GREAT EASTERN GENERAL INSURANCE (MALAYSIA) BERHAD
198301007025 (102249-P)
(A Member of Great Eastern Holdings Limited)
(Incorporated in Malaysia)

Directors' Report and Audited Financial Statements
For the financial year ended 31 December 2024

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(Incorporated in Malaysia)

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GREAT EASTERN GENERAL INSURANCE (MALAYSIA) BERHAD
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DIRECTORS' REPORT

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

PRINCIPAL ACTIVITY

The principal activity of the Company is underwriting of all classes of general insurance business.

RESULTS

	RM
Net profit for the financial year	10,698,585

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

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

DIVIDENDS

The amounts of dividend paid by the Company since 31 December 2023 were as follows:

	RM
In respect of the financial year ended 31 December 2023 as reported in the Directors' report of that year:	
Final single-tier dividend of RM0.506 per ordinary share on 100,000,000 ordinary shares paid on 29 April 2024	50,600,000

At the forthcoming Annual General Meeting ("AGM") of the Company, a final single-tier dividend in respect of the financial year ended 31 December 2024 of RM0.107 per ordinary share on 100,000,000 ordinary shares, amounting to a dividend payable of RM10,700,000 will be proposed for shareholder's approval.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholder, will be accounted for in the shareholder's equity as appropriation of retained earnings in the next financial year ending 31 December 2025.

DIRECTORS

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

Mr Norman Ka Cheung Ip (Chairman)
Mdm Tan Fong Sang
Mr Lai Chin Tak
Mr Tong Hon Keong
Mr Gan Kim Khoon (Appointed on 1 September 2024)
Mr Ng Hon Soon (Appointed on 1 September 2024)
Mr Gregory Thomas Hingston (Appointed on 14 February 2025)
Y Bhg Datuk Kamaruddin bin Taib (Retired on 18 April 2024)
Mr Khor Hock Seng (Ceased to hold office on 31 October 2024)

In accordance with Clause 74 of the Company's Constitution, Mdm Tan Fong Sang will retire at the forthcoming Annual General Meeting and, being eligible, offers herself for re-election.

In accordance with Clause 78 of the Company's Constitution, Mr Gan Kim Khoon, Mr Ng Hon Soon and Mr Gregory Thomas Hingston will retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

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 was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than the options over shares in the Company's ultimate holding company as disclosed in this report.

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 remuneration received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as shown in Notes 13(b) and 21(b) to the financial statements amounted to RM1,073,200) by reason of a contract made by the Company or a related corporation with any 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 required to be disclosed under Fifth Schedule, Part 1 Section 3 of the Companies Act 2016.

A Director and Officer's Liability Insurance has been entered into by the Company for the financial year ended 31 December 2024 pursuant to Section 289 of the Companies Act 2016. The cost of insurance effected for the Directors and Officers of the Company amounted to RM36,328.

ULTIMATE HOLDING COMPANY

The Directors regard Oversea-Chinese Banking Corporation Limited ("OCBC Bank"), a public-listed company incorporated in the Republic of Singapore, as the ultimate holding company of the Company.

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interests of the Directors in office at the end of the financial year in shares and options over shares in the Company's ultimate holding company, OCBC Bank during the financial year were as follows:

	Shareholdings in which Directors have a direct interest			
	1.1.2024	**Acquired**	**Disposed**	**31.12.2024**
(a) Ordinary shares of OCBC Bank				
Mr Norman Ka Cheung Ip	4,614	32	-	4,646
Mr Khor Hock Seng	676,011	114,106	(139,800)	650,317
Mdm Tan Fong Sang	71,352	-	-	71,352

	Shareholdings in which Directors are deemed to have an interest			
	1.1.2024	**Acquired**	**Disposed**	**31.12.2024**
(a) Ordinary shares of OCBC Bank (cont'd.)				
Mr Norman Ka Cheung Ip	10,340	-	-	10,340(1)
Mr Khor Hock Seng	279,003	104,531	(114,106)	269,428(2)

Notes:

(1) *Deemed interest arising from shareholdings by spouse.*

(2) *Deemed interest arising from OCBC Deferred Share Plan.*

	Options held by Directors in their own name			
	1.1.2024	**Granted**	**Exercised**	**31.12.2024**
(b) Options to subscribe for ordinary shares of OCBC Bank				
Mr Khor Hock Seng	122,135	-	(122,135)	-

Other than as disclosed above, none of the Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

CORPORATE GOVERNANCE DISCLOSURES

The Company has taken concerted steps to comply with Bank Negara Malaysia ("BNM") Policy Document on Corporate Governance issued on 3 August 2016 (the "CG PD"). The Company is committed to the standards and practices prescribed in this policy document.

OTHER STATUTORY INFORMATION

(a) Before the statement of financial position and statement of profit or loss 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 provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision 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 have been written down to an amount which they might be expected so 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 provision for doubtful debts in the financial statements of the Company inadequate to any substantial extent; and

  (ii) the values attributed to current assets in the financial statements 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 Company misleading or inappropriate.

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

OTHER STATUTORY INFORMATION (CONT'D.)

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

(i) any charge on the assets 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 in respect of the Company which has arisen since the end of the financial year.

(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 months after the end of the financial year which will or may affect the ability of the Company to meet its obligations as and 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 Company for the financial year in which this report is made.

(g) Before the statement of financial position and statement of profit or loss of the Company were made out, the Directors took reasonable steps to ascertain that there was adequate provision for its insurance contract liabilities in accordance with the valuation method under MFRS17 basis.

For the purpose of paragraphs (e)(ii) and (f)(i) above, contingent or other liabilities do not include liabilities arising from contracts of insurance underwritten in the ordinary course of business of the Company.

SUBSEQUENT EVENT

There were no subsequent events after the financial year.

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AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to continue in office. Auditors' remuneration of the Company for the financial year ended 31 December 2024 amounted to RM775,766 are set out in Note 13 to the financial statements.

There was no indemnity given to, or insurance effected for auditors of the Company in respect of the liability for any act or omission in their capacity as auditors of the Company during the financial year.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 28 MAR 2025

Tan Fong Sang
Director

Lai Chin Tak
Director

CORPORATE GOVERNANCE DISCLOSURES (as referred to in the Directors' Report)

The Board of Directors (the "Board") of Great Eastern General Insurance (Malaysia) Berhad (the "Company") together with the Management place great importance on high standards of corporate governance and are both committed to upholding values of integrity, honesty and proper corporate conduct at all times in the business operations and dealings of the Company.

The Company adopts corporate governance practices as guided by the Bank Negara Malaysia ("BNM") Policy Document on Corporate Governance issued on 3 August 2016 (the "CG PD") and continues to enhance its overall governance standards.

BOARD MATTERS

The Board's Conduct of Affairs

The prime stewardship responsibilities of the Board are to ensure the Company's viability and sustainability, and that it is managed in the best interests of the shareholders and other stakeholders. The Company has a Board Charter approved by the Board.

The Board provides strategic directions to, and oversight of the operations of the Company. The principal roles and functions of the Board, as set out in the Board Charter include the following:

(a) providing leadership, reviewing, approving and overseeing the implementation of the Company's strategic direction and overall business objectives as well as the organisational structure of the Company as developed and recommended by the Management;

(b) ensuring that the decisions and investments are consistent with the long-term strategic goals of the Company and reasonable standards of fair dealing with all stakeholders;

(c) ensuring that obligations to shareholders, customers, policyholders and other stakeholders are understood and met;

(d) ensuring that the necessary resources are in place for the Company to achieve its objectives;

(e) ensuring that the Company operates in accordance with the relevant laws and regulations, as well as policies, processes and guidelines approved by the Board, so as to preserve its financial integrity;

(f) reviewing and approving any transaction for the acquisition or disposal of assets that is material to the Company;

BOARD MATTERS (CONT'D.)

The Board's Conduct of Affairs (cont'd.)

