance contracts/takaful certificates assets	21	**105,830**	66,334	**-**	-
Reinsurance contacts/retakaful certificates assets	21	**617,654**	511,081	**-**	-
Tax recoverable	22	**48,840**	26,698	**16,232**	13,506
Cash and bank balances		**112,844**	115,604	**2,602**	481
Total assets		**13,468,748**	12,572,633	**1,709,295**	1,641,645
Liabilities					
Borrowings	23	**620,000**	620,000	**420,000**	420,000
Insurance contracts/takaful certificates liabilities	21	**9,077,338**	8,493,145	**-**	-
Reinsurance contracts/retakaful certificates liabilities	21	**34,124**	31,938	**-**	-
Lease liabilities	16	**2,293**	3,016	**1,215**	2,373
Other payables	24	**251,747**	233,530	**30,677**	25,811
Deferred tax liabilities	20	**33,660**	37,212	**-**	-
Tax payable	22	**6,366**	27,499	**203**	181
Provision for zakat		**2,354**	2,661	**-**	-
Total liabilities		**10,027,882**	9,449,001	**452,095**	448,365
Equity					
Share capital	25	**738,502**	738,502	**738,502**	738,502
Reserves		**2,702,364**	2,385,130	**518,698**	454,778
Total equity attributable to equity holders of the Holding Company		**3,440,866**	3,123,632	**1,257,200**	1,193,280
Total liabilities and equity		**13,468,748**	12,572,633	**1,709,295**	1,641,645

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2025

	Attributable to equity holders of the Holding Company					
		Reserves				
		Non-distributable			Distributable	
	Share capital RM'000	Foreign exchange translation reserve RM'000	Fair value reserve RM'000	Revaluation reserve RM'000	Retained profits RM'000	Total RM'000
Group						
At 1 April 2023	738,502	33,268	33,627	52,793	1,878,431	2,736,621
Net profit for the year	-	-	-	-	433,539	433,539
Other comprehensive (loss)/income for the year	-	(15,825)	3,026	1,118	-	(11,681)
Total comprehensive (loss)/income for the year	-	(15,825)	3,026	1,118	433,539	421,858
Dividend paid during the year (Note 26)	-	-	-	-	(34,847)	(34,847)
At 31 March 2024	738,502	17,443	36,653	53,911	2,277,123	3,123,632
At 1 April 2024	**738,502**	**17,443**	**36,653**	**53,911**	**2,277,123**	**3,123,632**
Net profit for the year	**-**	**-**	**-**	**-**	**394,246**	**394,246**
Other comprehensive (loss)/income for the year	**-**	**(8,941)**	**4,593**	**5,646**	**-**	**1,298**
Total comprehensive (loss)/income for the year	**-**	**(8,941)**	**4,593**	**5,646**	**394,246**	**395,544**
Dividend paid during the year (Note 26)	**-**	**-**	**-**	**-**	**(78,310)**	**(78,310)**
At 31 March 2025	**738,502**	**8,502**	**41,246**	**59,557**	**2,593,059**	**3,440,866**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2025

	Attributable to equity holders of the Company			
		Non-distributable	Distributable	
	Share capital RM'000	Fair value reserve RM'000	Retained profits RM'000	Total RM'000
Company				
At 1 April 2023	738,502	(275)	416,674	1,154,901
Net profit for the year	-	-	73,077	73,077
Other comprehensive income for the year	-	149	-	149
Total comprehensive income for the year	-	149	73,077	73,226
Dividend paid during the year (Note 26)	-	-	(34,847)	(34,847)
At 31 March 2024	**738,502**	**(126)**	**454,904**	**1,193,280**
Net profit for the year	**-**	**-**	**142,183**	**142,183**
Other comprehensive loss for the year	**-**	**47**	**-**	**47**
Total comprehensive income for the year	**-**	**47**	**142,183**	**142,230**
Dividend paid during the year (Note 26)	**-**	**-**	**(78,310)**	**(78,310)**
At 31 March 2025	**738,502**	**(79)**	**518,777**	**1,257,200**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities					
Profit before zakat and taxation		**456,489**	530,859	**140,786**	79,400
Adjustments for:					
Depreciation of:					
- property and equipment	14	**9,808**	9,103	**1,076**	1,119
- right-of-use assets	16	**1,365**	1,530	**1,157**	1,157
Amortisation of intangible assets	15	**16,969**	22,469	**1,382**	2,503
Reclassification of intangible assets to					
Reclassification of intangible assets to expenses	15	**4,450**	-	**-**	-
Finance costs on					
- lease liabilities	16	**256**	114	**92**	151
- borrowings		**28,722**	27,156	**18,367**	16,640
(Gains)/losses from disposal of:					
- property and equipment	8	**(3,340)**	67	**-**	67
- intangible asset	8	**1**	-	**1**	-
Gain from dissolution of subsidiary	8	**-**	-	**(7,317)**	-
Realised (gains)/losses on disposal of investments	8	**(7,855)**	2,951	**-**	-
Net amortisation/(accretion) of premiums/discount on investments	7	**1,838**	4,977	**(278)**	-
Interest income/profit revenue	7	**(421,197)**	(404,274)	**(10,989)**	(6,444)
Dividend income	7	**(23,017)**	(12,685)	**(150,540)**	(102,913)
Rental income	4(a)	**(4,971)**	(4,992)	**-**	-
Share of results of associates		**(6,471)**	(44,623)	**-**	-
Net foreign exchange losses/(gains)	9	**82,437**	(48,009)	**-**	-
Net fair value gains on financial assets at FVTPL		**(25,334)**	(26,570)	**-**	-
Loss on lease modification	16	**-**	687	**-**	-
Write-off of property and equipment	4(b)	**9**	-	**-**	-
Write-off of intangible assets	4(b)	**2**	-	**-**	-
Allowance for/(reversal of) impairment loss of:					
- building	4(a)	**-**	(21)	**-**	-
- financial assets	10	**191**	41	**(12)**	11
- property and equipment	14	**1,759**	-	**-**	-
- intangible assets	15	**9,608**	-	**-**	-
- other receivables		**925**	-	**-**	-
Operating cash flows before working capital changes		**122,644**	58,780	**(6,275)**	(8,309)

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities (cont'd.)					
Changes in working capital:					
Financial assets		**(730,772)**	(1,467,675)	**(3,545)**	(154,417)
Staff financing		**351**	484	**(135)**	62
Insurance contracts/takaful certificates		**544,697**	609,009	**-**	-
Reinsurance contracts/retakaful certificates		**(104,387)**	38,864	**-**	-
Balances with subsidiaries		**-**	-	**(14,406)**	7,027
Other payables and lease liabilities		**19,330**	28,097	**5,640**	5,388
Right-of-use assets		**(740)**	(1,018)	**-**	3,471
Interest income/profit revenue received		**405,650**	681,109	**9,162**	5,787
Dividend income received		**39,679**	12,814	**140**	148
Rental received		**4,931**	4,991	**-**	-
Income tax and zakat paid		**(105,595)**	(60,516)	**(1,902)**	(1,335)
Net cash generated from/(used in) operating activities		**195,788**	(95,061)	**(11,321)**	(142,178)
Cash flows from investing activities					
Purchase of property and equipment	14	**(15,433)**	(16,267)	**(839)**	(3,339)
Purchase of intangible assets	15	**(32,481)**	(15,003)	**(3,549)**	(4,404)
Proceed from disposal of property and equipment		**11,330**	52	**4,790**	-
Proceed from disposal of intangible assets		**2,839**	-	**2,839**	-
Proceed from dissolution of subsidiary		**-**	-	**13,687**	-
Dividend received from subsidiaries and associates		**-**	-	**150,400**	102,913
Net cash (used in)/generated from investing activities		**(33,745)**	(31,218)	**167,328**	95,170
Cash flows from financing activities					
Repayment of borrowings		**-**	(320,000)	**-**	(320,000)
Proceed from borrowings	23	**-**	420,000	**-**	420,000
Payment of lease liabilities	16	**(2,280)**	(1,576)	**(1,250)**	(1,250)
Interest/profit paid		**(28,722)**	(27,156)	**(18,835)**	(16,691)
Dividend paid	26	**(78,310)**	(34,847)	**(78,310)**	(34,847)
Net cash (used in)/generated from financing activities		**(109,312)**	36,421	**(98,395)**	47,212
Net increase/(decrease) during the year		**52,731**	(89,858)	**57,612**	204
Cash and cash equivalents at beginning of year		**115,604**	205,462	**481**	277
Cash and cash equivalents at end of year		**168,335**	115,604	**58,093**	481
Cash and cash equivalents comprise:					
Fixed and call deposits (with original maturities of less than three-months) with licensed financials institutions		**55,491**	-	**55,491**	-
Cash and bank balances		**112,844**	115,604	**2,602**	481
		168,335	115,604	**58,093**	481

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2025

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at 12th Floor, Bangunan Malaysian Re, No. 17, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur, Malaysia.

The Company is an investment holding company, principally engaged in the provision of management services to its subsidiaries.

The principal activities of the subsidiaries are as disclosed in Note 17. There have been no significant changes in the nature of the principal activities of the Company and its subsidiaries during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution on 26 June 2025.

2. Material accounting policies

2.1 Basis of preparation and presentation of financial statements

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act, 2016 in Malaysia.

At the beginning of the current financial year, the Group and the Company had adopted the amended MFRS Accounting Standards applicable for annual financial periods beginning on or after 1 January 2024, as fully described in Note 2.3.

As at the end of the financial year, the reinsurance and takaful subsidiaries have met the minimum capital requirements as prescribed by the Risk-Based Capital for Insurer ("RBC") Framework and Risk-Based Capital for Takaful Operators ("RBCT") Framework issued by Bank Negara Malaysia ("BNM").

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position, only when there is a legally enforceable right to offset the recognised amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expense will not be offset in the income statements and the statements of comprehensive income unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Group and of the Company.

(b) Basis of measurement

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise stated in the accounting policies.

(c) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

2. Material accounting policies (cont'd.)

2.1 Basis of preparation and presentation of financial statements (cont'd.)

(d) Use of estimates and judgements

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

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

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

Takaful certificates and reinsurance contracts/retakaful certificates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. The Group dissaggregates information to disclose insurance contracts/takaful certificates issued with reinsurance contracts/retakaful certificates held separately. This aggregation determined based on how the Group is managed.

(i) Estimates of future cash flows

In estimating the future cash flows, the Group incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experiences, updated to reflect current expectations of future events.

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

Cash flows within the boundary of contracts/certificates are those contracts/certificates that relate directly to the fulfilment of the contracts/certificates, including those for which the Group has discretion over the amount or timing. These include payments to (or on behalf of) cedants, participants, insurance/takaful acquisition cash flows and other costs that are incurred in fulfilling contracts/certificates. Insurance/takaful acquisition cash flows and other costs that are incurred in fulfilling contracts/certificates comprise both direct costs and an allocation of fixed and variable overheads.

2. Material accounting policies (cont'd.)

2.1 Basis of preparation and presentation of financial statements (cont'd.)

(d) Use of estimates and judgements (cont'd.)

Takaful certificates and reinsurance contracts/retakaful certificates (cont'd.)

(i) Estimates of future cash flows (cont'd.)

Cash flows are attributed to acquisition activities and other fulfilment activities either directly or estimated based on the type of activities performed by the respective business function. Cash flows attributable to acquisition and other fulfilment activities are allocated to groups of contracts/certificates using methods that are systematic and rational and will be consistently applied to all costs that have similar characteristics, such as based on total contributions, number of certificates or number of claims.

For reinsurance/retakaful businesses, the main assumption underlying these techniques is that the past claims development experience can be used to project future claims development and hence, ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses and average costs per claim based on the observed development of earlier years and expected loss ratios.

For family takaful businesses, the following assumptions were used when estimating future cash flows:

- Mortality and morbidity rates
- Longevity assumptions
- Lapse and surrender rates

(ii) Discount rates

The general takaful business, takaful certificates liabilities are calculated by using risk-free discount rates.

For the reinsurance/retakaful businesses specifically, in economically developed countries, the observed government bond yield curve was used as the source of liquid risk-free yield curve as politically stable governments are commonly believed to have a low probability of defaulting on their debts. For countries where government bond rates are not readily available, another similar government yield curve under similar macro economic settings was considered; or if the currency is pegged to another currency, the yield curve of the other currency was considered. Using the Smith-Wilson method, the yield curve is extrapolated beyond the last available market data point to an ultimate forward rate, which reflects long-term real interest rate and inflation expectations. The ultimate forward rate is subject to revision on an annual basis. Illiquidity premium is assumed to be zero as reinsurance/retakaful products are generally short-term.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2025

2. Material accounting policies (cont'd.)

2.1 Basis of preparation and presentation of financial statements (cont'd.)

(d) Use of estimates and judgements (cont'd.)

Takaful certificates and reinsurance contracts/retakaful certificates (cont'd.)

(ii) Discount rates (cont'd.)

The family takaful business of the Group generally determines risk-free discount rates using the observed yield curves of government securities. The derivation of the illiquidity premium leverages the volatility adjustment bases in accordance with the BNM's discounting approach, with calibration made to reference the portfolio of the family takaful's and shareholder's funds. The yield curve will be interpolated between the last available market data point and an ultimate forward rate, which reflects long-term real interest rates and inflation expectations. The ultimate forward rate may be subject to revision, it is expected to be updated only if significant changes in the long-term expectations being observed.

Discount rates applied thereon are summarised below:

Insurance contracts/takaful certificates issued and reinsurance contracts/retakaful certificates held

	1 year		3 years		5 years		7 years		10 years		15 year	
Portfolio	FY25	FY24	FY25	FY24	FY25	FY24	FY25	FY24	FY25	FY24	FY25	FY24
Local (MYR)												
General Takaful	**3.28%**	3.33%	**3.49%**	3.49%	**3.56%**	3.65%	**3.76%**	3.78%	**3.81%**	3.86%	**3.93%**	3.92%
Family Takaful	**3.28%-3.48%**	3.33%-3.53%	**3.66%-3.91%**	3.66%-3.86%	**3.76%-4.18%**	3.98%-4.18%	**4.17%-4.52%**	4.17%-4.37%	**3.82%-4.27%**	4.07%-4.27%	**4.18%-4.59%**	4.18%-4.38%
Reinsurance	**3.27%**	3.41%	**3.61%**	3.52%	**3.89%**	3.86%	**3.97%**	4.32%	**4.04%**	4.08%	**4.36%**	4.28%
Retakaful	**3.28%**	3.25%	**3.77%**	3.57%	**3.69%**	3.92%	**4.27%**	4.23%	**3.80%**	4.08%	**4.40%**	4.32%
Overseas												
CNY	**1.56%**	1.82%	**1.79%**	2.30%	**1.74%**	2.47%	**2.22%**	2.66%	**1.62%**	2.09%	**0.92%**	1.67%
EUR	**2.30%**	3.50%	**2.41%**	2.04%	**2.95%**	2.29%	**2.98%**	2.29%	**3.60%**	2.61%	**3.51%**	2.93%
IDR	**6.37%**	6.41%	**6.67%**	6.60%	**7.00%**	6.74%	**7.06%**	6.80%	**7.16%**	6.77%	**7.10%**	7.28%
INR	**6.51%**	7.05%	**6.69%**	7.09%	**6.67%**	7.06%	**7.06%**	7.03%	**6.59%**	7.05%	**7.29%**	7.11%
USD	**4.05%**	5.03%	**3.98%**	4.03%	**4.28%**	4.08%	**4.54%**	4.35%	**4.66%**	4.29%	**5.09%**	4.91%

2. Material accounting policies (cont'd.)

2.1 Basis of preparation and presentation of financial statements (cont'd.)

(d) Use of estimates and judgements (cont'd.)

Takaful certificates and reinsurance contracts/retakaful certificates (cont'd.)

(iii) Risk adjustment for non-financial risk

Risk adjustments for non-financial risk are determined to reflect the compensation that the Group would require for bearing non-financial risk and its degree of risk aversion. The Group applies a confidence level technique to determine the risk adjustments for non-financial risk of its insurance contracts and takaful certificates.

Under a confidence level technique, the Group estimates the probability distribution of the expected value of the future cash flows at each reporting date and calculate the risk adjustment for non-financial risk as the excess of the value at risk at the target confidence level over the expected present value of the future cash flows allowing for the associated risks over all future years. The Group applies a target confidence level of the 75th percentile, which is in line with the requirements of Bank Negara Malaysia's Risk-Based Capital ("RBC") and Risk-Based Capital for Takaful ("RBCT") Frameworks.

(iv) Contractual Service Margin ("CSM")

The CSM is a component of the asset or liability for the group of insurance contracts and takaful certificates that represents the unearned profit the Group will recognise as it provides services in the future. An amount of the CSM for a group of insurance contracts and takaful certificates is recognised in income statements as insurance and takaful revenue in each period to reflect the services provided under the group of insurance contracts and takaful certificates in that period. The amount is determined by:

- Identifying the coverage units in the group;
- Allocating the CSM at the end of the period (before recognising any amounts in income statements to reflect the services provided in the period) equally to each coverage unit provided in the current period and expected to be provided in the future years; and
- Recognising in income statements the amount allocated to coverage units provided in the period.

The number of coverage units in a group is the quantity of coverage provided by the contracts/certificates in the group, which is determined by considering for each contracts/certificates the quantity of the benefits provided and its expected coverage duration.

For family takaful certificates, the quantity of benefit is the contractually agreed sum covered over the duration of the certificates. The total coverage units of each group of takaful certificates are reassessed at the end of each reporting period to adjust for the reduction of remaining coverage for claims paid, expectations of lapses and cancellation of certificates in the period. They are then allocated based on probability-weighted average duration of each coverage unit provided in the current period and expected to be provided in the future.

2. Material accounting policies (cont'd.)

2.1 Basis of preparation and presentation of financial statements (cont'd.)

(d) Use of estimates and judgements (cont'd.)

Takaful certificates and reinsurance contracts/retakaful certificates (cont'd.)

(v) Insurance/takaful acquisition cash flows

Insurance/takaful acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts/takaful certificates (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts/takaful certificates to which the group belongs.

The Group uses a systematic and rational method to allocate:

- Insurance/takaful acquisition cash flows that are directly attributable to a group of insurance contracts/takaful certificates:

  (i) to that group; and
  (ii) to groups that include insurance contracts/takaful certificates that are expected to arise from the renewals of the insurance contracts/takaful certificates in that group.

- Insurance/takaful acquisition cash flows directly attributable to a portfolio of insurance contracts/takaful certificates that are not directly attributable to a group of contracts/certificates, to groups in the portfolio.

(vi) Financial Assets

Impairment losses on financial assets

The measurement of impairment losses under MFRS 9 Financial Instruments across relevant financial assets requires judgement, in particular for the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by the outcome of modelled ECL scenarios and the relevant inputs used.

2.2 Summary of material accounting policies

(a) Property and equipment and depreciation

(i) Recognition and measurement

All items of property and equipment are initially recorded at cost. The cost of an item of property and equipment are recognised as an asset, if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. Subsequent to recognition, property and equipment are stated at cost less accumulated depreciation and any impairment losses, whilst properties are stated at revalued amounts less subsequent accumulated depreciation and subsequent impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

In respect of freehold land and buildings, valuations are performed with sufficient frequency to ensure that the carrying amount does not differ materially from the fair value of the freehold land and buildings at the financial year end.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the income statements, in which case the increase is recognised in the income statements. A revaluation deficit is recognised in the income statements, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(a) Property and equipment and depreciation (cont'd.)

(i) Recognition and measurement (cont'd.)

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. On disposal of property and equipment, the difference between net proceeds and the carrying amount is recognised in the income statements and the unutilised portion of the revaluation surplus on that item is taken directly to retained profits.

Only assets costing above RM300 will be capitalised. Assets costing RM300 and below are charged to the income statements in the year of purchase.

Assets costing more than RM300 up to a maximum of RM1,000 are written down to RM1 in the year of purchase. The write down is charged to the income statements as depreciation.

(ii) Subsequent costs

The cost of replacing part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and the Company and their cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in the income statements as incurred.

Freehold land has an unlimited useful life and therefore is not depreciated. Work in progress is also not depreciated as it is not available for use. When work in progress is completed and the asset is available for use, it is reclassified to the relevant category of property and equipment and depreciation of the asset begins. During the period in which the asset is not yet available for use, it is tested for impairment annually.

Depreciation of other property and equipment is provided for on a straight-line basis to write-off the cost of each asset to its residual value over its estimated useful life, at the following annual rates:

Buildings	2% to 4%
Computer equipment	10% to 33.3%
Office equipment	10% to 33.3%
Furniture and fittings	10%
Motor vehicles	20%

(iii) Depreciation

The residual values, useful lives and depreciation method are reviewed at the end of each financial year to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property and equipment.

(iv) Derecognition

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. On disposal of equipment, the difference between net proceeds and the carrying amount is recognised in the income statements and the unutilised portion of the revaluation surplus on that item is taken directly to retained profits.

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2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(b) Intangible assets

Intangible assets comprise software development costs, computer software and licences and preferred partnership fee in relation to bancatakaful arrangement.

All intangible assets are initially recorded at cost. Subsequent to recognition, intangible assets are stated at cost less any accumulated amortisation and any impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

On disposal of intangible assets, the difference between net proceeds and the carrying amount is recognised in the income statements.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives. The preferred partnership fees are amortised based on actual contribution received over total committed contribution or a straight-line basis over the estimated economic useful lives depending on the pattern in which the future economic benefit are expected to be consumed by the Group. Intangible assets are assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed annually at the end of each financial year. Amortisation is charged to the income statements.

Intangible assets with indefinite useful lives are not amortised but tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite life is also reviewed annually to determine whether the useful life assessment continues to be supportable.

(i) Software development in progress

Software development in progress represent development expenditure on software. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated impairment losses. When development is complete and the asset is available for use, it is reclassified to computer software and amortisation of the asset begins. It is amortised over the period of expected future use. During the period in which the asset is not yet available for use, it is tested for impairment annually.

(ii) Computer software and licences

The useful lives of computer software and licences are considered to be finite because computer software and licences are susceptible to technological obsolescence.

The acquired computer software and licences are amortised using the straight-line method over their estimated useful lives not exceeding ten (10) years. Impairment is assessed whenever there is an indication of impairment and the amortisation period and method are also reviewed at least at each financial year end.

(iii) Preferred partnership fee in relation to bancatakaful arrangement

The preferred partnership fee represents an upfront fee paid by the Group to the financial institutions under a 5-year preferred bancatakaful arrangement.

Following the initial recognition of the cost of preferred partnership fee, the fee is amortised over the period of the bancatakaful arrangement, with the allocation tied to actual revenue generated from the partnership. Upon the expiry of the contract, if the total projected production is not met, the contract may be extended for an additional period of time as mutually agreed between the Group and the financial institutions.

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(c) Investment in subsidiaries, associates and basis of consolidation

(i) Subsidiaries

Subsidiaries are those entities over which the Company has all the following:

(1) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
(2) exposure, or rights, to variable returns from its investment with the investee; and
(3) the ability to use its power over the investee to affect the amount of its returns.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(1) the contractual arrangement with the other vote holders of the investee;
(2) rights arising from other contractual arrangements; and
(3) the Company's voting rights and potential voting rights.

In the Company's financial statements, investments in subsidiaries are stated at cost less any accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the income statements.

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the financial year end. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, all intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the acquisition method. The acquisition method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in the income statements.

NOTES TO THE FINANCIAL STATEMENTS
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2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(c) Investment in subsidiaries, associates and basis of consolidation (cont'd.)

(iii) Takaful and retakaful operations and funds

Under the concept of takaful/retakaful, participants/cedants make contributions to a pool which is managed by a third party with the overall aim of using the monies to aid fellow participants in times of need. Accordingly, the takaful subsidiaries and retakaful division manage the general and family takaful/retakaful funds in line with the principles of Wakalah (agency). Under the Wakalah model, takaful subsidiaries and retakaful division are not participants in the funds but manage the funds (including the relevant assets and liabilities) towards the purpose outlined above.

In accordance with the Islamic Financial Services Act ("IFSA") 2013, the assets and liabilities of the takaful/retakaful funds are segregated from those of the shareholder's funds of the takaful/retakaful division, a concept known as segregation of funds. However, in compliance with MFRS 10 Consolidated Financial Statements, the assets, liabilities, income and expenses of the takaful and retakaful funds are consolidated with those of the shareholder's funds to represent the control possessed by the takaful subsidiaries and retakaful division over the respective funds.

In preparing the Group financial statements, the balances and transactions of the shareholder's funds of takaful subsidiaries and retakaful division were amalgamated and combined with those of the takaful and retakaful funds respectively. Interfund assets and liabilities, income, expenses and cash flows are eliminated in full during amalgamation and consolidation.

The takaful and retakaful funds of the takaful subsidiaries and retakaful division are consolidated and amalgamated from the date of control and continue to be consolidated until the date such control ceases.

(iv) Associates

Associates are entities in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policies decisions of the investee but not in control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investments in associates are carried in the consolidated statement of financial position at cost adjusted for post-acquisition changes in the Group's share of net assets of the associates. The Group's share of the net profit or loss of the associates is recognised in the consolidated income statements. Where there has been a change recognised directly in the equity of the associates, the Group recognises its share of such changes.

In applying the equity method, unrealised gains and losses on transactions between the Group and the associates are eliminated to the extent of the Group's interest in the associates. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investments in the associates. The investments in associates are accounted for using the equity method from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associates or the investments become subsidiaries.

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(c) Investment in subsidiaries, associates and basis of consolidation (cont'd.)

(iv) Associates (cont'd.)

Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the net fair value of the associates' identifiable assets, liabilities and contingent liabilities over the cost of the investments is excluded from the carrying amount of the investments and is instead included as income in the determination of the Group's share of the associates' profit or loss in the period in which the investments are acquired.

When the Group's share of losses in associates equal or exceed its interest in the associates, including any long-term interests that, in substance, form part of the Group's net investments in the associates, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates.

The most recent available audited financial statements of the associates are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is derived from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting policies are adopted for transactions and events in similar circumstances.

In the Group's and Company's financial statements, investments in associates are stated at cost less any accumulated impairment losses.

On disposal of such investments, the difference between net disposal proceeds and the carrying amount is included in the income statements.

(d) Business combination from third party

Business combinations involving entities not under common control are accounted for by applying the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9, is measured at fair value with the changes in fair value recognised in the statement of comprehensive income in accordance with MFRS 9. Other contingent consideration that is not within the scope of MFRS 9 is measured at fair value at each financial year end with changes in fair value recognised in income statements.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the income statements.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2025

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(d) Business combination from third party (cont'd.)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGU") that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

(e) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the instrument.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in the income statements.

Recognition and measurement

The classification of financial assets at initial recognition depends on the Group and the Company's business model for managing the financial assets and the financial asset's contractual cash flow characteristic, as described in Notes 2.2(e)(v) and 2.2(e)(vi). All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets are classified, at initial recognition, as financial assets measured at amortised cost ("AC"), fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL").

In order for a financial asset to be classified and measured at AC or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group and the Company's business model for managing financial assets refers to how they manage their financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Despite the foregoing, the Group and the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group and the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and

- the Group and the Company may irrevocably designate a debt investment that meets the amortised cost or FVOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(e) Financial assets (cont'd.)

Recognition and measurement (cont'd.)

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at AC (for debt instruments);
- Financial assets at FVOCI with recycling of cumulative gains and losses (for debt instruments);
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (for equity instruments); or
- Financial assets at FVTPL.

(i) Financial assets at AC

Debt instruments that meet the following conditions are measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest/profit method and are subject to impairment. Gains and losses are recognised in income statements when the asset is derecognised, modified or impaired.

The effective interest/profit method is a method of calculating the amortised cost of a debt instrument and of allocating interest/profit income over the relevant period. For financial assets other than purchased or originated credit impaired financial assets (i.e. assets that are credit impaired on initial recognition), the effective interest/profit rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest/profit rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit impaired financial assets, a credit adjusted effective interest/profit rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest/profit method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest/profit income is recognised using the effective interest/profit method for debt instruments measured subsequently at AC and at FVOCI. For financial assets other than purchased or originated credit impaired financial assets, interest/profit income is calculated by applying the effective interest/profit rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit impaired. For financial assets that have subsequently become credit impaired, interest/profit income is recognised by applying the effective interest/profit rate to the amortised cost of the financial asset. If, in subsequent financial years, the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit impaired, interest/profit income is recognised by applying the effective interest/profit rate to the gross carrying amount of the financial asset.

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2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(e) Financial assets (cont'd.)

Recognition and measurement (cont'd.)

(i) Financial assets at AC (cont'd.)

For purchased or originated credit impaired financial assets, the Group and the Company recognise interest/profit income by applying the credit adjusted effective interest/profit rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit impaired.

(ii) Financial assets at FVOCI with recycling of cumulative gains and losses

Debt instruments that meet the following conditions are measured at FVOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest/profit on the principal amount outstanding.

For debt instruments at FVOCI, interest/profit income, foreign exchange revaluation and impairment losses or reversals are recognised in the income statements and computed in the same manner as for financial assets measured at AC. The remaining fair value changes are recognised in Other Comprehensive Income ("OCI"). Upon derecognition, the cumulative fair value change recognised in OCI is recycled to the income statements.

(iii) Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition

Upon initial recognition, the Group and the Company can make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in equity instrument within the scope of MFRS 9 that is neither held for trading nor is contingent consideration recognised by an acquirer in a business combination. The classification is determined on an instrument-by-instrument basis.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group and the Company manage together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the fair value reserve. Gains and losses on these financial assets are never recycled to the income statements. Dividends are recognised as investment income in the income statements when the right to receive payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Group and the Company has not elected to classify any equities under this category.

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(e) Financial assets (cont'd.)

Recognition and measurement (cont'd.)

(iv) Financial assets at FVTPL (cont'd.)

Financial assets that do not meet the criteria for being measured at amortised cost or FVOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as financial assets at FVTPL, unless the Group and the Company designate an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVOCI on initial recognition.
- Debt instruments that fail the SPPI test are classified as financial assets at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVOCI criteria may be designated as financial assets at FVTPL upon initial recognition if such designation eliminates or significantly reduces an accounting mismatch that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has designated debt instruments under the family takaful/retakaful fund as financial assets at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each financial year, with any fair value gains or losses recognised in the income statements to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in the income statements includes any dividend, interest/profit earned or foreign currency translation differences on the financial asset. Derivatives are presented as assets when the fair value is positive and as liabilities when the fair value is negative. Changes in the fair value of any derivatives that do not qualify for hedge accounting are recognised immediately in income statements.

(v) Business model assessment

The Group and the Company determine their business model at the level that best reflects how they manage groups of financial assets to achieve their business objectives.

The Group holds financial assets to generate returns and provide a capital base to provide for settlement of claims as they arise. The Group considers the timing, amount and volatility of cash flow requirements to support insurance/takaful liability portfolios in determining the business model for the assets as well as the potential to maximise return for shareholders and participants as well as for future business development.

The Group and the Company's business models are not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios that is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's and the Company's key management personnel;
- How participants are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected;

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(e) Financial assets (cont'd.)

Recognition and measurement (cont'd.)

(v) Business model assessment (cont'd.)

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest/profit income, maintaining a particular interest/profit rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets; and
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's and the Company's original expectations, the Group and the Company do not change the classification of the remaining financial assets held in that business model, but incorporate such information when assessing newly originated or newly purchased financial assets going forward.

The Group and the Company assess their business models at each financial year in order to determine whether the models have changed since the preceding period. Changes in business model are not expected to be frequent but should such an event take place, it must be:

- Determined by the Group's and the Company's key management as a result of external or internal changes;
- Significant to the Group's and the Company's operations; and
- Demonstrable to external parties.

A change in the business model will occur only when the Group and the Company begin or cease to perform an activity that is significant to their operation. Changes in the objective(s) of the business model must be effected before the reclassification date.

(vi) The Solely Payments of Principal and Interest ("SPPI") Test

The Group and the Company assess the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation/accretion of the premium/discount).

The most significant elements of interest within a debt arrangement are typically the consideration for the time value of money and credit risk. In assessing the SPPI test, the Group and the Company apply judgement and consider relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest/profit rate is set.

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(e) Financial assets (cont'd.)

Recognition and measurement (cont'd.)

(vii) Reclassifications

The Group and the Company do not reclassify their financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group and the Company acquire, dispose of, or terminate a business line.

(viii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(ix) Derecognition of financial assets

A financial asset is derecognised when:

- the contractual right to receive cash flows from the asset has expired; or
- the Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

    (a) the Group and the Company have transferred substantially all the risks and rewards of the asset; or
    (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

The Group and the Company consider control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group and the Company have neither transferred nor retained substantially all the risks and rewards and have retained control of the asset, the asset continues to be recognised only to the extent of the Group's and of the Company's continuing involvement, in which case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

When assessing whether or not to derecognise an instrument, amongst others, the Group and the Company consider the following factors:

- Change in currency of the debt instrument;
- Introduction of an equity feature;
- Change in counterparty; and
- If the modification is such that the instrument would no longer meet the SPPI criterion.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original effective interest/profit rate, the Group and the Company record a modification gain or loss.

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(f) Fair value measurement

The Group and the Company measure financial instruments such as financial assets at FVTPL, financial assets at FVOCI and non-financial assets such as self-occupied properties at fair value at each financial year end. Also, fair values of financial instruments measured at amortised cost are disclosed in Notes 19 and 35.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability; or
(b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs that are based on observable market data, either directly or indirectly

Level 3 - Inputs that are not based on observable market data

An annual valuation is performed to reflect the fair value of the Group's self-occupied properties. At the end of each financial year, accredited independent valuers having appropriate recognised professional qualification are appointed to perform the annual valuation. The valuation techniques used by the accredited independent valuers are verified to ensure that they are in accordance with the requirements of MFRS 13 *Fair Value Measurement*.

Over-the-counter derivatives comprise of foreign exchange forward contracts. Over-the-counter derivatives are revalued at each reporting date, based on valuations provided by the respective counterparties in accordance with market conventions.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each financial year. The fair value hierarchy of assets that are measured at fair value and/or for which fair value are disclosed is presented in Note 35.

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(g) Impairment of assets

(i) Financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECL") for all financial assets measured at amortised cost or FVOCI, except for investments in equity instruments. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at the appropriate effective interest/profit rate.

The ECL model applies to all financial assets held by the Group and the Company except for:

i. Financial assets measured at FVTPL;

ii. Equity instruments; and

iii. Malaysian government securities ("MGS/GII") which are considered low credit risk assets as the Malaysian federal government has strong capacity in repaying the instruments upon maturity. In addition, there is no past historical loss experiences arising from these government securities.

The ECL model also applies to irrevocable loan commitments and financial guarantee contracts, which will include loans, advances, financing, insurance/takaful receivables and contract assets under MFRS 15 *Revenue from Contracts with Customers*.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group and the Company will generally be required to apply the 'three-bucket' approach based on the change in credit quality since initial recognition:

	Stage 1 **Performing**	**Stage 2** **Non Performing**	**Stage 3** **Non Performing**
ECL Approach	12-months ECL	Lifetime ECL	Lifetime ECL
Criterion	No significant increase in credit risk	Credit risk increased significantly	Credit-impaired assets
Recognition of interest/profit income	Gross carrying amount	Gross carrying amount	Net carrying amount

Forward-looking information and ECL measurement

The amount of credit loss recognised is based on forward-looking estimates that reflect current and forecast economic conditions. The forward looking adjustment is interpreted as an adjustment for the expected future economic conditions, as indicated by different macroeconomic factors and/or expert experienced in credit judgement.

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(g) Impairment of assets (cont'd.)

(i) Financial assets (cont'd.)

Forward-looking information and ECL measurement (cont'd.)

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

i. Probability of default ("PD")

The Probability of Default is an estimate of the likelihood of default over a given time horizon. It is estimated with consideration of economic scenarios and forward-looking information.

ii. Exposure at default ("EAD")

iii. Loss given default ("LGD")

In its ECL models, the Group and the Company rely on a broad range of forward-looking information as economic inputs, such as government debt, consumer sentiment index, residential property index, consumer price index, net foreign direct investment, Gross Domestic Product ("GDP"), inflation, currency rate, base lending rate and stock index.

i. Debt instruments/sukuks at AC and FVOCI

In accordance to the 'three-bucket' approach, all newly purchased financial assets shall be classified in Stage 1, except for credit impaired financial assets. It will move from Stage 1 to Stage 2 when there is significant increase in credit risk ("SICR"), and Stage 2 to Stage 3 when there is an objective evidence of impairment. Financial assets which have experienced a SICR since initial recognition are classified as Stage 2, and are assigned a lifetime ECL.

The ECLs for debt instruments/sukuks at AC and at FVOCI do not reduce the carrying amount of these financial assets in the statements of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI with a corresponding charge to income statements. The accumulated gain recognised in OCI is recycled to the income statements upon derecognition of the assets.

ii. Insurance/takaful receivables

The impairment on insurance/takaful receivables is measured using the simplified approach at initial recognition and throughout its lifetime at an amount equal to lifetime ECL. The ECL is calculated using a provision matrix based on historical data where the insurance/takaful receivables are grouped based on level of business segregation and different reinsurance/retakaful premium/contribution type's arrangement respectively. Impairment is calculated on the total outstanding balances including those balances aged from current to 12 months and above. Roll rates are applied on the outstanding balances in the ageing buckets which form the base of the roll rates. A forward looking factor is taken into consideration in the calculation of ECL.

For insurance/takaful receivables and reinsurance deposits of the reinsurance subsidiary, the Group considers the balances to be in default when contractual payments are 12 months and 18 months past due respectively. As for the takaful receivables of the takaful subsidiaries, receivables where the contractual payments are 12 months past due are considered to be in default.

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(g) Impairment of assets (cont'd.)

(ii) Non-financial assets

The carrying amounts of non-financial assets are reviewed at the end of each financial year to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses are recognised in the income statements. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of the other assets in the unit (or groups of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each financial year for any indications that the losses have decreased or no longer exist.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to the income statements in the period in which the reversals are recognised.

(iii) Write-offs

(1) Non-financial assets

An estimate is made for doubtful debts based on review of all outstanding balances as at reporting date. Any financial assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business will be written down to an amount which they might be expected so to realise. The amount written off for bad debts in the financial statements of the Group and of the Company are expensed to income statements as disclosed in Note 32.

(2) Financial assets

Non-financial assets are written off either partially or in their entirety only when the Group and the Company have stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

NOTES TO THE FINANCIAL STATEMENTS
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2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(h) Cash and cash equivalents

Cash and cash equivalents presented in the statement of cash flows comprise cash on hand, balances with banks, and short-term, highly liquid deposits with original maturities of three months or less, which are held to meet short-term cash commitments. These instruments are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Short-term deposits with original maturities of three months or less that are held for investment purposes, rather than for meeting short-term cash obligations, do not meet the definition of cash equivalents in accordance with MFRS 107 *Statement of Cash Flows* and are therefore excluded from cash and cash equivalents.

(i) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, the Group and/or the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

(i) Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition at FVTPL.

Financial liabilities held for trading include derivatives entered into by the Group that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in the income statements. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities at FVTPL nor were there any financial liabilities held for trading during and at the end of the financial year.

(ii) Derivatives financial instruments

The Group and the Company use derivative financial instruments such as forward rate contracts to manage certain exposures to fluctuations in foreign currency exchange rates.

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(iii) Other financial liabilities

The Group's and the Company's other financial liabilities include borrowings, lease liabilities, insurance/takaful payables and other payables.

Insurance/takaful payables and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest/profit method.

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(i) Financial liabilities (cont'd.)

(iii) Other financial liabilities (cont'd.)

For other financial liabilities, gains and losses are recognised in the income statements when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statements.

(j) Insurance contracts and takaful certificates classification

An insurance contract/takaful certificate is a contract/certificate under which the reinsurance and takaful subsidiaries have accepted significant insurance/takaful risk from another party by agreeing to compensate the party if a specified uncertain future event ("the insured/covered event") adversely affects the party. A contracts/certificates is considered to have significant insurance/takaful risk if, and only if, an insured event could cause a reinsurer/takaful operator to pay additional amounts that are significant in any single scenario, excluding scenarios that lack commercial substance. the Group accepts significant insurance risk from a policyholder are classified as insurance contracts in the Financial Statements. A contract is considered to have significant insurance risk if, and only if, an insured event could cause an insurer to pay additional amounts that are significant in any single scenario, excluding scenarios that lack commercial substance. The additional amounts refer to the present value of amounts that exceed those that would be payable if no insured event had occurred. Contracts held by the Group under which it transfers significant insurance risk related to underlying insurance contracts to other parties are classified as reinsurance contracts held. Both insurance and reinsurance contracts are accounted for in accordance with MFRS 17. Contracts under which the Group does not accept significant insurance risk are either classified as investment contracts or considered service contracts and are accounted for in accordance with MFRS 9 Financial Instruments or MFRS 15 *Revenue from Contracts with Customers*, respectively.

The Group issues insurance contracts and takaful certificates that contain insurance/takaful risk or a combination of insurance/takaful risk and financial risk.

Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of price or rate, credit rating or credit index or other variables, provided in the case of a non-financial variable that the variable is not specific to a party to the contracts/certificates. Insurance/takaful risk is risk other than financial risk.

The Group also cedes insurance/takaful risk in the normal course of its business. Ceded reinsurance/retakaful arrangements do not relieve the Group from its obligations to policyholders/participants. For both ceded and assumed reinsurance/retakaful businesses, contracts/contributions, claims and benefits paid or payable are presented on a gross basis.

Reinsurance/retakaful arrangements entered into by the Group, that meet the classification requirements of insurance contracts/takaful certificates as described above are accounted for as noted below. Arrangements that do not meet these classification requirements are accounted for as financial assets.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2025

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(k) Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment

Separation of components

At inception of insurance contracts/takaful certificates issued and reinsurance contracts/retakaful certificates held, the Group assesses to determine whether they contain distinct components which must be accounted for under another MFRS Accounting Standards: derivatives embedded within insurance contracts/takaful certificates that are required to be separated (MFRS 9); cash flows relating to distinct investment components (MFRS 9); and promises to transfer distinct goods or distinct non-insurance or non reinsurance services/non-takaful or non-retakaful (MFRS 15) rather than MFRS 17 *Insurance Contracts*. After separating any distinct components, an entity must apply MFRS 17 to all remaining components of the (host) insurance contracts/takaful certificates issued and reinsurance contracts/retakaful certificates held. Currently, the Group's products do not include distinct components that require separation.

MFRS 17 defines investment components as the amounts that an insurance contract and takaful certificate require the Group to repay to a participant in all circumstances, regardless of whether a covered event occurs. Investment components which are highly inter-related with the takaful certificate of which they form a part of are considered non-distinct and are not separately accounted for. However, receipts and payments of the investment components are recorded outside of income statements.

Level of aggregation

The level of aggregation for the Group is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts/certificates with similar risks which are managed together.

The insurance contracts and takaful certificates portfolios are divided into:

i. A group of contracts/certificates that are onerous at initial recognition;

ii. A group of contracts/certificates that at initial recognition have no significant possibility of becoming onerous subsequently; and

iii. A group of the remaining contracts/certificates in the portfolio.

The Group makes an evaluation of whether a series of contracts/certificates can be treated together in making the profitability assessment based on reasonable and supportable information, or whether a single contracts/certificates contains components that need to be separated and treated as if they were stand-alone contracts/certificates.

The portfolio is a group of insurance contracts and takaful certificates issued based on the fact that the products are subject to similar risks and managed together. In determining groups of contracts, the reinsurance/retakaful and takaful businesses have elected to include in the same group contracts where its ability to set prices or levels of benefits for participants/cedants with different characteristics is constrained by regulation.

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(k) Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

Recognition

The Group recognises groups of insurance contracts/takaful certificates that it issues from the earliest of the following:

i. The beginning of the coverage period of the group of contracts/certificates.

ii. The date when the first payment from a participant in the group is due, or when the first payment is received if there is no due date.

iii. For a group of onerous contracts, as soon as facts and circumstances indicate that the group is onerous.

The Group recognises a group of reinsurance contracts/retakaful certificates held from the earliest:

i. The beginning of the coverage period of the group of reinsurance contracts/retakaful certificates held. However, the Group delays the recognition of a group of reinsurance contracts/retakaful certificates held that provide proportionate coverage until the date when any underlying insurance contract/takaful certificate is initially recognised, if that date is later than beginning of the coverage period of the group of reinsurance contracts/retakaful certificates held; and

ii. The date the Group recognises an onerous group of underlying insurance contracts/takaful certificates if the Group entered into the related reinsurance contracts/retakaful certificates held at or before that date.

The Group adds new insurance contracts/takaful certificates to the group in the reporting period in which the contracts/certificates meets one of the criteria set out above.

Only insurance contracts/takaful certificates that meet the recognition criteria by the end of the reporting period are included in the groups. When contracts/certificates meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the annual cohorts' restriction. Composition of the groups is not reassessed in subsequent periods.

Onerous groups of contracts/certificates

The profitability of group of contracts/certificates is assessed by actuarial valuation models that take into consideration existing and new business. The Group assumes that no contracts/certificates in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts/certificates that are not onerous, the Group assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood changes in applicable facts and circumstances.

If the facts and circumstances indicate that a group is expected to be onerous, a loss component should be recognised in the statement of financial position and the corresponding loss should be recognised in income statements accordingly as disclosed in Note 3(b).

NOTES TO THE FINANCIAL STATEMENTS
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2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(k) Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

Contract boundary

The Group includes in the measurement of a group of insurance contracts and takaful certificate all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract and takaful certificates if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the participants/cedants to pay the premiums/contributions or in which the Group has a substantive obligation to provide the participant/cedants with services. A substantive obligation to provide services ends when:

i. The Group has the practical ability to reassess the risks of the particular participant and, as a result, can set a price or level of benefits that fully reflects those risks; or

ii. Both of the following criteria are satisfied:

- The Group has the practical ability to reassess the risks of the portfolio that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and

- The pricing of the premiums/contributions for coverage up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

A liability or asset relating to expected premiums/contributions or claims outside the boundary of the insurance contracts/takaful certificates is not recognised. Such amounts relate to future insurance contracts/takaful certificates.

For insurance contracts/takaful certificates with renewal periods, the Group assesses whether premiums/contributions and related cash flows that arise from the renewed contract are within the contract boundary. The pricing of the renewals are established by the Group by considering all the risks covered for the participants/cedants by the Group. This is considered when the Group underwrites equivalent contracts on the renewal dates for the remaining coverage. The Group reassess the contract boundary of each group at the end of each reporting period.

Measurement - Insurance contracts and takaful certificates

i. Contracts measured under Premium Allocation Approach (PAA)

Initial measurement

The Group applies the premium allocation approach (PAA) to all the takaful certificates that it issues and retakaful certificates that it holds, as:

- The coverage period of each certificate in the group is one year or less, including coverage arising from all contribution within the contract boundary; or

- For certificates longer than one year, the Group has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage ("LRC") for the group containing those certificates under the PAA does not differ materially from the measurement that would be produced applying the general model.

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(k) Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

Measurement - Insurance contracts and takaful certificates (cont'd.)

i. Contracts measured under Premium Allocation Approach (PAA) (cont'd.)

Initial measurement (cont'd.)

Under the PAA, the liability for remaining coverage is measured as the amount of contribution received net of acquisition cash flows paid, less the net amount of contribution and acquisition cash flows that have been recognised in income statements over the expired portion of the coverage period based on the passage of time. The measurement of the Liability for Incurred Claims ("LIC") is identical under all three measurement models, apart from the determination of locked-in interest rates used for discounting.

The Group applies PAA models for retakaful certificates held by general takaful business, depending on the specific certificate boundaries for each retakaful certificates.

Where facts and circumstances indicate that certificates are onerous at initial recognition, the Group performs additional analysis to determine if a net outflow is expected from the certificate. Such onerous contract are separately grouped from other certificates and the Group recognises a loss in income statements for the net outflow, resulting in the carrying amount of the liability for the group of certificates being equal to the fulfilment cash flows ("FCF"). A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised.

Subsequent measurement

The Group measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

- Plus contributions received in the period;
- Minus takaful acquisition cash flows;
- Plus any amounts relating to the amortisation of the takaful acquisition cash flows recognised as an expense in the reporting period for the group and any adjustment to the financing component, where applicable; and
- Minus the amount recognised as takaful revenue for the services provided in the period.

The Group estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Group, and include an explicit adjustment for non-financial risk (the risk adjustment).

Takaful acquisition cash flows are allocated on a straight-line basis as a portion of contribution to income statements (through takaful revenue).

NOTES TO THE FINANCIAL STATEMENTS

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2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(k) Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

Measurement - Insurance contracts and takaful certificates (cont'd.)

ii. Contracts not measured under PAA (General Measurement Model ("GMM") and Variable Fee Approach ("VFA")

Initial measurement

At initial recognition, the Group measures a group of insurance contracts/takaful certificates as the total of:

- fulfilment cash flows, which comprise of estimates of future cash flows, adjusted to reflect the time value of money and financial risks, and a risk adjustment for non-financial risk; and
- a contractual service margin ("CSM"), which represents the unearned profit the Group will recognise as it provides service under the insurance contracts.

In determining the fulfilment cash flows, the Group uses estimates and assumptions considering a range of scenarios which have commercial substance and give a good representation of possible outcomes. The Group's CSM is a component of the insurance/takaful asset or liability for the group of insurance contracts/takaful certificates and results in no income at initial recognition. The unit of account for CSM is on a group of contracts/certificates basis consistent with the level of aggregation specified above. If the fulfilment cash flows allocated to the group of insurance contracts/ takaful certificates, any previously recognised insurance contracts/takaful certificates acquisition cash flows and any cash flows arising from the contracts/takaful at the date of initial recognition in total are a net outflow then the group of contracts/certificates is considered to be onerous. A loss from onerous insurance contracts/takaful certificates is recognised in income statements immediately. The Group establishes the groups at initial recognition and may add contracts/certificates to the groups after the end of a reporting period, however, the Group does not reassess the composition of the groups subsequently.

Subsequent measurement

In the subsequent periods, the carrying amount of a group of insurance contracts/takaful certificates at each reporting date is the sum of the liability for remaining coverage ("LFRC") and the liability for incurred claims ("LFIC"). The LFRC comprises the fulfilment cash flows that relate to services to be provided in the future and any remaining CSM at that date. The LFIC comprises the fulfilment cash flows for incurred claims and expenses that have not yet been paid. The fulfilment cash flows at the reporting dates are measured using the current estimates of expected cash flows and current discount rates.

The carrying amount of CSM at end of the reporting period is adjusted to reflect the following changes to the GMM for contracts without direct participation features:

- effect of new contracts added to the group;
- interest accreted on the carrying amount of CSM, measured at locked-in rate;
- effect of any currency exchange differences on the CSM;
- changes in fulfilment cash flows that relate to future services (non-financial), except for loss component; and
- recognition of insurance/takaful revenue for services provided in the year.

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(k) Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

Measurement - Insurance contracts and takaful certificates (cont'd.)

ii. Contracts not measured under PAA (General Measurement Model ("GMM") and Variable Fee Approach ("VFA")) (cont'd.)

Subsequent measurement (cont'd.)

The CSM is recognised into insurance/takaful revenue over the duration of the group of insurance contracts/takaful certificates based on the respective coverage units. The locked-in discount rate is the weighted average of the rates applicable at the date of initial recognition of contracts/certificates that joined a group over a 12-month period. The discount rate used for accretion of interest on the CSM is determined using the bottom-up approach.

The changes in fulfilment cash flows relating to future service that adjust the CSM comprise of:

- Experience adjustments that arise from the difference between the premium/contribution receipts (and any related cash flows such as takaful acquisition cash flows and takaful contribution taxes) and the estimate, at the beginning of the period, of the amounts expected. Differences related to premiums/contributions received (or due) related to current or past services are recognised immediately in income statements while differences related to premiums/contributions received (or due) for future services are adjusted against the CSM.
- Changes in estimates of the present value of future cash flows in the liability for remaining coverage, except those relating to the time value of money and changes in financial risk (recognised in income statements rather than adjusting the CSM).
- Differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period.
- Changes in the risk adjustment for non-financial risk that relate to future service. A loss is created when there is an increase in fulfilment cash flows that exceeds the carrying amount of the CSM. Once a change in fulfilment cash flows reduces CSM to zero, the excess establishes a loss which is recognised in expense immediately. Any subsequent decrease in the fulfilment cash flows will reverse the losses previously recognised in expense. Any remaining loss will be released based on a systematic allocation of subsequent changes relating to future service in the fulfilment cash flows.

Measurement - Reinsurance contracts and retakaful certificates held

i. Contracts measured under PAA

The Group applies the same accounting policies for initial measurement and subsequent measurement as those for takaful certificate issued to measure a group of retakaful certificates, adapted where necessary to reflect features that differ from those of takaful certificates.

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(k) Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

Measurement - Reinsurance contracts and retakaful certificates held (cont'd.)

ii. Contracts not measured under PAA (General Measurement Model ("GMM")

Initial measurement

The measurement of reinsurance contracts/retakaful certificates follows the same principles as the GMM, with the following exceptions or modifications specified in this section below. Reinsurance contracts/ retakaful certificates held and assumed cannot use the VFA.

- Measurement of the cash flows include an allowance on a probability-weighted basis for the effect of any non-performance by the reinsurers/retakaful operators, including the effects of collateral and losses from disputes.
- The Group determines the risk adjustment for non-financial risk so that it represents the amount of risk being transferred to the reinsurers/retakaful operators.
- The Group recognises both day 1 gains and day 1 losses at initial recognition in the Statement of Financial Position as a CSM and releases this to income statements as the reinsurer/retakaful operator renders services, except for any portion of a day 1 loss that relates to events before initial recognition.
- Changes in the fulfilment cash flows are recognised in income statements if the related changes arising from the underlying ceded contracts/certificates have been recognised in income statements. Alternatively, changes in the fulfilment cash flows adjust the CSM.
- Changes in the fulfilment cash flows that result from changes in the risk of non-performance by the issuer of a reinsurance contracts/retakaful certificates held do not adjust the contractual service margin as they do not relate to future service.

Any change in the fulfilment cash flows of a reinsurance contracts/retakaful certificates held due to the changes of the liability for incurred claims of the underlying contracts/certificates is taken to income statements and not the contractual service margin of the reinsurance contracts and retakaful certificates held.

Where a loss component has been set up subsequent to initial recognition of a group of underlying insurance contracts and takaful certificates, the portion of income that has been recognised from related reinsurance contracts and retakaful certificates held is disclosed as a loss-recovery component.

Subsequent measurement

The carrying amount of a group of reinsurance contracts/retakaful certificates at each reporting date is the sum of the remaining coverage component and the incurred claims component. The remaining coverage component comprises (a) the fulfilment cash flow ("FCF") that relate to services that will be received under the contracts in future periods and (b) any remaining CSM at that date.

For reinsurance contracts/retakaful contracts, when the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts/takaful certificates or when further onerous underlying insurance contracts/ takaful certificates are added to a group, the Group establishes a loss-component of the asset for remaining coverage for a group of reinsurance contracts/retakaful certificates held representing the recovery of losses.

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(k) Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

Measurement - Reinsurance contracts and retakaful certificates held (cont'd.)

ii. Contracts not measured under PAA (General Measurement Model ("GMM") (cont'd.)

Subsequent measurement (cont'd.)

Where a loss component has been set up subsequent to initial recognition of a group of underlying insurance contracts/ takaful certificates, the portion of income that has been recognised from related reinsurance contracts/retakaful certificates held is disclosed as a loss-recovery component.

Where a loss-recovery has been setup at initial recognition or subsequently, the Group adjusts the loss-recovery component to reflect changes in the loss component of an onerous group of underlying insurance contracts/takaful certificates.

The carrying amount of the loss-recovery component must not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts/takaful certificates that the Group expects to recover from the group of reinsurance contracts/retakaful certificates. On this basis, the loss-recovery component recognised at initial recognition is reduced to zero in line with reductions in the onerous group of underlying insurance contracts/ takaful certificates and is zero when loss component of the onerous group of underlying insurance contracts/takaful certificates is zero. Insurance and reinsurance contracts measured under the PAA.

Liability for remaining coverage - Insurance/takaful receivables and payables

The liability for remaining coverage disclosed under insurance contracts/takaful certificates liabilities includes insurance/takaful receivables and payables.

The impairment on insurance/takaful receivables are measured at initial recognition and throughout its life at an amount equal to lifetime ECL. The ECL is calculated using a provision matrix based on historical data where the insurance/takaful and reinsurance/ retakaful receivables are grouped based on different sales channel and different reinsurance/retakaful contribution type's arrangement respectively. The impairment is calculated on the total outstanding balance including all aging buckets from current to 12 months and above. Roll rates are to be applied on the outstanding balance of the aging bucket which forms the base of the roll rate. Forward-looking information has been included in the calculation of ECL.

Modification and derecognition

The Group derecognises insurance contracts/takaful certificates when:

i. The rights and obligations relating to the contracts/certificates are extinguished (i.e., discharged, cancelled or expired); or

ii. The contracts/certificates is modified such that the modification results in a change in the measurement model, or the applicable standard for measuring a component of the contracts/certificates. In such cases, the Group derecognises the initial contracts/certificates and recognises the modified contracts/certificates as a new contract/certificate.

When a modification is not treated as a derecognition, the Group recognises amount paid or received for the modification with the contracts/certificates as an adjustment to the relevant liability for remaining coverage.

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(k) Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

Qard

For takaful and retakaful businesses, any deficit in the participants' risk fund within the takaful/retakaful fund is made good via a Qard, which is a profit free financing, granted by the shareholder's fund to the participants' risk fund. In the participants' risk fund, the Qard is included in fulfilment cash flows used to measure the takaful liabilities under MFRS 17.

Qard is measured in the fulfilment cash flows at a value discounted for time value of money, which reflects the economic effect of the expected future cash flow, consistent with all the other cash flows measured in fulfilment cash flows. This accounting measurement does not affect the retakaful Fund's obligation to repay the nominal amount of Qard, nor does it affect or change any rights or obligations of the shareholder's fund.

The Qard shall be repaid from future surpluses of the participants' risk fund.

Insurance/takaful acquisition cash flows

Insurance/takaful acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts/takaful certificates (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts/takaful certificates to which the group belongs.

The Group uses a systematic and rational method to allocate:

i. Insurance/takaful acquisition cash flows that are directly attributable to a group of insurance contracts/takaful certificates:

- to that group; and
- to groups that include insurance contracts/takaful certificates that are expected to arise from the renewals of the insurance contracts/takaful certificates in that group.

Where insurance/takaful acquisition cash flows have been paid or incurred before the related group of insurance contracts/takaful certificates is recognised in the statement of financial position, a separate asset for insurance acquisition cash flows is recognised for each related group.

The asset for insurance/takaful acquisition cash flow is derecognised from the statement of financial position when the insurance/takaful acquisition cash flows are included in the initial measurement of the CSM of the related group of insurance contracts/takaful certificates. The Group expects to derecognise all assets for insurance/takaful acquisition cash flows within insurance/takaful coverage period.

At the end of each reporting period, the Group revises amounts of insurance/takaful acquisition cash flows allocated to groups of insurance contracts/takaful certificates not yet recognised, to reflect changes in assumptions related to the method of allocation used.

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(k) Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

Insurance/takaful acquisition cash flows (cont'd.)

After any re-allocation, the Group assesses the recoverability of the asset for insurance/takaful acquisition cash flows, if facts and circumstances indicate the asset may be impaired. When assessing the recoverability, the Group applies:

i. An impairment test at the level of an existing or future group of insurance contracts/takaful certificates; and

ii. An additional impairment test specifically covering the insurance/takaful acquisition cash flows allocated to expected future contracts/certificates renewals.

If an impairment loss is recognised, the carrying amount of the asset is adjusted and an impairment loss is recognised in income statements. The Group recognises in income statements a reversal of some or all of an impairment loss previously recognised and increases the carrying amount of the asset, to the extent that the impairment conditions no longer exist or have improved.

Presentation and disclosure

The Group has presented separately in the statement of financial position the carrying amount of groups of insurance contracts/takaful certificates issued that are assets, groups of insurance contracts/takaful certificates issued that are groups of liabilities, reinsurance contracts/retakaful certificates held that are assets and groups of reinsurance contracts/retakaful certificates held that are liabilities.

Any assets or liabilities for insurance/takaful acquisition cash flows recognised before the corresponding insurance contracts/takaful certificates are included in the carrying amount of the related groups of insurance contracts/takaful certificates issued.

The Group does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance/takaful service result.

The Group separately presents income or expenses from reinsurance contracts/retakaful certificates held from the expenses or income from insurance contracts/takaful certificates issued.

i. Insurance/takaful revenue

Contracts measured under PAA

The takaful revenue for the period is the amount of expected contribution receipts (excluding any investment component) allocated to the period. The Group allocates the expected contribution receipts to each period of takaful certificates services on the basis of the passage of time. But if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred takaful service expenses.

The Group changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate.

For the periods presented, all revenue has been recognised on the basis of the passage of time.

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(k) Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

Presentation and disclosure (cont'd.)

i. Insurance/takaful revenue (cont'd.)

Contracts not measured under PAA (cont'd.)

The Group's insurance/takaful revenue depicts the provision of coverage and other services arising from a group of insurance contracts/takaful certificates at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. Insurance/takaful revenue from a group of insurance contracts/takaful certificates is therefore the relevant portion for the period of the total consideration for the contracts/certificates, (i.e., the amount of premiums/contribution paid to the Group adjusted for financing effect (the time value of money) and excluding any distinct investment components).

The total consideration for a group of contracts/certificates covers amounts related to the provision of services and is comprised of:

- Insurance/takaful service expenses, excluding any amounts relating to the risk adjustment for non-financial risk, excluding any amounts allocated to the loss component of the liability for remaining coverage.
- Amounts related to tax that are specifically chargeable to the cedants/participants.
- The risk adjustment for non-financial risk, excluding any amounts allocated to the loss component of the liability for remaining coverage.
- The CSM release.
- The experience adjustments for premium/contribution received other than those that relate to future service.
- Amount related to insurance/takaful acquisition cash flows.

ii. Loss component

The Group has grouped contracts/certificates that are onerous at initial recognition separately from contracts/certificates in the same portfolio that are not onerous at initial recognition. Groups that were not onerous at initial recognition can also subsequently become onerous if assumptions and experience changes. The Group has established a loss component of the liability for remaining coverage for any onerous group depicting the future losses recognised.

A loss component represents a notional record of the losses attributable to each group of onerous insurance contracts/takaful certificates (or contracts/certificates profitable at inception that have become onerous). The loss component is released based on a systematic allocation of the subsequent changes in the fulfilment cash flows to:

- the loss component; and
- the liability for remaining coverage excluding the loss component.

The loss component is also updated for subsequent changes in estimates of the fulfilment cash flows related to future service. The systematic allocation of subsequent changes to the loss component results in the total amounts allocated to the loss component being equal to zero by the end of the coverage period of a group of contracts/certificates (since the loss component will have been materialised in the form of incurred claims). The Group uses the proportion on initial recognition to determine the systematic allocation of subsequent changes in future cash flows between the loss component and the liability for remaining coverage excluding the loss component.

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(k) Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

Presentation and disclosure (cont'd.)

iii. Loss-recovery components

When the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts/takaful certificates or when further onerous underlying insurance contracts/takaful certificates are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts/retakaful certificates held depicting the recovery of losses.

Where a loss component has been set up subsequent to initial recognition of a group of underlying insurance contracts/takaful certificates, the portion of income that has been recognised from related reinsurance contracts/retakaful certificates held is disclosed as a loss-recovery component.

Where a loss-recovery component has been set up at initial recognition or subsequently, the Group adjusts the loss-recovery component to reflect changes in the loss component of an onerous group of underlying insurance contracts/takaful certificates.

The carrying amount of the loss-recovery component must not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts/takaful certificates that the Group expects to recover from the group of reinsurance contracts/retakaful certificates held. On this basis, the loss-recovery component recognised at initial recognition is reduced to zero in line with reductions in the onerous group of underlying insurance contracts/takaful certificates.

iv. Net income or expense from reinsurance contracts/retakaful certificates held

The Group presents the net amounts of income or expense expected to be recovered/paid from/to reinsurers/retakaful operators on income statements.

The Group treats reinsurance/retakaful cash flows that are contingent on claims on the underlying contracts/certificates as part of the claims that are expected to be reimbursed under the reinsurance contract/retakaful certificate held, and excludes investment components and commissions from an allocation of reinsurance/retakaful premiums/contributions presented on the face of the income statements. Amounts relating to the recovery of losses relating to reinsurance/retakaful of onerous direct contracts/certificates are included as amounts recoverable from the reinsurer/retakaful operator.

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(k) Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

Presentation and disclosure (cont'd.)

v. Insurance/takaful finance income and expenses

Insurance/takaful finance income or expenses comprise the change in the carrying amount of the group of insurance contracts/takaful certificates arising from:

- The effect of the time value of money and changes in the time value of money.
- The effect of financial risk and changes in financial risk.

The Group defines the reinsurance/retakaful/takaful fund as an underlying item. Hence, changes in measurement of a group of insurance contracts/takaful certificates caused by changes in the value of the fund is reflected in insurance/takaful finance/profit income or expenses.

Finance income and expenses for all issued insurance contracts/takaful certificates except for family takaful certificates is not dissaggregated because the related financial assets are managed on a fair value basis and measured at fair value through profit or loss.

The Group systematically allocates expected total insurance/takaful finance/profit income or expenses over the duration of the group of contracts/certificates to income statements using discount rates determined on initial recognition of the group of contracts/certificates, see Note 2.1(d)(ii) for current discount rates.

In the event of transfer of a group of insurance contracts/takaful certificates or derecognition of an insurance contracts/takaful certificates, the Group reclassifies the insurance/takaful income finance or expense to income statements as a reclassification adjustment to any remaining amounts for the group (or contracts/certificates) that were previously recognised in other comprehensive income.

(l) Share capital and dividend expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of their liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(m) Provisions

Provisions are recognised when the Group and the Company have a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each financial year end and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of provision is the present value of the expenditure expected to be required to settle the obligation.

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(n) Income tax and deferred tax

Income tax on income statements for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the end of the financial year.

Deferred tax is provided for, using the liability method, on temporary differences at the end of the financial year between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction which is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit. Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of the financial year. Deferred tax is recognised in the income statements, except when it arises from a transaction which is recognised directly in other comprehensive income, in which case the deferred tax is also charged or credited directly in other comprehensive income.

(o) Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company’s functional currency.

(ii) Foreign currency transactions and balances

In preparing the financial statements, transactions in currencies other than the functional currency ("foreign currencies") are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. At each financial year end, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the financial year end. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value are determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items during the financial year are recognised in the income statements except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under the foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to the income statements of the Group on disposal of the foreign operation.

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the income statements for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised directly in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
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2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(o) Foreign currencies (cont'd.)

(iii) Foreign operations

The financial results and financial position of the Company's foreign subsidiary and operations that have a functional currency different from the presentation currency of the consolidated financial statements are translated into RM as follows:

(1) Assets and liabilities for each statement of financial position presented are translated at the closing rate prevailing at the financial year end;

(2) Income and expenses for each income statements are translated at average exchange rates for the year, which approximate the exchange rates at the dates of the transactions;

(3) All resulting exchange differences are taken to the foreign currency translation reserve within equity; and

(4) The results of an associate, Labuan Reinsurance (L) Ltd., are translated at the closing rate prevailing at the financial year end with respect to the carrying amount of the investment in associate, and at the exchange rate at the date of the transactions with respect to the share of profits or losses. All resulting translation differences are included in the foreign exchange translation reserve in shareholders' equity.

(p) Other revenue recognition

Revenue is recognised when the performance obligation is satisfied at an amount that reflects the consideration to which the Group and the Company expect to be entitled.

(i) Interest and profit income

Interest and profit income are recognised on accrual basis using the effective interest/profit method.

(ii) Profit and investment income

Profit and investment income on Shariah compliant investments are recognised on an accrual basis using the effective profit/yield of the asset.

(iii) Rental income

Rental income is accounted for on a straight-line basis over the lease term. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(iv) Dividend income

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

(v) Management fees

Management fees are recognised when services are rendered.

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(q) Zakat

Zakat represents an obligatory amount payable by the takaful subsidiaries and retakaful division to comply with the principles of Shariah. Zakat is computed using a method as recommended by the Group Shariah Committee ("GSC") and approved by the Board. Only the zakat that is attributable to the individual and corporate Muslim shareholders of the holding company was provided for in the financial statements. The zakat computation is reviewed by the GSC. The Board has the discretion to pay an additional sum above the obligatory amount payable.

2.3 New standards, amendments and interpretations

At the beginning of the current financial year, the Group and the Company adopted the following Amendments/Improvements which are mandatory for annual periods beginning on or after 1 January 2024.

Description	**Effective for annual periods beginning on or after**
Supplier Finance Arrangements (Amendments to MFRS 107 *Statement of Cash Flows* and MFRS 7 *Financial Instruments: Disclosures*)	1 January 2024
Lease Liability in a Sale and Leaseback (Amendments to MFRS 16 *Leases*)	1 January 2024
Non-current Liabilities with Covenants (Amendments to MFRS 101 *Presentation of Financial Statements*)	1 January 2024

The adoption of the above Amendments to Standards did not have any significant financial impact to the Group's and the Company's financial statements.

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2. Material accounting policies (cont'd.)

2.4 Standards and annual improvements to standards issued but not yet effective

The following are Standards and Amendments to Standards issued by the Malaysian Accounting Standards Board ("MASB"), but which are not yet effective, up to the date of issuance of the Group's and the Company's financial statements. The Group and the Company intend to adopt these Standards and Amendments to Standards, if applicable, when they become effective:

Description	**Effective for annual periods beginning on or after**
Lack of Exchangeability (Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates*)	1 January 2025
Annual Improvements to MFRS Accounting Standards - Volume 11 (Amendments to MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*)	1 January 2026
Amendments to the Classification and Measurement of Financial Instruments (Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures*)	1 January 2026
Contracts Referencing Nature-dependent Electricity (Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures*)	1 January 2026
MFRS 18 *Presentation* and *Disclosure in Financial Statements*	1 January 2027
MFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027

Except for MFRS 18, the Directors expect that the adoption of the above pronouncements will not have a material impact on the Group's and the Company's financial statements upon initial application. The Group and the Company are currently evaluating the potential impact, if any, arising from the adoption of MFRS 18.

3. (a) **Insurance/takaful revenue**

	Group	
	2025 RM'000	2024 RM'000
Contracts not measured under PAA		
Amounts relating to the changes in the liability for remaining coverage		
Expected claims and insurance/takaful service expenses	**1,384,313**	1,334,717
Change in the risk adjustment for non-financial risk	**115,724**	133,014
Amount of CSM recognised in income statements	**515,987**	437,988
Other amounts including experience adjustments for premiums/contributions receipts	**(6,365)**	156,727
Amounts relating to recovery of insurance/takaful acquisition cash flows		
Allocation of the portion of premiums/contributions that relate to the recovery of acquisition cash flows	**155,068**	164,223
Insurance/takaful revenue - contracts not measured under PAA	**2,164,727**	2,226,669
Insurance/takaful revenue - contracts measured under PAA	**970,391**	871,485
Total insurance/takaful revenue	**3,135,118**	3,098,154

(b) **Insurance/takaful service expenses**

	Group	
	2025 RM'000	2024 RM'000
Incurred claims	**2,377,084**	2,197,397
Incurred maintenance expenses (Note 4(b))	**211,558**	154,426
Incurred surplus to participants	**4,000**	10,000
Amortisation of acquisition cash flows	**344,751**	340,492
Experience variance from acquisition cash flows	**4,315**	(9,628)
Losses on onerous contracts and reversal of losses on onerous contracts	**(28,458)**	44,342
Changes to liabilities for incurred claims ("LIC")	**(329,755)**	(303,253)
Total insurance/takaful service expenses	**2,583,495**	2,433,776
Represented by:		
Contracts not measured under PAA	**1,812,555**	1,713,565
Contracts measured under PAA	**770,940**	720,211
Total insurance/takaful service expenses	**2,583,495**	2,433,776

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4. (a) **Fees and other income**

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Management fees	**4,327**	3,843	**74,168**	57,139
Other income	**21,252**	19,868	**388**	345
Reversal of impairment losses on buildings (Note 14)	**-**	21	**-**	-
Brokerage income	**3,187**	2,117	**-**	-
Miscellaneous income*	**13,094**	12,738	**388**	345
Net rental income from properties	**4,971**	4,992	**-**	-
	25,579	23,711	**74,556**	57,484

* Miscellaneous income comprise consultancy fees, towing services, interest income from savings accounts, recoveries from staff housing loan settlements and interest income on staff loans.

(b) **Expenses by nature**

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Fees and commissions	**276,821**	277,569	**-**	-
Staff costs:				
Salaries, bonus and other related costs	**173,604**	171,804	**57,087**	45,348
Short term accumulating compensated absences	**110**	(249)	**103**	(253)
President & Group Chief Executive Officer ("PGCEO"), directors and Group Shariah Committee ("GSC") members' remuneration (Note 5(a))	**7,477**	5,671	**3,370**	3,174
Pension costs - EPF	**23,566**	22,682	**7,716**	6,562
Social security costs	**1,535**	952	**515**	293
Retirement benefits	**244**	121	**119**	27
Auditors' remuneration:				
- statutory audit	**2,562**	4,220	**182**	134
- regulatory-related	**568**	568	**26**	26
- other services	**1,156**	350	**243**	104
- audit fees to other audit firms	**8**	-	**-**	-

4. (b) Expenses by nature (cont'd.)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Depreciation of property and equipment (Note 14)	**9,808**	9,103	**1,076**	1,119
Depreciation of right-of-use assets (Note 16)	**1,365**	1,530	**1,157**	1,157
Amortisation of intangible assets (Note 15)	**16,969**	22,469	**1,382**	2,503
Expense relating to short-term leases	**7**	-	**-**	-
Expenses relating to leases of low-value assets	**401**	425	**383**	289
Agency expenses	**7,376**	7,762	**-**	-
Marketing and promotional costs	**63,099**	62,412	**441**	704
Electronic data processing costs	**48,459**	32,872	**6,535**	2,839
Management fee	**200**	29	**-**	256
Professional and legal fees	**25,551**	22,825	**2,710**	3,843
Contributions and donations	**504**	254	**-**	-
Tax on premium	**2,875**	3,575	**-**	-
Subscriptions fee	**1,033**	915	**1,033**	915
Allowance for impairment losses on:				
- property and equipment (Note 14)	**1,759**	-	**-**	-
- intangible assets (Note 15)	**9,608**	-	**-**	-
- takaful receivables	**-**	1,382	**-**	-
- sundry receivables	**581**	-	**-**	-
Write-off of intangible assets (Note 15)	**2**	-	**-**	-
Write-off of property and equipment (Note 14)	**9**	-	**-**	-
Miscellaneous expenses *	**56,886**	88,032	**368**	1,481
Total expenses including commissions	**734,143**	737,273	**84,446**	70,521
Less : Amount attributed to acquisition cash flows	**(444,493)**	(489,399)	**-**	-
Add : Amortisation of acquisition cash flows	**349,066**	330,864	**-**	-
	638,716	578,738	**84,446**	70,521
Represented by:				
Insurance/takaful service expenses				
Expenses attributed to insurance/takaful acquisition cash flows	**349,066**	330,864	**-**	-
Incurred maintenance expenses (Note 3(b))	**211,558**	154,426	**-**	-
Management and other expenses	**78,092**	93,448	**84,446**	70,521
	638,716	578,738	**84,446**	70,521

* Miscellaneous expenses comprise marketing expenses, underwriting-related administrative expenses, entertainment expenses, membership and subscription fees, and licence fees.

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5. (a) **PGCEO, directors' and GSC members' remuneration**

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Number of non-executive directors	**24**	23	**8**	7
PGCEO/Executive director of the Group and of the Company (Note 5(b)):				
Salaries and bonus	**2,289**	1,870	**1,291**	1,870
Pension costs - EPF and SOCSO	**421**	318	**237**	318
Benefits-in-kind	**56**	18	**25**	18
Others	**723**	52	**627**	52
	3,489	2,258	**2,180**	2,258
Non-executive directors of the Group and of the Company (Note 5(b)):				
Fees	**1,491**	1,346	**817**	710
Benefits-in-kind and other emoluments	**638**	533	**398**	300
	2,129	1,879	**1,215**	1,010
Non-executive directors of the subsidiaries:				
Fees	**1,215**	1,074	**-**	-
Meeting allowances	**424**	256	**-**	-
	1,639	1,330	**-**	-
Group Shariah Committee members:				
Fees	**258**	243	**-**	-
Meeting allowances	**72**	67	**-**	-
	330	310	**-**	-
Total PGCEO, directors' and GSC members' remuneration excluding benefits-in-kind (Note 4(b))	**7,477**	5,671	**3,370**	3,174

NOTES TO THE FINANCIAL STATEMENTS
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5. (a) PGCEO, directors' and GSC members' remuneration (cont'd.)

	Number of Directors			
	Group		Company	
	2025	2024	2025	2024
PGCEO/Executive director of the Group and of the Company:				
RM0 to RM50,000	-	-	1	-
RM1,000,001 to RM1,500,000	1	-	-	-
RM2,000,001 to RM2,500,000	1	1	1	1
Non-executive directors of the Group and of the Company:				
RM0 to RM50,000	1	-	1	-
RM50,001 to RM100,000	-	1	-	1
RM100,001 to RM150,000	1	3	2	4
RM150,001 to RM200,000	3	-	4	1
RM200,001 to RM250,000	-	-	1	1
RM300,001 to RM350,000	-	1	-	-
RM350,001 to RM400,000	1	-	-	-
RM450,001 to RM500,000	-	1	-	-
RM500,001 to RM550,000	1	-	-	-
RM550,001 to RM600,000	-	1	-	-
RM600,001 to RM650,000	1	-	-	-
Non-executive directors of the subsidiaries:				
RM0 to RM50,000	3	4	-	-
RM50,001 to RM100,000	1	2	-	-
RM100,001 to RM150,000	3	8	-	-
RM150,001 to RM200,000	6	2	-	-
RM200,001 to RM250,000	1	-	-	-
RM250,001 to RM300,000	1	-	-	-

5. (b) PGCEO/Executive Director and non-executive directors of the Group and of the Company

	Group				Company			
	Salary and bonus RM'000	Fees RM'000	Benefits in-kind and other emoluments RM'000	Total RM'000	Salary and bonus RM'000	Fees RM'000	Benefits in-kind and other emoluments RM'000	Total RM'000
2025								
PGCEO/Executive director of the Group and of the Company:								
Dato' Rodzila @ Rudy Che Lamin *(Appointed as Interim PGCEO with effect from 23 November 2024)*	**998**	**-**	**1,309**	**2,307**	**-**	**-**	**-**	**-**
Zaharudin Daud *(Ceased as PGCEO on 23 November 2024)*	**1,291**	**-**	**889**	**2,180**	**1,291**	**-**	**889**	**2,180**
Total GCEO remuneration	**2,289**	**-**	**2,198**	**4,487**	**1,291**	**-**	**889**	**2,180**
Non-executive directors of the Group and of the Company:								
George Oommen	**-**	**338**	**155**	**493**	**-**	**117**	**69**	**186**
Junaidah Mohd Said	**-**	**107**	**56**	**163**	**-**	**107**	**56**	**163**
Zaida Khalida Shaari	**-**	**112**	**53**	**165**	**-**	**112**	**53**	**165**
Dato' Wan Roshdi Wan Musa	**-**	**112**	**45**	**157**	**-**	**112**	**45**	**157**
Chin See Mei	**-**	**101**	**48**	**149**	**-**	**101**	**45**	**146**
Dato' Sulaiman Mohd Tahir *(Appointed as Chairman with effect from 14 February 2025)*	**-**	**35**	**3**	**38**	**-**	**22**	**2**	**24**
Datuk Johar Che Mat *(Resigned on 12 February 2025)*	**-**	**456**	**178**	**634**	**-**	**147**	**80**	**227**
Khalid Sufat *(Deceased on 24 June 2025)*	**-**	**230**	**100**	**330**	**-**	**99**	**48**	**147**
	-	**1,491**	**638**	**2,129**	**-**	**817**	**398**	**1,215**
Total PGCEO and directors' remuneration	**2,289**	**1,491**	**2,836**	**6,616**	**1,291**	**817**	**1,287**	**3,395**

5. (b) PGCEO/Executive Director and non-executive directors of the Group and of the Company (cont'd.)

	Group				Company			
	Salary and bonus RM'000	Fees RM'000	Benefits in-kind and other emoluments RM'000	Total RM'000	Salary and bonus RM'000	Fees RM'000	Benefits in-kind and other emoluments RM'000	Total RM'000
PGCEO/Executive director of the Group and of the Company:								
Zaharudin Daud	1,870	-	388	2,258	1,870	-	388	2,258
Non-executive directors of the Group and of the Company:								
Datuk Johar Che Mat	-	448	145	593	-	159	64	223
George Oommen	-	335	127	462	-	109	46	155
Khalid Sufat	-	213	98	311	-	92	46	138
Junaidah Mohd Said	-	99	53	152	-	99	48	147
Zaida Khalida Shaari	-	104	43	147	-	104	40	144
Dato' Wan Roshdi Wan Musa	-	104	43	147	-	104	38	142
Chin See Mei	-	43	24	67	-	43	18	61
	-	1,346	533	1,879	-	710	300	1,010
Total PGCEO and directors' remuneration	1,870	1,346	921	4,137	1,870	710	688	3,268

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6. Net expense from reinsurance contracts/retakaful certificates held

	Group	
	2025 RM'000	**2024 RM'000**
Contracts not measured under PAA		
Amounts relating to the changes in the assets for remaining coverage		
Expected recovery for insurance/takaful service expenses	**(300,348)**	(232,445)
Changes in the risk adjustment for non-financial risk	**(10,299)**	(10,878)
Net cost recognised in income statements	**(105,069)**	(93,551)
Other amount	**(7,276)**	(9,380)
Allocation of reinsurance/retakaful premiums/contributions - Contract not measured under PAA	**(422,992)**	(346,254)
Allocation of reinsurance/retakaful premiums/contributions - Contract measured under PAA	**(242,154)**	(258,498)
Allocation of reinsurance/retakaful premiums/contributions	**(665,146)**	(604,752)
Amounts recoverable for claims	**305,959**	224,095
Changes in fulfillment cash flows which relate to loss recovery on onerous underlying contracts/certificates	**(18,375)**	23,468
Changes in amounts recoverable arising from changes in liability for incurred claims	**(2,970)**	(8,072)
Amounts recoverable from reinsurers/retakaful operators - Contract not measured under PAA	**284,614**	239,491
Amounts recoverable from claims	**208,312**	155,602
Changes in amounts recoverable arising from changes in liability for incurred claims	**(33,213)**	39,685
Amounts recoverable from reinsurers/retakaful operators - Contract measured under PAA	**175,099**	195,287
Amounts recoverable from reinsurers/retakaful operators for incurred claims	**459,713**	434,778
Net expense from reinsurance contracts/retakaful certificates held	**(205,433)**	(169,974)

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7. Investment income

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(a) Interest income/profit revenue calculated using the effective interest/profit method				
Financial assets at FVOCI				
Interest income/profit revenue	**36,739**	61,450	**2,823**	2,196
Financial assets at amortised cost				
Interest income/profit revenue	**163,212**	204,721	**8,166**	4,248
	199,951	266,171	**10,989**	6,444
(b) Other investment income				
Financial assets at FVTPL				
Designated upon initial recognition:				
Interest income/profit revenue	**221,246**	138,103	**-**	-
Mandatorily measured:				
Dividend income:				
- Quoted shares in Malaysia	**19,202**	9,722	**-**	-
- Shariah approved unit trust funds	**1,198**	1,834	**140**	148
- Non-shariah approved unit trust fund	**559**	-	**-**	-
- Real estate investment trusts	**1,217**	1,047	**-**	-
Financial assets at FVOCI				
Dividend income on shariah approved unit trust funds	**841**	82	**-**	-
Investment in subsidiaries				
Dividend income	**-**	-	**150,000**	102,365
Investment in associates				
Dividend income	**-**	-	**400**	400
Net (amortisation)/accretion of premium/discount on investments	**(1,838)**	(4,977)	**278**	-
Investment expenses	**(2,538)**	(1,198)	**-**	-
	239,887	144,613	**150,818**	102,913

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8. Net realised gains/(losses)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Property and equipment				
Net realised gains/(losses)	**3,340**	(67)	**-**	(67)
Dissolution of subsidiary				
Net realised gain	**-**	-	**7,317**	-
Intangible assets				
Net realised loss	**(1)**	-	**(1)**	-
Financial assets at FVTPL				
Quoted shares in Malaysia:				
- Shariah approved equities	**17,806**	(6,522)	**-**	-
- Others	**2,243**	(5,281)	**-**	-
Unquoted Islamic private debt securities	**2,294**	724	**-**	-
Government investment issues	**1,443**	10,202	**-**	-
Malaysian government securities	**575**	(21)	**-**	-
Shariah approved unit trust funds	**8**	(52)	**-**	-
Corporate debt securities	**(14,582)**	-	**-**	-
Property trust fund	**-**	(1,139)	**-**	-
Real estate investment trusts	**(473)**	(522)	**-**	-
Net realised gains/(losses)	**9,314**	(2,611)	**-**	-
Financial assets at FVOCI				
Unquoted Islamic private debt securities	**(583)**	-	**-**	-
Government investment issues	**(876)**	(340)	**-**	-
Net realised losses	**(1,459)**	(340)	**-**	-
	11,194	(3,018)	**7,316**	(67)

9. Net foreign exchange (losses)/gains on investments

	Group	
	2025 RM'000	2024 RM'000
Foreign exchange (losses)/gains:		
Realised	**(75,851)**	44,583
Unrealised	**(6,586)**	3,426
Net foreign exchange (losses)/gains on investments	**(82,437)**	48,009

10. (Allowance for)/reversal of impairment losses on financial assets

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(Allowance for)/reversal of impairment losses on:				
- amortised cost	**(204)**	-	**-**	-
- FVOCI	**13**	(41)	**12**	(11)
Total net (allowance for)/reversal of impairment losses on financial assets	**(191)**	(41)	**12**	(11)

11. Net insurance/takaful financial results

	Group	
	2025 RM'000	2024 RM'000
Insurance/takaful finance/profit (expenses)/income from insurance contracts/takaful certificates issued		
Finance/profit accreted to insurance contracts/takaful certificates using current financial assumptions	**(135,706)**	(89,618)
Finance/profit accreted to insurance contracts/takaful certificates using locked-in rate	**(44,266)**	(21,095)
Due to changes in interest/profit rates and other financial assumptions	**(2,762)**	-
Due to changes in the value of underlying items	**(176,436)**	(261,673)
Net foreign exchange income/(expenses)	**83,720**	(61,166)
Net insurance/takaful finance/profit expenses from insurance contracts/takaful certificates issued	**(275,450)**	(433,552)
Reinsurance/retakaful finance/profit (expenses)/income from reinsurance contracts/retakaful certificates held		
Finance/profit accreted to reinsurance contracts/retakaful certificates using current financial assumptions	**11,366**	(3,758)
Finance/profit accreted to reinsurance contracts/retakaful certificates using locked-in rate	**14,795**	11,739
Due to changes in interest/profit rates and other financial assumptions	**157**	(394)
Net foreign exchange income	**(12,235)**	3,931
Net reinsurance/retakaful finance/profit income from reinsurance contracts/retakaful certificates held	**14,083**	11,518
Unallocated deficit/(surplus) and changes in the value of the underlying items attributable to participants	**52,948**	(90,091)
Net insurance/takaful financial results	**(208,419)**	(512,125)

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12. Taxation attributable to participants

	Group	
	2025 RM'000	2024 RM'000
Current income tax	**1,729**	21,048
Deferred income tax	**510**	4,030
	2,239	25,078

13. Taxation

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Malaysian income tax:				
Tax expense for the year	**54,500**	67,255	**967**	7,690
Under/(over) provision in prior years	**4,326**	6,532	**(1,768)**	3
	58,826	73,787	**(801)**	7,693
Deferred tax (Note 20):				
Relating to origination and reversal of temporary differences	**2,120**	(212)	**(845)**	(1,370)
(Over)/under provision of deferred tax in prior years	**(2,580)**	(2,667)	**249**	-
	(460)	(2,879)	**(596)**	(1,370)
Tax expense for the year	**58,366**	70,908	**(1,397)**	6,323

Domestic income tax for the Company, the general takaful business and the takaful subsidiaries' shareholder's funds are calculated at the Malaysian statutory tax rate of 24% (2024: 24%) of the estimated assessable profit for the year. Income tax on the Group's reinsurance/retakaful and family takaful business are calculated at a preferential tax rate of 8% (2024: 8%).