(g) meeting regularly with Management, including key persons in control job functions, discussing and reviewing critically the decisions made, information provided and any explanations given by Management and key persons in control job functions, relating to the business and operations of the Company;

(h) overseeing and approving of the Company's risk appetite to be consistent with the strategic intent, operating and regulatory environment, effective internal controls, capital sufficiency and regulatory standards;

(i) overseeing through the Board Audit Committee, the quality and integrity of the accounting and financial reporting systems, disclosure controls and procedures, and system of internal controls, and the review of all material related party transactions;

(j) overseeing, through the Board Risk Management Committee, the management of the risks of the Company, the establishment and operation of an independent and adequate risk management function, supported by a system of sound internal controls, for identifying, measuring, monitoring, controlling and reporting risks on an enterprise-wide basis, the adequacy of the risk management function (including ensuring that it is sufficiently resourced to monitor risk by the various risk categories and with appropriate independent reporting lines), and the capital management strategy, including the optimal allocation of capital resources, and the quality of the risk management processes and reporting;

(k) overseeing through the Board Nominations and Remuneration Committee, the selection, performance, remuneration and succession planning of the Senior Officers[1] and Non-Senior Officers[2] , such that the Board is satisfied with their collective competence to effectively lead the operations of the Company;

(l) establishing corporate values and standards, emphasizing integrity, honesty and proper conduct at all times, with respect to internal dealings and external transactions, including situations where there are potential conflicts of interest;

(m) overseeing, through the Board Nominations and Remuneration Committee, the design and operation of an appropriate remuneration framework and ensuring that the remuneration practices are aligned with the remuneration framework;

[1] Senior Officers of the Company referred throughout this Corporate Governance Disclosures are the Senior Management Team and such other executives as the Board and/or regulator should determine.

[2] Non-Senior Officers of the Company referred throughout this Corporate Governance Disclosures are officers with rank of Senior Vice Presidents and above who are not members of the Senior Management Team, and officers who are categorised as Other Material Risk Takers.

BOARD MATTERS (CONT'D.)

The Board's Conduct of Affairs (cont'd.)

(n) reviewing Management's performance and ensuring that Management formulates policies and processes to promote fair practices and high standards of business conduct by staff;

(o) maintaining records of all meetings of the Board and Board Committees, especially with regards to records of discussions on key deliberations and decisions taken;

(p) overseeing the implementation of the Company's governance and internal control frameworks, and periodically reviewing the frameworks to ensure they remain appropriate in light of material changes to the size, nature and complexity of the Company's operations;

(q) promoting sustainability through appropriate environmental, social and governance considerations in the Company's business strategies;

(r) overseeing and approving the recovery and resolution as well as business continuity plans for the Company to restore its financial strength, and to maintain or preserve critical operations and services when they come under stress; and

(s) promoting timely and effective communications between the Company and regulators on matters affecting or that may affect the safety and soundness of the Company.

Conflicts of Interest

The Company has implemented a Directors' Conflict of Interest ("COI") Guide which sets out the procedures to address actual or potential conflicts of interest of the Directors. The COI Guide serves to safeguard against the risk that a Director's decision may be unduly influenced by other secondary interests, instead of the interests of the Company. Pursuant to the COI Guide, the Directors of the Company shall disclose to the Board the nature and extent of their interest whether directly or indirectly, in a material transaction or material arrangement with the Company.

Directors with conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

Board Approval

The Company has adopted internal guidelines on matters that require Board approval. These guidelines are communicated to Management in writing. Matters requiring Board approval include but are not limited to the overall business strategy and direction, significant policies governing the operations of the Company, strategic or significant acquisitions or disposal of assets by the Company, corporate restructuring, major corporate initiatives and other activities of a significant nature, dividend policy and dividend declaration, all material related party transactions, authority levels for the Company's core functions and outsourcing of core business functions.

BOARD MATTERS (CONT'D.)

Board Approval (cont'd.)

The Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below the threshold limits to the Board Committees and Management to optimise operational efficiency.

Board Committees

While the Board has the ultimate responsibility for the affairs of the Company, it has established a number of Board Committees to assist it in carrying out more effective oversight of the operations and business affairs of the Company. These Board Committees consist of the Board Audit Committee, Board Nominations and Remuneration Committee and Board Risk Management Committee. All the Board Committees have been constituted with clear Board-approved written terms of reference setting out their compositions, authorities and duties, and any changes thereto also require the Board's approval.

The Board Committees, in carrying out their responsibilities in accordance with their respective terms of reference, are also actively involved in assisting the Board to ensure compliance with good corporate governance practices by the Company. Minutes of the Board Committees' meetings, which provide a fair and accurate record of the discussions, key deliberations and decisions taken during the meetings, are maintained and circulated to the Board. The composition and details of principal roles and responsibilities of the Board Committees are set out below.

Under the CG PD, the Board Committees are required to comprise at least three Non-Executive Directors, with a majority of them being Independent Directors. The Board Committees must be chaired by an Independent Director who is not the Chairman of the Company.

Board Audit Committee

The Board Audit Committee comprises the following Directors:
- Mdm Tan Fong Sang, Chairperson
- Mr Lai Chin Tak, Member
- Mr Ng Hon Soon, Member (Appointed on 1 March 2025)

Majority of the Members (including the Board Audit Committee Chairperson) are Independent Directors.

The Board Audit Committee has explicit authority to investigate any matter within its terms of reference and has the full co-operation of and access to Management. It has full discretion to invite any Director or Senior Officer to attend its meetings. It also has resources to discharge its functions properly.

BOARD MATTERS (CONT'D.)

Board Audit Committee (cont'd.)

The Company utilises the services of the Internal Audit Department ("Internal Audit") of Great Eastern Life Assurance (Malaysia) Berhad ("GELM"), via an outsourcing arrangement. Internal Audit assists the Board Audit Committee in discharging its duties and responsibilities. It serves to provide the Board and Management with independent and objective assessments of the adequacy and effectiveness of the governance, risk management and internal control processes as designed and implemented by Management. The Internal Audit Charter is approved by the Board.

The functions performed by the Board Audit Committee and details of the Board Audit Committee's activities during 2024 included the following:

(a) Reviewed with the Internal Auditors –
  (i) their audit plan, evaluation of the system of internal controls and audit reports;
  (ii) the scope and results of the internal audits; and
  (iii) the assistance given by the officers of the Company to the internal auditors.

(b) Reviewed with the External Auditors –
  (i) their audit plan prior to the commencement of the annual audit;
  (ii) the interim financial statements and the audited financial statements of the Company for the financial year and the auditors' report thereon for submission to the Board for consideration and approval thereafter;
  (iii) the scope and results of the audit procedures and cost effectiveness, and their independence and objectivity taking into consideration factors including the nature and extent of non-audit services provided by them (if any);
  (iv) the implications and impact of new or proposed changes in financial reporting standards, accounting policies and regulatory requirements on the financial statements together with the Senior Officers;
  (v) any significant financial reporting issues, to ensure the integrity of the financial statements of the Company; and
  (vi) the assistance given by the officers of the Company, including the internal auditors, to the external auditors.

(c) Reviewed the adequacy, independence and effectiveness of the outsourced internal audit function.

(d) Maintained an appropriate relationship with both the internal and external auditors.

(e) Recommended the re-appointment of the external auditors to the Board.

(f) Recommended the remuneration and terms of engagement of the external auditors to the Board.

(g) Reviewed and updated the Board on all related-party transactions.

BOARD MATTERS (CONT'D.)

Board Audit Committee (cont'd.)

(h) Monitored compliance with the COI Guide.

The Board Audit Committee, in performing its functions, meets at least once annually with the internal and external auditors in separate sessions without the presence of Management, to consider any other matters which may be raised privately.

The Board Audit Committee held a total of four scheduled meetings in 2024. By invitation, the Board Audit Committee meetings were also attended by the internal and external auditors, Executive Director, Group Chief Financial Officer, Group Chief Internal Auditor and relevant Senior Officers.