A reconciliation of income tax expenses applicable to profit before zakat and tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before zakat and taxation	**456,489**	530,859	**140,786**	79,400
Taxation at Malaysian statutory tax rate of 24%	**109,558**	127,407	**33,789**	19,056
Effects of different tax rate in respect of reinsurance/retakaful/family takaful business	**(65,727)**	(56,507)	**-**	-
Income not subject to tax	**(3,496)**	(8,194)	**(38,115)**	(24,701)
Expenses not deductible for tax purposes	**17,838**	15,047	**4,448**	6,271
Under/(over) provision of tax in prior years	**4,326**	6,532	**(1,768)**	3
(Over)/under provision of deferred tax in prior years	**(2,580)**	(2,667)	**249**	-
Impairment of tax recoverable	**-**	-	**-**	5,694
Share of results of associates	**(1,553)**	(10,710)	**-**	-
Tax expense for the year	**58,366**	70,908	**(1,397)**	6,323

14. Property and equipment

	Freehold land RM'000	Buildings RM'000	Computer equipment RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Work in progress RM'000	Total RM'000
Group							
Valuation/Cost							
At 1 April 2023	36,800	162,891	13,220	43,235	2,478	15,084	273,708
Additions	-	-	1,145	874	672	13,576	16,267
Disposals	-	-	-	-	(821)	-	(821)
Revaluation surplus	-	4,905	-	-	-	-	4,905
Foreign exchange translation	-	485	10	32	17	-	544
Elimination of accumulated depreciation on revaluation	-	(4,597)	-	-	-	-	(4,597)
Adjustments	-	-	-	-	-	(2,910)	(2,910)
Reclassification	-	10,692	-	4,111	-	(14,803)	-
At 31 March 2024	36,800	174,376	14,375	48,252	2,346	10,947	287,096
Additions	-	-	6,142	2,341	399	6,551	15,433
Disposals	-	(4,091)	(2,203)	(2,570)	(979)	(4,148)	(13,991)
Revaluation surplus	1,000	4,929	-	-	-	-	5,929
Foreign exchange translation	-	-	-	-	143	-	143
Elimination of accumulated depreciation on revaluation	-	(4,929)	-	-	-	-	(4,929)
Reclassification	9,200	(9,200)	2,244	-	-	(2,244)	-
Reclassification from intangible assets	-	-	1,027	-	-	-	1,027
Write-offs	-	-	(1,153)	(3,453)	-	-	(4,606)
At 31 March 2025	47,000	161,085	20,432	44,570	1,909	11,106	286,102

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14. **Property and equipment (cont'd.)**

	Freehold land RM'000	Buildings RM'000	Computer equipment RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Work in progress RM'000	Total RM'000
Group (cont'd.)							
Accumulated depreciation and impairment loss							
At 1 April 2023	-	226	8,566	37,356	1,758	-	47,906
Depreciation charge for the year (Note 4(b))	-	4,944	1,750	2,057	352	-	9,103
Disposals	-	-	-	-	(702)	-	(702)
Foreign exchange translation	-	379	9	32	15	-	435
Reversal of impairment loss during the year (Note 4(a))	-	(21)	-	-	-	-	(21)
Elimination of accumulated depreciation and impairment on revaluation	-	(4,597)	-	-	-	-	(4,597)
At 31 March 2024	-	931	10,325	39,445	1,423	-	52,124
Depreciation charge for the year (Note 4(b))	-	5,078	2,587	1,787	356	-	9,808
Disposals	-	(964)	(1,952)	(2,138)	(947)	-	(6,001)
Write-offs	-	-	(1,153)	(3,444)	-	-	(4,597)
Foreign exchange translation	-	-	-	-	(13)	-	(13)
Impairment loss during the year (Note 4(b))	-	-	1,759	-	-	-	1,759
Elimination of accumulated depreciation and impairment on revaluation	-	(4,929)	-	-	-	-	(4,929)
At 31 March 2025	-	116	11,566	35,650	819	-	48,151
Net carrying amount							
At 31 March 2025	**47,000**	**160,969**	**8,866**	**8,920**	**1,090**	**11,106**	**237,951**
At 31 March 2024	36,800	173,445	4,050	8,807	923	10,947	234,972

14. Property and equipment (cont'd.)

Revaluation of freehold land and buildings

Freehold land and buildings in Malaysia have been revalued based on valuations performed by accredited independent valuers having appropriate recognised professional qualification. The valuations are based on the income and comparison approaches and are based on valuation date of 31 March 2025.

The income approach entails the determination of the probable gross annual rental the property is capable of producing and deducting therefrom the outgoings to arrive at the annual net income.

The comparison approach entails critical analyses of recent sales and listing of comparable properties registered within the vicinity. The technique of the approach requires the establishment of a comparable property by reducing reasonable comparative sales and listing to a common denominator. This is performed by adjusting the differences between the subject property and those regarded as comparable. The comparison was premised on the factors of location, size, lease, restrictive covenants age and condition of the building as well as the time element.

Description of the fair value hierarchy for freehold land and buildings and the significant inputs used in the valuation are provided in Note 35.

Freehold buildings outside Malaysia have been revalued based on their value-in-use and a discount rate of nil (2024: 7%) is applied, being the prevailing rental yield in the country where the buildings are located.

If the freehold land and buildings were measured using the cost model, the carrying amounts would be as follows:

	Freehold land RM'000	Buildings RM'000	Total RM'000
Group			
Cost			
At 1 April 2023	15,596	149,464	165,060
Reclassification from work-in-progress	-	10,692	10,692
Foreign exchange translation	-	484	484
At 31 March 2024	15,596	160,640	176,236
Reclassification from work-in-progress	9,200	(9,200)	-
Disposal	-	(6,156)	(6,156)
At 31 March 2025	24,796	145,284	170,080

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14. Property and equipment (cont'd.)

Revaluation of freehold land and buildings (cont'd.)

	Freehold land RM'000	Buildings RM'000	Total RM'000
Group (cont'd.)			
Accumulated depreciation and impairment loss			
At 1 April 2023	-	65,442	65,442
Depreciation charge for the year	-	3,920	3,920
Reversal of impairment losses	-	(21)	(21)
Foreign exchange translation	-	366	366
At 31 March 2024	-	69,707	69,707
Depreciation charge for the year	-	3,836	3,836
Disposal	-	(8,795)	(8,795)
At 31 March 2025	-	64,748	64,748
Net carrying amount			
At 31 March 2025	**24,796**	**80,536**	**105,332**
At 31 March 2024	15,596	90,933	106,529

	Computer equipment RM'000	Furniture, fittings andoffice equipment RM'000	Motor vehicles RM'000	Work-in-progress RM'000	Total RM'000
Company					
Cost					
At 1 April 2023	6,318	3,241	594	7,010	17,163
Additions	108	44	382	2,805	3,339
Disposals	-	-	(594)	-	(594)
Adjustments	-	-	-	(2,909)	(2,909)
At 31 March 2024	6,426	3,285	382	6,906	16,999
Additions	237	4	400	198	839
Disposals*	(1,624)	(315)	-	(4,790)	(6,729)
Reclassification	1,429	-	-	(1,429)	-
At 31 March 2025	6,468	2,974	782	885	11,109

* During the year, the Company transferred work-in-progress assets amounting to RM4,790,000 which mainly consists of MNRB Group ICT Infrastructure to the wholly owned subsidiaries.

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14. Property and equipment (cont'd.)

	Computer equipment RM'000	Furniture, fittings andoffice equipment RM'000	Motor vehicles RM'000	Work-in-progress RM'000	Total RM'000
Company (cont'd.)					
Accumulated depreciation					
At 1 April 2023	4,843	2,632	484	-	7,959
Charge for the year (Note 4(b))	848	183	88	-	1,119
Disposals	-	-	(527)	-	(527)
At 31 March 2024	5,691	2,815	45	-	8,551
Charge for the year (Note 4(b))	753	160	163	-	1,076
Disposals	(1,624)	(315)	-	-	(1,939)
At 31 March 2025	4,820	2,660	208	-	7,688
Net carrying amount					
At 31 March 2025	**1,648**	**314**	**574**	**885**	**3,421**
At 31 March 2024	735	470	337	6,906	8,448

15. Intangible assets

	Software development in progress RM'000	Computer software and licences RM'000	Preferred partnership fees RM'000	Total RM'000
Group				
Cost				
At 1 April 2023	22,215	99,122	74,000	195,337
Additions	7,985	7,018	-	15,003
Reclassification	(3,861)	3,861	-	-
Adjustment	-	(213)	-	(213)
At 31 March 2024	26,339	109,788	74,000	210,127
Additions	17,805	13,356	1,320	32,481
Write-off	-	(4,610)	-	(4,610)
Disposal	-	(3,864)	-	(3,864)
Reclassification	(18,305)	18,305	-	-
Reclassification to property and equipment	(1,027)	-	-	(1,027)
Reclassification to expenses	(4,450)	-	-	(4,450)
At 31 March 2025	20,362	132,975	75,320	228,657

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15. Intangible assets (cont'd.)

	Software development in progress RM'000	Computer software and licences RM'000	Preferred partnership fees RM'000	Total RM'000
Group (cont'd.)				
Accumulated amortisation and impairment loss				
At 1 April 2023	-	61,089	9,451	70,540
Amortisation for the year (Note 4(b))	-	7,205	15,264	22,469
At 31 March 2024	-	68,294	24,715	93,009
Amortisation for the year (Note 4(b))	-	7,415	9,554	16,969
Disposal	-	(1,024)	-	(1,024)
Write-off	-	(4,608)	-	(4,608)
Impairment during the year	-	9,608	-	9,608
Adjustment	-	265	-	265
At 31 March 2025	-	79,950	34,269	114,219
Net carrying amount				
At 31 March 2025	**20,362**	**53,025**	**41,051**	**114,438**
At 31 March 2024	26,339	41,494	49,285	117,118

	Computer software and licences RM'000
Company	
Cost	
At 1 April 2023	14,962
Additions	4,404
At 31 March 2024	19,366
Additions	3,549
Disposal*	(3,864)
At 31 March 2025	19,051

* During the year, the Company transferred work-in-progress intangible assets amounting to RM2,839,000 which mainly consists of software and licences to the wholly owned subsidiaries.

15. Intangible assets (cont'd.)

	Computer software and licences RM'000
Company (cont'd.)	
Accumulated amortisation	
At 1 April 2023	10,230
Amortisation for the year (Note 4(b))	2,503
At 31 March 2024	12,733
Amortisation for the year (Note 4(b))	1,382
Disposal	(1,024)
At 31 March 2025	13,091
Net carrying amount	
At 31 March 2025	**5,960**
At 31 March 2024	6,633

16. Leases

(a) The Group and the Company as lessees

The Group and the Company have lease contracts for various items of equipments and office buildings used in their operations. Lease of office buildings generally have lease terms between 3 to 6 years, while computer and office equipment generally have lease terms of up to 3 years. The Group's and the Company's obligations under leases are secured by the lessor's title to the leased assets. Generally, the Group and the Company are restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension options, which are further discussed below.

The Group and the Company also have certain leases of equipment with lease terms of 12 months or less and leases of equipments which are of low value. The Group and the Company apply the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

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16. Leases (cont'd.)

(a) The Group and the Company as lessees (cont'd.)

(i) Right-of-use assets:

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Data centre RM'000	Office buildings RM'000	Computer andoffice equipment RM'000	Total RM'000
Group				
Cost				
At 1 April 2023	553	5,047	-	5,600
Lease modification	-	(408)	-	(408)
Additions during the year	686	1,040	-	1,726
Termination	(553)	(809)	-	(1,362)
Foreign exchange translation	-	52	-	52
At 31 March 2024	686	4,922	-	5,608
Additions during the year	-	2,508	45	2,553
Termination	-	(2,519)	-	(2,519)
At 31 March 2025	686	4,911	45	5,642
Accumulated depreciation				
At 1 April 2023	392	1,840	-	2,232
Lease modification	-	357	-	357
Charge for the year (Note 4(b))	305	1,225	-	1,530
Termination	(553)	(809)	-	(1,362)
Foreign exchange translation	-	24	-	24
At 31 March 2024	144	2,637	-	2,781
Charge for the year (Note 4(b))	343	1,002	20	1,365
Termination	-	(706)	-	(706)
At 31 March 2025	487	2,933	20	3,440
Net carrying amount				
At 31 March 2025	**199**	**1,978**	**25**	**2,202**
At 31 March 2024	542	2,285	-	2,827

16. Leases (cont'd.)

(a) The Group and the Company as lessees (cont'd.)

(i) Right-of-use assets (cont'd.):

	Office buildings RM'000
Company	
Cost	
At 1 April 2023	4,218
Lease derecognised during the year	(4,218)
Additions	3,471
At 31 March 2024/2025	3,471
Accumulated depreciation	
At 1 April 2023	4,218
Charge for the year (Note 4(b))	1,157
Lease derecognised during the year	(4,218)
At 31 March 2024	1,157
Charge for the year (Note 4(b))	1,157
At 31 March 2025	2,314
Net carrying amount	
At 31 March 2025	**1,157**
At 31 March 2024	2,314

(ii) Lease liabilities:

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Group RM'000	Company RM'000
At 1 April 2023	**3,426**	**-**
Lease modification	687	-
Additions	1,725	3,472
Termination	(1,484)	-
Accretion of interest/profit	114	151
Payments	(1,576)	(1,250)
Foreign exchange translation	124	-
At 31 March 2024	3,016	2,373
Additions	1,725	-
Termination	(424)	-
Accretion of interest/profit	256	92
Payments	(2,280)	(1,250)
At 31 March 2025	**2,293**	**1,215**

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16. Leases (cont'd.)

(a) The Group and the Company as lessees (cont'd.)

(iii) Extension options

Most of the Group's and of the Company's leases on office buildings contain extension options exercisable by the Group and the Company and not the lessors. At the commencement of a lease, the Group and the Company assess whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within their control.

All of the extension options for office buildings have been included in the lease liability because the Group and Company is reasonably certain that the lease will be extended based on past practice and the existing economic incentive.

(b) The Group as lessor

The Group has entered into non-cancellable operating lease agreements on its portfolio of self-occupied properties. These leases have remaining non-cancellable lease terms of between 1 and 3 years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

The future minimum lease payments receivable under non-cancellable operating leases contracted for as at the financial year but not recognised as receivables are as follows:

	Group	
	2025 RM'000	2024 RM'000
Future minimum rental receivable:		
Not later than 1 year	**1,774**	1,709
Later than 1 year and not later than 5 years	**1,898**	1,257
	3,672	2,966

17. Investments in subsidiaries

	Company	
	2025 RM'000	2024 RM'000
Unquoted shares, at cost:		
In Malaysia		
At the beginning and end of the year	**1,298,106**	1,298,106
Outside Malaysia		
At the beginning of the year	**6,370**	6,370
Dissolution of subsidiary	**(6,370)**	-
At the end of the year	**1,298,106**	1,304,476

17. Investments in subsidiaries (cont'd.)

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal place of business/ Country of incorporation	Principal activities	Measurement method	Effective ownership interest 2025 %	2024 %
Malaysian Reinsurance Berhad ("Malaysian Re")	Malaysia	Underwriting of all classes of general reinsurance business and management of family and general retakaful businesses	Equity method	100	100
Takaful Ikhlas Family Berhad ("Takaful IKHLAS Family")	Malaysia	Management of family and investment-linked takaful businesses	Equity method	100	100
Takaful Ikhlas General Berhad ("Takaful IKHLAS General")	Malaysia	Management of general takaful business	Equity method	100	100
Sinar Seroja Berhad ("SSB")#	Malaysia	Family retakaful and general retakaful businesses	Equity method	100	100
MMIP Services Sdn. Bhd. ("MSSB")	Malaysia	Management of the Malaysian Motor Insurance Pool which provides motor insurance to vehicle owners who are unable to obtain insurance protection for their vehicles	Equity method	100	100
Malaysian Re (Dubai) Ltd. ("MRDL")*	Dubai, United Arab Emirates ("UAE")	Marketing and promotional activities and servicing of clients on behalf of Malaysian Re	Equity method	Nil	100

* On 21 March 2025, the Board of Directors of the Company announced that Malaysian Re (Dubai) Ltd ("MRDL"), its wholly-owned subsidiary of the Company, incorporated in Dubai, the United Arab Emirates ("UAE"), which was placed under Members' Voluntary Winding-up pursuant to the provision of the Dubai International Financial Centre ("DIFC") Law No.5 of 2018, DIFC Companies Law, was dissolved on 19 March 2025. The Company was advised of the same by the appointed liquidator of MRDL, Vishal Manglani of Messrs of United VAT - Feather Tax Consultancy LLC on 19 March 2025. As a result of the dissolution of MRDL, the Company recognised a gain of RM7,316,635 in profit or loss of the Company.

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17. Investments in subsidiaries (cont'd.)

Details of the subsidiaries are as follows: (cont'd.)

Name of subsidiaries	Principal place of business/ Country of incorporation	Principal activities	Measurement method	Effective ownership interest 2025 %	2024 %
Held through Takaful IKHLAS General:					
Hong Leong Dana Abadi ("HLDA")**	Malaysia	Investment in Shariah compliant money market instruments and Sukuk	Equity method	100	100

* Audited by a firm of chartered accountants affiliated to Ernst & Young PLT, Malaysia.
** Audited by a firm other than Ernst & Young PLT, Malaysia.
[#] SSB has ceased its operations since December 2017.

18. Investments in associates

	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Unquoted shares in Malaysia, at cost	**77,615**	77,615	**1,957**	1,957
Share of post-acquisition retained profits	**80,196**	81,012	**-**	-
Post-acquisition foreign exchange translation reserve*	**7,984**	16,284	**-**	-
	165,795	174,911	**1,957**	1,957
Represented by share of net assets	**165,795**	174,911	**1,957**	1,957

* This is in respect of retranslation of the investment in Labuan Re at the rate of exchange prevailing at the financial year.

18. Investments in associates (cont'd.)

Details of the associates which are all incorporated in Malaysia are as follows:

Name of associates	Principal place of business/ Country of incorporation	Principal activities	Year end	Measurement method	Proportion of ownership interest and voting power	
					2025 %	2024 %
Held by the Company:						
Motordata Research Consortium Sdn. Bhd. ("MRC") (i)**	Malaysia	Development and provision of a centralised motor parts price database for the Malaysian insurance industry	31 December	Equity method	40	40
Held by Malaysian Re:						
Labuan Reinsurance (L) Ltd ("Labuan Re") (ii)	Malaysia	Underwriting of all classes of general reinsurance and retakaful business	31 December	Equity method	20	20

** Audited by a firm other than Ernst & Young PLT, Malaysia.

The financial statements of the above associates are not co-terminous with those of the Group. For the purpose of applying the equity method of accounting, the audited financial statements of the associates for the year ended 31 December 2024 and management financial statements to the end of the accounting period of 31 March 2025 have been used. The purpose and the reason of invest as below:

(i) The purpose of strategic investment in MRC aims to support the MNRB's long-term digital and data-driven initiatives in the motor insurance ecosystem. MRC plays a key role in centralising and standardising vehicle repair data, cost benchmarking, and claims efficiency.

(ii) The strategic investment in Labuan Re is aimed at strengthening MNRB's regional reinsurance capabilities and expanding its footprint in international markets. Labuan Re provides access to diversified risk portfolios and cross-border opportunities, supporting long-term growth and enhancing capital efficiency.

18. Investments in associates (cont'd.)

The summarised financial information of the associates, not adjusted for the proportion of ownership interest held by the Group, are as follows:

	2025 RM'000	2024 RM'000
Assets and liabilities:		
Current assets	**2,468,167**	2,465,007
Non-current assets	**4,921**	60,375
Total assets	**2,473,088**	2,525,382
Current liabilities	**1,980**	310,466
Non-current liabilities	**1,654,665**	1,299,685
Total liabilities	**1,656,645**	1,610,151
Equity	**816,443**	915,231
Results:		
Insurance revenue	**955,288**	659,508
Profit for the year	**29,341**	(45,796)
Share of net profit for the year	**6,471**	44,623

	2025 RM'000	2024 RM'000
MRC		
Net assets of an associate	**12,533**	11,220
Proportion of the Group's ownership interest in an associate	**40%**	40%
Share of net assets of the associate	**5,013**	4,488
Carrying amount of interest in an associate as at 31 March	**5,013**	4,488

	2025 RM'000	2024 RM'000
Labuan Re		
Net assets of an associate	**803,910**	852,115
Proportion of the Group's ownership interest in an associate	**20%**	20%
Share of net assets of the associate	**160,782**	170,423
Carrying amount of interest in an associate as at 31 March	**160,782**	170,423
Total carrying amount of interest in an associate as at 31 March	**165,795**	174,911

19. Financial and other assets

The following table summarises the carrying values of financial and other assets of the Group and the Company:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At carrying value:				
Financial assets at FVTPL (a)	**6,369,600**	4,959,479	**-**	5,329
Financial assets at FVOCI (b)	**941,636**	626,239	**79,866**	49,809
Amortised cost and other assets (c)	**4,709,516**	5,689,979	**294,016**	243,295
	12,020,752	11,275,697	**373,882**	298,433

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Malaysian government securities	**355,091**	301,812	**-**	-
Government investment issues	**2,842,168**	2,161,965	**-**	-
Unquoted corporate debt securities*	**1,226,292**	740,218	**49,887**	50,759
Commercial paper	**172,468**	59,569	**-**	-
Islamic commercial paper	**64,369**	-	**-**	-
Equity securities:				
Unquoted shares in Malaysia	**92,939**	87,899	**50**	50
Quoted shares in Malaysia	**587,773**	233,403	**-**	-
Unquoted perpetual bond in Malaysia	**4,992**	4,964	**-**	-
Unquoted Islamic private debt securities	**1,855,009**	1,675,232	**29,929**	-
Shariah approved unit trust funds	**329,964**	356,830	**-**	5,329
Real estate investment trusts:				
- Shariah approved	**14,226**	14,665	**-**	-
- Non-Shariah approved	**2,782**	9,050	**-**	-
Fixed and call deposits	**973,713**	970,093	**-**	-
Islamic investment accounts	**3,331,384**	4,482,959	**265,821**	231,517
Derivatives	**-**	(320)	**-**	-
Other receivables**	**167,582**	177,358	**28,195**	10,778
	12,020,752	11,275,697	**373,882**	298,433

* The unquoted corporate debt securities of the Company include subordinated medium term notes ("sub-debt") issued by the Company's reinsurance subsidiary. The sub-debt carries a tenure of eight (8) years from issue date on a 8-year, non-callable 5-year basis with a fixed interest rate of 4.38% per annum payable semi-annually in arrears.

** The other receivables of the Group comprise of accrued profit from investments, due from Lloyds' syndicate and sundry receivables. Whereas, the Company comprise of amount due from subsidiaries and accrued profit from investments.

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19. Financial and other assets (cont'd.)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(a) Financial assets at FVTPL				
At fair value:				
Designated upon initial recognition:				
Corporate debt securities	**1,226,292**	734,642	**-**	-
Government investment issues	**2,366,432**	1,911,996	**-**	-
Unquoted Islamic private debt securities	**1,482,048**	1,386,861	**-**	-
Malaysian government securities	**355,091**	301,812	**-**	-
Mandatorily measured:				
Quoted shares in Malaysia:				
Shariah approved equities	**508,222**	221,166	**-**	-
Warrants	**239**	-	**-**	-
Others	**79,312**	12,237	**-**	-
Unquoted perpetual bond in Malaysia	**4,992**	4,964	**-**	-
Unquoted corporate debt securities	**-**	5,576	**-**	-
Shariah approved unit trust funds	**329,964**	356,830	**-**	5,329
Real estate investment trusts:				
- Shariah approved	**14,226**	14,665	**-**	-
- Non-Shariah approved	**2,782**	9,050	**-**	-
Derivative [i]	**-**	(320)	**-**	-
	6,369,600	4,959,479	**-**	5,329

[i] The table below shows the fair values of derivative financial instruments, recorded as assets (being derivatives which are in a net gain position) or liabilities (being derivatives which are in a net loss position), together with their notional amounts. The notional amount, recorded gross, is the amount of a derivatives' underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the end of the financial year and are neither indicative of the market risk nor the credit risk.

	Notional Amount RM'000	Asset RM'000	Liability RM'000
2024			
Trading derivative:			
Forward foreign exchange contract	68,838	-	(319)

Forward contracts are customised contracts transacted with a specific counterparty who agrees to buy or sell a specified asset at a pre-agreed rate at a specified future date. The contracts are settled at gross at a specified future date and are considered to bear a higher liquidity risk than futures contracts which are settled on a net basis. It also bears market risks related to the underlying investments. The Group enters into forward foreign exchange contracts for the purpose of hedging part of its investment portfolio.

19. Financial and other assets (cont'd.)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(b) Financial assets at FVOCI				
At fair value:				
Government investment issues	**475,736**	249,969	**-**	-
Unquoted corporate debt securities	**-**	-	**49,887**	49,759
Unquoted Islamic private debt securities	**372,961**	288,371	**29,929**	-
Unquoted shares in Malaysia (ii)	**92,706**	87,666	**-**	-
Golf club memberships	**233**	233	**50**	50
	941,636	626,239	**79,866**	49,809

(ii) Equity instruments designated at fair value through OCI include investments in equity shares of non-listed companies. The Group holds non-controlling interests (between 4% and 9%) in these companies. These investments were irrevocably designated at FVOCI as the Group considers these investments to be strategic in nature.

The pertinent information of the investments in unquoted shares in Malaysia are as follows:

	Financial Park (Labuan) Sdn. Bhd. RM'000	Malaysia Rating Corporation Berhad RM'000	Total RM'000 RM'000
Fair value			
As at 1 April 2023	84,613	2,506	87,119
Fair value movement during the year	354	193	547
As at 31 March 2024	84,967	2,699	87,666
Fair value movement during the year	4,830	210	5,040
As at 31 March 2025	**89,797**	**2,909**	**92,706**

Disclosures on expected credit losses recognised on financial assets at FVOCI are disclosed in Note 32(a).

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19. Financial and other assets (cont'd.)

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
(c) Financial assets at amortised cost				
At amortised cost:				
Unquoted corporate debt securities	**-**	-	**1,000**	1,000
Fixed and call deposits with licensed *:				
Commercial banks	**639,145**	190,239	**-**	-
Foreign banks	**334,568**	779,854	**-**	-
Islamic commercial paper	**64,369**	-	**-**	-
Islamic investment accounts with licensed:				
Islamic banks	**2,946,219**	3,748,889	**167,821**	219,445
Commercial banks	**90,000**	-	**90,000**	-
Development banks	**295,165**	734,070	**8,000**	12,072
Commercial paper	**172,468**	59,569	**-**	-
Secured staff loans	**2,233**	2,584	**642**	507
Amounts due from subsidiaries **	**-**	-	**22,934**	8,835
Income due and accrued	**92,058**	112,458	**2,851**	1,024
Amount due from Insurance Pool accounts	**16,696**	23	**-**	-
Sundry receivables	**23,583**	19,318	**427**	266
	4,676,504	5,647,004	**293,675**	243,149
Other assets:				
Other receivables	**140**	92	**-**	-
Due from Lloyds' syndicate ***	**26,698**	40,573	**-**	-
Prepayments	**6,174**	2,310	**341**	146
	4,709,516	5,689,979	**294,016**	243,295

All items above, other than other receivables and prepayments, are financial assets measured at amortised cost. The carrying amounts disclosed above approximate fair value due to their relatively short term nature.

* Included in fixed and call deposits with licensed financial institutions of the Group and the Company are short-term deposits with original maturity periods of less than 3 months amounting to RM55,490,669 (2024: RM Nil) which have been classified as cash and cash equivalents for the purpose of the statement on cash flows.

** The carrying amounts disclosed are non-trade in nature, unsecured, not subject to any interest/profit elements and repayable on demand.

*** These amounts represent the Group's share, through its investment, of the assets and liabilities held through a Lloyds' syndicate. The Group has no control over the disposition of the assets and liabilities at Lloyds'.

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19. Financial and other assets (cont'd.)

(d) Average effective interest/profit rate

Average effective interest rates for each class of interest-bearing investment and placements with licensed financial institutions, at net carrying amounts, are as below:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Debt securities	**4.22%**	4.78%	4.12%	4.48%
Staff loans	**2.11%**	2.14%	3.04%	3.04%
Deposits with financial institutions	**3.76%**	3.72%	3.67%	3.63%

20. Deferred tax assets/(liabilities)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 April	**10,179**	15,016	**5,397**	3,998
Recognised in:				
Income statements (Note 13)	**460**	2,879	**596**	1,370
Tax borne by participants (Note 12)	**(510)**	(4,030)	**-**	-
Other comprehensive income	**(1,347)**	(3,686)	**(15)**	29
At 31 March	**8,782**	10,179	**5,978**	5,397

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred income taxes relates to the same authority. The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deferred tax assets	**42,442**	47,391	**5,978**	5,397
Deferred tax liabilities	**(33,660)**	(37,212)	**-**	-
	8,782	10,179	**5,978**	5,397

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20. Deferred tax assets/(liabilities) (cont'd.)

The components and movements of deferred tax assets/(liabilities) during the financial year prior to offsetting are as follows:

	Accelerated capital allowances RM'000	Insurance contracts/ takaful certificates liabilities RM'000	Financial assets RM'000	Revaluation of land and buildings RM'000	Others RM'000	Total RM'000
Group						
2025						
At 1 April 2024	**(3,847)**	**23,279**	**(10,867)**	**(13,355)**	**14,969**	**10,179**
Recognised in:						
Income statements (Note 13)	**(1,294)**	**(4,795)**	**(244)**	**-**	**6,793**	**460**
Tax borne by participants (Note 12)	**48**	**507**	**(1,065)**	**-**	**-**	**(510)**
Other comprehensive income	**-**	**-**	**(1,064)**	**(283)**	**-**	**(1,347)**
At 31 March 2025	**(5,093)**	**18,991**	**(13,240)**	**(13,638)**	**21,762**	**8,782**
2024						
At 1 April 2023	(2,742)	12,231	857	(9,568)	14,238	15,016
Recognised in:						
Income statements (Note 13)	(657)	3,496	(691)	-	731	2,879
Tax borne by participants (Note 12)	(448)	7,552	(11,134)	-	-	(4,030)
Other comprehensive income	-	-	101	(3,787)	-	(3,686)
At 31 March 2024	(3,847)	23,279	(10,867)	(13,355)	14,969	10,179

20. Deferred tax assets/(liabilities) (cont'd.)

The components and movements of deferred tax assets/(liabilities) during the financial year prior to offsetting are as follows (cont'd.):

	Unabsorbed/ accelerated capital allowances RM'000	Unutilised business losses RM'000	Financial assets RM'000	Others RM'000	Total RM'000
Company					
2025					
At 1 April 2024	**(547)**	**2,000**	**116**	**3,828**	**5,397**
Recognised in:					
Income statements (Note 13)	**87**	**-**	**-**	**509**	**596**
Other comprehensive income	**-**	**-**	**(15)**	**-**	**(15)**
At 31 March 2025	**(460)**	**2,000**	**101**	**4,337**	**5,978**
2024					
At 1 April 2023	(178)	2,000	87	2,089	3,998
Recognised in:					
Income statements (Note 13)	(369)	-	-	1,739	1,370
Other comprehensive income	-	-	29	-	29
At 31 March 2024	(547)	2,000	116	3,828	5,397

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20. Deferred tax assets/(liabilities) (cont'd.)

Deferred tax assets in respect of the following items of the Group have not been recognised as the probability of recognition cannot be determined with certainty given the lack of assessable profits in current and prior years.

	Group	
	2025 RM'000	2024 RM'000
Unutilised business losses	**8,103**	8,103
Year of expiry of unutilised tax losses is analysed as follows:		
Expiring in 2029	**8,103**	8,103

The unutilised tax losses of the Group are available for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial change in shareholdings of those entities under the Income Tax Act 1967 and guidelines issued by the tax authority enacted at the reporting date.

Deferred tax assets have not been recognised by the Group in respect of these items as it is not probable that taxable profits of its subsidiaries would be available against which these items could be utilised.

The Finance Act gazetted on 27 December 2018 has imposed a time limitation to restrict the carry forward of the unutilised tax losses. The unutilised tax losses accumulated up to the year of assessment 2018 are allowed to be carried forward for 7 consecutive years of assessment (i.e. from year of assessment 2019 to 2025) and any balance of the unutilised losses thereafter shall be disregarded.

However, following the Budget 2022 announcement and the gazetting of the Finance Act 2021 on 31 December 2021, any accumulated unutilised tax losses from the year of assessment 2019 onwards can now be carried forward to a maximum of 10 consecutive years of assessments and any balance of the unutilised tax losses thereafter shall be disregarded. This will be effective retrospectively from year of assessment 2019 (ie. from year of assessment 2019 to 2028).

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21. Insurance/reinsurance contracts and takaful/retakaful certificates assets and liabilities

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

	2025			2024		
	Assets RM'000	Liabilities RM'000	Net RM'000	Assets RM'000	Liabilities RM'000	Net RM'000
Insurance contracts/takaful certificates issued						
General reinsurance/retakaful - Other than PAA	**(4,459)**	**(3,189,551)**	**(3,194,010)**	7,489	(2,931,520)	(2,924,031)
General Takaful - PAA	**-**	**(1,349,703)**	**(1,349,703)**	-	(1,201,019)	(1,201,019)
Family Takaful						
PAA	**-**	**(27,963)**	**(27,963)**	-	(51,017)	(51,017)
Other than PAA	**110,289**	**(4,510,121)**	**(4,399,832)**	58,845	(4,309,589)	(4,250,744)
Total insurance contracts/takaful certificates issued	**105,830**	**(9,077,338)**	**(8,971,508)**	66,334	(8,493,145)	(8,426,811)
Reinsurance contracts/retakaful certificates held						
General reinsurance/retakaful - Other than PAA	**276,524**	**(3,993)**	**272,531**	162,744	(5,681)	157,063
General Takaful - PAA	**289,642**	**-**	**289,642**	319,809	-	319,809
Family Takaful						
PAA	**-**	**(14,642)**	**(14,642)**	84	(14,991)	(14,907)
Other than PAA	**51,490**	**(15,489)**	**36,001**	28,444	(11,266)	17,178
Total reinsurance contracts/retakaful certificates held	**617,656**	**(34,124)**	**583,532**	511,081	(31,938)	479,143

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2025

21. Insurance/reinsurance contracts and takaful/retakaful certificates assets and liabilities (cont'd.)

a) Roll-forward of net asset or liability of insurance/reinsurance contracts and reinsurance/retakaful certificates showing the liabilities/assets for remaining coverage and the liabilities/assets for incurred claims

Insurance contracts/takaful certificates issued

General reinsurance/retakaful - Other than PAA

	2025				
	Liabilities for remaining coverage				
	Excluding loss RM'000	Loss component RM'000	Liabilities for incurred claims RM'000	Unallocated surplus and Qard [i] RM'000	Total RM'000
Insurance contracts/takaful certificates liabilities as at 1 April	(431,881)	72,592	3,222,962	67,847	2,931,520
Insurance contracts/takaful certificates assets as at 1 April	(15,056)	204	7,363	-	(7,489)
Net insurance contracts/takaful certificates (assets)/liabilities as at 1 April	**(446,937)**	**72,796**	**3,230,325**	**67,847**	**2,924,031**
Insurance/takaful revenue	(1,854,648)	-	-	-	(1,854,648)
Contracts under the fair value approach	(462,722)	-	-	-	(462,722)
New contracts and contracts under full retrospective approach	(1,391,926)	-	-	-	(1,391,926)
Insurance/takaful service expenses	101,097	(30,979)	1,350,607	-	1,420,725
Insurance/takaful service result	**(1,753,551)**	**(30,979)**	**1,350,607**	**-**	**(433,923)**
Insurance/takaful finance expenses	52,070	6,807	95,487	2,903	157,267
Effect of movements in exchange rates	65,776	(2,971)	(146,525)	-	(83,720)
Total changes in the income statements	**(1,635,705)**	**(27,143)**	**1,299,569**	**2,903**	**(360,376)**
Cash flows					
Premiums/contributions received	1,566,023	-	-	-	1,566,023
Qard received	-	-	-	485	485
Claims and other expenses paid	-	-	(766,518)	-	(766,518)
Insurance/takaful acquisition cash flows	(116,633)	-	-	-	(116,633)
Total cash flows	**1,449,390**	**-**	**(766,518)**	**485**	**683,357**
Other movements	50,858	2,703	(113,064)	6,501	(53,002)
Net insurance contracts/takaful certificates (assets)/liabilities as at 31 March	**(582,394)**	**48,356**	**3,650,312**	**77,736**	**3,194,010**
Insurance contracts/takaful certificates liabilities as at 31 March	(474,207)	47,399	3,538,623	77,736	3,189,551
Insurance contracts/takaful certificates assets as at 31 March	(108,187)	957	111,689	-	4,459
Net insurance contracts/takaful certificates (assets)/liabilities as at 31 March	**(582,394)**	**48,356**	**3,650,312**	**77,736**	**3,194,010**

21. Insurance/reinsurance contracts and takaful/retakaful certificates assets and liabilities (cont'd.)

a) Roll-forward of net asset or liability of insurance/reinsurance contracts and reinsurance/retakaful certificates showing the liabilities/assets for remaining coverage and the liabilities/assets for incurred claims (cont'd.)

Insurance contracts/takaful certificates issued (cont'd.)

General reinsurance/retakaful - Other than PAA (cont'd.)

	2024				
	Liabilities for remaining coverage				
	Excluding loss component RM'000	Loss component RM'000	Liabilities for incurred claims RM'000	Unallocated surplus and Qard [i] RM'000	Total RM'000
Insurance contracts/takaful certificates liabilities as at 1 April	(242,717)	36,066	2,925,381	41,518	2,760,248
Insurance contracts/takaful certificates assets as at 1 April	(6,638)	31	2,437	-	(4,170)
Net insurance contracts/takaful certificates (assets)/liabilities as at 1 April	**(249,355)**	**36,097**	**2,927,818**	**41,518**	**2,756,078**
Insurance/takaful revenue	**(1,826,265)**	**-**	**-**	**-**	**(1,826,265)**
Contracts/certificates under the fair value approach	(660,003)	-	-	-	(660,003)
New contracts/certificates and contracts/certificates under full retrospective approach	(1,166,262)	-	-	-	(1,166,262)
Insurance/takaful service expenses	**101,789**	**33,006**	**1,258,299**	**-**	**1,393,094**
Insurance/takaful service result	**(1,724,476)**	**33,006**	**1,258,299**	**-**	**(433,171)**
Insurance/takaful finance expenses	45,106	1,429	54,857	26,279	127,671
Effect of movements in exchange rates	2,756	2,264	81,507	-	86,527
Total changes in the income statements	**(1,676,614)**	**36,699**	**1,394,663**	**26,279**	**(218,973)**
Cash flows					
Premiums/contributions received	1,609,041	-	-	-	1,609,041
Qard received	-	-	-	50	50
Claims and other expenses paid	-	-	(1,020,022)	-	(1,020,022)
Insurance/takaful acquisition cash flows	(103,533)	-	-	-	(103,533)
Total cash flows	**1,505,508**	**-**	**(1,020,022)**	**50**	**485,536**
Other movements	(26,476)	-	(72,134)	-	(98,610)
Net insurance contracts/takaful certificates (assets)/liabilities as at 31 March	**(446,937)**	**72,796**	**3,230,325**	**67,847**	**2,924,031**
Insurance contracts/takaful certificates liabilities as at 31 March	(431,881)	72,592	3,222,962	67,847	2,931,520
Insurance contracts/takaful certificates assets as at 31 March	(15,056)	204	7,363	-	(7,489)
Net insurance contracts/takaful certificates (assets)/liabilities as at 31 March	**(446,937)**	**72,796**	**3,230,325**	**67,847**	**2,924,031**

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2025

21. Insurance/reinsurance contracts and takaful/retakaful certificates assets and liabilities (cont'd.)

a) Roll-forward of net asset or liability of insurance/reinsurance contracts and reinsurance/retakaful certificates showing the liabilities/assets for remaining coverage and the liabilities/assets for incurred claims (cont'd.)

Insurance contracts/takaful certificates issued (cont'd.)

General reinsurance/retakaful - Other than PAA (cont'd.)

[i] **Qard**

The balance and reconciliations of fulfilment cash flows include obligations to repay Qard advanced by the Shareholder's Fund to the General and Family Retakaful Funds. Qard was advanced by the Shareholder's Fund in compliance with the requirements set out in paragraph 19 of the BNM Takaful Operating Framework. Consistent with those requirements, the amount does not bear interest. The amount is repayable, and if to the extent, the General and Family Retakaful Funds have available resources. In accordance with Paragraph 19.4 of the BNM TOF, the Shareholder's Fund has determined a time period during which the Qard shall be repaid and consequently the period beyond which any unpaid Qard will be deemed irrecoverable and the outstanding amount forgiven. The table below reconciles the nominal value of the Qard included in fulfilment cash flows:

	General Retakaful Fund		Family Retakaful Fund	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Opening balance	**36,061**	36,294	**20,727**	20,617
(Reversal)/provision of Qard during the year	**(10,761)**	-	**-**	11,478
Closing balance	**25,300**	36,294	**20,727**	32,095

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2025

21. Insurance/reinsurance contracts and takaful/retakaful certificates assets and liabilities (cont'd.)

a) Roll-forward of net asset or liability of insurance/reinsurance contracts and reinsurance/retakaful certificates showing the liabilities/assets for remaining coverage and the liabilities/assets for incurred claims (cont'd.)

Insurance contracts/takaful certificates issued (cont'd.)

General Takaful (PAA)

	2025					
	Liabilities for remaining coverage		Liability for incurred claims			
	Excluding loss component RM'000	Loss component RM'000	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Unallocated Surplus RM'000	Total RM'000
Takaful certificates liabilities as at 1 April	383,604	2,894	572,757	52,938	188,826	1,201,019
Takaful certificates assets as at 1 April	-	-	-	-	-	-
Net takaful certificates liabilities as at 1 April	**383,604**	**2,894**	**572,757**	**52,938**	**188,826**	**1,201,019**
Takaful revenue	(868,484)	-	-	-	-	(868,484)
Takaful service expenses	175,034	1,268	553,873	3,736	-	733,911
Takaful service results	**(693,450)**	**1,268**	**553,873**	**3,736**	**-**	**(134,573)**
Takaful finance expenses	5,546	240	18,420	1,805	1,412	27,423
Total changes in the income statements	**(687,904)**	**1,508**	**572,293**	**5,541**	**1,412**	**(107,150)**
Cash flows						
Contributions received	968,862	-	-	-	-	968,862
Takaful acquisition cash flow	(205,086)	-	-	-	-	(205,086)
Claims and other expenses paid	-	-	(507,038)	-	-	(507,038)
Total cash flows	**763,776**	**-**	**(507,038)**	**-**	**-**	**256,738**
Other movements	(1,227)	-	1,227	-	(904)	(904)
Net takaful certificates liabilities as at 31 March	**458,249**	**4,402**	**639,239**	**58,479**	**189,334**	**1,349,703**
Takaful certificates liabilities as at 31 March	458,249	4,402	639,239	58,479	189,334	1,349,703
Takaful certificates assets as at 31 March	-	-	-	-	-	-
Net takaful certificates liabilities as at 31 March	**458,249**	**4,402**	**639,239**	**58,479**	**189,334**	**1,349,703**

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2025

21. Insurance/reinsurance contracts and takaful/retakaful certificates assets and liabilities (cont'd.)

a) Roll-forward of net asset or liability of insurance/reinsurance contracts and reinsurance/retakaful certificates showing the liabilities/assets for remaining coverage and the liabilities/assets for incurred claims (cont'd.)

Insurance contracts/takaful certificates issued (cont'd.)

General Takaful (PAA) (cont'd.)

	2024					
	Liabilities for remaining coverage		Liability for incurred claims			
	Excluding loss component RM'000	Loss component RM'000	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Unallocated Surplus RM'000	Total RM'000
Takaful certificates liabilities as at 1 April	330,301	1,880	466,487	49,626	173,325	1,021,619
Takaful certificates assets as at 1 April	-	-	-	-	-	-
Net takaful certificates liabilities as at 1 April	**330,301**	**1,880**	**466,487**	**49,626**	**173,325**	**1,021,619**
Takaful revenue	(801,376)	-	-	-	-	(801,376)
Takaful service expenses	172,206	769	491,665	1,787	-	666,427
Takaful service results	**(629,170)**	**769**	**491,665**	**1,787**	**-**	**(134,949)**
Takaful finance expenses	5,527	245	13,511	1,525	14,484	35,292
Total changes in the income statements	**(623,643)**	**1,014**	**505,176**	**3,312**	**14,484**	**(99,657)**
Cash flows						
Contributions received	858,827	-	-	-	-	858,827
Takaful acquisition cash flow	(181,881)	-	-	-	-	(181,881)
Claims and other expenses paid	-	-	(398,906)	-	-	(398,906)
Total cash flows	**676,946**	**-**	**(398,906)**	**-**	**-**	**278,040**
Other movements	-	-	-	-	1,017	1,017
Net takaful certificates liabilities as at 31 March	**383,604**	**2,894**	**572,757**	**52,938**	**188,826**	**1,201,019**
Takaful certificates liabilities as at 31 March	383,604	2,894	572,757	52,938	188,826	1,201,019
Takaful certificates assets as at 31 March	-	-	-	-	-	-
Net takaful certificates liabilities as at 31 March	**383,604**	**2,894**	**572,757**	**52,938**	**188,826**	**1,201,019**

21. Insurance/reinsurance contracts and takaful/retakaful certificates assets and liabilities (cont'd.)

a) Roll-forward of net asset or liability of insurance/reinsurance contracts and reinsurance/retakaful certificates showing the liabilities/assets for remaining coverage and the liabilities/assets for incurred claims (cont'd.)

Insurance contracts/takaful certificates issued (cont'd.)

Family Takaful - Other than PAA

	2025				
	Liabilities for remaining coverage				
	Excluding loss component RM'000	Loss component RM'000	Liabilities for incurred claims RM'000	Unallocated Surplus RM'000	Total RM'000
Takaful certificates liabilities as at 1 April	3,756,507	13,418	65,792	473,872	4,309,589
Takaful certificates assets as at 1 April	(56,459)	-	(2,386)	-	(58,845)
Net takaful certificates liabilities as at 1 April	**3,700,048**	**13,418**	**63,406**	**473,872**	**4,250,744**
Takaful revenue	(310,079)	-	-	-	(310,079)
Contracts under the fair value approach	(199,460)	-	-	-	(199,460)
New contracts and contracts under full retrospective approach	(110,619)	-	-	-	(110,619)
Takaful service expenses	55,341	130	304,063	-	359,534
Investment components	(211,935)	-	211,935	-	-
Takaful service result	**(466,673)**	**130**	**515,998**	**-**	**49,455**
Takaful finance expenses	178,496	299	-	-	178,795
Unallocated surplus attributable to participants	-	-	-	(64,020)	(64,020)
Total changes in the income statements	**(288,177)**	**429**	**515,998**	**(64,020)**	**164,230**
Cash flows					
Contributions received	551,607	-	-	-	551,607
Claims paid, including investment components	-	-	(455,227)	-	(455,227)
Administration and other expenses	-	-	(52,476)	-	(52,476)
Takaful acquisition cash flows	(103,843)	-	-	-	(103,843)
Total cash flows	**447,764**	**-**	**(507,703)**	**-**	**(59,939)**
Other movements	(9,843)	-	38,779	15,861	44,797
Net takaful certificates liabilities as at 31 March	**3,849,792**	**13,847**	**110,480**	**425,713**	**4,399,832**
Takaful certificates liabilities as at 31 March	3,957,774	13,847	112,787	425,713	4,510,121
Takaful certificates assets as at 31 March	(107,982)	-	(2,307)	-	(110,289)
Net takaful certificates liabilities as at 31 March	**3,849,792**	**13,847**	**110,480**	**425,713**	**4,399,832**

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2025

21. Insurance/reinsurance contracts and takaful/retakaful certificates assets and liabilities (cont'd.)

a) Roll-forward of net asset or liability of insurance/reinsurance contracts and reinsurance/retakaful certificates showing the liabilities/assets for remaining coverage and the liabilities/assets for incurred claims (cont'd.)

Insurance contracts/takaful certificates issued (cont'd.)

Family Takaful - Other than PAA (cont'd.)

	2024				
	Liabilities for remaining coverage				
	Excluding loss component RM'000	Loss component RM'000	Liabilities for incurred claims RM'000	Unallocated Surplus RM'000	Total RM'000
Takaful certificates liabilities as at 1 April	3,436,445	2,895	194,964	429,568	4,063,872
Takaful certificates assets as at 1 April	(60,239)	-	-	-	(60,239)
Net takaful certificates liabilities as at 1 April	**3,376,206**	**2,895**	**194,964**	**429,568**	**4,003,633**
Takaful revenue	(400,404)	-	-	-	(400,404)
Certificates under the fair value approach	(136,569)	-	-	-	(136,569)
New certificates and certificates under full retrospective approach	(263,835)	-	-	-	(263,835)
Takaful service expenses	45,796	10,523	254,952	-	311,271
Investment components	(192,295)	-	192,295	-	-
Takaful service result	**(546,903)**	**10,523**	**447,247**	**-**	**(89,133)**
Takaful finance expenses	249,019	-	-	-	249,019
Unallocated surplus attributable to participants	-	-	-	41,429	41,429
Total changes in the income statements	**(297,884)**	**10,523**	**447,247**	**41,429**	**201,315**
Cash flows					
Contributions received	637,491	-	-	-	637,491
Claims paid, including investment components	-	-	(421,626)	-	(421,626)
Administration and other expenses	-	-	(34,329)	-	(34,329)
Takaful acquisition cash flows	(113,785)	-	-	-	(113,785)
Total cash flows	**523,706**	**-**	**(455,955)**	**-**	**67,751**
Other movements	98,020	-	(122,850)	2,875	(21,955)
Net takaful certificates liabilities as at 31 March	**3,700,048**	**13,418**	**63,406**	**473,872**	**4,250,744**
Takaful certificates liabilities as at 31 March	3,756,507	13,418	65,792	473,872	4,309,589
Takaful certificates assets as at 31 March	(56,459)	-	(2,386)	-	(58,845)
Net takaful certificates liabilities as at 31 March	**3,700,048**	**13,418**	**63,406**	**473,872**	**4,250,744**

21. Insurance/reinsurance contracts and takaful/retakaful certificates assets and liabilities (cont'd.)

a) Roll-forward of net asset or liability of insurance/reinsurance contracts and reinsurance/retakaful certificates showing the liabilities/assets for remaining coverage and the liabilities/assets for incurred claims (cont'd.)

Insurance contracts/takaful certificates issued (cont'd.)

Family Takaful - PAA

	2025					
	Liabilities for remaining coverage		Liability for incurred claims			
	Excluding loss component RM'000	Loss component RM'000	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Unallocated Surplus RM'000	Total RM'000
Takaful certificates liabilities as at 1 April	29,210	-	7,516	-	14,291	51,017
Net takaful certificates liabilities as at 1 April	**29,210**	**-**	**7,516**	**-**	**14,291**	**51,017**
Takaful revenue	(101,907)	-	-	-	-	(101,907)
Takaful service expenses	16,939	-	52,386	-	-	69,325
Investment components	(2,778)	-	2,778	-	-	-
Takaful service result	**(87,746)**	**-**	**55,164**	**-**	**-**	**(32,582)**
Unallocated surplus attributable to participants	-	-	-	-	6,757	6,757
Total changes in the income statements	**(87,746)**	**-**	**55,164**	**-**	**6,757**	**(25,825)**
Cash flows						
Contributions received	78,970	-	-	-	-	78,970
Claims and other expenses paid	-	-	(61,891)	-	-	(61,891)
Takaful acquisition cash flows	(16,939)	-	-	-	-	(16,939)
Total cash flows	**62,031**	**-**	**(61,891)**	**-**	**-**	**140**
Other movements	2,631	-	-	-	-	2,631
Net takaful certificates liabilities as at 31 March	**6,126**	**-**	**789**	**-**	**21,048**	**27,963**
Takaful certificates liabilities as at 31 March	6,126	-	789	-	21,048	27,963
Net takaful certificates liabilities as at 31 March	**6,126**	**-**	**789**	**-**	**21,048**	**27,963**

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2025

21. Insurance/reinsurance contracts and takaful/retakaful certificates assets and liabilities (cont'd.)

a) Roll-forward of net asset or liability of insurance/reinsurance contracts and reinsurance/retakaful certificates showing the liabilities/assets for remaining coverage and the liabilities/assets for incurred claims (cont'd.)

Insurance contracts/takaful certificates issued (cont'd.)

Family Takaful - PAA (cont'd.)

	2024					
	Liabilities for remaining coverage		Liability for incurred claims			
	Excluding loss component RM'000	Loss component RM'000	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Unallocated Surplus RM'000	Total RM'000
Takaful certificates liabilities as at 1 April	4,462	-	25,618	-	6,392	36,472
Takaful certificates assets as at 1 April	-	-	-	-	-	-
Net takaful certificates liabilities as at 1 April	**4,462**	**-**	**25,618**	**-**	**6,392**	**36,472**
Takaful revenue	(71,031)	-	922	-	-	(70,109)
Takaful service expenses	18,957	-	44,027	-	-	62,984
Investment components	(1,607)	-	1,607	-	-	-
Takaful service result	**(53,681)**	**-**	**46,556**	**-**	**-**	**(7,125)**
Takaful finance expenses	1,167	-	-	-	-	1,167
Unallocated surplus attributable to participants	-	-	-	-	7,899	7,899
Total changes in the income statements	**(52,514)**	**-**	**46,556**	**-**	**7,899**	**1,941**
Cash flows						
Contributions received	96,389	-	-	-	-	96,389
Claims and other expenses paid	-	-	(64,658)	-	-	(64,658)
Takaful acquisition cash flows	(19,127)	-	-	-	-	(19,127)
Total cash flows	**77,262**	**-**	**(64,658)**	**-**	**-**	**12,604**
Net takaful certificates liabilities as at 31 March	**29,210**	**-**	**7,516**	**-**	**14,291**	**51,017**
Takaful certificates liabilities as at 31 March	29,210	-	7,516	-	14,291	51,017
Takaful certificates assets as at 31 March	-	-	-	-	-	-
Net takaful certificates liabilities as at 31 March	**29,210**	**-**	**7,516**	**-**	**14,291**	**51,017**

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2025

21. Insurance/reinsurance contracts and takaful/retakaful certificates assets and liabilities (cont'd.)

a) Roll-forward of net asset or liability of insurance/reinsurance contracts and reinsurance/retakaful certificates showing the liabilities/assets for remaining coverage and the liabilities/assets for incurred claims (cont'd.)

Reinsurance contracts/retakaful certificates held

General reinsurance/retakaful - Other than PAA

	2025			
	Assets for remaining coverage			
	Excluding loss recovery component RM'000	Loss recovery component RM'000	Amounts recoverable: claims incurred RM'000	Total RM'000
Reinsurance contracts/retakaful certificates assets as at 1 April	(140,877)	29,319	274,302	162,744
Reinsurance contracts/retakaful certificates liabilities as at 1 April	(5,697)	-	16	(5,681)
Net reinsurance contracts/retakaful certificates (liabilities)/assets as at 1 April	**(146,574)**	**29,319**	**274,318**	**157,063**
Allocation of premiums/contributions	(319,473)	-	-	(319,473)
Amounts recoverable from reinsurers/retakaful operators	-	(18,375)	229,224	210,849
Net income or expense from reinsurance contracts/retakaful certificates held	**(319,473)**	**(18,375)**	**229,224**	**(108,624)**
Reinsurance/retakaful finance income	12,538	356	5,213	18,107
Effect of changes in non-performance risk of reinsurers/retakaful operators	-	-	(82)	(82)
Effect of movements in exchange rates	2,916	(1,542)	(13,609)	(12,235)
Total changes in the income statements	**(304,019)**	**(19,561)**	**220,746**	**(102,834)**
Cash flows				
Premiums/contributions and other expenses paid	361,132	-	(6,023)	355,109
Amounts received	-	-	(136,620)	(136,620)
Total cash flows	**361,132**	**-**	**(142,643)**	**218,489**
Other movements	(187)	-	-	(187)
Net reinsurance contracts/retakaful certificates (liabilities)/assets as at 31 March	**(89,648)**	**9,758**	**352,421**	**272,531**
Reinsurance contracts/retakaful certificates assets as at 31 March	(84,892)	9,758	351,658	276,524
Reinsurance contracts/retakaful certificates liabilities as at 31 March	(4,756)	-	763	(3,993)
Net reinsurance contracts/retakaful certificates (liabilities)/assets as at 31 March	**(89,648)**	**9,758**	**352,421**	**272,531**

21. Insurance/reinsurance contracts and takaful/retakaful certificates assets and liabilities (cont'd.)

a) Roll-forward of net asset or liability of insurance/reinsurance contracts and reinsurance/retakaful certificates showing the liabilities/assets for remaining coverage and the liabilities/assets for incurred claims (cont'd.)

Reinsurance contracts/retakaful certificates held (cont'd.)

General reinsurance/retakaful - Other than PAA (cont'd.)

	2024			
	Assets for remaining coverage			
	Excluding loss recovery component RM'000	Loss recovery component RM'000	Amounts recoverable: claims incurred RM'000	Total RM'000
Reinsurance contracts/retakaful certificates assets as at 1 April	(49,453)	4,851	279,459	234,857
Reinsurance contracts/retakaful certificates liabilities as at 1 April	(22)	-	-	(22)
Net reinsurance contracts/retakaful certificates (liabilities)/assets as at 1 April	**(49,475)**	**4,851**	**279,459**	**234,835**
Allocation of premiums/contributions	(263,589)	-	-	(263,589)
Amounts recoverable from reinsurers/retakaful operators	-	23,468	149,816	173,284
Net income or expense from reinsurance contracts/retakaful certificates held	**(263,589)**	**23,468**	**149,816**	**(90,305)**
Reinsurance/retakaful finance income	(3,303)	167	4,771	1,635
Effect of movements in exchange rates	1,394	833	1,704	3,931
Total changes in the income statements	**(265,498)**	**24,468**	**156,291**	**(84,739)**
Cash flows				
Premiums/contributions paid	168,399	-	(5,375)	163,024
Amounts received	-	-	(156,057)	(156,057)
Total cash flows	**168,399**	**-**	**(161,432)**	**6,967**
Net reinsurance contracts/retakaful certificates (liabilities)/assets as at 31 March	**(146,574)**	**29,319**	**274,318**	**157,063**
Reinsurance contracts/retakaful certificates assets as at 31 March	(140,877)	29,319	274,302	162,744
Reinsurance contracts/retakaful certificates liabilities as at 31 March	(5,697)	-	16	(5,681)
Net reinsurance contracts/retakaful certificates (liabilities)/assets as at 31 March	**(146,574)**	**29,319**	**274,318**	**157,063**

NOTES TO THE FINANCIAL STATEMENTS
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21. Insurance/reinsurance contracts and takaful/retakaful certificates assets and liabilities (cont'd.)

a) Roll-forward of net asset or liability of insurance/reinsurance contracts and reinsurance/retakaful certificates showing the liabilities/assets for remaining coverage and the liabilities/assets for incurred claims (cont'd.)

Reinsurance contracts/retakaful certificates held (cont'd.)

General Takaful - PAA

	2025				
	Assets for remaining coverage		Amounts recoverable: claims incurred		
	Excluding loss recovery component RM'000	Loss recovery omponent	Estimates of the PVFCF	Risk adjustment	Total RM'000
Retakaful certificates assets as at 1 April	44,533	(135)	252,624	22,787	319,809
Retakaful certificates liabilities as at 1 April	-	-	-	-	-
Net retakaful certificates assets/(liabilities) as at 1 April	**44,533**	**(135)**	**252,624**	**22,787**	**319,809**
Allocation of retakaful contributions	(242,500)	-	-	-	(242,500)
Amounts recoverable from retakaful operators	-	-	173,656	1,371	175,027
Net income or expense from retakaful certificates held	**(242,500)**	**-**	**173,656**	**1,371**	**(67,473)**
Retakaful finance income	-	-	7,549	744	8,293
Total changes in the income statements	**(242,500)**	**-**	**181,205**	**2,115**	**(59,180)**
Cash flows					
Contributions paid	131,708	-	-	-	131,708
Amounts received	-	-	(74,895)	-	(74,895)
Total cash flows	**131,708**	**-**	**(74,895)**	**-**	**56,813**
Other movements	(32,303)	135	5,460	(1,092)	(27,800)
Net retakaful certificates (liabilities)/assets as at 31 March	**(98,562)**	**-**	**364,394**	**23,810**	**289,642**
Retakaful certificates assets as at 31 March	(98,562)	-	364,394	23,810	289,642
Retakaful certificates liabilities as at 31 March	-	-	-	-	-
Net retakaful certificates (liabilities)/assets as at 31 March	**(98,562)**	**-**	**364,394**	**23,810**	**289,642**

21. Insurance/reinsurance contracts and takaful/retakaful certificates assets and liabilities (cont'd.)

a) Roll-forward of net asset or liability of insurance/reinsurance contracts and reinsurance/retakaful certificates showing the liabilities/assets for remaining coverage and the liabilities/assets for incurred claims (cont'd.)

Reinsurance contracts/retakaful certificates held (cont'd.)

General Takaful - PAA (cont'd.)

	2024				
	Assets for remaining coverage		Amounts recoverable: claims incurred		
	Excluding loss recovery component RM'000	Loss recovery component RM'000	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Total RM'000
Retakaful certificates assets as at 1 April	49,426	(199)	163,552	20,586	233,365
Retakaful certificates liabilities as at 1 April	-	-	-	-	-
Net retakaful certificates assets/(liabilities) as at 1 April	**49,426**	**(199)**	**163,552**	**20,586**	**233,365**
Allocation of retakaful contributions	(223,574)	-	-	-	(223,574)
Amounts recoverable from retakaful operators	(2,486)	145	173,010	1,549	172,218
Net income or expense from retakaful certificates held	**(226,060)**	**145**	**173,010**	**1,549**	**(51,356)**
Retakaful finance income	-	(7)	5,307	652	5,952
Total changes in the income statements	**(226,060)**	**138**	**178,317**	**2,201**	**(45,404)**
Cash flows					
Contributions paid	222,612	-	-	-	222,612
Amounts received	-	-	(92,483)	-	(92,483)
Total cash flows	**222,612**	**-**	**(92,483)**	**-**	**130,129**
Other movements	(1,445)	(74)	3,238	-	1,719
Net retakaful certificates assets/(liabilities) as at 31 March	**44,533**	**(135)**	**252,624**	**22,787**	**319,809**
Retakaful certificates assets as at 31 March	44,533	(135)	252,624	22,787	319,809
Retakaful certificates liabilities as at 31 March	-	-	-	-	-
Net retakaful certificates assets/(liabilities) as at 31 March	**44,533**	**(135)**	**252,624**	**22,787**	**319,809**

21. Insurance/reinsurance contracts and takaful/retakaful certificates assets and liabilities (cont'd.)

a) Roll-forward of net asset or liability of insurance/reinsurance contracts and reinsurance/retakaful certificates showing the liabilities/assets for remaining coverage and the liabilities/assets for incurred claims (cont'd.)

Reinsurance contracts/retakaful certificates held (cont'd.)

Family Takaful - Other than PAA

	2025				
	Assets for remaining coverage		Amounts recoverable: claims incurred		
	Excluding loss recovery component RM'000	Loss recovery component RM'000	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Total RM'000
Retakaful certificates assets as at 1 April	(16,198)	(36)	40,780	3,898	28,444
Retakaful certificates liabilities as at 1 April	(23,739)	-	12,473	-	(11,266)
Net retakaful certificates assets/(liabilities) as at 1 April	**(39,937)**	**(36)**	**53,253**	**3,898**	**17,178**
Allocation of retakaful contributions	(103,519)	-	-	-	(103,519)
Amounts recoverable from retakaful operators	-	-	74,395	(630)	73,765
Net income or expense from retakaful certificates held	**(103,519)**	**-**	**74,395**	**(630)**	**(29,754)**
Total changes in the income statements	**(103,519)**	**-**	**74,395**	**(630)**	**(29,754)**
Cash flows					
Contributions paid	103,255	-	-	-	103,255
Amount received, including investment components	-	-	(80,647)	-	(80,647)
Total cash flows	**103,255**	**-**	**(80,647)**	**-**	**22,608**
Other movements	6,412	36	19,521	-	25,969
Net retakaful certificates (liabilities)/assets as at 31 March	**(33,789)**	**-**	**66,522**	**3,268**	**36,001**
Retakaful certificates assets as at 31 March	1,037	-	47,185	3,268	51,490
Retakaful certificates liabilities as at 31 March	(34,826)	-	19,337	-	(15,489)
Net retakaful certificates (liabilities)/assets as at 31 March	**(33,789)**	**-**	**66,522**	**3,268**	**36,001**

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2025

21. **Insurance/reinsurance contracts and takaful/retakaful certificates assets and liabilities (cont'd.)**

a) **Roll-forward of net asset or liability of insurance/reinsurance contracts and reinsurance/retakaful certificates showing the liabilities/assets for remaining coverage and the liabilities/assets for incurred claims (cont'd.)**

Reinsurance contracts/retakaful certificates held (cont'd.)

Family Takaful - Other than PAA (cont'd.)

	2024				
	Assets for remaining coverage		Amounts recoverable: claims incurred		
	Excluding loss recovery component RM'000	Loss recovery component RM'000	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Total RM'000
Retakaful certificates assets as at 1 April	(13,702)	-	58,486	4,502	49,286
Retakaful certificates liabilities as at 1 April	(14,727)	-	10,442	-	(4,285)
Net retakaful certificates assets/(liabilities) as at 1 April	**(28,429)**	**-**	**68,928**	**4,502**	**45,001**
Allocation of retakaful contributions	(82,665)	-	-	-	(82,665)
Amounts recoverable from retakaful operators	(2,907)	34	69,684	(604)	66,207
Net income or expense from retakaful certificates held	**(85,572)**	**34**	**69,684**	**(604)**	**(16,458)**
Total changes in the income statements	**(85,572)**	**34**	**69,684**	**(604)**	**(16,458)**
Cash flows					
Contributions paid	88,260	-	-	-	85,353
Amount received, including investment components	-	-	(88,479)	-	(85,572)
Total cash flows	**88,260**	**-**	**(88,479)**	**-**	**(219)**
Other movements	(14,266)	-	3,120	-	(11,146)
Net retakaful certificates (liabilities)/assets as at 31 March	**(39,937)**	**(36)**	**53,253**	**3,898**	**17,178**
Retakaful certificates assets as at 31 March	(16,198)	(36)	40,780	3,898	28,444
Retakaful certificates liabilities as at 31 March	(23,739)	-	12,473	-	(11,266)
Net retakaful certificates (liabilities)/assets as at 31 March	**(39,937)**	**(36)**	**53,253**	**3,898**	**17,178**

21. Insurance/reinsurance contracts and takaful/retakaful certificates assets and liabilities (cont'd.)

a) Roll-forward of net asset or liability of insurance/reinsurance contracts and reinsurance/retakaful certificates showing the liabilities/assets for remaining coverage and the liabilities/assets for incurred claims (cont'd.)

Reinsurance contracts/retakaful certificates held (cont'd.)

Family Takaful - PAA

	2025				
	Assets for remaining coverage		Amounts recoverable: claims incurred		
	Excluding loss recovery component RM'000	Loss recovery component RM'000	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Total RM'000
Retakaful certificates assets as at 1 April	(2,602)	-	2,686	-	84
Retakaful certificates liabilities as at 1 April	(14,991)	-	-	-	(14,991)
Net retakaful certificates (liabilities)/assets as at 1 April	**(17,593)**	**-**	**2,686**	**-**	**(14,907)**
Allocation of retakaful contributions	346	-	-	-	346
Amounts recoverable from retakaful operators	-	-	(381)	-	(381)
Net income or expense from retakaful certificates held	**346**	**-**	**(381)**	**-**	**(35)**
Total changes in the income statements	**346**	**-**	**(381)**	**-**	**(35)**
Cash flows					
Contributions paid	309	-	-	-	309
Amount received, including investment components	-	-	(143)	-	(143)
Total cash flows	**309**	**-**	**(143)**	**-**	**166**
Other movements	(620)	-	754	-	134
Net retakaful certificates (liabilities)/assets as at 31 March	**(17,558)**	**-**	**2,916**	**-**	**(14,642)**
Retakaful certificates assets as at 31 March	-	-	-	-	-
Retakaful certificates liabilities as at 31 March	(17,558)	-	2,916	-	(14,642)
Net retakaful certificates (liabilities)/assets as at 31 March	**(17,558)**	**-**	**2,916**	**-**	**(14,642)**

21. Insurance/reinsurance contracts and takaful/retakaful certificates assets and liabilities (cont'd.)

a) Roll-forward of net asset or liability of insurance/reinsurance contracts and reinsurance/retakaful certificates showing the liabilities/assets for remaining coverage and the liabilities/assets for incurred claims (cont'd.)

Reinsurance contracts/retakaful certificates held (cont'd.)

Family Takaful - PAA (cont'd.)

	2024				
	Assets for remaining coverage		Amounts recoverable: claims incurred		
	Excluding loss recovery component RM'000	Loss recovery component RM'000	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Total RM'000
Retakaful certificates assets as at 1 April	(2,927)	-	9,005	-	6,078
Retakaful certificates liabilities as at 1 April	-	-	(1,272)	-	(1,272)
Net retakaful certificates (liabilities)/assets as at 31 March	**(2,927)**	**-**	**7,733**	**-**	**4,806**
Allocation of retakaful contributions	(34,924)	-	-	-	(34,924)
Amounts recoverable from retakaful operators	-	-	23,069	-	23,069
Net income or expense from retakaful certificates held	**(34,924)**	**-**	**23,069**	**-**	**(11,855)**
Total changes in the income statements	**(34,924)**	**-**	**23,069**	**-**	**(11,855)**
Cash flows					
Contributions received	25,548	-	-	-	25,548
Amount received, including investment components	-	-	(27,575)	-	(27,575)
Total cash flows	**25,548**	**-**	**(27,575)**	**-**	**(2,027)**
Other movements	(5,290)	-	(541)	-	(5,831)
Net retakaful certificates (liabilities)/assets as at 31 March	**(17,593)**	**-**	**2,686**	**-**	**(14,907)**
Retakaful certificates assets as at 31 March	(2,602)	-	2,686	-	84
Retakaful certificates liabilities as at 31 March	(14,991)	-	-	-	(14,991)
Net retakaful certificates (liabilities)/assets as at 31 March	**(17,593)**	**-**	**2,686**	**-**	**(14,907)**

21. Insurance/reinsurance contracts and takaful/retakaful certificates assets and liabilities (cont'd.)

b) Roll-forward of net asset or liability of insurance/reinsurance contracts and takaful/retakaful certificates showing the present value of future cash flows, risk adjustment and CSM

Insurance contracts/takaful certificates issued

General reinsurance/retakaful - Other than PAA

	2025				
	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Unallocated Surplus and Qard RM'000	Total RM'000
Insurance contracts/takaful certificates liabilities as at 1 April	2,121,433	344,240	398,000	67,847	2,931,520
Insurance contracts/takaful certificates assets as at 1 April	(15,818)	1,995	6,334	-	(7,489)
Net insurance contracts/takaful certificates liabilities as at 1 April	2,105,615	346,235	404,334	67,847	2,924,031
Changes that relate to current services					
Contractual service margin recognised for services provided	-	-	(492,860)	-	(492,860)
Risk adjustment for the risk expired	-	10,563	-	-	10,563
Experience adjustments	247,591	(3,758)	494	-	244,327
Changes that relate to future services	-				
Contracts/certificates initially recognised in the period	(618,918)	173,666	477,852	-	32,600
Changes in estimates that adjust the contractual service margin	(127,149)	29,533	97,616	-	-
Changes in estimates that do not adjust the contractual service margin	(26,662)	(35,796)	-	-	(62,458)
Changes that relate to past services					
Adjustment to liabilities for incurred claims	(94,522)	(71,575)	-	-	(166,097)
Insurance/takaful service results	**(619,660)**	**102,633**	**83,102**	**-**	**(433,925)**
Insurance/takaful finance expense	120,983	14,003	19,378	2,903	157,267
Effect of movements in exchange rates	(59,346)	(15,413)	(8,962)	-	(83,721)
Total changes in the income statements	**(558,023)**	**101,223**	**93,518**	**2,903**	**(360,379)**

21. Insurance/reinsurance contracts and takaful/retakaful certificates assets and liabilities (cont'd.)

b) Roll-forward of net asset or liability of insurance/reinsurance contracts and takaful/retakaful certificates showing the present value of future cash flows, risk adjustment and CSM (cont'd.)

Insurance contracts/takaful certificates issued (cont'd.)

General reinsurance/retakaful - Other than PAA (cont'd.)

	2025				
	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Unallocated Surplus and Qard RM'000	Total RM'000
Cash flows					
Premiums/contributions received	1,567,282	-	-	-	1,567,282
Qard received	-	-	-	485	485
Claims and other expenses paid	(776,891)	-	-	-	(776,891)
Insurance/takaful acquisition cash flows	(107,519)	-	-	-	(107,519)
Total cash flows	**682,872**	**-**	**-**	**485**	**683,357**
Other movements	(63,174)	2,488	1,186	6,501	(52,999)
Net insurance contracts/takaful certificates liabilities as at 31 March	**2,167,290**	**449,946**	**499,038**	**77,736**	**3,194,010**
Insurance contracts/takaful certificates liabilities as at 31 March	2,190,365	450,670	498,217	77,620	3,216,872
Insurance contracts/takaful certificates assets as at 31 March	(23,075)	(724)	821	116	(22,862)
Net insurance contracts/takaful certificates liabilities as at 31 March	**2,167,290**	**449,946**	**499,038**	**77,736**	**3,194,010**

21. Insurance/reinsurance contracts and takaful/retakaful certificates assets and liabilities (cont'd.)

b) Roll-forward of net asset or liability of insurance/reinsurance contracts and takaful/retakaful certificates showing the present value of future cash flows, risk adjustment and CSM (cont'd.)

Insurance contracts/takaful certificates issued (cont'd.)

General reinsurance/retakaful - Other than PAA

	2024				
	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Unallocated Surplus and Qard RM'000	Total RM'000
Insurance contracts/takaful certificates liabilities as at 1 April	1,891,979	344,870	481,461	41,518	2,760,248
Insurance contracts/takaful certificates assets as at 1 April	(13,006)	2,081	6,755	-	(4,170)
Net insurance contracts/takaful certificates liabilities as at 1 April	**1,878,973**	**346,951**	**488,636**	**41,518**	**2,756,078**
Changes that relate to current services					
Contractual service margin recognised for services provided	-	-	(414,532)	-	(414,532)
Risk adjustment for the risk expired	-	(125,391)	-	-	(125,391)
Experience adjustments	54,401	77,301	102,244	-	233,946
Changes that relate to future services					
Contracts/certificates initially recognised in the period	(347,897)	100,852	272,531	-	25,486
Changes in estimates that adjust the contractual service margin	61,517	7,266	(68,743)	-	40
Changes in estimates that do not adjust the contractual service margin	17,642	(10,231)	-	-	7,411
Changes that relate to past services					
Adjustment to liabilities for incurred claims	(86,986)	(73,145)	-	-	(160,131)
Insurance/takaful service results	**(301,323)**	**(23,348)**	**(108,500)**	**-**	**(433,171)**
Insurance/takaful finance expense	71,499	10,430	19,463	26,279	127,671
Effect of movements in exchange rates	68,240	11,116	7,171	-	86,527
Total changes in the income statements	**(161,584)**	**(1,802)**	**(81,866)**	**26,279**	**(218,973)**

21. **Insurance/reinsurance contracts and takaful/retakaful certificates assets and liabilities (cont'd.)**

b) **Roll-forward of net asset or liability of insurance/reinsurance contracts and takaful/retakaful certificates showing the present value of future cash flows, risk adjustment and CSM (cont'd.)**

Insurance contracts/takaful certificates issued (cont'd.)

General reinsurance/retakaful - Other than PAA (cont'd.)

	2024				
	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Unallocated Surplus and Qard RM'000	Total RM'000
Cash flows					
Premiums/contributions received	1,609,041	-	-	-	1,609,041
Qard received	-	-	-	50	50
Claims and other expenses paid	(1,020,022)	-	-	-	(1,020,022)
Takaful acquisition cash flows	(103,533)	-	-	-	(103,533)
Total cash flows	**485,486**	**-**	**-**	**50**	**485,536**
Other movements	(97,260)	1,086	(2,436)	-	(98,610)
Net insurance contracts/takaful certificates liabilities as at 31 March	**2,105,615**	**346,235**	**404,334**	**67,847**	**2,924,031**
Insurance contracts/takaful certificates liabilities as at 31 March	2,121,433	344,240	398,000	67,847	2,931,520
Insurance contracts/takaful certificates assets as at 31 March	(15,818)	1,995	6,334	-	(7,489)
Net insurance contracts/takaful certificates liabilities as at 31 March	**2,105,615**	**346,235**	**404,334**	**67,847**	**2,924,031**

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2025

21. Insurance/reinsurance contracts and takaful/retakaful certificates assets and liabilities (cont'd.)

b) Roll-forward of net asset or liability of insurance/reinsurance contracts and takaful/retakaful certificates showing the present value of future cash flows, risk adjustment and CSM (cont'd.)

Insurance contracts/takaful certificates issued (cont'd.)

Family Takaful - Other than PAA

	2025				
	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Unallocated Surplus RM'000	Total RM'000
Takaful certificates liabilities as at 1 April	3,766,171	7,581	61,965	473,872	4,309,589
Takaful certificates assets as at 1 April	(262,966)	20,751	183,370	-	(58,845)
Net takaful certificates liabilities as at 1 April	3,503,205	28,332	245,335	473,872	4,250,744
Changes that relate to current services					
Contractual service margin recognised for services provided	-	-	(23,128)	-	(23,128)
Risk adjustment for the risk expired	-	(7,056)	-	-	(7,056)
Experience adjustments	140,289	-	-	-	140,289
Changes that relate to future services					
Certificates initially recognised in the period	(46,726)	5,924	46,261	-	5,459
Changes in estimates that adjust the contractual service margin	30,617	245	(30,862)	-	
Changes in estimates that do not adjust the contractual service margin	(5,329)	-	-	-	(5,329)
Changes that relate to past services					
Adjustment to liabilities for incurred claims	(60,384)	(396)	-	-	(60,780)
Takaful finance expenses	175,783	713	2,299	-	178,795
Unallocated surplus attributable to participants	-	-	-	(64,020)	(64,020)
Total changes in the income statements	**234,250**	**(570)**	**(5,430)**	**(64,020)**	**164,230**

21. Insurance/reinsurance contracts and takaful/retakaful certificates assets and liabilities (cont'd.)

b) Roll-forward of net asset or liability of insurance/reinsurance contracts and takaful/retakaful certificates showing the present value of future cash flows, risk adjustment and CSM (cont'd.)

Insurance contracts/takaful certificates issued (cont'd.)

Family Takaful - Other than PAA (cont'd.)

	2025				
	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Unallocated Surplus RM'000	Total RM'000
Cash flows					
Contributions received	551,607	-	-	-	551,607
Claims paid, including investment components	(455,227)	-	-	-	(455,227)
Administration and other expenses	(52,476)	-	-	-	(52,476)
Takaful acquisition cash flows	(103,843)	-	-	-	(103,843)
Total cash flows	**(59,939)**	**-**	**-**	**-**	**(59,939)**
Other movements	28,772	-	-	16,025	44,797
Net takaful certificates liabilities as at 31 March	**3,706,288**	**27,762**	**239,905**	**425,877**	**4,399,832**
Takaful certificates liabilities as at 31 March	3,908,767	21,446	154,031	425,877	4,510,121
Takaful certificates assets as at 31 March	(202,479)	6,316	85,874	-	(110,289)
Net takaful certificates liabilities as at 31 March	**3,706,288**	**27,762**	**239,905**	**425,877**	**4,399,832**

21. Insurance/reinsurance contracts and takaful/retakaful certificates assets and liabilities (cont'd.)

b) Roll-forward of net asset or liability of insurance/reinsurance contracts and takaful/retakaful certificates showing the present value of future cash flows, risk adjustment and CSM (cont'd.)

Insurance contracts/takaful certificates issued (cont'd.)