Board Nominations and Remuneration Committee

The Board Nominations and Remuneration Committee comprises the following Directors:
- Mr Lai Chin Tak, Chairman
- Mr Norman Ka Cheung Ip, Member
- Mdm Tan Fong Sang, Member

Majority of the members (including the Board Nominations and Remuneration Committee Chairman) are Independent Directors.

The responsibilities of the Board Nominations and Remuneration Committee are set out in its Board-approved terms of reference. The Board Nominations and Remuneration Committee reviews the Board and Board Committee compositions annually and ensures that there is progressive renewal of the Board. It is responsible for identifying candidates for directorship, reviewing and recommending nominations and re-nominations of Directors on the Board and Board Committees. It also reviews nominations and dismissals or resignations of Senior Officer and Non-Senior Officer positions in the Company.

The Board Nominations and Remuneration Committee is also responsible to recommend to the Board for endorsement a framework of Directors' fees, as well as remuneration of the Senior Officers and Non-Senior Officers. For Senior Officers and Non-Senior Officers, the framework covers all aspects of total compensation packages including basic salary, various performance bonus, allowances, deferred share awards and benefits. The variable components have been designed to link rewards to corporate and individual performance, based on appropriate and meaningful performance measures set up by the Company, and approved by the Board Nominations and Remuneration Committee and the Board. The Board Nominations and Remuneration Committee also ensures that the Company's remuneration policies and practices are aligned with the approved framework and that remuneration packages are appropriate to attract, retain and motivate the Senior Officers and Non-Senior Officers to successfully manage the Company for the long term without being excessive.

BOARD MATTERS (CONT'D.)

Board Nominations and Remuneration Committee (cont'd.)

The Board Nominations and Remuneration Committee held a total of ten meetings (comprising five scheduled and five ad hoc meetings) in 2024.

Board Risk Management Committee

The Board Risk Management Committee comprises the following Directors:
- Mr Tong Hon Keong, Chairman
- Mr Lai Chin Tak, Member
- Mr Norman Ka Cheung Ip, Member
- Mr Gan Kim Khoon, Member (Appointed on 1 September 2024)

Majority of the Members (including the Board Risk Management Committee Chairman) are Independent Directors.

The Board Risk Management Committee is responsible for overseeing all risk management and compliance matters which the Company is or may be exposed to (including strategic, market, credit, liquidity, insurance, operational, technology, cyber security, information/data loss, regulatory and compliance, sustainability and any other category of risks); as well as technology-related matters as delegated by the Board or as deemed necessary by the Board Risk Management Committee.

These are executed by reviewing various output and mechanisms such as the risk profile, risk appetite and tolerance level, and risk and capital management strategy, guided by the overall corporate strategy and risk appetite approved by the Board. The Board Risk Management Committee also assists the Board in monitoring the effectiveness and adequacy of the risk management processes and systems set up by the Company. It oversees the cultivation of a strong risk culture that promotes risk awareness and sound risk taking.

The Board Risk Management Committee performs its functions pursuant to its Board-approved terms of reference. Its terms of reference include endorsement or approval of (where applicable) frameworks, policies, charters and strategies for effective risk management of various risk exposures including those arising from investment management and asset-liability management; as well as review of other financial transactions that exceed the authority limits of the Management Committees. Material investment-related activities and transactions are reviewed by the Board Risk Management Committee and recommended to the Board for information or approval, as applicable.

In discharging its duties and responsibilities, the Company engages the services of the Risk Management and Compliance Departments of GELM, which are adequately resourced with experienced and qualified personnel who are sufficiently independent to perform their duties objectively. The Risk Management regularly engages Senior Officers to develop enterprise-wide risk controls and risk mitigation procedures. The Board Risk Management Committee reviews the performance of the outsourced services and its servicing fees annually.

BOARD MATTERS (CONT'D.)

Board Risk Management Committee (cont'd.)

The Board Risk Management Committee meets with the Division Head, Risk Management and the Division Head, Compliance at least once a year without the presence of Management to discuss matters, which may be raised privately.

The Board Risk Management Committee held a total of five scheduled meetings in 2024.

The Company's enterprise risk governance and management objectives and policies and other pertinent details are disclosed in Note 23 of the Notes to the Financial Statements.

Meetings and Directors' Attendance

The Board meets regularly during the year to review the business performance and key activities of the Company, and to deliberate significant business proposals presented by the Management. All members of the Board participate actively in Board discussions and decisions are taken objectively in the interests of the Company. The Board works with Management to achieve its stated goals and Management remains accountable to the Board. Where warranted by particular circumstances, ad hoc Board or Board Committee meetings will be convened. In 2024, the Board convened eight scheduled and one ad hoc Board meetings.

The contributions of the Directors go beyond attendance at meetings. They individually or collectively engage with other Directors and Management outside formal meetings in their oversight of the affairs of the Company.

Meetings of the Board and Board Committees via telephone, video conference, or any other similar communications equipment are permitted by the Company's Constitution. If a Director is unable to attend a Board or Board Committee meeting, he will still be able to access all the papers and materials to be tabled for discussion at that meeting. Directors are provided with complete, adequate and timely information relating to agenda items before each meeting. Directors are also equipped with electronic tablets that allow secured access to Board and Board Committee meeting materials.

All Directors have complied with the annual minimum requirement of 75% attendance at Board meetings as stipulated in the CG PD and Board Charter.

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BOARD MATTERS (CONT'D.)

Meetings and Directors' Attendance (cont'd.)

The number of meetings of the Board and Board Committees held in 2024 and the attendance of the Directors at those meetings are tabulated in the following table:

Directors' attendance at Board and Board Committee meetings in 2024

Director	Board	Board Audit Committee	Board Nominations and Remuneration Committee	Board Risk Management Committee	Annual General Meeting
Mr Norman Ka Cheung Ip[1]	9/9	4/4	10/10	3/3	√
Mr Khor Hock Seng[2]	8/8	-	-	-	√
Y Bhg Datuk Kamaruddin bin Taib[3]	4/4	-	4/4	2/2	√
Mdm Tan Fong Sang	9/9	4/4	10/10	-	√
Mr Lai Chin Tak[4]	9/9	4/4	6/6	5/5	√
Mr Tong Hon Keong[5]	8/8	-	-	5/5	√
Mr Gan Kim Khoon[6]	1/1	-	-	1/1	-
Mr Ng Hon Soon[7]	1/1	-	-	-	-

Notes:

(1) Appointed as Member of the Board Risk Management Committee on 19 April 2024.

(2) Ceased to hold office as Director on 31 October 2024.

(3) Retired as Director and relinquished his position as Chairman of the Board Nominations and Remuneration Committee and Board Risk Management Committee on 18 April 2024.

(4) Appointed as Member of the Board Audit Committee on 1 January 2024; and Chairman and Member of the Board Nominations and Remuneration Committee on 19 April 2024.

(5) Appointed as Chairman of the Board Risk Management Committee on 19 April 2024.

(6) Appointed as Director and Member of the Board Risk Management Committee on 1 September 2024.

(7) Appointed as Director on 1 September 2024.

(-) Not applicable to the Non-Member of the respective Board Committees.

Two Joint Board Audit Committee – Board Risk Management Committee meetings held in 2024. Directors' attendance at these meetings is not included in the above table.

BOARD MATTERS (CONT'D.)

Access to Information

The Directors are provided with relevant and timely information by Management on matters to be discussed or considered at meetings of the Board and Board Committees. For matters requiring approval, information furnished by Management usually includes background explanatory information, relevant facts and/or analysis to support the proposal, implications or merits of the case, risk analysis and mitigating strategies, the budget (if applicable) and Management's recommendation. The Senior Officers who can provide additional information and insight or provide clarifications to queries raised are usually present at the meeting during discussion on such matters. Occasionally, external consultants engaged on specific projects may also be invited to brief the Board or Board Committees, where relevant. All Board and Board Committees' members have unfettered access to information, which the Company is in possession of or has access to, for the purpose of carrying out their responsibilities.

Directors have separate and independent access to the Company Secretary and Senior Officers at all times. The Company Secretary attends all Board meetings and prepares minutes of Board proceedings. She assists the Chairman to ensure that appropriate Board procedures are followed and that applicable regulations are complied with. Under the direction of the Chairman, she ensures good information flows within the Board and Board Committees, and between Senior Officers and Directors. The Company Secretary also facilitates the orientation of new Directors and professional development of Directors, as required. The appointment and removal of the Company Secretary is considered to be a matter for the Board as a whole.

The Directors may take independent professional advice as and when necessary to enable them to discharge their duties effectively. Similarly, the Board and Board Committees may obtain professional advice, whenever necessary and appropriate, so as to effectively discharge their roles and responsibilities. All engagements of external advisors are at the Company's expense.

BOARD MATTERS (CONT'D.)

Board Orientation and Development

A formal appointment letter will be issued to a newly appointed Director, together with a Director's orientation kit which will include key information of the Company, the terms of reference of the Board and Board Committees, duties and obligations of Directors as well as relevant rules and regulations. As part of the induction programme for new Directors, the Senior Officers will conduct presentation sessions on the Company's principal activities, business operations, staff strengths, and applicable rules and regulations. The induction programme will be tailored to the specific development needs of the new Directors. The Company constantly reviews and improves on the contents of such presentations to new Directors, taking into account any new legislative changes which affect them and to enable Directors to have a more comprehensive understanding of the Company, the insurance business and practices, as well as the Company's financial position.

The Board Nominations and Remuneration Committee ensures that there is a continuous development programme for all Directors, to ensure that they are equipped with the appropriate skills and knowledge to perform their roles on the Board and Board Committees effectively. The Company arranges for new Directors to be briefed on areas such as accounting, risk management, insurance, cybersecurity and Environmental, Social and Governance matters; and facilitates their attendance at the mandatory "Financial Institutions Directors' Education ("FIDE") Core Programme. Industry-related and topical articles are regularly circulated to Directors as part of the Directors' continuous development programme. The Board Nominations and Remuneration Committee also encourages the Directors to be continually updated on developments affecting the insurance industry by offering them attendance at appropriate courses, conferences and seminars conducted by professional bodies within the industry or other professional organisations including programmes conducted by the FIDE FORUM, at their convenience. The Company has dedicated sufficient resources towards the on-going development of its Directors. The Company arranges for and funds the training and development programmes for existing and new Directors. The Company also maintains formal records of the training and development received by its Directors.

From time to time, in collaboration with the Board Nominations and Remuneration Committee, the Board Risk Management Committee organises Board Educational Series, with briefings or presentations by external professionals, consultants or Management staff on topics relevant to the insurance industry and provides updates on developments in the industry locally.

BOARD MATTERS (CONT'D.)

Board Orientation and Development (cont'd.)

Continuous development programmes arranged by the Company for Directors in 2024 included the following topics:

- Board Educational Series:
  - i) Anti Bribery and Corruption Post Implementation of Adequate Procedures
  - ii) Companies (Amendment) Act 2024 and Changes to Beneficial Ownership Reporting Framework.
  - iii) Cyber Security Act 2024
  - iv) Data Centre – The Heart of All Digital Activities.
  - v) International / Domestic Policies and Trends of Money Laundering, Terrorist Financing / Proliferation Financing.
  - vi) Introduction to Climate Scenario Analysis.
  - vii) Management of Investment Risk.
  - viii) 3-Manager Model.
- BNM-FIDE FORUM: Responsibility Mapping Engagement with Directors of Financial Institution
- BNM Sasana Symposium 2024
- Breakfast Talk: Leveraging AI in the Fight Against Financial Crime
- Climate Risk Management and Scenario Analysis, Climate Change and Principle- based Taxonomy and Climate Risk Stress Testing
- Director's Liabilities within Their Respective Institution's AML Frameworks
- Directors Masterclass Series: What Directors Must Know: Recent Developments in Climate Science
- Distinguished Board Leadership Series 2024: Digital Transformation of the World's Best Bank
- Engagement Session with FIDE FORUM Members on BNM Annual Report 2023, Economic and Monetary Review 2023 and Financial Stability Review 2H 2023
- FIDE FORUM - CGM Masterclass: Latest Developments in Climate-Aligned Executive Compensation
- FIDE FORUM Fireside Chat with Former Central Bank Governors on "Central Banking in an Evolving International Financial System"
- Fireside Chat with Former Central Bank Governors on "Central Banking in an Evolving International Financial System"
- Managing Culture to Prevent Misconduct
- Masterclass: Boardroom Climate Essentials
- Preventing Fraud: The Board's Roles and Responsibilities
- Ransomware Exercise for Great Eastern Group
- What Amounts to a Conflict of Interest by Directors?

BOARD COMPOSITION AND GUIDANCE

Board Membership

The Company's present Board of seven Directors comprises a Non-Executive Chairman, Mr Norman Ka Cheung Ip, five Non-Executive Directors and one Executive Director. The five Non-Executive Directors are Mdm Tan Fong Sang, Mr Lai Chin Tak, Mr Tong Hon Keong, Mr Gan Kim Khoon and Mr Ng Hon Soon. Mr Gregory Thomas Hingston is the Executive Director.

Y Bhg Datuk Kamaruddin bin Taib retired from the Board on 18 April 2024 and Mr Khor Hock Seng ceased to hold office as Director on 31 October 2024.

All appointments and re-appointments of Directors of the Company are subject to the approval of BNM.

Key Information on Directors

Key information on the Director's qualifications, background, directorships and appointments are provided under the section "Board of Directors" of the Company's Annual Report[3]. The Directors' memberships in various Board Committees are also set out therein. Information on their shareholdings in the Company's ultimate holding company, Oversea-Chinese Banking Corporation Limited ("OCBC") are disclosed in the Directors' Report that accompanies the Company's Financial Statements for the financial year ended 31 December 2024 ("FY2024"). The Directors do not hold any shares in the Company or its penultimate holding company, Great Eastern Holdings Limited ("GEH").

Board Composition and Independence

An Independent Director of the Company is one who is independent in character and judgement, and free from associations or circumstances that may impair the exercise of his or her independent judgement. He or she or any person linked to him or her is also independent from management, substantial shareholder and business or other contractual relationships with the Company or any of its affiliates within the last two years and has not served for more than nine years on the Board. Each Director is required to abstain from the deliberations of the Board Nominations and Remuneration Committee and the Board respectively on his or her own independence.

The Company's Board comprises a majority of Independent Directors. The Board Nominations and Remuneration Committee determines annually whether a Director is independent. The Board Nominations and Remuneration Committee has determined that four out of seven Directors of the Company are independent, and they are Mdm Tan Fong Sang, Mr Lai Chin Tak, Mr Tong Hon Keong and Mr Gan Kim Khoon.

3 Available at the Company's website at https://www.greateasternlife.com/my/en/about-us/investor-relations/annual-reports.html#2023_ar

BOARD COMPOSITION AND GUIDANCE (CONT'D.)

Board Composition and Independence (cont'd.)

Mr Norman Ka Cheung Ip is deemed as non-independent as he has served for more than nine years on the Board. Notwithstanding his non-independent status, Mr Norman Ka Cheung Ip remains independent from management and has no business or contractual relationships with the Company or any of its affiliates.

Mr Gregory Thomas Hingston is an Executive Director as he is the Group Chief Executive Officer of GEH.

Mr Ng Hon Soon is deemed as non-independent by BNM given that he has spent nine years on the Board of GELM before his recent retirement as an independent director of GELM (i.e. end October 2023).

The Board, through its Board Nominations and Remuneration Committee, is of the view that the current Board and Board Committees are of an appropriate size to facilitate effective decision making, taking into account the scope and nature of the operations of the Company.

Further, the Board Nominations and Remuneration Committee also annually assesses the diversity of its members' competency profiles, and determines the collective skills required to discharge its responsibilities effectively.