Family Takaful - Other than PAA

	2024				
	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Unallocated Surplus RM'000	Total RM'000
Takaful certificates liabilities as at 1 April	3,561,293	7,973	65,038	429,568	4,063,872
Takaful certificates assets as at 1 April	(284,348)	21,933	202,176	-	(60,239)
Net takaful certificates liabilities as at 1 April	3,276,945	29,906	267,214	429,568	4,003,633
Changes that relate to current services					
Contractual service margin recognised for services provided	-	-	(23,456)	-	(23,456)
Risk adjustment for the risk expired	-	(7,623)	-	-	(7,623)
Experience adjustments	(44,188)	-	-	-	(44,188)
Changes that relate to future services					
Certificates initially recognised in the period	(53,717)	6,950	54,537	-	7,770
Changes in estimates that adjust the contractual service margin	55,563	(492)	(55,071)	-	-
Changes in estimates that do not adjust the contractual service margin	2,753	-	-	-	2,753
Changes that relate to past services					
Adjustment to liabilities for incurred claims	(19,679)	(4,710)	-	-	(24,389)
Takaful finance income	246,281	640	2,111	-	249,032
Unallocated surplus attributable to participants	-	-	-	41,416	41,416
Total changes in the income statements	**187,013**	**(5,235)**	**(21,879)**	**41,416**	**201,315**

21. Insurance/reinsurance contracts and takaful/retakaful certificates assets and liabilities (cont'd.)

b) Roll-forward of net asset or liability of insurance/reinsurance contracts and takaful/retakaful certificates showing the present value of future cash flows, risk adjustment and CSM (cont'd.)

Insurance contracts/takaful certificates issued (cont'd.)

Family Takaful - Other than PAA (cont'd.)

	2024				
	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Unallocated Surplus RM'000	Total RM'000
Cash flows					
Contributions paid	637,491	-	-	-	637,491
Claims paid, including investment components	(425,287)	3,661	-	-	(421,626)
Administration and other expenses	(34,329)	-	-	-	(34,329)
Takaful acquisition cash flows	(113,785)	-	-	-	(113,785)
Total cash flows	**64,090**	**3,661**	**-**	**-**	**67,751**
Other movements	(24,843)	-	-	2,888	(21,955)
Net takaful certificates liabilities as at 31 March	**3,503,205**	**28,332**	**245,335**	**473,872**	**4,250,744**
Takaful certificates liabilities as at 31 March	3,766,171	7,581	61,965	473,872	4,309,589
Takaful certificates assets as at 31 March	(262,966)	20,751	183,370	-	(58,845)
Net takaful certificates liabilities as at 31 March	**3,503,205**	**28,332**	**245,335**	**473,872**	**4,250,744**

21. Insurance/reinsurance contracts and takaful/retakaful certificates assets and liabilities (cont'd.)

b) Roll-forward of net asset or liability of insurance/reinsurance contracts and takaful/retakaful certificates showing the present value of future cash flows, risk adjustment and CSM (cont'd.)

Reinsurance contracts/retakaful certificates held

General reinsurance/retakaful - Other than PAA

	2025				2024			
	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000
Insurance contracts/takaful certificates assets as at 1 April	85,349	22,180	55,215	162,744	183,479	27,251	24,127	234,857
Insurance contracts/takaful certificates liabilities as at 1 April	(13,047)	1,152	6,214	(5,681)	(24)	-	2	(22)
Net Insurance contracts/takaful certificates assets as at 1 April	72,302	23,332	61,429	157,063	183,455	27,251	24,129	234,835
Changes that relate to current services								
Contractual service margin recognised for services received	-	-	(105,069)	(105,069)	-	-	(93,551)	(93,551)
Risk adjustment for the risk expired	-	9,204	-	9,204	-	(10,878)	-	(10,878)
Experience adjustments	(30,815)	-	-	(30,815)	(95,172)	21,348	24,835	(48,989)
Changes that relate to future services								
Contracts/certificates initially recognised in the period	(160,193)	20,556	174,131	34,494	(189,804)	20,097	181,469	11,762
Changes in estimates that adjust the contractual service margin	67,408	18,562	(85,970)	-	81,710	964	(82,674)	-
Changes in estimates that do not adjust the contractual service margin	(39,168)	(13,702)	-	(52,870)	27,985	(16,277)	-	11,708
Changes that relate to past services								
Changes in amounts recoverable arising from changes in LIC	47,543	(11,111)	-	36,432	50,603	(10,960)	-	39,643
Insurance/takaful finance/profit income	10,334	1,114	6,659	18,107	5,101	(8,859)	5,393	1,635
Effect of changes in non-performance risk of reinsurers/retakaful operators	(82)	-	-	(82)	-	-	-	-
Effect of movements in exchange rates	(8,038)	(1,489)	(2,708)	(12,235)	1,457	646	1,828	3,931
Total changes in the income statements	**(113,011)**	**23,134**	**(12,957)**	**(102,834)**	**(118,120)**	**(3,919)**	**37,300**	**(84,739)**

21. Insurance/reinsurance contracts and takaful/retakaful certificates assets and liabilities (cont'd.)

b) Roll-forward of net asset or liability of insurance/reinsurance contracts and takaful/retakaful certificates showing the present value of future cash flows, risk adjustment and CSM (cont'd.)

Reinsurance contracts/retakaful certificates held (cont'd.)

General reinsurance/retakaful - Other than PAA (cont'd.)

	2025				2024			
	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000
Cash flows								
Premiums/contributions paid	355,109	-	-	355,109	163,024	-	-	163,024
Amounts received	(136,620)	-	-	(136,620)	(156,057)	-	-	(156,057)
Total cash flows	**218,489**	**-**	**-**	**218,489**	**6,967**	**-**	**-**	**6,967**
Other movements	(242)	242	(187)	(187)	-	-	-	-
Net reinsurance contracts/retakaful certificates assets as at 31 March	**177,538**	**46,708**	**48,285**	**272,531**	**72,302**	**23,332**	**61,429**	**157,063**
Reinsurance contracts/retakaful certificates assets as at 31 March	181,647	46,592	48,285	276,524	85,349	22,180	55,215	162,744
Reinsurance contracts/retakaful certificates liabilities as at 31 March	(4,109)	116	-	(3,993)	(13,047)	1,152	6,214	(5,681)
Net reinsurance contracts/retakaful certificates assets as at 31 March	**177,538**	**46,708**	**48,285**	**272,531**	**72,302**	**23,332**	**61,429**	**157,063**

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21. Insurance/reinsurance contracts and takaful/retakaful certificates assets and liabilities (cont'd.)

b) Roll-forward of net asset or liability of insurance/reinsurance contracts and takaful/retakaful certificates showing the present value of future cash flows, risk adjustment and CSM (cont'd.)

Reinsurance contracts/retakaful certificates held (cont'd.)

Family Takaful - Other than PAA

	2025			2024		
	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Total RM'000	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Total RM'000
Retakaful certificates assets as at 1 April	24,536	3,908	28,444	45,466	3,820	49,286
Retakaful certificates liabilities as at 1 April	(11,932)	666	(11,266)	(4,967)	682	(4,285)
Net retakaful certificates assets as at 1 April	12,604	4,574	17,178	40,499	4,502	45,001
Changes that relate to current services						
Experience adjustments	6,696	-	6,696	22,549	-	22,549
Changes that relate to past services						
Changes in amounts recoverable arising from changes in liability for incurred claims	(35,820)	(630)	(36,450)	(39,039)	72	(38,967)
Takaful finance income	-	-	-	-	-	-
Total changes in the income statements	**(29,124)**	**(630)**	**(29,754)**	**(16,490)**	**72**	**(16,418)**
Cash flows						
Contributions paid	103,255	-	103,255	85,313	-	85,313
Amount received	(80,647)	-	(80,647)	(85,572)	-	(85,572)
Total cash flows	**22,608**	**-**	**22,608**	**(259)**	**-**	**(259)**
Other movements	26,645	(676)	25,969	(11,146)	-	(11,146)
Net retakaful certificates assets as at 31 March	**32,733**	**3,268**	**36,001**	**12,604**	**4,574**	**17,178**
Retakaful certificates assets as at 31 March	48,222	3,268	51,490	24,536	3,908	28,444
Retakaful certificates liabilities as at 31 March	(15,489)	-	(15,489)	(11,932)	666	(11,266)
Net retakaful certificates assets as at 31 March	**32,733**	**3,268**	**36,001**	**12,604**	**4,574**	**17,178**

21. Insurance/reinsurance contracts and takaful/retakaful certificates assets and liabilities (cont'd.)

c) The impacts on the current period of transition approaches adopted to establishing CSM

The impact on the current period of the transition approaches adopted to establishing CSMs for reinsurance/takaful contracts portfolios is disclosed in the table below:

Insurance contracts/takaful certificates issued

General reinsurance/retakaful - Other than PAA

	2025			2024		
	Contracts using the fair value approach RM'000	New contracts and contracts under full retrospective approach RM'000	Total RM'000	Contracts using the fair value approach RM'000	New contracts and contracts under full retrospective approach RM'000	Total RM'000
Contractual service margin as at 1 April	**167,798**	**236,536**	**404,334**	**269,927**	**218,709**	**488,636**
Changes that relate to current services						
Contractual service margin recognised for services provided	(171,291)	(321,075)	(492,366)	(171,261)	(141,027)	(312,288)
Changes that relate to future services						
Contracts/certificates initially recognised in the period	-	477,852	477,852	-	272,531	272,531
Changes in estimates that adjust the contractual service margin	85,534	12,082	97,616	61,913	(130,656)	(68,743)
Insurance/takaful service result	**(85,757)**	**168,859**	**83,102**	**(109,348)**	**848**	**(108,500)**
Insurance/takaful finance expenses	5,601	13,776	19,377	6,954	12,509	19,463
Effect of movements in exchange rates	(66)	(8,943)	(9,009)	265	6,906	7,171
Total changes in the income statements	**(80,222)**	**173,692**	**93,470**	**(102,129)**	**20,263**	**(81,866)**
Other movements	-	1,234	1,234	-	(2,436)	(2,436)
Contractual service margin as at 31 March	**87,576**	**411,462**	**499,038**	**167,798**	**236,536**	**404,334**

21. Insurance/reinsurance contracts and takaful/retakaful certificates assets and liabilities (cont'd.)

c) The impacts on the current period of transition approaches adopted to establishing CSM (cont'd.)

Insurance contracts/takaful certificates issued (cont'd.)

Family Takaful - Other than PAA

	2025			2024		
	Contracts using the fair value approach RM'000	New contracts and contracts under full retrospective approach RM'000	Total RM'000	Contracts using the fair value approach RM'000	New contracts and contracts under full retrospective approach RM'000	Total RM'000
Contractual service margin as at 1 April	**121,537**	**123,798**	**245,335**	**137,710**	**129,504**	**267,214**
Changes that relate to current services						
Contractual service margin recognised for services provided	(10,883)	(12,245)	(23,128)	(12,480)	(11,018)	(23,498)
Changes that relate to future services						
Certificates initially recognised in the period	-	46,261	46,261	-	54,097	54,097
Changes in estimates that adjust the contractual service margin	(8,899)	(21,963)	(30,862)	(5,066)	(49,507)	(54,573)
Takaful service result	(19,782)	12,053	(7,729)	(17,546)	(6,428)	(23,974)
Takaful finance expenses	1,352	947	2,299	1,373	722	2,095
Total changes in the income statements	(18,430)	13,000	(5,430)	(16,173)	(5,706)	(21,879)
Contractual service margin as at 31 March	**103,107**	**136,798**	**239,905**	**121,537**	**123,798**	**245,335**

21. Insurance/reinsurance contracts and takaful/retakaful certificates assets and liabilities (cont'd.)

c) The impacts on the current period of transition approaches adopted to establishing CSM (cont'd.)

Reinsurance contracts/retakaful certificates held

General reinsurance/retakaful - Other than PAA

	2025			2024		
	Contracts using the fair value approach RM'000	New contracts and contracts under full retrospective approach RM'000	Total RM'000	Contracts using the fair value approach RM'000	New contracts and contracts under full retrospective approach RM'000	Total RM'000
Contractual service margin as at 1 April	**189**	**61,240**	**61,429**	**61**	**24,068**	**24,129**
Changes that relate to current services						
Contractual service margin recognised for services received	46	(105,115)	(105,069)	22	(68,738)	(68,716)
Changes that relate to future services						
Contracts/certificates initially recognised in the period	-	174,131	174,131	-	181,469	181,469
Changes in estimates that adjust the contractual service margin	(178)	(85,792)	(85,970)	106	(82,780)	(82,674)
Insurance/takaful service result	(132)	(16,776)	(16,908)	128	29,951	30,079
Insurance/takaful finance/profit income	(1)	6,660	6,659	-	5,393	5,393
Effect of movements in exchange rates	-	(2,708)	(2,708)	-	1,828	1,828
Total changes in the income statements	(133)	(12,824)	(12,957)	128	37,172	37,300
Other movements	-	(187)	(187)	-	-	-
Contractual service margin as at 31 March	**56**	**48,229**	**48,285**	**189**	**61,240**	**61,429**

21. Insurance/reinsurance contracts and takaful/retakaful certificates assets and liabilities (cont'd.)

d) The components of new business

The components of new business is disclosed in the table below:

Insurance contracts/takaful certificates issued

General reinsurance/retakaful - Other than PAA

	2025			2024		
	Contracts issued			Contracts issued		
	Non-onerous RM'000	Onerous RM'000	Total RM'000	Non-onerous RM'000	Onerous RM'000	Total RM'000
Insurance contracts/takaful certificates liabilities						
Estimate of present value of future cash outflows, excluding insurance/takaful acquisition cash flows	2,418,755	270,025	2,688,780	659,401	306,717	966,118
Estimates of insurance/takaful acquisition cash flows	81,539	7,352	88,891	21,307	8,459	29,766
Estimate of present value of future cash outflows	2,500,294	277,377	2,777,671	680,708	315,176	995,884
Estimates of present value of future cash inflows	(3,127,086)	(269,503)	(3,396,589)	(1,023,964)	(321,411)	(1,345,375)
Risk adjustment	148,940	24,726	173,666	69,789	31,651	101,440
Contractual service margin	477,852	-	477,852	273,467	-	273,467
Amount included in insurance contracts/takaful certificates liabillities for the period	**-**	**32,600**	**32,600**	**-**	**25,416**	**25,416**

21. Insurance/reinsurance contracts and takaful/retakaful certificates assets and liabilities (cont'd.)

d) The components of new business (cont'd.)

Insurance contracts/takaful certificates issued (cont'd.)

Family Takaful - Other than PAA

	2025			2024		
	Contracts issued			Contracts issued		
	Non-onerous RM'000	Onerous RM'000	Total RM'000	Non-onerous RM'000	Onerous RM'000	Total RM'000
Takaful certificates liabilities						
Estimate of present value of future cash outflows, excluding takaful acquisition cash flows	18,668	2,821	21,489	18,561	12,591	31,152
Estimates of takaful acquisition cash flows	84,681	12,443	97,124	94,336	12,502	106,838
Estimate of present value of future cash outflows	103,349	15,264	118,613	112,897	25,093	137,990
Estimates of present value of future cash inflows	(154,752)	(10,587)	(165,339)	(173,129)	(15,961)	(189,090)
Risk adjustment	5,142	782	5,924	5,695	1,255	6,950
Contractual service margin	46,261	-	46,261	54,537	-	54,537
Amount included in takaful certificates liabillities for the period	**-**	**5,459**	**5,459**	**-**	**10,387**	**10,387**

21. Insurance/reinsurance contracts and takaful/retakaful certificates assets and liabilities (cont'd.)

d) The components of new business (cont'd.)

Reinsurance contracts/retakaful certificates held

General reinsurance/retakaful - Other than PAA

	Contracts purchased Non-onerous	
	2025 RM'000	2024 RM'000
Reinsurance contracts/retakaful certificates assets		
Estimate of present value of future cash outflows	(369,509)	(460,078)
Estimates of present value of future cash inflows	209,316	270,271
Risk adjustment	20,556	20,097
Contractual service margin	174,131	181,469
Recovery of losses on onerous contracts at initial recognition	**34,494**	**11,759**

21. Insurance/reinsurance contracts and takaful/retakaful certificates assets and liabilities (cont'd.)

e) CSM recognition in income statement

The disclosure of when the CSM is expected to be in income in future years is presented below:

General reinsurance/retakaful - Other than PAA

	Less than 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	More than 5 years RM'000	Total RM'000
31 March 2025							
Insurance contracts/takaful certificates issued	**302,237**	**92,441**	**72,721**	**21,842**	**1,376**	**8,421**	**499,038**
Reinsurance contracts/retakaful certificates held	**(41,381)**	**(6,443)**	**(196)**	**(119)**	**(101)**	**(45)**	**(48,285)**
	260,856	**85,998**	**72,525**	**21,723**	**1,275**	**8,376**	**450,753**
31 March 2024							
Insurance contracts/takaful certificates issued	347,964	52,906	2,687	834	374	(431)	404,334
Reinsurance contracts/retakaful certificates held	(58,026)	(3,493)	38	18	26	8	(61,429)
	289,938	49,413	2,725	852	400	(423)	342,905

Family Takaful - Other than PAA

	Less than 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	More than 5 years RM'000	Total RM'000
31 March 2025							
Takaful certificates issued	**20,509**	**19,026**	**17,622**	**16,329**	**15,129**	**151,290**	**239,905**
31 March 2024							
Takaful certificates issued	21,584	20,249	18,708	17,247	15,842	151,705	245,335

The Group's reinsurance/retakaful business expects to recognise the CSM in income statements for existing contracts within five years, which represents the longest coverage period for the contracts/certificates in force issued. The expected timeline for the CSM recognition for reinsurance contracts/retakaful certificates held is in line with reinsurance contracts/retakaful certificates issued.

22. Tax recoverable/(payable)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Tax recoverable	**48,840**	26,698	**16,232**	13,506
Tax payable	**(6,366)**	(27,499)	**(203)**	(181)
	42,474	(801)	**16,029**	13,325

Included in the total tax recoverable are two pending appeal cases and tax paid in excess to the Inland Revenue Board ("IRB"). The pending appeal cases relate to MNRB and Takaful IKHLAS Family, as follows:

(i) The IRB had, on 8 September 2017, issued notices of additional assessment (i.e. Forms JA) to the Company for the years of assessment ("YA") 2008 to 2014, disallowing the interest expense that the Company had deducted as part of its business expense in arriving at the taxable profit.

The additional tax payable by the Company under the above-mentioned notices was RM13,576,000. IRB had also treated the tax returns made by the Company for the above YA as incorrect, and imposed a penalty of RM6,109,000 to the Company. This brought the total amount payable to IRB to RM19,685,000.

The Company disagreed with the additional assessment imposed by IRB for the above YA and had submitted a notice of appeal by filing Form Q with the Special Commissioner of Income Tax ("SCIT") on 6 October 2017. The next date for an update to the SCIT is 5 June 2024.

Notwithstanding the appeal and the hearing before the SCIT, the Company had paid the total amount payable of RM19,685,000. The Company is also at liberty to pursue an amicable settlement of this matter. Based on legal advice, the Company is of the view that there are strong justifications for its appeal and has treated the above tax payment as tax recoverable.

A settlement agreement between the IRB and the Company was entered into on 29 October 2024 to settle the matter out of court for the amount of RM13,990,934 in favour of the Company. The Company already wrote down the amount of tax recoverable by RM5,693,859 in the financial year 2024 to reflect the irrecoverable taxes as a result of the settlement during the discussion process.

(ii) The IRB had, on 28 December 2018, issued notices of additional assessments to Takaful IKHLAS Family for YA 2011 and 2013 for RM3,052,000 and RM2,147,000 respectively.

Takaful IKHLAS Family disagreed with the additional assessment imposed by IRB for the above YA and had submitted a notice of appeal by filing Form Q with the Special Commisioner of Income Tax ("SCIT") on 24 January 2019.

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22. Tax recoverable/(payable) (cont'd.)

During the course of the case management on 11 April 2023, IRB informed the SCIT that they needed more time to consider the draft Questions for Determination and the SCIT had fixed 10 August 2023 for the parties to finalise the cause papers. A new hearing date is pending from the SCIT.

Notwithstanding the appeal and the proposed hearing before the SCIT, Takaful IKHLAS Family had paid all outstanding taxes to the IRB in accordance to the requirements of the Income Tax Act, 1967 to mitigate against any potential penalty.

Takaful IKHLAS Family is of the view that there are strong justifications for its appeal and has treated the said payment as tax recoverable. As at the date of the financial statements, the management and the IRB are in discussion for a global settlement of YA 2010 to YA 2013 tax matters and YA 2023 matter.

Takaful IKHLAS Family has also recognised tax recoverable in relation to income taxes paid on profits from government guaranteed sukuk that are eligible for tax remission for the YA 2019 to 2024. As the tax remission is granted under gazette order and computed pursuant to the formula agreed by the insurance/takaful associations with the Ministry of Finance, Takaful IKHLAS Family takes the view that the amounts are recoverable and due to Takaful IKHLAS Family from the IRB.

23. Borrowings

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At amortised costs:				
Sukuk Murabahah Programme ("Sukuk")/Medium Term Notes ("MTN")	**620,000**	620,000	**420,000**	420,000
At fair value:				
Sukuk Murabahah Programme ("Sukuk")/Medium Term Notes ("MTN")	**680,660**	677,353	**426,850**	422,768

Sukuk Murabahah Programme

On 22 March 2024, the Company had issued an RM420 million nominal value subordinated sukuk which qualifies as Tier-2 capital under the RBC/RBCT Framework issued by BNM. The subordinated sukuk carries a tenure of ten (10) years from issue date on a 10-year, non-callable 5-year basis with a fixed profit rate of 4.46% per annum payable in semi-annually in arrears.

Medium Term Notes ("MTN")

On 26 October 2022, the Group issued an additional RM200,000,000 nominal value subordinated MTN which qualifies as Tier-2 capital under the RBC/RBCT Framework issued by BNM. The subordinated MTN carries a tenure of ten (10) years from issue date on a 10-year, non-callable 5-year basis with a fixed interest rate of 5.21% per annum payable in semi-annually in arrears.

24. Other payables

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Advance contributions	**-**	3,994	**-**	-
Proposal and other deposit	**12,439**	17,136	**-**	-
Provisions:				
Marketing-related expenses	**37,394**	38,831	**-**	-
Staff bonus	**45,684**	44,395	**15,765**	12,596
Roadside assistance	**2,401**	938	**-**	-
Others	**15,431**	15,912	**731**	585
Unidentified credit items	**28,726**	-	**-**	-
Amount due to subsidiaries *	**-**	-	**83**	390
Agency provident fund	**3,456**	4,653	**-**	-
Payables **	**69,516**	47,265	**7,873**	7,114
Accruals ***	**36,700**	60,406	**6,225**	5,126
	251,747	233,530	**30,677**	25,811

* These amounts are non-trade in nature, unsecured, not subject to any interest/profit elements and repayable on demand.
** Payables comprise amount due to sundry creditors and intermediaries.
*** Accruals comprise of IT related expenses.

The carrying amounts disclosed above approximate fair values due to their relatively short term nature.

25. Share capital

	Number of ordinary shares		Amount	
Group and Company	2025 '000	2024 '000	2025 '000	2024 '000
Issued and fully paid; at no par value:				
At 1 April / 31 March	**783,088**	783,088	**738,502**	738,502

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26. Dividend

	Group and Company	
	2025 RM'000	2024 RM'000
Recognised during the financial year:		
In respect of the financial year ended 31 March 2024:		
Final single-tier dividend of 5.0 sen per ordinary share on 783,086,696 ordinary shares, declared on 26 September 2024 and paid on 24 October 2024	**39,155**	-
Final single-tier special dividend of 5.0 sen per ordinary share on 783,086,696 ordinary shares, declared on 26 September 2024 and paid on 24 October 2024	**39,155**	-
In respect of the financial year ended 31 March 2023:		
Final single-tier dividend of 4.45 sen per ordinary share on 783,086,696 ordinary shares, declared on 21 September 2023 and paid on 31 October 2023	**-**	34,847
	78,310	34,847

As at the date of this report, no dividend has been declared or proposed by the Group and the Company in respect of the current financial year.

27. Earnings per share

The basic and diluted earnings per share are calculated by dividing the net profit for the year attributable to equity holders of the holding company by the number of ordinary shares in issue during the year.

	Group		Company	
	2025	2024	2025	2024
Net profit for the year (RM'000)	**394,246**	433,539	**142,183**	73,077
Weighted average number of ordinary shares in issue ('000) (Note 25)	**783,088**	783,088	**783,088**	783,088
Basic and diluted earnings per share (sen)	**50.3**	55.4	**18.2**	9.3

The Group and the Company have no dilution in their earnings per ordinary share as there are no dilutive potential ordinary shares.

28. Capital commitments and contingencies

The commitments of the Group and of the Company as at the end of financial year are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Authorised and contracted for:				
- Property and equipment	**5,840**	3,638	**333**	31
- Intangible assets*	**18,915**	9,406	**598**	4,572
	24,755	13,044	**931**	4,603
Authorised but not contracted for:				
- Property and equipment	**6,609**	3,183	**3,964**	2,004
- Intangible assets*	**24,064**	5,359	**5,288**	-
	30,673	8,542	**9,252**	2,004

* Relating to purchases for enhancements of the computer system of the Group and of the Company.

Contingencies

The Group has provided bank guarantees on the services contracts with external parties of RM1,060,762 (2024: RM682,596) in the form of cash deposit in margin accounts.

29. Related party disclosures

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

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel include all the Directors of the Group and of the Company, and certain members of senior management of the Group and of the Company.

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29. Related party disclosures (cont'd.)

(a) The significant transactions with related parties are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Income/(expenses):				
Transactions with subsidiaries:				
Management fee income	**-**	-	**74,168**	57,139
Management fee expense	**-**	-	**-**	(256)
Net dividend income	**-**	-	**150,000**	102,365
Management expense chargeback	**-**	-	**7,513**	9,553
Payment of lease liabilities	**-**	-	**(1,250)**	(1,250)
Rental expenses for property	**-**	-	**(171)**	(163)
Interest income	**-**	-	**2,240**	2,246
Gross contributions	**-**	-	**(1,602)**	(1,325)
Transactions with associate:				
Net dividend income	**-**	-	**400**	400

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

(b) Related party balances

Included in the statement of financial position are amounts due from/(to) related parties represented by the following:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Balances with subsidiaries:				
Unquoted corporate debt securities	**-**	-	**51,000**	50,759
Other receivables	**-**	-	**22,851**	15,275
Balances with an associate:				
Takaful certificate payables	**(921)**	(921)	**-**	-

29. **Related party disclosures (cont'd.)**

(c) **The key management personnel compensations are as follows:**

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
PGCEO/Executive director of the Group and of the Company:				
Salaries and bonus	**2,289**	1,870	**1,291**	1,870
Pension costs - EPF and SOCSO	**421**	318	**237**	318
Benefits-in-kind	**56**	18	**25**	18
Others	**723**	52	**627**	52
	3,489	2,258	**2,180**	2,258
Non-executive directors of the Group and of the Company:				
Fees	**1,491**	1,346	**817**	710
Benefits-in-kind and other emoluments	**638**	533	**398**	300
	2,129	1,879	**1,215**	1,010
Non-executive directors of the subsidiaries:				
Fees	**1,215**	1,074	**-**	-
Others	**424**	256	**-**	-
	1,639	1,330	**-**	-
Group Shariah Committee members:				
Fees	**258**	243	**-**	-
Meeting allowances	**72**	67	**-**	-
	330	310	**-**	-
Other key management personnel's remuneration:				
Salaries and bonus	**23,331**	21,391	**7,203**	5,881
Pension costs - EPF and SOCSO	**3,807**	3,448	**1,171**	922
Allowances	**3,231**	1,981	**913**	798
Benefits-in-kind	**70**	1,333	**-**	-
	30,439	28,153	**9,287**	7,601

30. Risk management framework

The Group Risk Management Framework and Policy ("RM Framework") was established to provide a set of guidelines for implementing risk management throughout the Group. It encompasses the Group's risk management:

(i) **strategy,** by having appropriate risk management objectives, policy and appetite;
(ii) **architecture,** by setting up risk management roles and responsibilities, communication and reporting structure; and
(iii) **protocols,** by describing the procedures, methodologies, tools and techniques for risk management.

Risk management is the process of identifying, assessing, measuring, controlling, mitigating, and continuously monitoring the risks in respect of the Group as a whole. It involves regular self-assessments of all reasonably foreseeable and material risks that the Group faces, including their inter-relationships and the maintenance of a link between ongoing risk management and mid to long term business goals, strategies and capital needs.

The RM Framework aims to serve as a guide for the effective management of risks throughout the Group. The Framework is intended to provide guidance to the Group in performing its risk management roles and responsibilities and ultimately aims to support the achievement of the Group's strategic and financial objectives.

The primary objectives of the RM Framework are as follows:

(i) Embeds the Risk Management process and ensures it is an integral part of the Group's planning process at a strategic and operational level;
(ii) Facilitates effective risk oversight through a clear internal risk governance structure and responsibilities;
(iii) Creates a risk awareness culture from a strategic, operational, and individual perspective;
(iv) Gives credibility to the process and engages management's attention to the treatment, monitoring, reporting and review of identified risks as well as considering new and emerging risks on a continuous basis;
(v) Ensures appropriate strategies are in place to mitigate risks and maximize opportunities;
(vi) Allows the Group and operating entities to proactively manage their risks in a systematic and structured way and to continually refine their processes to reduce their risk profile, thereby maintaining a safer environment for their stakeholders;
(vii) Aligns the Group's risk management practices with its sustainability principles;
(viii) Provides a single point of reference for managing risks in a systematic and structured way; and
(ix) Standardises risk terminologies across the Group to facilitate a consistent and uniform approach in managing risks.

In pursuit of the above objectives, it is the Group's policy to adhere to, and comply with, all relevant governance and regulatory requirements and implement best practice with regards to risk management principles. The Group also aims to uphold high standards of business practices in all its activities.

(a) Risk management governance

The Board and Senior Management collectively have responsibility and accountability for setting the objectives, defining strategies to achieve those objectives, and establishing governance structures and processes to best manage the risks in accomplishing those objectives.

The Group has adopted the Three Lines of Defense governance model which provides a formal, transparent, and effective risk governance structure to promote active involvement from the Board, Senior Management, and all employees in the risk management process across the Group.

In addition, the Group and respective entities have set up an in-house risk management function, compliance function and committee on a group and entity wide basis to ensure efficient risk management.

30. Risk management framework (cont'd.)

(a) Risk management governance (cont'd.)

The roles and responsibilities of the functions structure are as follows:

(i) The Board had established a dedicated Board Committee known as the Risk Management Committee of the Board ("RMCB") to support the Board in meeting the expectations and responsibilities on the risk and compliance management, provides assurance to the Board that the processes have been carried out effectively and inculcates a risk management culture on a group-wide basis. This is replicated at each of the main operating subsidiaries (Malaysian Re, Takaful IKHLAS Family and Takaful IKHLAS General);

(ii) The Audit Committee ("AC") was established to complement the role of the Board by providing an independent assessment of the adequacy and effectiveness of governance, risk management and internal control. The Audit Committee is assisted by an independent Internal Audit Department in performing its role;

(iii) The Group Shariah Committee ("GSC") is established to provide objective and expert advice to the Group to ensure that its aims and operations, business, affairs and activities are in compliance with Shariah;

(iv) The Group Management Committee ("GMC"), together with the Senior Management Committee ("SMC") of MNRB and its main operating subsidiaries oversee the implementation of risk and compliance management processes, establish and implement appropriate organisational structures and systems for managing financial and non-financial risks;

(v) The Group Management Risk & Compliance Committee ("GMRCC"), which comprises the President & Group Chief Executive Officers ("President & GCEO"), the President & Chief Executive Officer ("President & CEOs") of main operating subsidiaries and selected members of Senior Management from MNRB is established to support the GMC/respective SMCs to implement the risk and compliance management processes, establish clear guidance in managing the Group's risk to ensure its alignment to their respective risk appetite for all business strategies and activities;

(vi) The Group Information Technology Steering Committee ("Group ITSC"), chaired by the President & GCEO, is established to oversee the implementation of Information and Technology ("IT") strategic plans and provide direction in support of IT related initiatives and activities. ITSC has also been established at the respective main operating subsidiaries;

(vii) Group Business Continuity Management Committee ("GBCMC") is established and is responsible to review and recommend changes to the Group Business Continuity Management ("BCM") Framework, evaluate the business continuity, crisis management, and disaster recovery plans, approve the BCM programme workplan and deliberate on issues related to crisis management and recovery centers;

(viii) The Group Chief Risk Officer ("GCRO") oversees risk governance across the Group and is supported by the Head of Risk Management of the main operating subsidiaries. Together, they assist the GMRCC and the respective Risk Committees of the Board in ensuring effective implementation and maintenance of RM Framework and its sub-framework. Primarily, the main operating subsidiaries provide the necessary infrastructure to carry out the risk management function and the Risk Management Department acts as the central contact and guide for risk management issues within the respective subsidiaries; and

(ix) At the operational level, the implementation of risk management processes in the day-to-day operations of the Group are facilitated by Heads of Department as well as embedded risk managers of each department, guided by various components of the RM Framework.

A dedicated Group Investment Committee ("GIC") has been established to oversee with investment risks and assets allocation, reporting directly to the Board. The GIC is supported by the Group Investment Management Committee ("GIMC") which includes key senior executives such as the PCEOs of main operating subsidiaries, the Group Chief Financial Officer, and the Group Chief Investment Officer.

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30. Risk management framework (cont'd.)

(a) Risk management governance (cont'd.)

To ensure effective risk management, the Group has implemented a Group Investment Policy ("GIP"), which provides a high-level framework for investment decisions. The policy governs investments in government and corporate bonds/Sukuk, deposits with licensed financial institutions, and other marketable securities.

To enhance clarity and governance, the GIP is supplemented by a separate Group Investment Guidelines ("GIG") document. This separation distinguishes the GIP's strategic objectives from the GIG's detailed investment management rules, ensuring alignment with relevant regulatory frameworks of Risk Based Capital for Insurers ("RBCI") and Risk Based Capital for Takaful ("RBCT").

Investment Management and Asset-Liability Management committees have been established at each main subsidiary to oversee and monitor asset-liability mismatches, duration gaps, credit risk profiles, cash flow analysis and overall asset management. These committees report directly to the Board of the respective subsidiaries through GIC.

(b) Capital management

The Internal Capital Adequacy Assessment Process ("ICAAP") encompasses the overall process where the subsidiaries ensure adequate capital is available to meet its capital requirements on an ongoing basis, under normal and stressed conditions, in line with BNM Guidelines on Internal Capital Adequacy Assessment for Insurers, Internal Capital Adequacy Assessment for Takaful Operators, Risk-Based Capital Framework for Insurers ("RBC Framework"), Risk-Based Capital Framework for Takaful Operators ("RBCT Framework") and Policy Document on Stress Testing.

The ICAAP Policy also requires the subsidiaries to set an Individual Target Capital Level ("ITCL") based on its business strategies, risk profiles and risk management practices. The subsidiaries' prevailing ITCL is above the minimum regulatory capital requirement outlined under the RBC/RBCT Framework.

Based on the material risks identified, the main operating subsidiaries assess the overall capital adequacy, and develop the Capital Management Plan ("CMP"), where the main objective is to monitor and maintain, at all times, an appropriate level of capital which commensurate with the main operating subsidiaries' business operations and the resultant risk profiles.

The CMP outlines the criteria, mechanism and process flow to manage the level of Capital Adequacy Ratio ("CAR") of the main operating subsidiaries. This includes the thresholds, triggers, and action plans in place which could be undertaken to reduce the level of risks or strengthen capital available. The action plans shall be triggered upon the CAR reaching the respective thresholds. These actions are chosen with consideration to the possible adverse scenarios relative to normal operating conditions.

In this regard, the Group also measures and monitors its capital position through its Group Capital Adequacy Ratio ("GCAR") and Group Capital Sufficiency Indicator ("GCSI"), in line with BNM's capital requirement for Insurance Groups.

30. Risk management framework (cont'd.)

(c) Regulatory framework

MNRB and its main operating subsidiaries are required to comply, as applicable, with the Financial Services Act ("FSA") 2013, the Islamic Financial Services Act ("IFSA") 2013, the Companies Act 2016, other relevant Acts, and Policy Documents issued by BNM from time to time.

In line with the RBC and RBCT Framework's requirements on capital adequacy, the main operating subsidiaries actively manage their capital by taking into account the potential impact of business exposure on their business strategies, risk profiles and overall resilience.

In addition, MNRB is required to comply with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa"), and the Capital Markets and Services Act 2007.

31. Insurance/takaful risk

The following disclosures relating to the underwriting risk of the Group are presented separately for each specific business unit. Elimination of intra-Group transactions are not considered as the disclosures represent how each business unit within the Group assesses and manages underwriting risk.

(a) General reinsurance/retakaful

(i) Nature of risk

The general reinsurance/retakaful by Malaysian Re principally underwrites general reinsurance and retakaful contracts in relation to the following main breakdown: Voluntary Cession and Auto facultative (VC and Auto Fac), Facultative, Treaty-Proportional treaty, and Treaty-Non Proportional treaty. Risks under these contracts usually cover a 12 months duration other than some long-term contracts, such as construction contracts which may cover up to 3 years or more. The most significant risk arises from adverse development of claims and the occurrence of new catastrophe losses. These risks vary significantly in relation to the economic conditions and territories from which the risks are underwritten. The reinsurance subsidiary/retakaful division is exposed to concentration risk through its reinsurance and retakaful contracts, which may be concentrated in certain geographic regions, line of business and type of coverages.

The above risks are mitigated by diversification across a large portfolio of business to ensure a balanced mix and spread of business. Diversification through the implementation of underwriting strategies reduces the volatility of losses and improves the overall portfolio experience.

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31. Insurance/takaful risk (cont'd.)

(a) General reinsurance/retakaful (cont'd.)

(i) Nature of risk (cont'd.)

The table below discloses the business by types of coverage, by local and overseas risks, by insurance contracts and takaful certificates issued:

	Gross RM'000	Reinsurance/ retakaful RM'000	Net RM'000
2025			
VC and Auto Fac	**708,730**	**10,412**	**719,142**
Facultative	**243,229**	**2,307**	**245,536**
Treaty - Proportional	**1,725,735**	**(204,136)**	**1,521,599**
Treaty - Non proportional	**455,422**	**(81,114)**	**374,308**
Qard and UW Surplus	**77,620**	**-**	**77,620**
	3,210,736	**(272,531)**	**2,938,205**
Local	**1,596,553**	**(74,920)**	**1,521,633**
Overseas	**1,614,183**	**(197,611)**	**1,416,572**
	3,210,736	**(272,531)**	**2,938,205**
Reinsurance	**3,061,739**	**(261,501)**	**2,800,238**
Retakaful	**148,997**	**(11,030)**	**137,967**
	3,210,736	**(272,531)**	**2,938,205**
2024			
VC and Auto Fac	688,392	20,904	709,296
Facultative	239,371	2,532	241,903
Treaty - Proportional	1,652,052	(30,861)	1,621,191
Treaty - Non proportional	288,197	(149,637)	138,560
Qard and UW Surplus	56,777	-	56,777
	2,924,789	(157,062)	2,767,727
Local	1,510,926	(115,136)	1,395,790
Overseas	1,413,864	(41,927)	1,371,937
	2,924,790	(157,063)	2,767,727
Reinsurance	2,800,572	(134,694)	2,665,878
Retakaful	124,218	(22,369)	101,849
	2,924,790	(157,063)	2,767,727

31. Insurance/takaful risk (cont'd.)

(a) General reinsurance/retakaful (cont'd.)

(i) Nature of risk (cont'd.)

The losses are further mitigated by ensuring that the Malaysian Re's retrocession/retrotakaful arrangements are effective and adequate. Clear underwriting guidelines as approved by the Board are used to ensure all risks are written in accordance with the approved limits and catastrophe aggregates are managed within the capacity of the retrocession/retrotakaful programmes. Pricing tool ensures the risks exposures are adequately priced.

The General reinsurance/retakaful by Malaysian Re's retrocession/retrotakaful programmes are reviewed by the Retrocession Committee ("RC") and GMRCC and subsequently, as delegated by the Board, recommended to the RMCB for approval. The RC is responsible to ensure all aspects of the business operations, risk management including risk appetite, risk tolerance and business strategies of the General reinsurance/retakaful by Malaysian Re were taken into consideration in the overall procurement of Malaysian Re's Retrocession program and being carried out in the best interest of the General reinsurance/retakaful by Malaysian Re. Selection of reinsurers participating in the Retrocession programs of Malaysian Re is in accordance with the criteria stipulated by BNM and the Board.

Stress testing is performed at least once a year and may be performed more frequently if required. The purpose of the stress testing is to test the solvency and financial viability of the General reinsurance/retakaful by Malaysian Re's business under the various scenarios as guided by regulatory guidelines. Stress tests and scenario analysis are used to assess the General reinsurance by Malaysian Re's ability to maintain minimum specified levels of capital and liquidity in exceptional but plausible events and ensure consideration of the financial impact of plausible events in the decision-making process and the effectiveness of management actions under stressed conditions.

(ii) Reserving risk

Reserving risk relates to the risk arising from inadequate reserves to meet the net claims amount payable. The determination of the General reinsurance/retakaful by Malaysian Re's insurance contracts/takaful certificates liabilities relies on the information derived from various sources such as historical claims experience, existing knowledge of occurred events, the terms and conditions of relevant contracts and interpretation of prevailing circumstances. Upon notification of a claim, the General reinsurance/retakaful by Malaysian Re sets aside case and technical reserves to meet the expected ultimate loss arising from this claim. These claim reserves are updated periodically taking into account the development of the claims. Case reserves are amounts set aside for individual reported claims, estimated based on the expected cost to settle each claim. Technical reserves, on the other hand, include provisions for claims that have occurred but have not yet been reported (Incurred But Not Reported - IBNR), as well as reserves for any adverse developments in existing claims. These claim reserves are updated periodically taking into account the development of the claims.

31. Insurance/takaful risk (cont'd.)

(a) General reinsurance/retakaful (cont'd.)

(ii) Reserving risk (cont'd.)

At each reporting date end, the General reinsurance/retakaful by Malaysian Re performs a valuation of liabilities for the purpose of ensuring that liabilities for remaining coverage and liabilities for incurred claims are objectively assessed and adequately provided for.

(iii) Catastrophe risk

The risk that a single or a series of catastrophe events, usually over a short period, which leads to a high number of claims or single large loss or combination of both. The consequences of the risk are minimised by having retrocession/retrotakaful coverage in place and retention in line with the risk appetite of the General reinsurance/retakaful by Malaysian Re.

(iv) Premium/Contribution risk

Premium/Contribution risk arises when premiums/contributions charged are insufficient to meet expected claims and expenses. This risk is mitigated by adhering to the underwriting guideline and ceding the risk above our risk appetite to retrocessionaires/retrotakaful providers with strong financial standing. Any deficiencies in the premium will be recognised in the income statement as loss component at the inception of the business.

(v) Impact on liabilities, profit and equity

Key assumptions

Liabilities are determined based upon previous claims experience, existing knowledge of events, the terms and conditions of the relevant contracts/certificates and interpretation of circumstances. Particularly relevant are past experiences with similar cases, historical claims development trends, legislative changes, judicial decisions and economic conditions.

The inherent uncertainties in estimating liabilities arise from a variety of factors such as the range and quality of data available, underlying assumptions made and random volatility in future experience.

Sensitivity analysis

The insurance contracts/takaful certificates liabilities are sensitive to various key factors which are both internal and external. External factors to which the General reinsurance/retakaful by Malaysian Re is sensitive to include:

(i) Claims practices of ceding companies;
(ii) Frequency and severity of claims incurred by cedants;
(iii) Changes in premium/contribution rates in insurance/takaful;
(iv) Changes in reinsurance/retakaful markets; and
(v) Legislative and regulatory changes.

31. Insurance/takaful risk (cont'd.)

(a) General reinsurance/retakaful (cont'd.)

(v) Impact on liabilities, profit and equity (cont'd.)

Sensitivity analysis (cont'd.)

The analysis below is performed on possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net of retrocession/retrotakaful for profit before tax and shareholder's equity. The correlations of assumptions will have a significant effect on the sensitivity analysis but to demonstrate the impact due to changes in specific assumptions, the sensitivity analysis is performed on an individual basis. It should be noted that movements in these assumptions are non-linear. Sensitivity information will also vary according to the current business profile and economic assumptions.

	Change in assumptions*	Impact on profit before tax gross of reinsurance/ retakaful** RM'000	Impact on profit before tax net of reinsurance/ retakaful** RM'000	Impact on equity gross of reinsurance/ retakaful*** RM'000	Impact on equity net of reinsurance/ retakaful*** RM'000	Impact on liabilities gross of reinsurance /retakaful RM'000	Impact on liabilities net of reinsurance/ retakaful RM'000
2025							
Ultimate loss ratio	+5%	(173,242)	(157,267)	(159,382)	(144,685)	178,281	162,068
Discount rates	+25 bp	(1,225)	(3,228)	(1,127)	(2,970)	(28,674)	(26,150)
Foreign currency	+5%	2,111	1,904	1,942	1,752	104,415	94,160
Ultimate loss ratio	-5%	170,615	155,173	156,965	142,759	(175,660)	(159,944)
Discount rates	-25 bp	1,385	1,274	3,416	3,142	29,056	26,499
Foreign currency	-5%	(2,111)	(1,904)	(1,942)	(1,752)	(104,415)	(94,160)

* Stress is a multiplicative function.
** The amounts for the gross basis refer for both LIC & LRC.
*** The impact on equity reflects the impact after tax of 8% (2024: 8%), where applicable.

The method used in performing the sensitivity analysis is consistent with the prior year.

31. Insurance/takaful risk (cont'd.)

(a) General reinsurance/retakaful (cont'd.)

(v) Impact on liabilities, profit and equity (cont'd.)

Sensitivity analysis (cont'd.)

	Change in assumptions*	Impact on profit before tax gross of reinsurance/ retakaful** RM'000	Impact on profit before tax net of reinsurance/ retakaful** RM'000	Impact on equity gross of reinsurance/ retakaful*** RM'000	Impact on equity net of reinsurance/ retakaful*** RM'000	Impact on liabilities gross of reinsurance /retakaful RM'000	Impact on liabilities net of reinsurance/ retakaful RM'000
2024							
Ultimate loss ratio	+5%	(172,633)	(158,497)	(158,822)	(145,818)	175,647	161,355
Discount rates	+25 bp	3,816	3,511	1,810	1,666	(19,880)	(17,810)
Foreign currency	+5%	18,957	17,175	17,440	15,800	102,289	92,669
Ultimate loss ratio	-5%	163,695	149,775	150,599	137,793	(166,532)	(152,464)
Discount rates	-25 bp	(3,736)	(3,437)	(1,705)	(1,568)	20,099	18,003
Foreign currency	-5%	(18,957)	(17,175)	(17,440)	(15,800)	(102,289)	(92,669)

* Stress is a multiplicative function.
** The amounts for the gross basis refer for both LIC & LRC.
*** The impact on equity reflects the impact after tax of 8% (2024: 8%), where applicable.

The method used in performing the sensitivity analysis is consistent with the prior year.

(vi) Claims development table

The following tables show the estimate of cumulative ultimate incurred claims, including both claims provisions and IBNR for each successive underwriting year at each financial year end, along with cumulative claim payments to-date.

In setting provisions for claims, the General reinsurance/retakaful by Malaysian Re gives consideration to the probability and magnitude of future experience at best estimate level with a degree of caution in setting reserves when there is considerable uncertainty. In general, the uncertainty associated with the ultimate claims experience for an underwriting year is the greatest when the claim is at an early stage of development.

The ultimate liability projection for Underwriting Year ("UWY") 2025 will only be available once the General reinsurance/retakaful by Malaysian Re has completed the underwriting of its business for the period from 1 January 2025 to 31 December 2025.

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31. Insurance/takaful risk (cont'd.)

(a) General reinsurance/retakaful (cont'd.)

(vi) Claims development table (cont'd.)

Gross liability for Incurred Claims ("LIC") for 2025:

Underwriting year	Before 2019 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000	Subtotal RM'000
At the end of accident year		-	-	-	1,015,635	801,407	646,564	776,560	
One year later		-	-	926,423	1,443,904	1,486,803	1,323,018	-	
Two years later		-	803,946	916,687	1,560,518	1,220,849	-	-	
Three years later		839,794	796,453	890,144	1,535,998	-	-	-	
Four years later		823,012	787,445	853,546	-	-	-	-	
Five years later		813,669	752,705	-	-	-	-	-	
Six years later		792,554	-	-	-	-	-	-	
Current estimate of cumulative undiscounted claims incurred		**792,554**	**752,705**	**853,546**	**1,535,998**	**1,220,849**	**1,323,018**	**776,560**	
At the end of accident year		-	-	-	98,272	59,557	120,159	95,581	
One year later		-	-	332,955	634,343	441,457	462,841	-	
Two years later		-	504,333	519,684	1,010,685	648,368	-	-	
Three years later		689,320	598,163	633,530	1,156,417	-	-	-	
Four years later		705,750	649,437	679,528	-	-	-	-	
Five years later		731,274	660,674	-	-	-	-	-	
Six years later		726,406	-	-	-	-	-	-	
Cumulative payments to-date		**726,406**	**660,674**	**679,528**	**1,156,417**	**648,368**	**462,841**	**95,581**	
Gross liabilities for incurred claims:	**208,896**	**66,148**	**92,031**	**174,018**	**379,581**	**572,481**	**860,177**	**680,979**	**3,034,311**

	RM'000
Latest UWY BE LIC	60,648
Claim handling expenses	21,400
Total Best Estimate of LIC	**3,116,359**
Risk Adjustment at 75% Confidence Interval	279,565
Discounting impact	(90,121)
Forex Impact	(112,622)
Trade balances	415,179
Incurred claims from Family Retakaful and Shareholder funds	135,352
Inter-company elimination	(93,400)
Liability for Incurred Claims	**3,650,312**

31. **Insurance/takaful risk (cont'd.)**

(a) **General reinsurance/retakaful (cont'd.)**

(vi) **Claims development table (cont'd.)**

Net LIC for 2025:

Underwriting year	Before 2019 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000	Subtotal RM'000
At the end of accident year		-	-	-	701,161	792,897	580,971	712,775	
One year later		-	-	904,785	1,073,931	1,428,386	1,189,885	-	
Two years later		-	791,936	895,116	1,207,310	1,095,189	-	-	
Three years later		736,048	787,432	873,784	1,178,988	-	-	-	
Four years later		728,215	778,864	836,586	-	-	-	-	
Five years later		716,569	740,511	-	-	-	-	-	
Six years later		689,556	-	-	-	-	-	-	
Current estimate of booked ultimate claims incurred (a)		**689,556**	**740,511**	**836,586**	**1,178,988**	**1,095,189**	**1,189,885**	**712,775**	
At the end of accident year		-	-	-	98,202	55,134	98,521	66,012	
One year later		-	-	332,823	407,912	413,189	423,610	-	
Two years later		-	504,281	519,622	694,992	565,103	-	-	
Three years later		600,631	596,451	633,436	822,756	-	-	-	
Four years later		616,488	646,642	663,372	-	-	-	-	
Five years later		641,452	653,557	-	-	-	-	-	
Six years later		627,076	-	-	-	-	-	-	
Cumulative payments to-date (b)		**627,076**	**653,557**	**663,372**	**822,756**	**565,103**	**423,610**	**66,012**	
Expected claim liabilities (a) - (b)	203,112	62,480	86,954	173,214	356,232	530,086	766,275	646,763	2,825,116

	RM'000
Latest UWY BE AIC	57,847
Claim handling expenses	21,400
Total Best Estimate of AIC	**2,904,363**
Fund PRAD at 75% confidence interval	256,287
Discounting impact	(81,015)
Forex Impact	(106,419)
Trade balances	364,057
Incurred claims from Family Retakaful and Shareholder funds	54,018
Inter-company elimination	(93,400)
Net general reinsurance/retakaful claim liabilities	**3,297,891**

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31 MARCH 2025

31. **Insurance/takaful risk (cont'd.)**

(a) **General reinsurance/retakaful (cont'd.)**

(vi) Claims development table (cont'd.)

Gross LIC for 2024:

Underwriting year	Before 2018 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	Subtotal RM'000
At the end of accident year		-	-	-	-	1,015,635	801,407	646,564	
One year later		-	-	-	926,423	1,443,904	1,486,803	-	
Two years later		-	-	803,946	916,687	1,560,518	-	-	
Three years later		-	839,794	796,453	890,144	-	-	-	
Four years later		625,661	823,012	787,445	-	-	-	-	
Five years later		631,193	813,669	-	-	-	-	-	
Six years later		626,744	-	-	-	-	-	-	
Current estimate of cumulative undiscounted claims incurred		**626,744**	**813,669**	**787,445**	**890,144**	**1,560,518**	**1,486,803**	**646,564**	
At the end of accident year		-	-	-	-	98,272	59,557	120,159	
One year later		-	-	-	332,955	634,343	441,457	-	
Two years later		-	-	504,333	519,684	1,010,685	-	-	
Three years later		-	689,320	598,163	633,530	-	-	-	
Four years later		543,550	705,750	649,437	-	-	-	-	
Five years later		566,080	731,274	-	-	-	-	-	
Seven years later		587,399	-	-	-	-	-	-	
Cumulative payments to-date		**587,399**	**731,274**	**649,437**	**633,530**	**1,010,685**	**441,457**	**120,159**	
Gross liabilities for incurred claims	226,092	39,345	82,395	138,008	256,614	549,833	1,045,346	526,405	2,864,038
Latest UWY BE LIC									27,699
Claim handling expenses									25,754
Total Best Estimate of LIC									**2,917,491**
Risk Adjustment at 75% Confidence Interval									232,959
Discounting impact									(277,708)
Forex Impact									81,378
Trade balances									206,808
Incurred claims from Family Retakaful and Shareholder funds									107,988
Liability for Incurred Claims									**3,268,916**

31. **Insurance/takaful risk (cont'd.)**

(a) **General reinsurance/retakaful (cont'd.)**

(vi) **Claims development table (cont'd.)**

Net LIC for 2024:

Underwriting year	Before 2018 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	Subtotal RM'000
At the end of accident year		-	-	-	-	701,161	792,897	580,971	
One year later		-	-	-	904,785	1,073,931	1,428,386	-	
Two years later		-	-	791,937	895,116	1,207,310	-	-	
Three years later		-	736,048	787,432	873,784	-	-	-	
Four years later		606,856	728,215	778,864	-	-	-	-	
Five years later		611,389	716,569	-	-	-	-	-	
Six years later		608,658	-	-	-	-	-	-	
Current estimate of cumulative undiscounted claims incurred		**608,658**	**716,569**	**778,864**	**873,784**	**1,207,310**	**1,428,386**	**580,971**	
At the end of accident year		-	-	-	-	98,202	55,134	98,521	
One year later		-	-	-	332,824	407,912	413,189	-	
Two years later		-	-	504,280	519,622	694,992	-	-	
Three years later		-	600,630	596,451	633,436	-	-	-	
Four years later		530,020	616,488	646,642	-	-	-	-	
Five years later		550,041	641,452	-	-	-	-	-	
Six years later		572,564	-	-	-	-	-	-	
Cumulative payments to-date		**572,564**	**641,452**	**646,642**	**633,436**	**694,992**	**413,189**	**98,521**	
Net liabilities for incurred claims	220,230	36,094	75,117	132,222	240,348	512,318	1,015,197	482,450	2,713,976
			Latest UWY BE LIC						26,404
			Claim handling expenses						25,754
			Total Best Estimate of LIC						**2,766,134**
			Risk Adjustment at 75% Confidence Interval						218,415
			Discounting impact						(265,976)
			Forex Impact						79,674
			Trade balances						144,271
			Incurred claims from Family Retakaful and Shareholder funds						52,081
			Net general reinsurance/retakaful claim liabilities						2,994,599

31. Insurance/takaful risk (cont'd.)

(b) General takaful fund

(i) Nature of risk

The general takaful subsidiary principally issues the following types of general takaful: Motor, Fire, Personal Accident and Miscellaneous (which includes Engineering and Marine).

Each participant pays a portion of contributions on the basis of tabarru' ("donation") into the General Takaful Fund ("GTF") for the purpose of meeting claims for events or risks covered under the takaful contracts. The general takaful subsidiary is exposed to concentration risk through its takaful contracts, which may be concentrated in certain geographic regions, industry sectors, or line of business.

The risks are mitigated by, among others, diversification across a large portfolio of business, which is designed to smoothen the overall claim experience. The solvency of the GTF is managed by adopting prudent underwriting and claims management practices and controls such as underwriting and claims SOPs.

The general takaful subsidiary also manages its risk exposure by the use of retakaful arrangements. The retakaful treaty arrangements of Takaful IKHLAS General are reviewed annually by the Treaty Working Group ("TWG"), GMRCC and subsequently, as delegated by the Board, recommended to the RMCB for approval. The TWG is responsible to ensure all aspects of the business operations, risk management including risk appetite, risk tolerance and business strategies of Takaful IKHLAS General were taken into consideration in the overall procurement of Takaful IKHLAS General's and being carried out in the best interest of Takaful IKHLAS General. Selection of retakaful operators participating in the retakaful arrangements is in accordance with the criteria stipulated by BNM and the Board.

Stress Testing is performed at least once a year, or more frequently if required. The purpose of the stress testing is to test the solvency and financial viability of the GTF under various scenarios as guided by regulatory guidelines. Stress tests and scenario analysis are used to assess the general takaful subsidiary's ability to maintain minimum specified levels of capital and liquidity in exceptional but plausible events and ensure consideration of the financial impact of plausible events in the decision-making process and the effectiveness of management actions under stressed conditions.

(ii) Reserving risk

Reserving risk relates to the risk arising from inadequate reserves to meet the net claims amount payable. The determination of GTF's liabilities for remaining coverage and liabilities for incurred claims relies on the information derived from various sources such as historical claims experience, existing knowledge of occurred events, the terms and conditions of relevant certificates and interpretation of prevailing circumstances.

The general takaful subsidiary sets aside both case and technical reserves to meet the expected ultimate loss arising from the claim. Case reserves are amounts set aside for individual reported claims, estimated based on the expected cost to settle each claim. Technical reserves, on the other hand, include provisions for claims that have occurred but have not yet been reported (Incurred But Not Reported - IBNR), as well as reserves for any adverse developments in existing claims. These claim reserves are updated periodically taking into account the claims development.

At each reporting date end, the general takaful subsidiary performs a valuation of liabilities for the purpose of ensuring that liabilities for remaining coverage and liabilities for incurred claims are objectively assessed and adequately provided for.

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31. Insurance/takaful risk (cont'd.)

(b) General takaful fund (cont'd.)

(iii) Catastrophe risk

The risk that a single or a series of catastrophe events, usually over a short period, which leads to a high number of claims or single large loss or combination of both. The consequences of the risk is minimised by having retakaful coverage in place and retention in line with the risk appetite of the general takaful subsidiary.

(iv) Contribution risk

Contribution risk arises when contributions charged are insufficient to meet expected claims and expenses. This risk is mitigated by adhering to the pricing policy and ceding the risk above our risk appetite to retakaful operators with strong financial standing.

(v) Impact on liabilities, profit and equity

Key assumptions

The principal assumption underlying the estimation of liabilities is that the general takaful future claims development will follow a pattern similar to the historical trend experience.

Additional qualitative judgements are used to assess the extent to which past trends may not apply in the future. Examples of external factors that may affect claims development include isolated one-off occurrence, changes in market factors such as public attitude to claims notification and reporting, economic conditions, judicial decision as well as government legislation. Examples of internal factors include changes in portfolio mix, changes in certificate conditions and changes in claims handling procedures, especially those that affect the speed of claim settlement.

Other key circumstances affecting the reliability of assumptions include delays in settlement.

Sensitivity analysis

The LIC are sensitive to the key assumptions shown below. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation processes.

The analysis below is performed on possible movements in key assumptions with all other assumptions held constant, showing the impact on LFIC and equity for Participant Risk Fund ("PRF") and Shareholder's Fund ("SHF") respectively. The correlation of assumptions will have significant effects in determining the LFIC but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear.

The sensitivity analysis has been performed on claims handling expenses (“CHE”) and claims management expenses (“CME”), discount rate and the claims experience for the main classes of business which are Motor Act, Motor Others and Fire. Motor Act is analysed using changes in claim severity while Motor Others and Fire are analysed using changes in the expected ultimate loss ratio.

NOTES TO THE FINANCIAL STATEMENTS
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31. Insurance/takaful risk (cont'd.)

(b) General takaful fund (cont'd.)

(v) Impact on liabilities, profit and equity (cont'd.)

Sensitivity analysis

Change in assumptions	Impact on takaful service result before retakaful certificates held RM'000	Impact on takaful service result RM'000	Impact on profit before tax, before retakaful certificates held RM'000	Impact on profit before tax RM'000	Impact on takaful certificate liabilities RM'000	Impact on takaful certificate liabilities and retakaful certificate assets RM'000	Impact on equity before retakaful certificates held RM'000	Impact on equity RM'000
2025	←			Increase/(decrease)				→
Motor Act Average Severity								
+10% of Ultimate Claims	(98,851)	(54,595)	(13,101)	(7,759)	98,912	54,627	(9,708)	(5,749)
-10% of Ultimate Claims	97,866	54,449	12,865	7,613	(97,927)	(54,483)	9,533	5,641
Motor Others Expected Loss Ratio								
+10% of Ultimate Claims	(73,520)	(42,641)	(4,142)	(2,863)	73,543	42,654	(3,069)	(2,121)
-10% of Ultimate Claims	72,465	42,474	3,840	2,696	(72,489)	(42,488)	2,845	1,998
Fire Expected Loss Ratio								
+10% of Ultimate Claims	(10,088)	(6,731)	(364)	(319)	10,092	6,733	(270)	(236)
-10% of Ultimate Claims	9,257	6,688	288	276	(9,261)	(6,692)	213	205
Claim Handling Expense ("CHE") & Claim Management Expense ("CME")								
+10% of Ultimate Claims	(5,966)	(5,966)	(5,969)	(5,970)	5,969	5,969	(4,423)	(4,424)
-10% of Ultimate Claims	5,988	5,987	5,992	5,991	(5,992)	(5,992)	4,440	4,439
Discounting								
+1% of Discount Rate	9,204	5,297	1,967	1,203	(18,368)	(10,568)	1,458	891
-1% of Discount Rate	(9,526)	(5,482)	(2,036)	(1,246)	19,011	10,936	(1,509)	(923)

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2025

31. **Insurance/takaful risk (cont'd.)**

(b) General takaful fund (cont'd.)

(v) Impact on liabilities, profit and equity (cont'd.)

Sensitivity analysis

Change in assumptions	Impact on takaful service result before retakaful certificates held RM'000	Impact on takaful service result RM'000	Impact on profit before tax, before retakaful certificates held RM'000	Impact on profit before tax RM'000	Impact on takaful certificate liabilities RM'000	Impact on takaful certificate liabilities and retakaful certificate assets RM'000	Impact on equity before retakaful certificates held RM'000	Impact on equity RM'000
2024	Increase/(decrease)							
Motor Act Average Severity								
+10% of Ultimate Claims	(84,682)	(47,598)	(12,072)	(7,448)	84,546	47,521	(8,945)	(5,519)
-10% of Ultimate Claims	83,476	47,460	11,761	7,312	(83,339)	(47,383)	8,715	5,418
Motor Others Expected Loss Ratio								
+10% of Ultimate Claims	(58,396)	(34,276)	(3,536)	(2,560)	58,333	34,239	(2,620)	(1,897)
-10% of Ultimate Claims	57,252	34,148	3,289	2,433	(57,188)	(34,110)	2,437	1,803
Fire Expected Loss Ratio								
+10% of Ultimate Claims	(12,079)	(5,539)	(519)	(362)	12,065	5,532	(385)	(268)
-10% of Ultimate Claims	11,047	5,496	396	321	(11,032)	(5,489)	293	238
CHE & CME								
+10% of Ultimate Claims	(5,478)	(5,478)	(5,470)	(5,469)	5,469	5,470	(4,053)	(4,053)
-10% of Ultimate Claims	5,480	5,480	5,471	5,471	5,471	(5,471)	4,054	4,054
Discounting								
+1% of Discount Rate	8,380	4,703	1,913	1,197	(16,714)	(9,373)	1,418	887
-1% of Discount Rate	(8,686)	(4,873)	(1,985)	(1,241)	17,323	9,713	(1,471)	(920)

The method used in performing the sensitivity analysis is consistent with the prior year.

31. Insurance/takaful risk (cont'd.)

(b) General takaful fund (cont'd.)

(vi) Claims development table

The following tables show the estimate of cumulative incurred claims, including both claims reported and IBNR (including IBNER) for each successive accident year at each financial year end, together with cumulative payments to-date.

In setting provisions for claims, the Company gives consideration to the probability and magnitude of future experience on best estimate basis with a degree of caution in setting reserves when there is considerable uncertainty. In general, the uncertainty associated with the ultimate claims experience for an accident year is greatest when the claim is at an early stage of development.

31. Insurance/takaful risk (cont'd.)

(b) General takaful fund (cont'd.)

(vi) Claims development table (cont'd.)

Gross General Takaful Certificate Liabilities for 2025

	As at 31 March										
Accident year	2016 RM'000	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000	Total RM'000
At the end of accident year	174,218	190,776	195,417	188,468	194,052	204,481	294,653	364,274	479,071	545,412	545,412
One year later	163,828	192,331	196,877	192,772	185,943	206,425	297,021	369,867	454,998	-	454,998
Two year later	157,286	185,552	198,738	186,612	194,488	204,385	281,113	356,049	-	-	356,049
Three year later	153,908	187,120	197,158	192,388	192,522	198,486	278,725	-	-	-	278,725
Four year later	155,963	184,175	197,653	192,613	192,208	193,566	-	-	-	-	193,566
Five year later	154,356	184,535	194,630	193,832	189,795	-	-	-	-	-	189,795
Six year later	147,206	172,314	181,879	184,568	-	-	-	-	-	-	184,568
Seven year later	144,233	169,860	183,458	-	-	-	-	-	-	-	183,458
Eight year later	144,110	169,288	-	-	-	-	-	-	-	-	169,288
Ninth year later	144,097	-	-	-	-	-	-	-	-	-	144,097
Current estimate of cumulative undiscounted claims incurred	144,097	169,288	183,458	184,568	189,795	193,566	278,725	356,049	454,998	545,412	2,699,956
At the end of accident year	70,093	80,611	82,191	73,362	78,164	81,540	115,765	137,910	182,915	182,915	226,771
One year later	112,184	132,501	131,743	127,672	120,590	132,365	195,496	239,839	296,060		296,060
Two year later	130,725	153,910	158,922	147,522	140,866	153,413	222,637	283,104	-		283,104
Three year later	138,037	162,779	168,814	165,025	159,330	168,954	242,613	-	-		242,613
Four year later	140,658	165,165	174,992	174,415	166,544	174,074	-	-	-		174,074
Five year later	141,922	167,414	176,515	178,553	176,180	-	-	-	-		176,180
Six year later	143,256	168,238	178,749	180,728	-	-	-	-	-		180,728
Seven year later	143,553	169,051	179,051	-	-	-	-	-	-		179,051
Eight year later	144,024	169,198	-	-	-	-	-	-	-		169,198
Ninth year later	144,081	-	-	-	-	-	-	-	-		144,081
Cumulative payments to-date	144,081	169,198	179,051	180,728	176,180	174,074	242,613	283,104	296,060	182,915	2,071,860
Gross liabilities for incurred claims:											
Best estimate of claims liabilities (including Allocated Loss Adjustment Expenses ("ALAE"))	17	89	4,407	3,840	13,615	19,492	36,113	72,945	158,938	318,642	628,098
Discounting Impact	(1)	(4)	(195)	(177)	(617)	(878)	(1,615)	(3,175)	(6,920)	(13,860)	(27,442)
											600,656
Takaful payables and others											29,530
											630,186
Risk adjustment and other claim-related expenses											67,532
											697,718

31. Insurance/takaful risk (cont'd.)

(b) General takaful fund (cont'd.)

(vi) Claims development table (cont'd.)

Net General Takaful Certificate Liabilities for 2025

	As at 31 March										
Accident year	**2016 RM'000**	**2017 RM'000**	**2018 RM'000**	**2019 RM'000**	**2020 RM'000**	**2021 RM'000**	**2022 RM'000**	**2023 RM'000**	**2024 RM'000**	**2025 RM'000**	**Total RM'000**
At the end of accident year	110,041	113,257	113,775	107,381	118,287	127,751	155,257	222,317	271,714	319,348	319,348
One year later	100,341	113,434	113,959	106,516	108,953	122,867	154,435	225,101	240,770	-	240,770
Two year later	96,034	108,941	110,916	102,714	108,923	120,150	146,862	167,199	-	-	167,199
Three year later	94,500	107,880	110,336	104,226	105,836	117,327	124,109	-	-	-	124,109
Four year later	94,192	106,783	109,770	104,998	104,879	103,637	-	-	-	-	103,637
Five year later	93,674	106,876	109,236	105,221	104,471	-	-	-	-	-	104,471
Six year later	89,117	100,796	101,984	102,876	-	-	-	-	-	-	102,876
Seven year later	87,895	98,744	98,768	-	-	-	-	-	-	-	98,768
Eight year later	87,872	87,588	-	-	-	-	-	-	-	-	87,588
Ninth year later	87,869	-	-	-	-	-	-	-	-	-	87,869
Current estimate of cumulative undiscounted claims incurred	87,869	87,588	98,768	102,876	104,471	103,637	124,109	167,199	240,770	319,348	1,436,635
At the end of accident year	43,970	43,970	50,502	49,290	46,005	47,549	53,774	55,640	84,438	126,607	126,607
One year later	69,156	69,156	79,164	79,694	75,861	74,034	81,153	96,918	150,760	-	150,760
Two year later	80,147	80,147	90,931	92,440	85,132	84,566	94,110	123,155	-	-	123,155
Three year later	84,404	84,404	95,729	97,264	90,723	90,732	104,887	-	-	-	104,887
Four year later	85,974	85,974	97,147	98,941	94,927	93,248	-	-	-	-	93,248
Five year later	86,721	86,721	97,953	99,665	97,857	-	-	-	-	-	97,857
Six year later	87,294	87,294	98,156	100,995	-	-	-	-	-	-	100,995
Seven year later	87,492	87,492	98,345	-	-	-	-	-	-	-	98,345
Eight year later	87,811	87,572	-	-	-	-	-	-	-	-	87,572
Ninth year later	87,867	-	-	-	-	-	-	-	-	-	87,867
Cumulative payments to-date	87,867	87,572	98,345	100,995	97,857	93,248	104,887	123,155	150,760	126,607	1,071,293
Net liabilities for incurred claims:											
Best estimate of claims liabilities (including ALAE)	3	16	424	1,881	6,614	10,388	19,222	44,044	90,010	192,742	365,344
Discounting Impact	-	(1)	(24)	(101)	(308)	(521)	(964)	(2,233)	(4,650)	(6,404)	(15,206)
											350,138
Net takaful receivables and others											(163,434)
											186,704
Risk adjustment and other claim-related expenses											42,196
											21,186
											250,086

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31. Insurance/takaful risk (cont'd.)

(b) General takaful fund (cont'd.)

(vi) Claims development table (cont'd.)

Gross General Takaful Certificate Liabilities for 2024

	As at 31 March										
Accident year	2015 RM'000	2016 RM'000	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	Total RM'000
At the end of accident year	176,571	174,218	190,776	195,417	188,468	194,052	204,481	294,653	364,274	479,071	479,071
One year later	176,737	163,828	192,331	196,877	192,772	185,943	206,425	297,021	369,867	-	369,867
Two year later	172,414	157,286	185,552	198,738	186,612	194,488	204,385	281,113	-	-	281,113
Three year later	168,315	153,908	187,120	197,158	192,388	192,522	198,486	-	-	-	198,486
Four year later	167,527	155,963	184,175	197,653	192,613	192,208	-	-	-	-	192,208
Five year later	171,452	154,356	184,535	194,630	193,832	-	-	-	-	-	193,832
Six year later	163,584	147,206	172,314	181,879	-	-	-	-	-	-	181,879
Seven year later	162,573	144,233	169,860	-	-	-	-	-	-	-	169,860
Eight year later	161,969	144,110	-	-	-	-	-	-	-	-	144,110
Ninth year later	161,809	-	-	-	-	-	-	-	-	-	161,809
Current estimate of cumulative claims incurred	161,809	144,110	169,860	181,879	193,832	192,208	198,486	281,113	369,867	479,071	2,372,235
At the end of accident year	72,433	70,093	80,611	82,191	73,362	78,164	81,540	115,765	137,910	182,915	182,915
One year later	121,645	112,184	132,501	131,743	127,672	120,590	132,365	195,496	239,839	-	239,839
Two year later	141,980	130,725	153,910	158,922	147,522	140,866	153,413	222,637	-	-	222,637
Three year later	154,662	138,037	162,779	168,814	165,025	159,330	168,954	-	-	-	168,954
Four year later	157,119	140,658	165,165	174,992	174,415	166,544	-	-	-	-	166,544
Five year later	160,685	141,922	167,414	176,515	178,553	-	-	-	-	-	178,553
Six year later	161,168	143,256	168,238	178,749	-	-	-	-	-	-	178,749
Seven year later	161,293	143,553	169,051	-	-	-	-	-	-	-	169,051
Eight year later	161,333	144,024	-	-	-	-	-	-	-	-	144,024
Ninth year later	161,800	-	-	-	-	-	-	-	-	-	161,800
Cumulative payments to-date	161,800	144,024	169,051	178,749	178,553	166,544	168,954	222,637	239,839	182,915	1,813,066
Gross liabilities for incurred claims:											
Best estimate of claims liabilities (including Allocated Loss Adjustmen Expenses ("ALAE"))	9	87	809	3,130	15,280	25,664	29,532	58,476	130,028	296,155	559,170
Discounting Impact	-	(4)	(41)	(171)	(806)	(1,335)	(1,513)	(2,990)	(6,510)	(14,828)	(28,198)
											530,972
Takaful payables and others											31,078
											562,050
Risk adjustment and other claim-related expenses											63,645
											625,695

31. Insurance/takaful risk (cont'd.)

(b) General takaful fund (cont'd.)

(vi) Claims development table (cont'd.)

Net General Takaful Certificate Liabilities for 2024

Accident year	As at 31 March 2015 RM'000	2016 RM'000	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	Total RM'000
At the end of accident year	104,071	110,041	113,257	113,775	107,381	118,287	127,751	155,257	222,317	271,714	271,714
One year later	102,643	100,341	113,434	113,959	106,516	108,953	122,867	154,435	225,101	-	225,101
Two year later	97,354	96,034	108,941	110,916	102,714	108,923	120,150	146,862	-	-	146,862
Three year later	94,702	94,500	107,880	110,336	104,226	105,836	117,327	-	-	-	117,327
Four year later	94,152	94,192	106,783	109,770	104,998	104,879	-	-	-	-	104,879
Five year later	94,338	93,674	106,876	109,236	105,221	-	-	-	-	-	105,221
Six year later	90,196	89,117	100,796	101,984	-	-	-	-	-	-	101,984
Seven year later	90,030	87,895	98,744	-	-	-	-	-	-	-	98,744
Eight year later	89,839	87,872	-	-	-	-	-	-	-	-	87,872
Ninth year later	89,789	-	-	-	-	-	-	-	-	-	89,789
Current estimate of cumulative claims incurred	89,789	87,872	98,744	101,984	105,221	104,879	117,327	146,862	225,101	271,714	1,349,493
At the end of accident year	45,169	43,970	50,502	49,290	46,005	47,549	53,774	55,640	84,438	103,757	103,757
One year later	71,475	69,156	79,164	79,694	75,861	74,034	81,153	96,918	146,451	-	146,451
Two year later	82,078	80,147	90,931	92,440	85,132	84,566	94,110	114,054	-	-	114,054
Three year later	86,274	84,404	95,729	97,264	90,723	90,732	101,457	-	-	-	101,457
Four year later	87,824	85,974	97,147	98,941	94,927	93,283	-	-	-	-	93,283
Five year later	89,303	86,721	97,953	99,665	96,878	-	-	-	-	-	96,878
Six year later	89,481	87,294	98,156	100,680	-	-	-	-	-	-	100,680
Seven year later	89,485	87,492	98,447	-	-	-	-	-	-	-	98,447
Eight year later	89,509	87,811	-	-	-	-	-	-	-	-	87,811
Ninth year later	89,783	-	-	-	-	-	-	-	-	-	89,783
Cumulative payments to-date	89,783	87,811	98,447	100,680	96,878	93,283	101,457	114,054	146,451	103,757	1,032,601
Net liabilities for incurred claims:											
Best estimate of claims liabilities (including ALAE)	6	61	297	1,304	8,343	11,596	15,870	32,808	78,650	167,957	316,892
Discounting Impact	-	(2)	(18)	(67)	(405)	(594)	(829)	(1,693)	(4,159)	(7,795)	(15,562)
											301,330
Net takaful payables a nd others											(17,612)
											283,718
Risk adjustment and other claim-related expenses											40,857
											324,575

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31. Insurance/takaful risk (cont'd.)

(c) Family takaful fund

(i) Nature of risk

The family takaful subsidiary principally writes the following types of family takaful certificates: Ordinary Takaful Plans, Credit-related Takaful Plans, Group Takaful Plans and Investment-linked Takaful Plans. The takaful contributions are segregated into 2 separate funds: Participants' Risk Fund ("PRF") and Participants' Investment Fund ("PIF").

The PRF is compulsory for all certificates and refers to the fund used to pool the portion of contributions paid by participants on the basis of tabarru' ("donation") for the purpose of meeting claims on events/risks covered under the takaful certificates. Under the tabarru' contract, the fund is collectively owned by the pool of participants. In managing the PRF, the family takaful subsidiary adopts an appropriate set of policies and procedures to ensure the availability of funds to meet takaful benefits when due.

The PIF refers to the fund in which a portion of the contributions paid by takaful participants for a takaful certificate is allocated for the purpose of savings (PIF Savings) or investment (PIF Investment). The PIF is individually owned by participants. In managing the PIF, the family takaful subsidiary adopts appropriate investment and management strategies to achieve returns that are in line with the participants' reasonable expectations and where relevant, to ensure the availability of funds for future tabarru' apportionment into the PRF. The investment risk exposure for the PIF Investment is borne by the participants. For Investment-Linked takaful, the PIF refers to the unit fund(s).

Family takaful risk exists from the anti-selection process and inadequacy of PRF to meet future claims arising from family takaful certificates. The risks arise when actual claims experience is different from the assumptions used in setting the prices for products and establishing the technical provisions and liabilities for claims. Other sources of risks include certificate lapses and certificate claims such as mortality and morbidity experience, if they were to differ significantly from assumptions. The family takaful subsidiary is exposed to concentration risk through its takaful contracts, which may be concentrated in certain geographic regions, industry sectors, or line of business.

The family takaful subsidiary utilises retakaful arrangements to manage the mortality and morbidity risks. Retakaful structures are set based on the risk appetite of the takaful subsidiary. Due to the nature of the business, the retakaful arrangements are reviewed as and when required, especially with introduction of new product.

The family takaful subsidiary utilises retakaful arrangements to manage the mortality and morbidity risks. Retakaful structures are set based on the risk appetite of the family takaful subsidiary. Due to the nature of the business, the retakaful arrangements are reviewed as and when required, especially with introduction of new product.

The family takaful subsidiary reviews the actual experience of mortality, morbidity, lapses and surrenders, as well as expenses to ensure that appropriate policies, guidelines and limits are put in place to manage these risks.

The PIF is supported by the investment profit from the fund and the distribution surplus from PRF, if any. In the event of volatile investment climate and/or unusual claims experience, the investment profit and surplus distribution, if any to the participants may reduce.

31. Insurance/takaful risk (cont'd.)

(c) Family takaful fund (cont'd.)

(i) Nature of risk (cont'd.)

Stress Testing is performed at least once a year and may be more frequently if required. The purpose of the Stress Testing is to test the solvency and financial viability of the family takaful fund under various scenarios as guided by regulatory guidelines. Stress tests and scenario analysis are used to assess the family takaful subsidiary's ability to maintain minimum specified levels of capital and liquidity in exceptional but plausible events and ensure consideration of the financial impact of plausible events in the decision-making process and the effectiveness of management actions under stressed conditions.

The table below discloses the contribution of the PIF and PRF liabilities by type of certificates:

	2025		2024	
	Gross RM'000	Net RM'000	Gross RM'000	Net RM'000
Family takaful plans	**1,516,091**	1,506,165	**1,482,868**	1,474,081
Investment-linked takaful plans	**335,733**	325,997	**320,098**	307,464
Mortgage takaful plans	**1,517,092**	1,500,984	**1,502,283**	1,487,741
Group credit takaful plans	**240,825**	240,639	**254,747**	253,988
Others	**448,210**	448,165	**277,860**	283,626
Unallocated surplus*	**360,096**	360,096	**437,780**	437,780
	4,418,047	4,382,046	**4,275,636**	4,244,680

* The unallocated surplus represents fullfilment cash flows that remain after all takaful certificate services have been provided to the certificates in a group. In accordance with paragraph B71 of MFRS 17, such amounts reflect expected payments to current or future participants, and need not be allocated to specific groups but instead recognised as a liability arising from all groups collectively.

(ii) Reserving risk

Reserving risk relates to the risk arising from inadequate reserves to meet future benefits payment/claims and family takaful subsidiary expense needs. The risk arises from uncertainty in the estimation of future liabilities, influenced by factors such as changes in mortality and morbidity rates, economic conditions, regulatory requirements, family takaful subsidiary revenue and expense management, etc.

At each reporting date, the family takaful subsidiary performs a valuation of liabilities for the purpose of ensuring that reserves are objectively assessed and adequately provided for.

(iii) Catastrophe risk

The risk that a single or a series of catastrophe events, usually over a short period, which leads to a high number of claims or single large loss or combination of both.

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31. Insurance/takaful risk (cont'd.)

(c) Family takaful fund (cont'd.)

(iv) Contribution risk

Contribution risk arises when contributions charged are insufficient to meet expected claims and expenses. This risk is mitigated by adhering to the pricing policy and ceding the risk above the family takaful subsidiary's risk appetite to retakaful operators with strong financial standing.

(v) Impact on profit and equity

Key assumptions

The family takaful subsidiary is being guided by the regulators and relevant guidelines in determining the liabilities of the family takaful fund and in the selection of assumptions. Assumptions used are based on past experience, current internal data, external market indices and benchmarks which reflect current observable market prices and other published information. Assumptions and prudent estimates are determined at the date of valuation and no credit is taken for possible beneficial effects of voluntary withdrawals. Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations.

The assumptions that have significant effects on the financial position and financial performance of the family takaful fund are described below:

Type of business	Mortality	2025 Discount rates	2024 Discount rates
Credit related products and individual regular contribution plans	Base mortality[1], adjusted for retakaful rates and actual experience[2]	**GII discount rate ****	GII discount rate **
Others	Base mortality[1]	**N/A***	N/A*

1 These rates are obtained from the various industry mortality and morbidity experience tables that are used to determine the contribution rates; and

2 Retakaful rates are derived from the fund's retakaful arrangements with respect to the credit related products and individual regular contribution plans.

* No discounting rates used for short-term product.

** Discount rates are derived based on GII of appropriate term and adjusted for illiquidity premium and other factor, if applicable.

The key assumptions to which the estimation of liabilities is particularly sensitive are as follows:

(i) Mortality and morbidity rates

Assumptions are based on mortality rates as set out in the Product Documentation submitted to BNM. They reflect the historical experience and are adjusted, as appropriate, to reflect the participants' expected experience. Assumptions are differentiated by gender, occupational class and product group.

31. Insurance/takaful risk (cont'd.)

(c) Family takaful fund (cont'd.)

(v) Impact on profit and equity (cont'd.)

Key assumptions (cont'd.)

(i) Mortality and morbidity rates (cont'd.)

An increase in mortality/morbidity will lead to a claims cost (as claims could be larger or occur sooner than anticipated).

To the extent that the actual mortality/morbidity incidence rate is worse than that priced for, the expected surplus arising in the PRF would be lower, leading to lower surplus administration charge income. If the poor experience persists, the PRF may go into deficit, requiring the Shareholder's Fund to provide Qard. This is mitigated with adequate retakaful arrangements as well as contract design (in some circumstances) that builds in repricing mechanisms.

(ii) Discount rates

Family takaful liabilities of credit-related products, for examples, Mortgage Reducing Term Takaful ("MRTT") and Group Credit Takaful ("GCT") are determined as the sum of the discounted value of the expected benefits less the discounted value of the expected tabarru' (risk charge) that would be required to meet these future cash outflows. The valuation of liabilities will be discounted to valuation date based on the Government Investment Issues ("GII") zero coupon spot yields which are obtained from the Bond Pricing Agency Malaysia ("BPAM") and adjusted for illiquidity premium and other factors, if applicable.

A decrease in the discount rate will increase the value of family takaful liabilities and consequently, may impact the surplus distribution to participants and shareholder.