The Company's Directors have diverse backgrounds, experience and qualifications, and bring a wide range of financial and commercial experience to the Board. Collectively, they provide the necessary business acumen, knowledge, capabilities and core competencies to the Company, including industry knowledge in insurance and actuarial science, investment and asset management, banking, accounting, finance, strategy formulation, information technology, management experience, risk management, familiarity with regulatory requirements and knowledge of cybersecurity risks. The diversity of experience and competencies of the Directors enhance the effectiveness of the Board in discharging its responsibilities. Directors who serve on Board Committees have an appropriate mix of skills and capabilities, taking into account the skill set required for such Board Committees to perform their respective roles and responsibilities.

The Company's Directors have a sound understanding of the Company's business strategy, nature of the business activities and its associated risks. With the knowledge, objectivity and balance contributed by its members, the Board constructively challenges and enhances proposals on strategy, reviews the performance of Management against agreed goals and objectives, and monitors the reporting of performances.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman and the Chief Executive Officer ("CEO") are not related to each other. Mr Yeap Cheng Sun was appointed as the CEO of the Company with effect from 1 February 2025. The roles of the Chairman, Mr Norman Ka Cheung Ip, and the CEO, Mr Yeap Cheng Sun, are distinct and separate, with clear division of responsibilities between them to ensure an appropriate balance of power, increased accountability and greater independence in decision making.

The principal responsibilities of the Chairman include leading the Board to ensure it effectively discharges its roles and responsibilities, approving agendas of Board meetings, monitoring the quality and timeliness of the flow of information from Management to the Board and promoting effective communication with shareholders. The Chairman also facilitates robust discussions and deliberations in Board meetings, encourages constructive relations between the Board and Management, and promotes high standards of corporate governance with the full support of other Directors, the Company Secretary and Management.

The CEO manages the Company and oversees the Company's operations and implementation of its strategies, plans and policies to achieve planned corporate performance and financial goals. His management of the Company's businesses, including implementing the Board's decisions, is carried out with the assistance of the Senior Officers. Collectively, they are responsible for the day-to-day operations and administration of the Company, ensuring, inter alia, operational and organisational efficiency, profitable performance, regulatory compliance, good corporate governance and effective risk management. The Board reviews the CEO's performance against his performance targets annually.

The Company's former CEO, Mr Ng Kok Kheng retired with effect from 31 January 2025. The Board recorded their appreciation to Mr Ng Kok Kheng for his many years of loyal service and valuable contributions throughout his tenure with the Company.

BOARD MEMBERSHIP

Process for Appointment of New Directors and Re-appointment of Existing Directors

The Board Nominations and Remuneration Committee has a key role in carrying out a formal and transparent process in relation to the appointment and re-appointment of Directors to the Board. Proposals for the appointment of new Directors and re-appointment of existing Directors are reviewed by the Board Nominations and Remuneration Committee. For appointment of new Directors, the Board Nominations and Remuneration Committee meets with the candidates to assess their suitability and commitment. Amongst others, the Board Nominations and Remuneration Committee takes into consideration the candidate's professional qualifications, integrity, prior experience as a director, other directorships and principal commitments, relationships (if any) with other members of the Board, the Company or the substantial shareholder of the Company, financial and commercial business experience, and field of expertise relevant to the Company, as well as his or her potential to contribute to the effectiveness of the Board and to complement the skills, knowledge and expertise of the Board. Competent individuals are nominated for the Board's consideration, before submitting the application to BNM for approval.

BOARD MEMBERSHIP (CONT'D.)

Process for Appointment of New Directors and Re-appointment of Existing Directors (cont'd.)

The proposed candidate is required to confirm that he or she is not an active politician as defined in the CG PD. Further, he or she must not have prior involvement as an external auditor for the Company either in the capacity of an officer who is directly involved in the Company's engagement or partner of the external auditor firm; until at least two years after he or she ceases to be an officer or partner of the external auditor firm or the firm last served as an auditor of the Company. The proposed candidate expected to provide such confirmation to BNM prior to his or her respective appointment and re-appointment as Director.

In addition, the Board Nominations and Remuneration Committee further determines the proposed candidate's independence status under the CG PD and ensures that the proposed candidate will satisfy the criteria under the CG PD in that his or her appointment or re-appointment will not result in non-compliance with any of the composition requirements for the Board and Board Committees, and that he or she is a fit and proper person for the office, taking into account his or her track record, age, experience, capabilities, skills and other relevant factors as may be determined by the Board Nominations and Remuneration Committee. Such reviews are also conducted on an annual basis to ensure that each Director remains qualified for the office based on the above criteria.

Re-election and Re-appointment of Directors at Annual General Meeting

All Directors of the Company are required to retire from office at regular intervals, at least once every three years. At each Annual General Meeting of the Company, one-third of the Directors, being those who have served longest in office since their first re-election, are required to retire by rotation in accordance with the Company's Constitution. Pursuant to the Company's Constitution, newly appointed Directors will hold office until the next Annual General Meeting and, if eligible, can stand for re-appointment. Retiring Directors are eligible for re-election when re-nominated by the Board Nominations and Remuneration Committee, taking into account their expertise, knowledge and commitment, and their contributions to Board discussions and to the effectiveness of the Board.

The Director who is retiring by rotation under Clause 74 of the Company's Constitution and standing for re-election at the 2025 Annual General Meeting is Mdm Tan Fong Sang.

Mr Gan Kim Khoon and Mr Ng Hon Soon were appointed to the Board on 1 September 2024, and Mr Gregory Thomas Hingston was appointed to the Board on 14 February 2025. They will retire pursuant to Clause 78 of the Company's Constitution and are eligible to be re-appointed to the Board at the Company's Annual General Meeting to be convened on 10 April 2025.

BOARD MEMBERSHIP (CONT'D.)

Re-election and Re-appointment of Directors at Annual General Meeting (cont'd.)

Directors are expected to set aside adequate time for their oversight of matters relating to the Company. The Directors provide declarations of changes on their other appointments which are disseminated to all Directors. The Company has established guidelines on meeting attendance and the extent of other appointments outside of the Company that a Director may assume. Each of the Directors' listed company directorships and principal commitments are provided under the section "Board of Directors" of this Annual Report[3]. The Board Nominations and Remuneration Committee annually assesses each Director's independence, attendance record and meeting participation to determine if a Director is able to and has been diligently discharging his or her duties as a Director of the Company.

Board Performance

The Board has an annual performance evaluation process, carried out by the Board Nominations and Remuneration Committee, to assess the effectiveness of the Board, Board Committees and each Director's contributions. This annual assessment process consists principally of evaluation by and feedback from each Director.

Each Director evaluates the performance of the Board and Board Committees. The assessment of the contributions of individual Directors to the effectiveness of the Board is also performed annually. Such assessments are made against established performance criteria consistent with those approved by the Board and used in the previous year. A member of the Board Nominations and Remuneration Committee will abstain from participating in the Board Nominations and Remuneration Committee's discussion upon his or her performance to avoid conflicts of interest.

An external party is engaged once every three years to facilitate the Board Evaluation process and to provide the Board with an independent perspective of the Board's performance, including benchmarks against peer boards and industry best practices.

The Board Evaluation questionnaire focused on areas such as competency and independence, information quality and timeliness, conduct of meetings, environmental, social and corporate governance, managing performance, succession planning, Directors' development, internal controls and risk management as well as culture and conduct, and Board Committees. With regard to the individual Director's assessment criteria, this would include attributes such as each Director's contribution, integrity, knowledge and abilities.

The purpose of the evaluation is to improve the overall effectiveness of the Board. The Board has found the evaluation process useful and constructive since its implementation. This collective process has also provided an opportunity to obtain insightful feedback from each Director on suggestions to enhance the effectiveness of the Board and the Board Committees.

3 Available at the Company's website at https://www.greateasternlife.com/my/en/about-us/investor-relations/annual-reports.html#2023_ar

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies, Level and Mix of Remuneration and Disclosure on Remuneration

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

In considering its recommendations to the Board and in approving remuneration, the Board Nominations and Remuneration Committee ensures that remuneration policies are in line with the relevant regulations and guidelines, the strategic objectives of the Company, as well as the Company's Code of Conduct and ethics, and do not give rise to conflicts between objectives of the Company and interests of individual Directors and employees.