Sensitivity analysis

The analysis below is performed on possible movements in key assumptions with all other assumptions held constant, showing the impact on profit before tax (gross and net of retakaful) and shareholder's equity. The correlations of assumptions will have a significant effect on the sensitivity analysis but to demonstrate the impact due to changes in specific assumptions, the sensitivity analysis is performed on an individual basis. It should be noted that movements in these assumptions are non-linear. Sensitivity information will also vary according to the current business profile and economic assumptions.

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31. Insurance/takaful risk (cont'd.)

(c) Family takaful fund (cont'd.)

(v) Impact on profit and equity (cont'd.)

Sensitivity analysis (cont'd.)

	Change in assumptions	2025 Impact on profit before tax gross of retakaful RM'000	2025 Impact on profit before tax net of retakaful RM'000	2024 Impact on profit before tax gross of retakaful RM'000	2024 Impact on profit before tax net of retakaful RM'000
		Increase/(decrease)			
Mortality rates	+10%	**(1,550)**	**(1,550)**	(1,944)	(1,944)
Morbidity rates	+10%	**(150)**	**(150)**	(193)	(193)
Expenses	+10%	**(2,886)**	**(2,886)**	(3,771)	(3,771)
Surrender rates	+10%	**(128)**	**(128)**	(21)	(21)
Contribution holiday	+10%	**(260)**	**(260)**	(150)	(150)
Discount rates	+10%	**2,932**	**2,932**	3,338	3,338
Mortality/morbidity	-10%	**1,467**	**1,467**	1,787	1,787
Morbidity rates	-10%	**149**	**149**	186	186
Expenses	-10%	**2,623**	**2,623**	3,738	3,738
Surrender rates	-10%	**90**	**90**	24	24
Contribution holiday	-10%	**249**	**249**	256	256
Discount rates	-10%	**(2,979)**	**(2,979)**	(3,950)	(3,950)

The method used in performing the sensitivity analysis is consistent with prior year.

31. Insurance/takaful risk (cont'd.)

(c) Family takaful fund (cont'd.)

(v) Impact on profit and equity (cont'd.)

Sensitivity analysis (cont'd.)

	Change in assumptions	2025 Impact on equity gross of retakaful RM'000	2025 Impact on equity net of retakaful RM'000	2024 Impact on equity gross of retakaful RM'000	2024 Impact on equity net of retakaful
		Increase/(decrease)			
Mortality rates	+10%	**(1,178)**	**(1,178)**	(1,477)	(1,477)
Morbidity rates	+10%	**(114)**	**(114)**	(147)	(147)
Expenses	+10%	**(2,193)**	**(2,193)**	(2,866)	(2,866)
Surrender rates	+10%	**(98)**	**(98)**	(16)	(16)
Contribution holiday	+10%	**(198)**	**(198)**	(114)	(114)
Discount rates	+10%	**2,229**	**2,229**	2,537	2,537
Mortality rates	-10%	**1,115**	**1,115**	1,358	1,358
Morbidity rates	-10%	**113**	**113**	141	141
Expenses	-10%	**1,994**	**1,994**	2,841	2,841
Surrender rates	-10%	**68**	**68**	18	18
Contribution holiday	-10%	**189**	**189**	195	195
Discount rates	-10%	**(2,264)**	**(2,264)**	(3,002)	(3,002)

The method used in performing the sensitivity analysis is consistent with prior year.

31. Insurance/takaful risk (cont'd.)

(c) Family takaful fund (cont'd.)

(v) Impact on profit and equity (cont'd.)

Sensitivity analysis (cont'd.)

		2025		2024	
	Change in assumptions	Impact on CSM before gross of retakaful RM'000	Impact on CSM before net of retakaful RM'000	Impact on CSM before gross of retakaful RM'000	Impact on CSM before net of retakaful RM'000
		Increase/(decrease)			
Mortality rates	+10%	**(415)**	**(415)**	(405)	(405)
Morbidity rates	+10%	**(60)**	**(60)**	(50)	(50)
Expenses	+10%	**(33,340)**	**(33,340)**	(34,596)	(34,596)
Surrender rates	+10%	**(8,419)**	**(8,419)**	(7,052)	(7,052)
Contribution holiday	+10%	**(2,918)**	**(2,918)**	(3,202)	(3,202)
Discount rates	+10%	**27,108**	**27,108**	28,368	28,368
Mortality rates	-10%	**419**	**419**	408	408
Morbidity rates	-10%	**60**	**60**	50	50
Expenses	-10%	**33,603**	**33,603**	34,618	34,618
Surrender rates	-10%	**9,041**	**9,041**	7,452	7,452
Contribution holiday	-10%	**3,322**	**3,322**	3,117	3,117
Discount rates	-10%	**(27,961)**	**(27,961)**	(29,229)	(29,229)

The method used in performing the sensitivity analysis is consistent with prior year.

31. Insurance/takaful risk (cont'd.)

(d) Family retakaful by Malaysian Re Retakaful

(i) Nature of risk

The Family retakaful by Malaysian Re business principally underwrites family retakaful contracts in relation to the following main breakdown: Facultative, Treaty - Proportional treaty, and Treaty - Non-Proportional treaty, covering mortality, morbidity, and health, which includes critical illness and medical related risks.

The actual experience illnesses of the underwritten risks is reviewed periodically to ensure that appropriate policies, guidelines and limits put in place to manage these risks remain adequate and appropriate.

Family retakaful by Malaysian Re underwriting risk relates to the pricing and loss ratios arising from family retakaful products. The risks arise when actual claims experience is different from the assumptions used in setting the yearly renewable rates for retakaful products. Deviations in actual claims experience compared to the assumptions used may be due to deviations in actual underwritten risks experience. The Family retakaful by Malaysian Re business is exposed to concentration risk through its retakaful contracts, which may be concentrated in certain geographic regions and type of coverages.

The underwritten risks are further managed through retakaful arrangement.

Stress testing is performed on a at least once a year, or more frequently if required. The purpose of the stress testing is to test the solvency and financial viability of the Family retakaful by Malaysian Re under the various scenarios according to regulatory guidelines. Stress tests and scenario analysis are used to assess the Family retakaful by Malaysian Re's ability to maintain minimum specified levels of capital and liquidity in exceptional but plausible events and ensure consideration of the financial impact of plausible events in the decision-making process and the effectiveness of management actions under stressed conditions.

(ii) Catastrophe risk

The risk that a single or a series of catastrophe events, usually over a short period, which leads to a high number of claims or single large loss or combination of both.

(iii) Contribution risk

Contribution risk arises when contributions charged are insufficient to meet expected claims and expenses.

(iv) Impact on profit and equity

Key assumptions

The Family retakaful by Malaysian Re's business is being guided by the regulations and relevant guidelines in determining the liabilities and the choice of assumptions. Assumptions used are based on past experience, current internal data, external market indices and benchmarks, and other published information. Assumptions and prudent estimates are determined at the date of valuation and no credit is taken for possible beneficial effects of voluntary withdrawals. Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations.

Sensitivity analysis

The Family retakaful by Malaysian Re's takaful certificate liabilities are sensitive to changes in loss ratios.

The analysis below is performed on possible movements in key assumptions with all other assumptions held constant, showing the impact on profit before tax (gross and net of retrocession/retrotakaful) and shareholder's equity. The correlations of assumptions will have a significant effect on the sensitivity analysis but to demonstrate the impact due to changes in specific assumptions, the sensitivity analysis is performed on an individual basis. It should be noted that movements in these assumptions are non-linear. Sensitivity information will also vary according to the current business profile and economic assumptions.

31. Insurance/takaful risk (cont'd.)

(d) Family retakaful by Malaysian Re Retakaful (cont'd.)

(iv) Impact on profit and equity (cont'd.)

Sensitivity analysis (cont'd.)

	Change in assumptions	Impact on profit before tax gross of retakaful RM'000	Impact on profit before tax net of retakaful RM'000	Impact on equity gross of retakaful RM'000	Impact on equity net of retakaful RM'000	Impact on liabilities gross of retakaful RM'000	Impact on liabilities net of retakaful RM'000
		Increase/(decrease)					
2025							
Ultimate loss ratio	**+5%**	**(17,030)**	**(17,030)**	**(15,667)**	**(15,667)**	**(17,030)**	**(17,030)**
Discount rates	**+25 basis point**	**(1,344)**	**(1,344)**	**(1,236)**	**(1,236)**	**(1,344)**	**(1,344)**
Ultimate loss ratio	**-5%**	**11,713**	**11,713**	**10,776**	**10,776**	**11,713**	**11,713**
Discount rates	**-25 basis point**	**3,250**	**3,250**	**2,990**	**2,990**	**3,250**	**3,250**
2024							
Ultimate loss ratio	+5%	(13,216)	(13,216)	(12,158)	(12,158)	(13,216)	(13,216)
Discount rates	+25 basis point	4,627	4,627	4,257	4,257	4,627	4,627
Ultimate loss ratio	-5%	9,099	9,099	8,371	8,371	9,099	9,099
Discount rates	-25 basis point	972	972	894	894	972	972

32. Financial risk

Transactions in financial instruments may result in the Group and the Company assuming financial risks. These include credit risk, liquidity risk and market risk. This note presents information about the Group's and the Company's exposure to each of the above risks and the Group's and the Company's objectives, policies, and processes for measuring and managing such risks.

(a) Credit Risk

Credit risk is the risk of a counterparty failing to perform its obligations as the risk that counterparty fails on its financial obligations/ does not honor its contract/default.

Credit risk includes the following major elements:

(i) An investment credit risk which is the risk of financial loss arising from a change in the value of an investment. This is linked to the creditworthiness and the expected ability of the issuer and/or financial institution ("counterparty") to make timely payment of interest and/or principal. Any adverse situations faced by the counterparty may result in rating downgrades and default which may impact the value as well as liquidity of the investments;

(ii) A derivative counterparty risk which is the risk of financial loss arising from a derivative counterparty's default, or the deterioration of the derivative counterparty's financial position;

(iii) Reinsurance/retakaful/takaful counterparty risk which is the risk of financial loss arising from the default or deterioration of the solvency position of the counterparties; and

(iv) Premium/contribution credit risk of financial loss arising from the non-payment of insurance premiums/takaful contribution.

The Group is exposed to investment credit risk on its investment portfolio, primarily from investments in bonds/sukuks. Creditworthiness assessments encompass thorough evaluations of the financial stability, performance and credit ratings of potential new and existing investments are undertaken by the Group in accordance with the guidelines outlined in the Group Investment Policy ("GIP") as approved by the Board. In addition, the credit ratings of the bonds/sukuks portfolios are regularly monitored and any downgrade in credit ratings triggers an immediate evaluation process to determine the appropriate course of actions. This evaluation involves assessing the impact of the downgrade on the overall risk profile of the portfolio and implementing necessary measures to mitigate associated risks. As at the reporting date, the Group's bonds/sukuks portfolio has no material exposure below investment grade.

32. Financial risk (cont'd.)

(a) Credit Risk (cont'd.)

The Group is exposed to reinsurance/retakaful/takaful counterparty risks of three different types:

(i) as a result of recoveries owing from the counterparties for claims/benefits;

(ii) from amounts due from ceding companies; and

(iii) as a result of reserves held by the counterparties which would have to be met by the General reinsurance/retakaful by Malaysian Re and takaful subsidiaries in the event of default.

Management of credit risk

In order to manage and mitigate credit risk, the following policies and procedures were set in place:

(i) Group Credit Risk Management Policy sets out key processes for credit risk management with primary focus on pro-actively identifying, assessing and monitoring credit related exposure within the business;

(ii) Investment policies prescribe the minimum credit rating for Corporate Bonds and Sukuk that may be invested to mitigate the likelihood of potential default of any individual counterparty;

(iii) In establishing internal single counterparty limits for Financial Institutions ("FI") for money market placements and other investment instruments, credit ratings and financial strength of the FIs are the key determinants to set the limit. These FI limits are set to prevent excessive risk concentration of a particular FI;

(iv) The Group's investment portfolio is managed to ensure diversification and focuses on high quality investment grade fixed income securities and equities with good fundamentals. For the financial year ended 31 March 2025, the credit rating of the Group's fixed income portfolio was dominated by Government Investment Issues ("GII"), Malaysian Government Securities ("MGS") and securities rated AAA as determined by Rating Agency Malaysia ("RAM") and/or Malaysian Rating Corporation Berhad ("MARC"); and

(v) To mitigate reinsurance/retakaful/takaful counterparty risk, the Group will give due consideration to the credit quality of the counterparties. To facilitate this process, a list of acceptable counterparties based on their rating is maintained within the Group. The Group regularly reviews the financial security of its counterparties.

32. Financial risk (cont'd.)

(a) Credit Risk (cont'd.)

Credit exposure by credit rating for 2025

The table below provides information regarding the credit risk exposures of the Group and of the Company by classifying assets according to the credit ratings of counterparties. There insurers'/retakaful operators' share of unearned premium reserves and unearned contribution reserves have been excluded from the analysis as they are not contractual obligations.

Group	Government guaranteed RM'000	AAA/P1 to BBB RM'000	BB to C RM'000	Not subject to credit risk RM'000	Not rated* RM'000	Total RM'000
Financial assets at FVTPL						
Designated upon initial recognition:						
Unquoted Islamic private debt securities	**722,253**	**759,795**	-	-	-	**1,482,048**
Corporate debt securities	**114,412**	**1,111,880**	-	-	-	**1,226,292**
Government investment issues	**2,366,432**	-	-	-	-	**2,366,432**
Malaysian government securities	**355,091**	-	-	-	-	**355,091**
Mandatorily measured:						
Quoted shares in Malaysia:						
Shariah approved equities	-	-	-	**508,222**	-	**508,222**
Warrants	-	-	-	**239**	-	**239**
Others	-	-	-	**79,312**	-	**79,312**

32. Financial risk (cont'd.)

(a) Credit Risk (cont'd.)

Credit exposure by credit rating for 2025 (cont'd.)

The table below provides information regarding the credit risk exposures of the Group and of the Company by classifying assets according to the credit ratings of counterparties. There insurers'/retakaful operators' share of unearned premium reserves and unearned contribution reserves have been excluded from the analysis as they are not contractual obligations. (cont'd.)

Group (cont'd.)	Government guaranteed RM'000	AAA/P1 to BBB RM'000	BB to C RM'000	Not subject to credit risk RM'000	Not rated* RM'000	Total RM'000
Financial assets at FVTPL (cont'd.)						
Mandatorily measured (cont'd.):						
Quoted perpetual bond in Malaysia	-	4,992	-	-	-	4,992
Shariah approved unit trust funds	-	-	-	329,964	-	329,964
Real estate investment trusts:						
- Shariah approved	-	-	-	14,226	-	14,226
- Non-Shariah approved	-	-	-	2,782	-	2,782
Financial assets at FVOCI						
Government investment issues	475,736	-	-	-	-	475,736
Unquoted Islamic private debt securities	41,391	331,570	-	-	-	372,961
Unquoted shares in Malaysia	-	-	-	92,706	-	92,706
Golf club membership	-	-	-	233	-	233

32. Financial risk (cont'd.)

(a) Credit Risk (cont'd.)

Credit exposure by credit rating for 2025 (cont'd.)

The table below provides information regarding the credit risk exposures of the Group and of the Company by classifying assets according to the credit ratings of counterparties. There insurers'/retakaful operators' share of unearned premium reserves and unearned contribution reserves have been excluded from the analysis as they are not contractual obligations. (cont'd.)

Group (cont'd.)	Government guaranteed RM'000	AAA/P1 to BBB RM'000	BB to C RM'000	Not subject to credit risk RM'000	Not rated* RM'000	Total RM'000
Financial assets at amortised cost						
Fixed and call deposits with licensed:						
Commercial banks	-	639,145	-	-	-	639,145
Foreign banks	-	334,568	-	-	-	334,568
Islamic investment accounts with licensed:						
Islamic banks	167,821	2,778,398	-	-	-	2,946,219
Commercial bank	-	90,000	-	-	-	90,000
Development banks	-	295,165	-	-	-	295,165
Islamic commercial paper	-	39,593	4,955	19,821	-	64,369
Commercial paper	-	172,468	-	-	-	172,468
Secured staff loans	-	-	-	-	2,233	2,233
Income due and accrued	43,018	43,380	-	1,386	4,274	92,058

32. Financial risk (cont'd.)

(a) Credit Risk (cont'd.)

Credit exposure by credit rating for 2025 (cont'd.)

The table below provides information regarding the credit risk exposures of the Group and of the Company by classifying assets according to the credit ratings of counterparties. There insurers'/retakaful operators' share of unearned premium reserves and unearned contribution reserves have been excluded from the analysis as they are not contractual obligations. (cont'd.)

Group (cont'd.)	Government guaranteed RM'000	AAA/P1 to BBB RM'000	BB to C RM'000	Not subject to credit risk RM'000	Not rated* RM'000	Total RM'000
Financial assets at amortised cost (cont'd.)						
Amount due from Insurance Pool accounts	-	-	-	-	**16,696**	**16,696**
Sundry receivables	-	-	-	-	**23,583**	**23,583**
Insurance contracts/takaful certificates assets	-	-	-	**99,691**	**6,139**	**105,830**
Reinsurance contracts/retakaful certificates assets	-	**324,968**	-	-	**292,686**	**617,654**
Cash and bank balances	-	**112,841**	-	-	**3**	**112,844**
	4,286,154	**7,038,763**	**4,955**	**1,148,582**	**345,614**	**12,824,068**

* Non-rated balances primarily relate to balances due/recoverable from (re)insurers and/or (re)takaful operators licensed under FSA, IFSA 2013 and Labuan Financial Services and Securities Act 2010 ("LFSSA") respectively.

32. Financial risk (cont'd.)

(a) Credit Risk (cont'd.)

Credit exposure by credit rating for 2025 (cont'd.)

The table below provides information regarding the credit risk exposures of the Group and of the Company by classifying assets according to the credit ratings of counterparties. There insurers'/retakaful operators' share of unearned premium reserves and unearned contribution reserves have been excluded from the analysis as they are not contractual obligations. (cont'd.)

Company	Government guaranteed RM'000	AAA/P1 to BBB RM'000	BB to C RM'000	Not subject to credit risk RM'000	Not rated* RM'000	Total RM'000
Financial assets at FVOCI						
Golf club membership	-	-	-	50	-	50
Unquoted Islamic private debt securities	-	29,929	-	-	-	29,929
Unquoted corporate debt securities	-	49,887	-	-	-	49,887
Financial assets at amortised cost						
Unquoted corporate debt securities	-	1,000	-	-	-	1,000
Islamic investment accounts with licensed:						
Islamic banks	-	167,821	-	-	-	167,821
Commercial banks	-	90,000	-	-	-	90,000
Development banks	-	8,000	-	-	-	8,000
Secured staff loans	-	-	-	-	642	642
Amounts due from subsidiaries	-	-	-	-	22,934	22,934
Income due and accrued	-	-	-	-	2,851	2,851
Sundry receivables	-	-	-	-	427	427
Cash and bank balances	-	2,602	-	-	-	2,602
	-	349,239	-	50	26,854	376,143

32. Financial risk (cont'd.)

(a) Credit Risk (cont'd.)

Credit exposure by credit rating for 2024

The table below provides information regarding the credit risk exposures of the Group and of the Company by classifying assets according to the credit ratings of counterparties. The reinsurers'/retakaful operators' share of unearned premium reserves and unearned contribution reserves have been excluded from the analysis as they are not contractual obligations.

Group	Government guaranteed RM'000	AAA/P1 to BBB RM'000	BB to C RM'000	Not subject to credit risk RM'000	Not rated* RM'000	Total RM'000
Financial assets at FVTPL						
Designated upon initial recognition:						
Unquoted Islamic private debt securities	798,892	587,969	-	-	-	1,386,861
Unquoted corporate debt securities	148,057	586,585	-	-	-	734,642
Government investment issues	1,911,996	-	-	-	-	1,911,996
Malaysian government securities	301,812	-	-	-	-	301,812
Mandatorily measured:						
Quoted shares in Malaysia:	-	-	-			
Shariah approved equities	-	-	-	221,166	-	221,166
Others	-	-	-	12,237	-	12,237
Unquoted perpetual bond in Malaysia	-	4,964	-	-	-	4,964
Unquoted corporate debt securities	-	-	-	-	5,576	5,576
Shariah approved unit trust funds	-	-	-	356,830	-	356,830

32. Financial risk (cont'd.)

(a) Credit Risk (cont'd.)

Credit exposure by credit rating for 2024 (cont'd.)

The table below provides information regarding the credit risk exposures of the Group and of the Company by classifying assets according to the credit ratings of counterparties. The reinsurers'/retakaful operators' share of unearned premium reserves and unearned contribution reserves have been excluded from the analysis as they are not contractual obligations (cont'd.)

Group (cont'd.)	Government guaranteed RM'000	AAA/P1 to BBB RM'000	BB to C RM'000	Not subject to credit risk RM'000	Not rated* RM'000	Total RM'000
Financial assets at FVTPL (cont'd.)						
Mandatorily measured (cont'd.):						
Real estate investment trusts:						
Shariah approved	-	-	-	14,665	-	14,665
Non-Shariah approved	-	-	-	9,050	-	9,050
Derivative	-	-	-	(320)	-	(320)
Financial assets at FVOCI						
Government investment issues	249,969	-	-	-	-	249,969
Unquoted Islamic private debt securities	90,241	198,130	-	-	-	288,371
Unquoted shares in Malaysia	-	-	-	87,666	-	87,666
Golf club membership	-	-	-	233	-	233

32. Financial risk (cont'd.)

(a) Credit Risk (cont'd.)

Credit exposure by credit rating for 2024 (cont'd.)

The table below provides information regarding the credit risk exposures of the Group and of the Company by classifying assets according to the credit ratings of counterparties. The reinsurers'/retakaful operators' share of unearned premium reserves and unearned contribution reserves have been excluded from the analysis as they are not contractual obligations (cont'd.)

Group (cont'd.)	Government guaranteed RM'000	AAA/P1 to BBB RM'000	BB to C RM'000	Not subject to credit risk RM'000	Not rated* RM'000	Total RM'000
Financial assets at amortised cost						
Fixed and call deposits with licensed:						
Commercial banks	-	190,239	-	-	-	190,239
Foreign banks	-	779,854	-	-	-	779,854
Islamic investment accounts with licensed:						
Islamic banks	-	3,671,108	-	3,180	74,601	3,748,889
Development banks	-	734,070	-	-	-	734,070
Islamic commercial paper	-	59,569	-	-	-	59,569
Secured staff loans	-	-	-	-	2,584	2,584
Income due and accrued	41,674	68,674	-	355	1,755	112,458
Amount due from Insurance Pool accounts	-	-	-	-	23	23
Sundry receivables	-	-	-	-	19,318	19,318
Insurance contracts/takaful certificates assets	-	-	-	58,845	7,489	66,334
Reinsurance contracts/retakaful certificates assets	-	335,092	-	-	175,989	511,081
Cash and bank balances	-	115,587	-	-	17	115,604
	3,542,641	7,331,841	-	763,907	287,352	11,925,741

* Non-rated balances primarily relate to balances due/recoverable from (re)insurers and/or (re)takaful operators licensed under FSA, IFSA 2013 and Labuan Financial Services and Securities Act 2010 ("LFSSA") respectively.

32. Financial risk (cont'd.)

(a) Credit Risk (cont'd.)

Credit exposure by credit rating for 2024 (cont'd.)

The table below provides information regarding the credit risk exposures of the Group and of the Company by classifying assets according to the credit ratings of counterparties. The reinsurers'/retakaful operators' share of unearned premium reserves and unearned contribution reserves have been excluded from the analysis as they are not contractual obligations (cont'd.)

Company	Government guaranteed RM'000	AA/P1 to BBB RM'000	BB to C RM'000	Not subject to credit risk RM'000	Not rated* RM'000	Total RM'000
Financial assets at FVTPL						
Shariah approved unit trust fund	-	-	-	5,329	-	5,329
Financial assets at FVOCI						
Golf club membership	-	-	-	50	-	50
Unquoted corporate debt securities	-	49,759	-	-	-	49,759
Financial assets at amortised cost						
Unquoted corporate debt securities	-	1,000	-	-	-	1,000
Islamic investment accounts with licensed:						
Islamic banks	-	219,445	-	-	-	219,445
Development bank	-	12,072	-	-	-	12,072
Secured staff loans	-	-	-	-	507	507
Amounts due from subsidiaries	-	-	-	-	8,835	8,835
Income due and accrued	-	-	-	-	1,024	1,024
Sundry receivables	-	-	-	-	266	266
Cash and bank balances	-	481	-	-	-	481
	-	282,757	-	5,379	10,632	298,768

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32. Financial risk (cont'd.)

(a) Credit Risk (cont'd.)

Investment assets - Reconciliation of allowance account

Significant increase in credit risk ("SICR")

The Group and the Company apply the General Approach or the "three-bucket" approach which is based on the change in credit quality of financial instruments since initial recognition to assess the impairment for investment assets. In particular, recognition of Expected Credit Loss ("ECL") is dependent on which of the three stages a particular financial instrument is assigned to. Assets move through the three stages as credit quality changes and the stages dictate how the Group and the Company measure impairment losses and apply the effective interest rate ("EIR") method with the forward looking element to compute the ECL.

The Group and the Company measure both quantitative and qualitative parameters in the assessment of credit risk status from the initial recognition of the securities and at the reporting date.

Expected credit loss ("ECL")

The Group and the Company assess the possible default events within 12 months for the calculation of the 12-month ECL in Stage 1. A newly purchased or originated financial assets will be subject to ECL upon recognition in Stage 1.

To estimate the lifetime ECL for financial instruments classified in Stage 2, the Group and the Company are required to estimate the probability of default occurring in the 12 months after the financial year end and in each subsequent year throughout the expected life of the financial instruments.

The financial assets are credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

As at the reporting date, all financial assets at amortised cost held by the Group and the Company are classified as Stage 1.

The following table shows the carrying value of the Group's financial assets measured at AC and the expected credit loss amount recognised. There were no ECL arising for the Company as at 31 March 2025 and 31 March 2024.

32. Financial risk (cont'd.)

(a) Credit Risk (cont'd.)

Investment assets - Reconciliation of allowance account (cont'd.)

Expected credit loss ("ECL") (cont'd.)

	Group	
	2025 RM'000	2024 RM'000
Total carrying amount of financial investment at AC	**4,676,504**	5,647,004
Total ECL on financial investment at AC as at 31 March	**207**	3

The following table shows the carrying value of the Group's financial assets measured at FVOCI and the expected credit loss amount recognised. There were no ECL arising for the Company as at 31 March 2025 and 31 March 2024.

	Group	
	2025 RM'000	2024 RM'000
Financial investments at FVOCI		
Government guaranteed	**517,127**	340,210
AAA to BBB	**331,570**	198,130
Not subject to credit risk	**92,939**	87,899
Total carrying amount of financial investment at FVOCI	**941,636**	626,239
Total ECL on financial investment at FVOCI as at 31 March	**164**	177

As at the reporting date, all financial investments measured at FVOCI held by the Group and the Company are classified as Stage 1.

Movements in allowances for impairment losses for financial investments measured at FVOCI and AC are as follows:

Group	FVOCI RM'000	AC RM'000	Total RM'000
Balance as at 1 April 2023	136	3	139
Net adjustment of loss allowances	41	-	41
Balance as at 31 March 2024	177	3	180
Net adjustment of loss allowances	(13)	204	191
Balance as at 31 March 2025	**164**	**207**	**371**

32. Financial risk (cont'd.)

(a) Credit Risk (cont'd.)

Other financial asset - Reconciliation of allowance account

Other financial assets consist of reinsurance/retakaful asset and insurance/takaful receivables within the balances of insurance contract liabilities.

Definition of default

The Group and the Company consider a financial asset to be in default by assessing the following criteria:

(i) Quantitative criteria

Takaful receivables of the takaful subsidiaries are considered to be in default when the counterparty fails to make contractual payments within 12 months from the time when they fall due, which is derived based on the takaful subsidiaries' historical information.

Whereas for the reinsurance/retakaful subsidiary, insurance/takaful receivables are considered to be in default when the counterparty fails to make contractual payments within 24 months when they fall due, which is derived based on the reinsurance/retakaful subsidiary's historical information. For reinsurance deposits placed, balances aged more than 18 months are deemed to be credit impaired.

(ii) Qualitative criteria

Default occurs when the counterparty is in bankruptcy or has indications of potentially significant financial difficulty such as lawsuits or similar actions that threaten the financial viability of the counterparty.

The criteria above have been applied to all financial instruments held by the Group and the Company and are consistent with the definition of default used for credit risk management purposes. The default definition has been applied consistently to model the PD, LGD and EAD throughout the Group's and the Company's expected loss calculations.

32. Financial risk (cont'd.)

(a) Credit risk (cont'd.)

Incorporation of forward-looking information

The Group and the Company incorporate forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL. The Group and the Company have performed historical analyses and identified key economic variables impacting credit risk and expected credit losses for each portfolio.

The sensitivity of the ECL to the economic variable assumptions affecting the calculation of ECL was not material to the Group and the Company.

Set out below is the information about the credit risk exposure on the insurance/takaful receivables within the balances of insurance/takaful contract/certificates liabilities of the Group's General reinsurance/retakaful by Malaysian Re using a provision matrix:

		Months past due					
	Not due RM'000	1 to 6 months RM'000	7 to 12 months RM'000	13 to 18 months RM'000	19 to 24 months RM'000	More than 24 months RM'000	Total RM'000
31 March 2025							
ECL rate	**0.16%**	**0.78%**	**1.94%**	**7.58%**	**22.71%**	**49.50%**	
Gross carrying amount	**329,804**	**242,422**	**67,996**	**14,321**	**850**	**4,287**	**659,680**
Allowance for ECL	**519**	**1,883**	**1,319**	**1,086**	**193**	**2,122**	**7,122**
31 March 2024							
ECL rate	0.14%	0.31%	2.27%	9.19%	33.25%	36.27%	
Gross carrying amount	369,687	311,348	20,018	8,708	1,251	6,162	717,174
Allowance for ECL	503	973	454	801	416	2,235	5,382

Table below shows the credit risk exposure on the takaful receivables of the Group's general and family takaful subsidiaries using a provision matrix:

		Months past due					
	Not due RM'000	0-3 months RM'000	4-6 months RM'000	7-9 months RM'000	10-12 months RM'000	> 1 year RM'000	Total RM'000
31 March 2025							
ECL rate	**0.00%**	**0.89%**	**3.52%**	**18.17%**	**11.29%**	**33.92%**	**3.65%**
Gross carrying amount	**3,204**	**115,771**	**15,895**	**5,728**	**2,896**	**7,548**	**151,042**
Allowance for ECL	**-**	**1,029**	**559**	**1,041**	**327**	**2,560**	**5,516**
31 March 2024							
ECL rate	0.00%	0.50%	1.16%	18.69%	28.91%	58.78%	2.56%
Gross carrying amount	3,937	142,283	29,698	3,632	2,632	5,486	187,668
Allowance for ECL	-	847	345	679	761	2,953	5,585

32. Financial risk (cont'd.)

(a) Credit risk (cont'd.)

Incorporation of forward-looking information (cont'd.)

The following table shows the movement in gross insurance/takaful receivables and the loss allowances recognised for credit impaired receivables.

	Not credit impaired RM'000	Credit impaired RM'000	Total RM'000
Group			
Gross carrying amounts			
As at 1 April 2024	**905,929**	**(1,087)**	**904,842**
Decrease	**(87,169)**	**(6,951)**	**(94,120)**
As at 31 March 2025	**818,760**	**(8,038)**	**810,722**
Allowance for ECL			
As at 1 April 2024	**7,380**	**3,587**	**10,967**
Increase/(decrease)	**1,803**	**(132)**	**1,671**
As at 31 March 2025	**9,183**	**3,455**	**12,638**
Gross carrying amounts			
As at 1 April 2023	714,306	7,313	721,619
Increase/(decrease)	191,623	(8,400)	183,223
As at 31 March 2024	905,929	(1,087)	904,842
Allowance for ECL			
As at 1 April 2023	8,962	6,116	15,078
Decrease	(1,582)	(2,529)	(4,111)
As at 31 March 2024	7,380	3,587	10,967

32. Financial risk (cont'd.)

(a) Credit risk (cont'd.)

Movement of allowance for impairment losses on insurance/takaful receivables.

Group	Individually impaired RM'000	Collectively impaired RM'000	Total RM'000
2025			
At 1 April 2024	**2,626**	**8,341**	**10,967**
(Reversal of)/provision for impairment losses for the year	**(132)**	**1,803**	**1,671**
At 31 March 2025	**2,494**	**10,144**	**12,638**
2024			
At 1 April 2023	5,155	9,923	15,078
Reversal of impairment losses for the year	(2,529)	(1,582)	(4,111)
At 31 March 2024	2,626	8,341	10,967

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not have sufficient cash resources available to meet payment obligations without incurring material additional costs.

The Group and the Company assess liquidity risk by ensuring the following:

(i) The Group and the Company are able to meet payment obligations under normal and stressed operating environments without suffering any loss;

(ii) Additions/withdrawals from the Group's and the Company's investment funds are managed efficiently; and

(iii) Appropriate measures are in place to respond to liquidity risk.

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32. Financial risk (cont'd.)

(b) Liquidity Risk (cont'd.)

As part of its liquidity management strategy, the Group has in place the Group Liquidity Management Policy which outlines the processes capable of measuring and reporting on:

(i) Daily cash flows;

(ii) Minimum liquidity holdings;

(iii) The composition and market values of investment portfolios, including liquid holdings;

(iv) The holding of liquid assets in the respective reinsurance, retakaful and takaful funds; and

(v) Liquidity risk position.

To manage the liquidity of the reinsurance/retakaful/takaful funds, the investment mandate requires that a certain proportion of the funds is maintained as liquid assets in line with BNM's RBC Framework and RBCT Framework requirements for liquid assets.

Maturity Profiles

The table below summarises the maturity profiles of the financial assets and financial liabilities of the Group and of the Company, based on remaining undiscounted contractual cash flows, including interest or profit receivable and payable. It also includes the maturity profiles of portfolios of insurance contracts/takaful certificates issued and reinsurance contracts/retakaful certificates held that are recognised as assets and liabilities, measured based on the estimated present value of future cash outflows.

32. Financial risk (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity profiles for 2025

The following table summarises the maturity profile of financial assets based on remaining undiscounted contractual cash flows:

Group	Carrying value RM'000	Up to 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
Financial assets at FVTPL						
Designated upon initial recognition						
Government investment issues	2,366,432	116,168	1,213,594	2,189,573	-	3,519,335
Corporate debt securities	1,226,292	147,178	785,820	366,397	-	1,299,395
Unquoted Islamic private debt securities	1,482,048	123,443	613,847	1,386,706	-	2,123,996
Malaysian government securities	355,091	13,815	91,327	377,936	-	483,078
Mandatorily measured						
Quoted shares in Malaysia:						
Shariah approved equities	508,222	-	-	-	508,222	508,222
Warrants	239	-	-	-	239	239
Others	79,312	-	-	-	79,312	79,312
Perpetual bond in Malaysia	4,992	5,122	-	-	-	5,122
Real estate investment trusts:						
- Shariah approved	14,226	-	-	-	14,226	14,226
- Non-Shariah approved	2,782	-	-	-	2,782	2,782
Shariah approved unit trusts	329,964	-	-	-	329,964	329,964

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32. Financial risk (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity profiles for 2025 (cont'd.)

The following table summarises the maturity profile of financial assets based on remaining undiscounted contractual cash flows (cont'd.):

Group (cont'd.)	Carrying value RM'000	Up to 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
Financial assets at FVOCI						
Government investment issues	475,736	17,899	345,595	259,232	-	622,726
Unquoted shares in Malaysia	92,706	-	-	-	92,706	92,706
Unquoted Islamic private debt securities	372,961	88,743	194,030	174,081	-	456,854
Golf club membership	233	-	-	-	233	233
Financial assets at amortised cost						
Fixed and call deposits with licensed:						
Commercial banks	639,145	642,247	-	-	-	642,247
Foreign banks	334,568	338,257	-	-	-	338,257
Islamic investment accounts with licensed:						
Islamic banks	2,946,219	2,960,550	-	-	-	2,960,550
Commercial banks	90,000	91,756	-	-	-	91,756
Development banks	295,165	299,598	-	-	-	299,598
Islamic commercial paper	64,369	65,000	-	-	-	65,000
Commercial paper	172,468	173,750	-	-	-	173,750
Secured staff loans	2,233	460	1,773	-	-	2,233

32. Financial risk (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity profiles for 2025 (cont'd.)

The following table summarises the maturity profile of financial assets based on remaining undiscounted contractual cash flows (cont'd.):

Group (cont'd.)	Carrying value RM'000	Up to 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
Financial assets at amortised cost (cont'd.)						
Income due and accrued	92,058	92,058	-	-	-	92,058
Amount due from Insurance pool accounts	16,696	-	-	-	16,696	16,696
Sundry receivables	23,583	23,583	-	-	-	23,583
Cash and bank balances	112,844	112,844	-	-	-	112,844
Total financial assets	12,100,584	5,312,471	3,245,986	4,753,925	1,044,380	14,356,762

The following table summarises the maturity profile of financial liabilities based on remaining undiscounted contractual cash flows:

Group (cont'd.)	Carrying value RM'000	Up to 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
Financial liabilities						
Borrowings	(620,000)	(11,391)	(90,588)	(682,538)	-	(784,517)
Lease liabilities	(2,293)	(1,541)	(997)	-	-	(2,538)
Zakat payables	(2,354)	(182)	-	-	-	(182)
Other payables (excluding provisions)	(150,837)	(150,837)	-	-	-	(150,837)
Total financial liabilities	(775,484)	(163,951)	(91,585)	(682,538)	-	(938,074)
Surplus	11,325,100	5,148,520	3,154,401	4,071,387	1,044,380	13,418,688

32. Financial risk (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity profiles for 2025 (cont'd.)

The following table summarises the maturity profile of portfolios of insurance contracts/takaful certificates issued that are liabilities and portfolios of reinsurance contracts/retakaful certificates held that are liabilities based on the estimates of the present value of the future cash flows expected to be paid out in the periods presented.

	Carrying value RM'000	Up to 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Unallocated surplus* RM '000	Total RM'000
Insurance contracts/takaful certificates liabilities							
General insurance/retakaful - Other than PAA	(2,267,985)	(471,215)	(2,333,701)	(688,679)	1,303,229	(77,620)	(2,267,985)
General takaful - PAA	(828,573)	(340,836)	(286,185)	(12,218)	-	(189,334)	(828,573)
Family Takaful							
PAA	(21,837)	(789)	-	-	-	(21,048)	(21,837)
Other than PAA	(4,334,644)	(103,380)	(570,206)	(2,727,400)	(507,945)	(425,713)	(4,334,644)
Total insurance contracts/takaful certificates liabilities	(7,453,039)	(916,220)	(3,190,092)	(3,428,297)	795,284	(713,715)	(7,453,039)
Reinsurance contracts/retakaful certificates liabilities							
General reinsurance/retakaful - Other than PAA	(4,109)	-	-	-	(4,109)	-	(4,109)
Family Takaful							
PAA	(2,916)	(2,916)	-	-	-	-	(2,916)
Other than PAA	(16,190)	(16,190)	-	-	-	-	(16,190)
Total reinsurance contracts/retakaful certificates liabilities	(23,215)	(19,106)	-	-	(4,109)	-	(23,215)

* The unallocated surplus represents fulfilment cash flows that remain after all takaful certificate services have been provided to the certificates in a group. In accordance with paragraph B71 of MFRS 17, such amounts reflect expected payments to current or future participants, and need not be allocated to specific groups but instead be recognised as a liability arising from all groups collectively.

32. Financial risk (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity profiles for 2025 (cont'd.)

The following table summarises the maturity profile of financial assets based on remaining undiscounted contractual cash flows:

Company	Carrying value RM'000	Up to 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
Financial assets at FVOCI						
Golf club membership	50	-	-	-	50	50
Unquoted corporate debt securities	49,887	2,190	58,670	-	-	60,860
Islamic corporate debt securities	29,929	1,095	31,560	-	-	32,655
Financial assets at amortised cost						
Unquoted corporate debt securities	1,000	1,020	-	-	-	1,020
Islamic investment accounts with licensed:						
Islamic banks	167,821	166,148	-	-	-	166,148
Commercial banks	90,000	91,756	-	-	-	91,756
Development banks	8,000	8,024	-	-	-	8,024
Secured staff loans	642	16	626	-	-	642
Amount due from subsidiaries	22,934	22,934	-	-	-	22,934
Income due and accrued	2,851	2,851	-	-	-	2,851
Sundry receivables	427	427	-	-	-	427
Cash and cash equivalent	2,602	2,602	-	-	-	2,602
Total financial assets	376,143	299,063	90,856	-	50	389,969

The following table summarises the maturity profile of financial liabilities based on remaining undiscounted contractual cash flows:

Financial liabilities						
Borrowing	(420,000)	(18,732)	(74,979)	(494,517)	-	(588,228)
Lease liabilities	(1,215)	(1,250)	-	-	-	(1,250)
Other payables (excluding provisions)	(14,181)	(14,181)	-	-	-	(14,181)
Total financial liabilities	(435,396)	(34,163)	(74,979)	(494,517)	-	(603,659)
(Deficit)/surplus	(59,253)	264,900	15,877	(494,517)	50	(213,690)

32. Financial risk (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity profiles for 2024

The following table summarises the maturity profile of financial assets based on remaining undiscounted contractual cash flows:

Company	Carrying value RM'000	Up to 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
Financial assets at FVTPL						
Designated upon initial recognition						
Government investment issues	1,532,331	73,915	30,374	1,433,267	-	1,537,556
Unquoted Islamic private debt securities	1,386,861	56,019	349,119	984,400	-	1,389,538
Government guaranteed	301,812	10,132	106,056	265,338	-	381,526
Mandatorily measured						
Government investment issues	379,665	49,147	200,720	206,447	-	456,314
Quoted shares in Malaysia:						
Shariah approved equities	221,166	-	-	-	221,166	221,166
Others	12,237	-	-	-	12,237	12,237
Unquoted perpetual bond in Malaysia	4,964	180	5,122	-	-	5,302
Unquoted corporate debt securities	740,218	178,495	327,143	295,988	-	801,626
Real estate investment trusts:						
Shariah approved	14,665	-	-	-	14,665	14,665
Non-Shariah approved	9,050	-	-	-	9,050	9,050
Shariah approved unit trusts	356,830	-	-	-	356,830	356,830
Derivative	(320)	-	-	-	(320)	(320)

32. Financial risk (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity profiles for 2024 (cont'd.)

Group (cont'd.)	Carrying value RM'000	Up to 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
Financial assets at FVOCI						
Government investment issues	249,969	5,099	50,039	199,655	-	254,793
Unquoted shares in Malaysia	87,666	-	-	-	87,666	87,666
Unquoted Islamic private debt securities	288,371	32,645	141,585	138,581	-	312,811
Golf club membership	233	-	-	-	233	233
Financial assets at amortised cost						
Fixed and call deposits with licensed:						
Commercial banks	190,239	192,453	-	-	-	192,453
Foreign banks	779,854	779,854	-	-	-	779,854
Islamic investment accounts with licensed:						
Islamic banks	3,748,889	3,762,434	-	-	-	3,762,434
Development banks	734,070	789,433	-	-	-	789,433
Commercial paper	59,569	60,000	-	-	-	60,000
Secured staff loans	2,584	601	2,033	3	-	2,637
Income due and accrued	112,458	112,458	-	-	-	112,458

32. Financial risk (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity profiles for 2024 (cont'd.)

Group (cont'd.)	Carrying value RM'000	Up to 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
Financial assets at amortised cost (cont'd.)						
Amount due from Insurance pool accounts	23	23	-	-	-	23
Sundry receivables	19,318	19,389	200	-	-	19,589
Cash and bank balances	115,604	115,604	-	-	-	115,604
Total financial assets	11,348,326	6,237,881	1,212,391	3,523,678	701,527	11,675,478

The following table summarises the maturity profile of financial liabilities based on remaining undiscounted contractual cash flows:

Financial liabilities						
Borrowings	(620,000)	(12,660)	(114,009)	(721,324)	-	(847,993)
Lease liabilities	(31,938)	(26,257)	-	-	(5,681)	(31,938)
Zakat payables	(2,661)	(2,661)	-	-	-	(2,661)
Other payables (excluding provisions)	(149,366)	(149,366)	-	-	-	(149,366)
Total financial liabilities	(803,964)	(190,944)	(114,009)	(721,324)	(5,681)	(1,031,958)
Surplus	10,544,362	6,046,937	1,098,382	2,802,354	695,846	10,643,520

32. Financial risk (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity profiles for 2024 (cont'd.)

The following table summarises the maturity profile of portfolios of insurance contracts/takaful certificates issued that are liabilities and portfolios of reinsurance contracts/retakaful certificates held that are liabilities based on the estimates of the present value of the future cash flows expected to be paid out in the periods presented.