The Board Nominations and Remuneration Committee also ensures that remuneration is aligned to specific job functions undertaken and where the employee undertakes any control job functions, the performance and remuneration package of that employee is determined independently of the business functions of the Company, and is further aligned to the risks that the Company undertakes in its operations that is relevant to the specific job function.

The Board Nominations and Remuneration Committee also considers inputs from relevant control job functions on performance evaluation and remuneration outcomes, seeks input from the Board Risk Management Committee and Board Audit Committee to ensure that remuneration practices do not create incentives for excessive or inappropriate risk-taking behaviour.

The Board Nominations and Remuneration Committee is tasked to review and recommend to the Board, the general remuneration policy framework as well as the specific remuneration of each Director and for each Senior Officers and Non-Senior Officers. No Director is involved in the deliberations regarding any remuneration, compensation or any form of benefits to be granted to himself or herself.

Level and Mix of Remuneration

Remuneration of Non-Executive Directors

The Non-Executive Directors are paid Directors' fees, which take into account factors such as the Directors' contributions, effort and time spent, attendance at and frequency of meetings, the respective responsibilities of Directors including the Board Committees on which they serve, market practices and the need to pay competitive fees to attract, retain and motivate Directors.

REMUNERATION MATTERS (CONT'D.)

Level and Mix of Remuneration (cont'd.)

Remuneration of Non-Executive Directors (cont'd.)

The Board Nominations and Remuneration Committee performs an annual review of the Directors' fee structure and of the computation of the aggregate Directors' fees based on the earlier Board-approved fee structure, before recommending any proposed changes to the Board for endorsement. The Directors' fees proposed by the Board each year are subject to the shareholders' approval at the Company's Annual General Meeting.

The Board Nominations and Remuneration Committee has considered the market practices for Non-Executive Director remuneration, and on its recommendation, the Board has decided to adopt the revised Non-Executive Directors' fee structure as set out in the table below for computing the fee for each Non-Executive Director commencing from 1 January 2024 until the conclusion of the next Annual General Meeting of the Company.

The revised Non-Executive Directors' Fee structure is intended to fairly compensate its Non-Executive Directors, taking into consideration theirs skills, contributions, time commitment and responsibilities which their roles entail.

		Annual Retainer
Board	Chairman	RM150,000
	Member	RM70,000
Board Committees	Chairman: • Board Audit Committee • Board Risk Management Committee	RM50,900
	Member: • Board Audit Committee • Board Risk Management Committee	RM25,400
	Chairman: • Board Nominations and Remuneration Committee	RM45,000
	Member: • Board Nominations and Remuneration Committee	RM27,000
Attendance fees per Board or Board Committee meeting		RM3,000

Attendance fees are paid to Non-Executive Directors to recognise their contributions and time spent in attending meetings.

Remuneration Policy in respect of Senior Officers and Non-Senior Officers

The remuneration of the CEO, the Senior Officers and Non-Senior Officers of the Company are reviewed annually by the Board Nominations and Remuneration Committee, based on the overall remuneration framework approved by the Board. Currently, there are eight identified Senior Officers and no identified Non-Senior Officer under the purview of the Board Nominations and Remuneration Committee.

REMUNERATION MATTERS (CONT'D.)

Level and Mix of Remuneration (cont'd.)

Remuneration policy in respect of Senior Officers and Non-Senior Officers (cont'd.)

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

Pursuant to the CG PD, Other Material Risk Takers is defined to include an officer who can materially commit or control significant amounts of the Company's resources or whose actions are likely to have a significant impact on the Company's risk profile. There are no identified Other Material Risk Takers for FY2024.

In such annual reviews, the Board Nominations and Remuneration Committee takes into consideration factors such as market competitiveness and market benchmark, and that the remuneration is commensurate with specific job function undertaken, individual performance and contribution and the overall performance of the organisation. The Board Nominations and Remuneration Committee also takes into account the time horizon of risks that the Company is exposed to, including ensuring that all variable compensation payments shall not be fully drawndown over short periods when risks are released over longer periods.

As part of the Company's continuous efforts to create sustainable value for stakeholders through broad-based growth across its core markets, delivering sustained earnings, driving core competencies of disciplined risk management, prudent investment and continued upgrading of technology and people, and ensuring sustainable business practices, the performance measures set for each business unit embeds these objectives, which match their functions and are consistent with the Company's risk appetite. In determining the remuneration of Senior Officers and Non-Senior Officers, risk and control indicators as well as audit findings and compliance issues are taken into account when assessing their overall performance, in addition to their achievement in business and operational performance. Senior Officers and Non-Senior Officers are remunerated based on the achievements of their own performance measures which are in turn determined in accordance with their roles, and the demonstration of core values and competencies, while taking into account market compensation data for their respective job roles.

Disclosure on Remuneration

To ensure that its remuneration packages are competitive, the Company regularly reviews salary levels and benefits packages based on market data provided by recognised consultants who conduct surveys on comparative groups in the financial sector. The determination of the Company's variable compensation pool is fully discretionary, and the factors taken into consideration include financial and non-financial metrics such as the Company's performance, audit ratings, risk indicators and compliance issues, market conditions and competitive market practices.

REMUNERATION MATTERS (CONT'D.)

Level and Mix of Remuneration (cont'd.)

Disclosure on Remuneration (cont'd.)

The total compensation packages for Senior Officers and Non-Senior Officers comprise basic salary, performance-related variable compensation, allowances, deferred share awards and benefits.

The variable components have been designed to link rewards to corporate and individual performance, based on appropriate and meaningful performance measures set up by the Company, and approved by the Board Nominations and Remuneration Committee and the Board. Senior Officers are subject to an additional performance measurement approach by embedding a set of corporate governance indicators for more prudent risk taking.

The annual budget for salary increments and performance-related variable compensation is reviewed and endorsed by the Board Nominations and Remuneration Committee, prior to be submitted to the Board for approval.

As a consequence of the financial crisis in recent years, financial institutions globally have been reviewing compensation practices to reduce incentives that encourage excessive risk taking. While the Company has adopted compensation practices that take into account the principles and implementation standards issued by the Financial Stability Forum for Sound Compensation Practices, it also continues to review its compensation practices on an on-going basis to further ensure that decisions made are conducive for sustained business performance. In its deliberations, the Board Nominations and Remuneration Committee also takes into account both financial and non-financial factors that are consistent with the long-term objectives and financial soundness of the Company, the remuneration principles, practices and standards issued by the regulator from time to time.

Senior Officers and Non-Senior Officers through annual self-declaration commit not to undertake activities that will undermine the risk alignment effects (such as personal hedging strategies and liability-related insurance) embedded in their remuneration.

In collaboration with the Board Nominations and Remuneration Committee, the Company has designed and developed its Performance Assessment and Remuneration Framework, which takes into consideration the prevailing regulatory requirements, and with the inputs from the Senior Officers. The Performance Assessment and Remuneration Framework is independently reviewed by the Joint Board Audit Committee and Board Risk Management Committee. The Board Risk Management Committee may, with the assistance of Risk Management Department, assess how the Performance Assessment and Remuneration Framework affects the Company's risk profile.

The Company's variable compensation varies in line with its financial performance and corporate governance requirements.

REMUNERATION MATTERS (CONT'D.)

Level and Mix of Remuneration (cont'd.)

Share-based incentives

The Company does not have any share option scheme or share plan in place. Instead, the Company adopt its' ultimate holding company's, OCBC Deferred Share Plan to grant share awards to selected Senior Officers and Non-Senior Officers, based on recommendations of the Board Nominations and Remuneration Committee. The Company has ceased granting OCBC share options to eligible Senior Officers with effect from 2019.

All grants and awards are subject to cancellation and clawback if it is determined that they were made on the basis of materially inaccurate financial statements and/or the employee has engaged in conduct that results in financial loss, reputational harm, restatement of financial results and/or adverse changes of the Company's risk profile/rating, which takes into consideration the risks that could have a long-term negative impact on the Company.

Disclosure of Directors' and CEO Remuneration

The total Directors' and CEO's Remuneration in respect of FY2024 is shown under Note 13 of the Notes to the Financial Statements. Non-Executive Directors will be paid Directors' Fees totalling RM1,073,200 in respect of FY2024, subject to shareholders' approval at the 2025 Annual General Meeting.

Disclosure of Senior Officers and Non-Senior Officers

The details of the remuneration granted to the eligible Senior Officers and Non-Senior Officers are disclosed in the table below:

Total value of remuneration awards for financial year 2024:

	Unrestricted		Deferred	
	No. of pax	RM	No. of pax	Units
Fixed remuneration				
- Cash-based*	8	3,897,270.00	-	-
- Other*	1	24,600.00	-	-
Variable remuneration				
- Cash-based*	7	1,324,474.00		
- Shares and share-linked instruments*	3	227,285.01	4	13,685
- Other*	8	1,007,363.05	-	-

** The headcount included the cessation of a Senior Officer during the year.*

INTERNAL CONTROL FRAMEWORK

The internal control framework comprises among others, the infrastructure in the form of risk oversight committees at the Board and Management level; frameworks, policies and procedures; risk and compliance self-assessment processes for all departments to assess and manage the adequacy and effectiveness of their systems of internal controls and their level of compliance with applicable rules and regulations; and a monitoring and reporting process.

Risk Management

The Board is responsible for the governance of risk. It sets the tone for the Company's risk culture and monitors, through the Board Risk Management Committee, the effectiveness and adequacy of the risk management processes and systems of the Company. The Board approves the Company's risk appetite and has oversight of the risk activities to ensure that the Company's strategic intent, operating environment, internal control mechanisms and capital sufficiency are consistent with the Company's risk appetite and regulatory standards. Further details of the Enterprise Risk Management Framework implemented by the Company are set out in Note 23 of the Notes to the Financial Statements.

The Board emphasises the importance of institutionalising a strong risk culture within the Company. As a subset of the broader organisational culture, a strong risk culture supports appropriate risk awareness, bolsters effective risk management and promotes sound risk taking to ensure that the Company's risk profile remains within its risk appetite. The Board also approves the risk culture principles and, along with it, the set of desired risk culture behaviours to support the target risk culture throughout the Company.

An Annual Enterprise Risk report is submitted to apprise the Board Risk Management Committee and the Board on the Company's risk profile and the various measures put in place to ensure that the solvency requirements are met at all times.

Internal Controls

The Board is responsible for ensuring that the system of internal controls is adequate to safeguard stakeholders' interests and the Company's assets. There are processes for all departments to assess the adequacy and effectiveness of their systems and processes of internal controls, and their level of compliance with applicable rules and regulations. The results of the evaluation are reviewed by the Senior Officers, who in turn would provide an annual assurance to the CEO on the adequacy and effectiveness of the Company's operational risk management and internal control systems and compliance with the relevant statutory and regulatory requirements. This self-assessment process is further supplemented by an annual assurance report on risk management and internal controls, submitted by Risk Management and tabled to the Board Audit Committee, the Board Risk Management Committee and the Board for notation.

INTERNAL CONTROL FRAMEWORK (CONT'D.)

Internal Controls (cont'd.)

The system of internal controls provides reasonable but not absolute assurance that the Company would not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. Therefore, the Board notes that no system of internal controls can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

Infrastructure

While the Board is ultimately responsible for the management of risks within the Company, there are risk oversight committees that facilitate in-depth review of the risks associated with specific aspects of the business such as the Board Risk Management Committee, Board Audit Committee, Senior Management Team, Asset Liability Committee, Information Technology Steering Committee, Product Development Committee and Financial Crime Committee. The duties and scope of work of these committees are documented in their respective Board-approved terms of reference.

The authority delegated by the Board to the Board Committees and the CEO are formalised in the Company's Authority Grid. Other documents that guide on the delegation of the CEO's authority include underwriting limits, claim limits and investment limits.

The segregation of duties is paramount in ensuring that members of staff are not assigned potentially conflicting responsibilities that relate to matters such as approvals, disbursements and administration of policies, execution and recording of investments, operational and internal audit/compliance functions, underwriting and credit controls.

INTERNAL CONTROL FRAMEWORK (CONT'D.)

Frameworks, Policies and Procedures

Frameworks, policies and procedures have been to set the means by which the Company shall evaluate and manage the risks inherent in the business, especially in key areas such as:

- Investments
- Operations
- Technology, information and cyber
- Fraud and market conduct
- Money laundering and the financing of terrorism
- Capital management, capital contingency and stress testing
- Related party and interested party transactions
- Third party services
- Reinsurance
- Business continuity
- Bribery and corruption
- Personal data
- Sustainability (including climate)

The frameworks, policies and procedures are reviewed regularly to ensure continued relevance and to capture the latest regulatory, statutory and Group requirements. These will be subsequently approved by the Board, or the relevant Board Committee or Management Committee.

Monitoring and Reporting

An Enterprise Risk Dashboard which features the Company's risk profile from various perspectives namely strategic risk, financial risk, operational risk, technology risk, market conduct and compliance risk, and sustainability risk, is submitted to the Board, Board Risk Management Committee and Senior Management Team for notation.

Regulatory breaches, risk concerns and operational/data/technology incidents are reported in the Enterprise Risk Dashboard while investment breaches are reported via the limits report and compliance assurance reports. The respective departments are required to provide action plans once a regulatory breach or operational incident is discovered. The Company has a process to collate Key Risk Indicators for reporting internally as well as to BNM on a regular basis.

Stress test scenarios and the corresponding stress factors are developed and reviewed by the Board annually and thereafter, the scenarios and factors are used to stress the financial positions.

INTERNAL CONTROL FRAMEWORK (CONT'D.)

Whistleblowing Policy

The Company has a whistleblowing policy in place whereby employees of the Company and external parties may raise concerns about possible improprieties in matters of financial reporting or other matters in confidence. The whistleblowing policy and procedures for raising such concerns are disclosed and clearly communicated to employees. All whistleblowing incidents are reported to the Board Audit Committee. Concerns expressed anonymously are considered and investigated on the basis of their merits. The Board Audit Committee ensures that arrangements are in place for the independent investigation of such matters and appropriate follow-up actions. If fraud is determined, appropriate remedial actions will be taken and the Board Audit Committee will be updated regularly on their status. The whistleblower will have protection against reprisals provided he or she has acted in good faith. The Board Audit Committee Chairman is responsible for the effective implementation of the whistleblowing policy, which includes evaluating periodic reports that monitor and assess how concerns are escalated and dealt with, and overseeing the periodic review of the effectiveness of the policy.

Internal Audit

As stated aforesaid, the Company utilises the services of the Internal Audit of GELM, via an outsourcing arrangement. Internal Audit, which is independent of the activities it audits, is staffed by executives with relevant qualifications and experience, and the Board Audit Committee ensures that the Internal Audit is adequately resourced. The Chief Internal Auditor reports to the Chairman of the Board Audit Committee.

The work undertaken by Internal Audit involves the assessment of the adequacy and effectiveness of the Company's risk management and internal control environment, including ascertaining if the internal controls are sufficient in ensuring that significant financial, managerial and operating information is accurate, reliable and timely, operations and programs are effective and efficient, and assets are safeguarded. Internal Audit has unrestricted access to the Board, Board Audit Committee, and all functions, records, property and personnel of the Company. Internal Audit meets the Global Internal Audit Standards of The Institute of Internal Auditors.

RELATED PARTY TRANSACTIONS

The Company has implemented policies and procedures on related party transactions covering the definitions of relatedness, limits applied, terms of transactions, and the authorities and procedures for approving, monitoring whenever necessary, and writing-off of such transactions. All related party transactions are conducted on reasonable commercial terms and in the ordinary course of business. The terms and conditions of such transactions are carried out on an arm's length basis. Directors with conflict of interest are excluded from the approval process of granting and managing related party transactions. Material related party transactions and the write-off of material related party transactions are reported to the Board Audit Committee for endorsement and to the Board for approval.