	Carrying value RM'000	Up to 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Unallocated surplus* RM '000	Total RM'000
Insurance contracts/takaful certificates liabilities							
General reinsurance/retakaful - Other than PAA	(2,189,280)	(604,785)	(2,396,851)	(343,649)	1,223,852	(67,847)	(2,189,280)
General takaful - PAA	(761,583)	(314,935)	(244,035)	(13,787)	-	(188,826)	(761,583)
Family Takaful							
PAA	(21,807)	(7,516)	-	-	-	(14,291)	(21,807)
Other than PAA	(4,240,043)	(84,338)	(526,346)	(2,737,685)	(417,802)	(473,872)	(4,240,043)
Total insurance contracts/takaful certificates liabilities	(7,212,713)	(1,011,574)	(3,167,232)	(3,095,121)	806,050	(744,836)	(7,212,713)
Reinsurance contracts/retakaful certificates liabilities							
General reinsurance/retakaful - Other than PAA	(13,047)	-	-	-	(7,366)	(5,681)	(13,047)
Family Takaful - Other than PAA	(11,932)	(11,932)	-	-	-	-	(11,932)
Total reinsurance contracts/retakaful certificates liabilities	(24,979)	(11,932)	-	-	(7,366)	(5,681)	(24,979)

* The unallocated surplus represents fulfilment cash flows that remain after all takaful certificate services have been provided to the certificates in a group. In accordance with paragraph B71 of MFRS 17, such amounts reflect expected payments to current or future participants, and need not be allocated to specific groups but instead be recognised as a liability arising from all groups collectively.

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32. Financial risk (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity profiles for 2024 (cont'd.)

The following table summarises the maturity profile of financial assets based on remaining undiscounted contractual cash flows:

Company	Carrying value RM'000	Up to 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
Financial assets at FVTPL						
Shariah approved unit trust fund	5,329	-	-	-	5,329	5,329
Financial assets at FVOCI						
Golf club membership	50	-	-	-	50	50
Unquoted corporate debt securities	49,759	2,190	8,766	52,094	-	63,050
Financial assets at amortised cost						
Unquoted corporate debt securities	1,000	50	1,020	-	-	1,070
Islamic investment accounts with licensed:						
Islamic banks	219,445	119,112	-	-	-	119,112
Development bank	12,072	8,847		-	-	8,847
Secured staff loans	507	198	359	3	-	560
Amount due from subsidiaries	8,835	8,835	-	-	-	8,835
Income due and accrued	1,024	1,024	-	-	-	1,024
Sundry receivables	266	266	-	-	-	266
Cash and cash equivalent	481	481	-	-	-	481
Total financial assets	298,768	141,003	10,145	52,097	5,379	208,624

The following table summarises the maturity profile of financial liabilities based on remaining undiscounted contractual cash flows:

Company	Carrying value RM'000	Up to 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
Financial liabilities						
Borrowing	(420,000)	(18,732)	(74,979)	(513,249)	-	(606,960)
Lease liabilities	(2,373)	(1,250)	(1,250)	-	-	(2,500)
Other payables (excluding provisions)	(12,630)	(12,630)	-	-	-	(12,630)
Total financial liabilities	(435,003)	(32,612)	(76,229)	(513,249)	-	(622,090)
(Deficit)/surplus	(136,235)	108,391	(66,084)	(461,152)	5,379	(413,466)

32. Financial risk (cont'd.)

(c) Market risk

Market risk is the risk of loss arising from a change in the values of, or the income from, financial assets and the change in value of the insurance liabilities. The risk of loss also arises from volatility in asset prices, interest/profit rates, or foreign currency exchange rates to the asset prices and value of the insurance liabilities. Market risk includes the following elements:

(i) Price risk which is the risk of fluctuations in the fair value or future cash flows of a financial instrument impacting the equity and collective investment schemes (property trusts and unit trust funds) prices;

(ii) Foreign exchange risk which is the risk of fluctuations in the fair value or future cash flows of a financial instrument and insurance liabilities arising from a movement of or volatility in exchange rates;

(iii) Interest/profit rate risk which is the risk of fluctuations in the fair value or future cash flows of a financial instrument and insurance liabilities arising from variability in interest/profit rates; and

(iv) Property investment risk which is the risk of fluctuations in the fair value or future cash flows of a property arising from decline in real estate values or income, where MNRB and its main operating subsidiaries have invested in property or real estate for own occupancy, investment or rental purpose.

Price risk

Price risk is the risk that the fair value or future cash flow of a financial instrument fluctuates because of changes in market prices (other than those arising from interest rate/profit rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting similar financial instruments traded in the market.

The Group's price risk exposures relate to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices.

MNRB and its main operating subsidiaries manage such risks by setting and monitoring objectives and constraints on investments, diversification plans, limits on investments in each sector, market and issuer, having regard also to such limits as stipulated by BNM. The Group complied with such limits as stipulated by BNM during the financial year and had no significant concentration of price risk.

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32. Financial risk (cont'd.)

(c) Market risk (cont'd.)

Sensitivity analysis

The analysis below is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity (inclusive of the impact on other comprehensive income). The correlation of variables have a significant effect in determining the ultimate impact on price risk. Additionally, changes in variables are considered individually. It should be noted that movements in these variables are non-linear.

The equities under the Investment-Linked fund were excluded from the sensitivity analysis as the risks associated with the fluctuations in market prices of the equities are borne by the participants.

Group	Changes in market indices	Impact on profit before zakat and taxation RM'000	Impact on equity RM'000
	←	Increase/(decrease)	→
2025			
Price/NAV	**+ 5%**	**50,181**	**46,850**
Price/NAV	**- 5%**	**(50,181)**	**(46,850)**
2024			
Price/NAV	+ 5%	20,682	15,752
Price/NAV	- 5%	(20,682)	(15,752)

Company	Changes in market indices	Impact on profit before zakat and taxation RM'000	Impact on equity RM'000
	←	Increase/(decrease)	→
2025			
Price/NAV	**+ 5%**	**-**	**-**
Price/NAV	**- 5%**	**-**	**-**
2024			
Price/NAV	+ 5%	266	203
Price/NAV	- 5%	(266)	(203)

* The impact on equity reflects the after tax impact.

32. Financial risk (cont'd.)

(c) Market risk (cont'd.)

Foreign exchange risk/currency risk

Currency risk is the risk that the fair value or future cash flows of a financial asset and/or liability will fluctuate because of movements in foreign currency exchange rates.

The Group's primary transactions are carried out in Ringgit Malaysia ("RM") and its exposure to foreign exchange risk arises principally because of its foreign currency denominated underwriting revenues (such as premiums/contributions) and expenses (such as claims/benefits and commission expenses).

The Group has a foreign exchange risk management plan in place and is continuously enhancing its risk mitigation measures. The management's Asset & Liability Committee convenes regular meetings to discuss and deliberate on foreign exchange related issues including hedging strategy to reduce unhedged foreign exchange, as well as other measures to mitigate foreign exchange risk.

Sensitivity analysis

The analysis below is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on gross and net claims liabilities, profit before tax and equity. The sensitivity analysis was applied to the Group's gross and net claim liabilities in foreign currencies, while the impact on profit before taxation and equity includes the hedging effect from the backing assets held in the respective foreign currencies.

Group	Changes in variable	Impact on gross liabilities RM'000	Impact on net liabilities RM'000	Impact on profit before zakat and taxation RM'000	Impact on equity* RM'000
		Increase/(decrease)			
2025					
Foreign currency	**+5%**	**2,111**	**1,904**	**1,942**	**1,752**
Foreign currency	**-5%**	**(2,111)**	**(2,111)**	**(1,903)**	**(1,942)**
2024					
Foreign currency	+5%	6,366	(1,986)	24,510	22,549
Foreign currency	-5%	(6,366)	1,986	(24,510)	(22,549)

* The impact on equity reflects the after tax impact.

The method used in performing the sensitivity analysis is consistent with the prior year.

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32. Financial risk (cont'd.)

(c) Market risk (cont'd.)

Interest/profit rate risk

The Group is exposed to interest/profit rate risk as follows:

(i) Fair values of fixed interest/profit-bearing assets would move inversely to changes in interest/profit rates; and

(ii) Future cash flows of variable interest/profit-bearing assets would move in direct proportion to changes in rates.

The Group's earnings are impacted by fluctuations by changes in market interest/profit rates as such changes affect interest/profit income from cash and cash equivalents, including investments in fixed/Islamic deposits. The value of the Group's fixed income portfolio moves inversely with interest/profit rates. While there is no direct contractual relationship between financial assets and insurance contracts, the Group's profit/interest rate risk policy mandates managing net profit rate risk. This is achieved by maintaining an appropriate balance of fixed and variable rate instruments to support takaful contract liabilities as well as managing the maturity profiles of profit-bearing financial assets.

The Group manages its interest/profit rate risk by aligning, where possible, the duration and profile of assets and liabilities to minimise the impact of mismatches between the value of assets and liabilities from interest/profit rate movements. The Group also continuously monitors the financial, market and economic development in determining interest/profit rates direction and formulate its investment and asset liability strategies.

The nature of the Group's exposure to interest/profit rate risk and its objectives, policies and processes for managing interest/profit rate risk have not changed significantly from the previous financial year.

Sensitivity analysis

A change of 25 basis points ("bps") in interest/profit rates at the reporting date would have increased/(decreased) the value of the portfolio of fixed-income investment by the amounts shown below.

	Changes in variable	Impact on profit before zakat and taxation RM'000	Impact on equity RM'000
	← (Decrease)/increase →		
Group			
2025			
Interest/profit rates	**+25 bp**	**(84,552)**	**(94,466)**
Interest/profit rates	**-25 bp**	**84,552**	**94,466**
2024			
Interest/profit rates	+25 bp	(54,220)	(50,659)
Interest/profit rates	-25 bp	54,220	50,659

32. Financial risk (cont'd.)

(c) Market risk (cont'd.)

Interest/profit rate risk (cont'd.)

Sensitivity analysis (cont'd.)

	Changes in variable	Impact on equity* RM'000
	← (Decrease)/increase	→
Company		
2025		
Interest/profit rates	**+25 bp**	**(454)**
Interest/profit rates	**-25 bp**	**454**
2024		
Interest/profit rates	+25 bp	(901)
Interest/profit rates	-25 bp	901

* The impact on equity reflects the after tax impact.

Asset-Liability Mismatch

One of the risks the main operating subsidiaries face due to the nature of its investments and liabilities is the mismatch of assets to liabilities (investment risks). The Group actively manages these positions to achieve long-term stable investment returns in excess of its obligations under the insurance/takaful certificates. The principal technique identified is to match assets to the liabilities arising from insurance/takaful certificates by reference to the type of benefits payable to participants.

The main operating subsidiaries currently manage these positions through the assessment of interest/profit rate risk, foreign exchange risk (where applicable) and liquidity risk and monitoring of the investment portfolio duration as well as the liability duration on a quarterly basis.

Within the Group, the Family Takaful subsidiary has an ALM Framework in place to manage asset-liability mismatch risks.

Property investment risk

Property investment risk is the risk of fluctuations in the fair value or future cash flows of a property arising from decline in real estate values or income, where MNRB and its main operating subsidiaries have invested in property or real estate for own occupancy, investment or rental purpose. Operational manuals are put in place to describe the responsibilities in relation to management of the properties.

The financial risk arising from a delinquent or loss of tenants are managed at the outset through careful selection of properties with high tenancy including tenants with long term tenancies, screening of new tenants' credit worthiness and financial standing as well as ensuring that the properties and facilities are continuously maintained and upgraded.

33. Other risks

(a) Operational risk

Operational risk can broadly be defined as the risk of direct or indirect losses or reputational damage due to failure attributable to people, internal processes, system (Information Technology) or from external events. Operational risk is inherent in all activities of the Group and can transverse multiple activities including outsourcing. It includes a wide spectrum of heterogeneous risks such as fraud, bribery & corruption, physical damage, business disruption, transaction failures, legal and regulatory breaches, pandemic outbreak, as well as employee health and safety hazards.

The Group cannot expect to eliminate all operational risks, but by initiating a rigorous control framework, and by monitoring and responding to potential risks, the Group is able to minimise risks to an acceptable level. Controls include effective segregation of duties, access controls, system validation, enhanced authorisation and reconciliation procedures, continuous staff education and appropriate assessment processes, and engagement of internal audit for assurance.

(b) Compliance risk

Compliance risk is the risk of legal or regulatory sanctions, financial loss or reputational damage which the Company may suffer as a result of its failure to comply with legal and regulatory requirements applicable to its activities.

The Company monitors all compliance aspects in observing the regulatory requirements. In this respect, it adopts the Group Compliance Management Framework and other relevant internal policies and procedures to ensure compliance with all applicable laws and guidelines issued by the regulatory authorities.

(c) Shariah non-compliance risk

Shariah non-compliance ("SNC") risk refers to the risk of legal or regulatory sanctions, financial loss or non-financial implications including reputational damage, which the Company may suffer arising from failure to comply with:

(i) The rulings of the Shariah Advisory Council of Bank Negara Malaysia ("SAC-BNM");

(ii) Standards on Shariah matters issued by BNM (pursuant to Section 29(1) of the IFSA and Section 33E(1) of the Development Financial Institutions Act ("DFIA") 2002);

(iii) The rulings and standards of the Shariah Advisory Council of Securities Commission Malaysia ("SAC-SC"); or

(iv) Decisions or advices of the GSC.

(d) Sustainability Risk

Sustainability risks are potential adverse impacts on environmental, social, and governance factors that could affect the long-term viability, financial performance, or reputation of the Company. These risks arise from various sources, including climate change, resource depletion, environmental pollution, social inequality, labor practices, human rights violations, regulatory changes, and ethical considerations.

The Risk Management Committee of the Board, with support from the GMRCC, is responsible for overseeing the delegation of tasks by the Board concerning the implementation of strategies and the overall management of sustainability issues. Reporting to GMRCC, the Sustainability Working Group (SWG), which includes Sustainability Champions as representatives from each entity, facilitates the adoption and integration of sustainability into the Company's business and operations.

The Group has established the Group Sustainability Commitment towards Net Zero Carbon Organisation by 2050, which will form part of the Group Sustainability Framework. The implementation and finalisation of the Framework shall be harmonised with the Group's Sustainability Governance, Commitments and Policy.

The MNRB Group Sustainability Risk Management Framework enhances and complements the Company's sustainability commitments and initiatives by integrating risk considerations into the Company's broader sustainability objectives.

The Company's sustainability governance and sustainability efforts in contributing positively towards global sustainability objectives are disclosed in MNRB Group's Sustainability Statement available on the corporate website.

34. Insurance business

(a) Consolidated income statements by insurance business

	Reinsurance RM'000	Retakaful RM'000	General Takaful RM'000	Family Takaful RM'000	Others RM'000	Consolidation RM'000	Group RM'000
For the year ended 31 March 2025							
Insurance/takaful revenue	1,792,842	116,482	870,984	412,750	-	(57,940)	3,135,118
Insurance/takaful service expenses	(1,370,295)	(81,908)	(733,911)	(428,859)	-	31,478	(2,583,495)
Insurance contracts/takaful certificates service results before reinsurance contracts/retakaful certificates held	422,547	34,574	137,073	(16,109)	-	(26,462)	551,623
Allocation of reinsurance/retakaful premiums/contributions	(270,427)	(49,046)	(269,710)	(145,559)	-	69,596	(665,146)
Amounts recoverable from reinsurers/retakaful operators for incurred claims	177,484	33,365	188,271	97,893	-	(37,300)	459,713
Net expense from reinsurance contracts/retakaful certificates held	(92,943)	(15,681)	(81,439)	(47,666)	-	32,296	(205,433)
Insurance/takaful service results	329,604	18,893	55,634	(63,775)	-	5,834	346,190
Interest/profit income calculated using the effective interest/profit method	100,401	5,618	35,257	49,842	11,073	(2,240)	199,951
Other investment income	102,943	2,490	10,661	129,935	154,304	(160,446)	239,887
Net realised (losses)/gains	(12,033)	5	(1,573)	21,669	10,720	(7,594)	11,194
Net fair value gains/(losses) on financial assets at fair value through profit and loss	9,118	169	(816)	13,425	16	3,422	25,334
Net foreign exchange losses	(82,437)	-	-	-	-	-	(82,437)
Allowance for impairment losses on financial assets	(59)	-	-	(47)	(85)	-	(191)
Investment results	117,933	8,282	43,529	214,824	176,028	(166,858)	393,738
Net insurance/takaful finance/profit expenses from insurance contracts/takaful certificates issued	(73,558)	59	(26,011)	(178,795)	-	2,855	(275,450)
Net reinsurance/retakaful finance/profit income from reinsurance contracts/retakaful certificates held	5,822	(32)	8,722	-	-	(429)	14,083
Unallocated (surplus)/deficit attributable to participants	-	(7,207)	(1,412)	57,263	-	4,304	52,948
Net insurance/takaful financial results	(67,736)	(7,180)	(18,701)	(121,532)	-	6,730	(208,419)

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34. Insurance Business (cont'd.)

(a) Consolidated income statements by insurance business (cont'd.)

	Reinsurance RM'000	Retakaful RM'000	General Takaful RM'000	Family Takaful RM'000	Others RM'000	Consolidation RM'000	Group RM'000
For the year ended 31 March 2025 (cont'd.)							
Fees and other income	9,790	165	8,275	6,561	78,952	(78,164)	25,579
Management and other expenses	(26,589)	(237)	(5,854)	(20,601)	(90,282)	65,471	(78,092)
Finance cost	(12,677)	-	(323)	(14)	(18,478)	2,514	(28,978)
Net other (expenses)/income	(29,476)	(72)	2,098	(14,054)	(29,808)	(10,179)	(81,491)
Share of results of associates	-	-	-	-	-	6,471	6,471
Profit before zakat and taxation	350,325	19,923	82,560	15,463	146,220	(158,002)	456,489
Tax attributable to participants	-	(1,679)	2,929	(3,489)	-	-	(2,239)
Profit before zakat and taxation attributable to equity holders of the Holding Company	350,325	18,244	85,489	11,974	146,220	(158,002)	454,250
Zakat	-	(148)	(1,324)	(166)	-	-	(1,638)
Taxation	(42,673)	(558)	(23,391)	690	1,397	6,169	(58,366)
Net profit for the year attributable to equity holders of the Holding Company	307,652	17,538	60,774	12,498	147,617	(151,833)	394,246

34. Insurance business (cont'd.)

(a) Consolidated income statements by insurance business (cont'd.)

	Reinsurance RM'000	Retakaful RM'000	General Takaful RM'000	Family Takaful RM'000	Others RM'000	Consolidation RM'000	Group RM'000
For the year ended 31 March 2024							
Insurance/takaful revenue	1,719,994	143,468	801,376	470,636	-	(37,320)	3,098,154
Insurance/takaful service expenses	(1,308,691)	(122,997)	(677,518)	(395,604)	-	71,034	(2,433,776)
Insurance contracts/takaful certificates service results before reinsurance contracts/retakaful certificates held	411,303	20,471	123,858	75,032	-	33,714	664,378
Allocation of reinsurance/retakaful premiums/contributions	(221,771)	(41,818)	(244,401)	(133,959)	-	37,197	(604,752)
Amounts recoverable from reinsurers/retakaful operators for incurred claims	135,670	37,615	181,417	105,031	-	(24,955)	434,778
Net expense from reinsurance contracts/retakaful certificates held	(86,101)	(4,203)	(62,984)	(28,928)	-	12,242	(169,974)
Insurance/takaful service results	325,202	16,268	60,874	46,104	-	45,956	494,404
Interest/profit income calculated using the effective interest/profit method	127,668	6,418	41,078	51,958	6,616	32,433	266,171
Other investment income	50,029	701	909	127,020	103,398	(137,444)	144,613
Net realised (losses)/gains	(11,595)	-	(4,355)	12,999	(67)	-	(3,018)
Net fair value gains/(losses) on financial assets at fair value through profit and loss	61,864	87	6,579	118,660	16	(41,976)	145,230
Net foreign exchange gains	48,009	-	-	-	-	-	48,009
Allowance for impairment losses on financial assets	(22)	-	-	(8)	(11)	-	(41)
Investment results	275,953	7,206	44,211	310,629	109,952	(146,987)	600,964
Net insurance/takaful finance/profit expenses from insurance contracts/takaful certificates issued	(153,822)	(2,236)	(20,808)	(250,186)	-	(6,500)	(433,552)
Net reinsurance/retakaful finance/profit income from reinsurance contracts/retakaful certificates held	(3,629)	(75)	6,466	-	-	8,756	11,518
Unallocated (surplus)/deficit attributable to participants	-	(19,170)	(8,206)	(62,715)	-	-	(90,091)
Net insurance/takaful financial results	(157,451)	(21,481)	(22,548)	(312,901)	-	2,256	(512,125)

34. **Insurance business (cont'd.)**

(a) **Consolidated income statements by insurance business (cont'd.)**

	Reinsurance RM'000	Retakaful RM'000	General Takaful RM'000	Family Takaful RM'000	Others RM'000	Consolidation RM'000	Group RM'000
For the year ended 31 March 2024 (cont'd.)							
Fees and other income	10,959	155	7,730	8,398	65,476	(69,007)	23,711
Management and other expenses	(19,517)	(85)	(4,248)	(11,916)	(78,231)	20,549	(93,448)
Finance cost	(12,694)	-	(311)	(11)	(16,866)	2,612	(27,270)
Net other (expenses)/income	(21,252)	70	3,171	(3,529)	(29,621)	(45,846)	(97,007)
Share of results of associates	-	-	-	-	-	44,623	44,623
Profit before zakat and taxation	422,452	2,063	85,708	40,303	80,331	(99,998)	530,859
Tax attributable to participants	-	(13)	(3,280)	(21,785)	-	-	(25,078)
Profit before zakat and taxation attributable to equity holders of the Holding Company	422,452	2,050	82,428	18,518	80,331	(99,998)	505,781
Zakat	-	(127)	(837)	(370)	-	-	(1,334)
Taxation	(35,765)	(185)	(18,243)	(10,390)	(6,326)	1	(70,908)
Net profit for the year attributable to equity holders of the Holding Company	386,687	1,738	63,348	7,758	74,005	(99,997)	433,539

34. Insurance business (cont'd.)

(b) Consolidated statement of financial position by insurance business

	Reinsurance RM'000	Retakaful RM'000	General Takaful RM'000	Family Takaful RM'000	Others RM'000	Consolidation RM'000	Group RM'000
As at 31 March 2025							
Assets							
Property and equipment	143,080	1	2,073	89,370	3,427	-	237,951
Intangible assets	3,732	-	54,604	50,103	5,999	-	114,438
Right-of-use assets	-	-	5,496	200	1,673	(5,167)	2,202
Investments in subsidiaries	-	-	-	-	1,298,106	(1,298,106)	-
Investments in associates	152,000	-	-	-	1,957	11,838	165,795
Financial and other assets	5,319,466	187,363	1,381,930	4,856,910	405,039	(129,956)	12,020,752
Deferred tax assets	-	-	36,149	-	5,980	313	42,442
Insurance contracts/takaful certificates assets	1,710	4,429	-	110,289	-	(10,598)	105,830
Reinsurance contracts/retakaful certificates assets	265,095	11,429	316,962	51,491	-	(27,323)	617,654
Tax recoverable	-	-	3,440	29,165	16,235	-	48,840
Cash and bank balances	31,914	921	39,001	13,163	27,845	-	112,844
Total assets	5,916,997	204,143	1,839,655	5,200,691	1,766,261	(1,458,999)	13,468,748

NOTES TO THE FINANCIAL STATEMENTS
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34. **Insurance business (cont'd.)**

(b) **Consolidated statement of financial position by insurance business (cont'd.)**

	Reinsurance RM'000	Retakaful RM'000	General Takaful RM'000	Family Takaful RM'000	Others RM'000	Consolidation RM'000	Group RM'000
As at 31 March 2025 (cont'd.)							
Liabilities							
Borrowings	251,000	-	-	-	420,000	(51,000)	620,000
Insurance contracts/takaful certificates liabilities	3,063,449	153,425	1,349,703	4,538,084	-	(27,323)	9,077,338
Reinsurance contacts/retakaful certificates liabilities	3,594	399	-	40,727	-	(10,596)	34,124
Lease liabilities	-	-	5,793	204	1,736	(5,440)	2,293
Other payables	42,453	1,086	116,839	83,956	30,959	(23,546)	251,747
Deferred tax liabilities	24,671	-	-	15,158	-	(6,169)	33,660
Tax payable	2,086	1,570	-	2,507	203	-	6,366
Provision for zakat	-	3	2,169	182	-	-	2,354
Total liabilities	3,387,253	156,483	1,474,504	4,680,818	452,898	(124,074)	10,027,882
Equity							
Share capital	663,106	-	230,000	405,000	793,502	(1,353,106)	738,502
Reserves	1,866,638	47,660	135,151	114,873	519,861	18,181	2,702,364
Total equity attributable to equity holders of the Holding Company	2,529,744	47,660	365,151	519,873	1,313,363	(1,334,925)	3,440,866
Total liabilities and equity	5,916,997	204,143	1,839,655	5,200,691	1,766,261	(1,458,999)	13,468,748

34. Insurance business (cont'd.)

(b) Consolidated statement of financial position by insurance business (cont'd.)

	Reinsurance RM'000	Retakaful RM'000	General Takaful RM'000	Family Takaful RM'000	Others RM'000	Consolidation RM'000	Group RM'000
As at 31 March 2024							
Assets							
Property and equipment	137,244	1	672	85,439	11,567	49	234,972
Intangible assets	5,432	-	50,432	54,620	6,634	-	117,118
Right-of-use assets	-	-	6,608	543	2,650	(6,974)	2,827
Investments in subsidiaries	-	-	-	-	1,304,477	(1,304,477)	-
Investments in associates	155,318	-	-	-	1,957	17,636	174,911
Financial and other assets	4,930,119	117,997	1,230,645	4,752,457	402,759	(158,280)	11,275,697
Deferred tax assets	-	-	37,096	-	5,399	4,896	47,391
Insurance contracts/takaful certificates assets	7,488	-	-	58,845	1	-	66,334
Reinsurance contracts/retakaful certificates assets	140,375	22,369	317,862	42,306	-	(11,831)	511,081
Tax recoverable	-	-	1,904	11,285	13,509	-	26,698
Cash and bank balances	75,424	9,048	12,300	11,615	7,217	-	115,604
Total assets	5,451,400	149,415	1,657,519	5,017,110	1,756,170	(1,458,981)	12,572,633

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2025

34. Insurance business (cont'd.)

(b) Consolidated statement of financial position by insurance business (cont'd.)

	Reinsurance RM'000	Retakaful RM'000	General Takaful RM'000	Family Takaful RM'000	Others RM'000	Consolidation RM'000	Group RM'000
As at 31 March 2024 (cont'd.)							
Liabilities							
Borrowings	251,000	-	-	-	420,000	(51,000)	620,000
Insurance contracts/takaful certificates liabilities	2,808,062	124,526	1,198,380	4,374,006	-	(11,829)	8,493,145
Reinsurance contacts/retakaful certificates liabilities	5,681	-	-	26,257	-	-	31,938
Lease liabilities	-	-	6,955	547	2,736	(7,222)	3,016
Other payables	44,936	(5,083)	91,488	81,867	26,840	(6,518)	233,530
Deferred tax liabilities	19,404	(220)	-	13,140	-	4,888	37,212
Tax payable	7,879	-	15,093	4,346	181	-	27,499
Provision for zakat	-	3	2,365	293	-	-	2,661
Total liabilities	3,136,962	119,226	1,314,281	4,500,456	449,757	(71,681)	9,449,001
Equity							
Share capital	663,106	-	230,000	405,000	845,002	(1,404,606)	738,502
Reserves	1,651,332	30,189	113,238	111,654	461,410	17,307	2,385,130
Total equity attributable to equity holders of the Holding Company	2,314,438	30,189	343,238	516,654	1,306,412	(1,387,299)	3,123,632
Total liabilities and equity	5,451,400	149,415	1,657,519	5,017,110	1,756,169	(1,458,980)	12,572,633

35. Fair values of assets

MFRS 7 *Financial Instruments: Disclosures* ("MFRS 7") requires the classification of financial instruments measured at fair value according to a hierarchy that reflects the significance of inputs used in making the measurements, in particular, whether the inputs used are observable or unobservable. MFRS 13 *Fair Value Measurement* requires similar disclosure requirements as MFRS 7, but extends to include all assets and liabilities measured at fair value and/or for which fair values are disclosed. The following levels of hierarchy are used for determining and disclosing the fair value of the Group's and of the Company's assets:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs that are based on observable market data, either directly or indirectly

Level 3 - Inputs that are not based on observable market data

The fair values of the Group's and Company's assets are determined as follows:

(i) The carrying amounts of financial assets, such as financial assets at amortised cost, insurance/takaful receivables and cash and bank balances, are reasonable approximation of their fair values due to the relatively short term maturity of these balances;

(ii) The fair values of quoted equities are based on quoted market prices as at the reporting date;

(iii) The fair values of Malaysian government securities, government investment issues, unquoted islamic private debt securities, unquoted perpetual bond, commercial papers and unquoted corporate debt securities are based on indicative market prices from the Bond Pricing Agency of Malaysia ("BPAM");

(iv) The fair values of investments in mutual funds, unit trust funds and real estate investment trusts are valued based on the net asset values of the underlying funds as at the reporting date;

(v) Freehold land and buildings have been revalued based on valuations performed by accredited independent valuers having appropriate recognised professional qualification. The valuations are based on the income and comparison approaches. In arriving at the fair value of the assets, the valuers had also taken into consideration the future developments in terms of infrastructure in the vicinity of the properties; and

(vi) The fair value of the Group's investments in associate and unquoted equity instruments in Malaysia is determined using the adjusted net assets method, a valuation technique that estimates fair value based on the fair value of the underlying assets and liabilities of the investee entities. In applying this method, each identifiable asset and liability of the investee is remeasured individually to its fair value in accordance with the principles of MFRS 13 Fair Value Measurement. The resulting net asset value is then attributed to the investor based on its proportionate equity interest in the investee.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2025

35. Fair values of assets (cont'd.)

Description of significant unobservable inputs:

	Valuation technique	Significant unobservable inputs	Range
2025			
Property and equipment			
Office building of Malaysian Re	Income approach	Yield	6.00%
		Rental per square foot	RM4.70
Office buildings of Takaful IKHLAS Family - Ikhlas Point	Income approach	Yield	4.7% to 6.0%
		Rental per square foot	RM5.50 to RM6.20
Office buildings of Takaful IKHLAS Family - Branches	Comparison approach	Sales price per square feet for similar properties	RM289 to RM366
Unquoted equity instruments (Malaysia)	Adjusted net assets method	Net assets of the investee	Not applicable
2024			
Property and equipment			
Office building of Malaysian Re	Income approach	Yield	6.25%
		Rental per square foot	RM4.50
Office buildings of Takaful IKHLAS Family - Ikhlas Point	Income approach	Yield	4.7% to 6.0%
		Rental per square foot	RM5.50 to RM6.05
Office buildings of Takaful IKHLAS Family - Branches	Comparison approach	Sales price per square feet for similar properties	RM289 to RM365
Unquoted equity instruments (Malaysia)	Adjusted net assets method	Net assets of the investee	Not applicable

A significant increase or decrease in the unobservable inputs used in the valuation would result in a correspondingly higher or lower fair value.

The movement from opening balances to closing balances during the respective financial years are provided in Notes 14 and 19(b).

There have been no transfers between Level 1, 2 and 3 of the fair value hierarchy during the financial year.

35. Fair values of assets (cont'd.)

As at the reporting date, the Group and the Company held the following assets that are measured at fair value on a recurring basis and/or for which fair values are disclosed under Level 1, 2 and 3 of the fair value hierarchy:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2025				
Assets measured at fair value:				
(a) Property and equipment				
Freehold land	**-**	**-**	**47,000**	**47,000**
Buildings	**-**	**-**	**161,085**	**161,085**
	-	**-**	**208,085**	**208,085**
(b) Financial assets at FVTPL				
Designated upon initial recognition:				
Corporate debt securities	**-**	**1,226,292**	**-**	**1,226,292**
Government investment issues	**-**	**2,366,432**	**-**	**2,366,432**
Quoted shares in Malaysia:				
Unquoted Islamic private debt securities	**-**	**1,482,048**	**-**	**1,482,048**
Malaysian government securities Unsecured	**-**	**355,091**	**-**	**355,091**
Mandatorily measured:				
Quoted shares in Malaysia:				
Shariah approved equities	**508,222**	**-**	**-**	**508,222**
Warrants	**239**	**-**	**-**	**239**
Others	**79,312**	**-**	**-**	**79,312**
Unquoted perpetual bond in Malaysia	**-**	**4,992**	**-**	**4,992**
Shariah approved unit trust funds	**329,964**	**-**	**-**	**329,964**
Real estate investment trusts:				
- Shariah approved	**14,226**	**-**	**-**	**14,226**
- Non-Shariah approved	**2,782**	**-**	**-**	**2,782**
	934,745	**5,434,855**	**-**	**6,369,600**

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2025

35. **Fair values of assets (cont'd.)**

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group (cont'd.)				
2025 (cont'd.)				
Assets measured at fair value (cont'd.):				
(c) Financial assets at FVOCI				
Government investment issues	**-**	**475,736**	**-**	**475,736**
Unquoted shares in Malaysia	**-**	**-**	**92,706**	**92,706**
Unquoted Islamic private debt securities	**-**	**372,961**	**-**	**372,961**
Golf club memberships	**-**	**-**	**233**	**233**
	-	**848,697**	**92,939**	**941,636**
2024				
Assets measured at fair value:				
(a) Property and equipment				
Freehold land	-	-	36,800	36,800
Buildings	-	-	174,376	174,376
	-	-	211,176	211,176
(b) Financial assets at FVTPL				
Designated upon initial recognition:				
Government investment issues	-	1,911,996	-	1,911,996
Unquoted Islamic private debt securities	-	1,386,861	-	1,386,861
Malaysian government securities unsecured	-	355,091	-	355,091

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2025

35. Fair values of assets (cont'd.)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group (cont'd.)				
2024 (cont'd.)				
Assets measured at fair value (cont'd.):				
(b) Financial assets at FVTPL (cont'd.)				
Mandatorily measured:				
Quoted shares in Malaysia:				
Shariah approved equities	221,166	-	-	221,166
Others	12,237	-	-	12,237
Unquoted perpetual bond in Malaysia	-	4,964	-	4,964
Unquoted corporate debt securities	-	5,576	-	5,576
Shariah approved unit trust funds	356,830	-	-	356,830
Real estate investment trusts:				
- Shariah approved	14,665	-	-	14,665
- Non-Shariah approved	9,050	-	-	9,050
Derivatives	-	(320)	-	(320)
	613,948	3,664,168	-	4,278,116
(c) Financial assets at FVOCI				
Government investment issues	-	249,969	-	249,969
Unquoted shares in Malaysia	-	-	87,666	87,666
Unquoted Islamic private debt securities	-	288,371	-	288,371
Golf club memberships	-	-	233	233
	-	538,340	87,899	626,239

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2025

35. Fair values of assets (cont'd.)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Company				
2025				
Assets measured at fair value:				
(a) Financial assets at FVOCI				
Golf club membership	**-**	**-**	**50**	**50**
Unquoted corporate debt securities	**-**	**49,887**	**-**	**49,887**
	-	**49,887**	**50**	**49,937**
2024				
Assets measured at fair value:				
(a) Financial assets at FVTPL				
Shariah approved unit trust fund	5,329	-	-	5,329
(b) Financial assets at FVOCI				
Golf club membership	-	-	50	50
Unquoted corporate debt securities	-	49,759	-	49,759
	-	49,759	50	49,809

36. Restatement of comparatives

The comparatives have been reclassified to conform with the presentation adopted in the current financial year. These reclassifications were made to enhance the granularity of disclosures based on the nature of the underlying transactions, improve alignment with prevailing industry practices and ensure consistency in the presentation of the financial statements.

The reclassification have no impact on the profit before zakat and taxation, profit after zakat and taxation, or the total comprehensive income as previously reported in the income statements, statements of comprehensive income, statements of cash flows and statements of changes in equity for the financial year ended 31 March 2024.

2024

Income Statements

	Previously stated RM'000	Reclassification RM'000	Restated RM'000
Group			
Insurance/takaful revenue	3,098,154	-	3,098,154
Insurance/takaful service expenses	(2,433,776)	-	(2,433,776)
Insurance contracts/takaful certificates service results before reinsurance contracts/retakaful certificates held	664,378	-	664,378
Allocation of reinsurance/retakaful premiums/contributions	(604,752)	-	(604,752)
Amounts recoverable from reinsurers/retakaful operators for incurred claims	434,778	-	434,778
Net expense from reinsurance contracts/retakaful certificates held	(169,974)	-	(169,974)
Insurance/takaful service results	494,404	-	494,404
Investment income	410,784	(410,784)	-
Interest income/profit revenue calculated using the effective interest/profit method	-	266,171	266,171
Other investment income	-	144,613	144,613
Net realised losses	(3,018)	-	(3,018)
Net fair value gains financial assets at fair value through profit and loss	145,230	-	145,230
Net foreign exchange gain on investments	48,009	-	48,009
Allowance for impairment loss on financial assets	-	(41)	(41)
Investment results	601,005	(41)	600,964

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2025

36. Restatement of comparatives (cont'd.)

2024 (cont'd.)

Income Statements (cont'd.)

	Previously stated RM'000	Reclassification RM'000	Restated RM'000
Group (cont'd.)			
Net insurance/takaful finance/profit expenses from insurance contracts/ takaful certificates issued	(458,913)	25,361	(433,552)
Net reinsurance/retakaful finance/profit income from reinsurance contracts/ retakaful certificates held	11,518	-	11,518
Unallocated surplus and changes in the value of the underlying items attributable to participants	(90,091)	-	(90,091)
Net insurance/takaful financial results	(537,486)	25,361	(512,125)
Fees and other income	49,354	(25,643)	23,711
Management and other expenses	(93,771)	323	(93,448)
Finance cost	(27,270)	-	(27,270)
Other expenses	(71,687)	(25,320)	(97,007)
Share of results of associates	44,623	-	44,623
Profit before zakat and taxation	530,859	-	530,859
Taxation attributable to participants	(25,078)	-	(25,078)
Profit before zakat and taxation attributable to equity holders of the Holding Company	505,781	-	505,781
Zakat	(1,334)	-	(1,334)
Taxation	(70,908)	-	(70,908)
Net profit for the year attributable to equity holders of the Holding Company	433,539	-	433,539
Basic and diluted earnings per share attributable to equity holders of the Holding Company (sen)	55.4		55.4

36. Restatement of comparatives (cont'd.)

2024 (cont'd.)

Income Statements (cont'd.)

	Previously stated RM'000	Reclassification RM'000	Restated RM'000
Company			
Investment income	109,357	(109,357)	-
Interest income/profit revenue calculated using the effective interest/profit method	-	6,444	6,444
Other investment income	-	102,913	102,913
Net realised losses	(67)	-	(67)
Allowance for impairment loss on financial assets	-	(11)	(11)
Investment results	109,290	(11)	109,279
Fees and other income	57,484	-	57,484
Management and other expenses	(70,532)	11	(70,521)
Finance cost	(16,842)	-	(16,842)
Other expenses	(29,890)	11	(29,879)
Profit before zakat and taxation	79,400	-	79,400
Taxation	(6,323)	-	(6,323)
Net profit for the year attributable to equity holders of the Holding Company	73,077	-	73,077
Basic and diluted earnings per share attributable to equity holders of the Holding Company (sen)	9.3		9.3

Statement of cash flows

	Previously stated RM'000	Reclassification RM'000	Restated RM'000
Group			
Cash flows from operating activities			
Profit before zakat and taxation	505,781	25,078	530,859
Net foreign exchange gains	(3,426)	(44,583)	(48,009)
Net (purchase of)/proceed of financial assets	(1,073,686)	1,073,686	-
(Increase)/decrease of financial assets	(438,572)	438,572	-
Financial assets	-	(1,467,675)	(1,467,675)
Tax borne by participants	25,078	(25,078)	-
Company			
Cash flows from operating activities			
Net (purchase of)/proceed of financial assets	(154,611)	154,611	-
(Increase)/decrease of financial assets	194	(194)	-
Financial assets	-	(154,417)	(154,417)