Details of the Company's related party transactions during FY2024 are set out in Note 21 of the Notes to the Financial Statements.

ETHICAL STANDARDS

The Directors and Management are committed to promoting and maintaining values which emphasise integrity, honesty and proper conduct at all times in the business operations and dealings of the Company. The Company has adopted a Code of Conduct that sets out the guiding principles and standards expected of its employees such as the highest standards of conduct and professional integrity. The Code of Conduct also provides guidance on areas such as responsible stewardship of the Company's resources, the Company's position against fraudulent conduct, conflicts of interests and the appropriate disclosures to be made, and maintaining confidentiality of information. The Code of Conduct is available on the Company's staff intranet.

The Company has a suite of policies in place for proper governance and management that have to comply with. All policies are prepared in accordance with the Company's risk management and internal control systems and processes, including Management's self-assessment and independent audits.

The Company treats feedback and complaints from its customers seriously, and has instituted channels whereby customers may provide feedback or complaints. The Company aims to resolve feedback and complaints professionally and fairly in accordance with the service standards indicated on its website[4].

4 Available at the Company's website at https://www.greateasternlife.com/my/en/client-charter/client-charter-and-privacy-policy.html

198301007025 (102249-P)

GREAT EASTERN GENERAL INSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

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

We, Tan Fong Sang and Lai Chin Tak, being two of the Directors of Great Eastern General Insurance (Malaysia) Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 40 to 191 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2024 and of its financial performance and the cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 28 MAR 2025

Tan Fong Sang
Director

Lai Chin Tak
Director

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

I, Cheng Chuen Chee , being the officer primarily responsible for the financial management of Great Eastern General Insurance (Malaysia) Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 40 to 191 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 abovenamed Cheng Chuen Chee at Kuala Lumpur in the Federal Territory on 28 MAR 2025

Cheng Chuen Chee

Before me,

PESURUHJAYA SUMPAH
W919
THANGAPERUMAL
A/L ANDIMUTHU A.M.W.
01.01.2025 - 30.6.2027
MALAYSIA

220, JALAN TUN SAMBANTHAN
50470 KUALA LUMPUR

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF GREAT EASTERN GENERAL INSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)
Registration No. 198301007025 (102249-P)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Great Eastern General Insurance (Malaysia) Berhad ("the Company") give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Company, which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policies, as set out on pages 40 to 191.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

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

Information other than the financial statements and auditors' report thereon

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

pwc

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF GREAT EASTERN GENERAL INSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)
Registration No. 198301007025 (102249-P)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Our opinion on the financial statements of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed 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.

Responsibilities of the Directors for the financial statements

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

In preparing the financial statements of the Company, the Directors are responsible for assessing the 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

(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 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 Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF GREAT EASTERN GENERAL INSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)
Registration No. 198301007025 (102249-P)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

OTHER MATTERS

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

PLT

PRICEWATERHOUSECOOPERS PLT	LIEW CHI MIN
LLP0014401-LCA & AF 1146	03529/09/2026 J
Chartered Accountants	Chartered Accountant

Kuala Lumpur
28 March 2025

198301007025 (102249-P)

GREAT EASTERN GENERAL INSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	2024 RM	2023 RM
Assets			
Intangible assets	3	51,436,412	53,848,112
Property and equipment			
- Owned	4(a)	6,995,050	2,581,966
- Right-of-use assets	4(b)	12,179,887	14,294,313
Investments	5	750,025,971	773,210,128
Reinsurance contract assets	6	569,055,705	646,999,132
Insurance contract assets	6	5,961,152	4,179,463
Other receivables	7	68,078,574	60,027,157
Tax recoverable		31,194,013	18,464,773
Cash and bank balances		18,767,940	43,110,786
Total assets		1,513,694,704	1,616,715,830
Equity			
Share capital	9	100,000,000	100,000,000
Retained earnings	10	314,289,266	355,199,643
Fair value reserves		8,932,832	4,397,891
Total equity		423,222,098	459,597,534
Liabilities			
Insurance contract liabilities	6	961,790,728	993,867,456
Reinsurance contract liabilities	6	29,698,102	73,351,803
Lease liabilities		12,333,124	14,245,581
Other payables	11	69,916,432	64,607,457
Deferred tax liabilities	8	16,734,220	11,045,999
Total liabilities		1,090,472,606	1,157,118,296
Total equity and liabilities		1,513,694,704	1,616,715,830

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

198301007025 (102249-P)

GREAT EASTERN GENERAL INSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 RM	2023 RM
Insurance revenue		619,578,820	621,253,272
Insurance service expenses		(442,838,124)	(425,651,024)
Net expenses from reinsurance contracts held		(181,886,428)	(151,986,436)
Insurance service results	12	(5,145,732)	43,615,812
Interest income[1]:			
- Financial assets not measured at FVTPL		23,399,348	24,432,622
- Financial assets measured at FVTPL		2,355,377	869,396
Other investment income[1]		7,803,180	7,703,139
Losses on exchange differences		(30,646)	(5,182)
Realised (losses)/gains		(886,363)	915,601
Fair value gains		797,612	3,994,553
Changes in allowance for expected credit losses ("ECL") on investment assets		1,108,470	(89,267)
Net investment income	14	34,546,978	37,820,862
Finance expenses from insurance contracts issued		(35,079,727)	(35,754,840)
Finance income from reinsurance contracts held		21,594,824	18,921,024
Net insurance financial result	14	(13,484,903)	(16,833,816)
Net insurance and investment result		15,916,343	64,602,858
Other operating (expenses)/income	13	(685,043)	864,652
Profit before taxation		15,231,300	65,467,510
Taxation	15	(4,532,715)	(14,830,791)
Net profit for the financial year		10,698,585	50,636,719
Earnings per share (sen)			
Basic and diluted	16	10.70	50.64

[1] Comparatives have been restated to conform to the current year's presentation. Refer to note 28 for details.

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

198301007025 (102249-P)

GREAT EASTERN GENERAL INSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 RM	2023 RM
Net profit for the financial year		10,698,585	50,636,719
Other comprehensive income:			
Items that may be reclassified to statement of profit or loss in subsequent periods:			
Fair value through other comprehensive income			
Net gains on fair value changes		4,859,168	8,312,418
Realised losses/(gains) transferred to statement of profit or loss		888,749	(714,467)
Reclassification from FVOCI reserves to retained earnings arising from realised losses on disposal of FVOCI equities		1,327,581	118,186
Changes in allowance for ECL		(1,108,470)	89,267
		5,967,028	7,805,404
Tax effect	8	(1,432,087)	(1,873,297)
		4,534,941	5,932,107
Total comprehensive income for the financial year		15,233,526	56,568,826

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

198301007025 (102249-P)

GREAT EASTERN GENERAL INSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Non-distributable		Distributable	
	Share capital RM	FVOCI reserves RM	Retained earnings RM	Total equity RM
At 1 January 2023	100,000,000	(1,534,216)	340,652,742	439,118,526
Total comprehensive income for the financial year	-	5,842,289	50,636,719	56,479,008
Reclassification from FVOCI reserves to retained earnings arising from realised losses on disposal of FVOCI equities	-	89,818	(89,818)	-
Dividend paid during the financial year (Note 17)	-	-	(36,000,000)	(36,000,000)
At 31 December 2023	100,000,000	4,397,891	355,199,643	459,597,534
Total comprehensive income for the financial year	-	3,525,979	10,698,585	14,224,564
Reclassification from FVOCI reserves to retained earnings arising from realised losses on disposal of FVOCI equities	-	1,008,962	(1,008,962)	-
Dividend paid during the financial year (Note 17)	-	-	(50,600,000)	(50,600,000)
At 31 December 2024	100,000,000	8,932,832	314,289,266	423,222,098

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

198301007025 (102249-P)

GREAT EASTERN GENERAL INSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 RM	2023 RM
Operating activities			
Cash generated from operating activities	18	17,906,705	47,820,521
Dividend income received		7,334,860	6,761,689
Interest income received		26,342,423	26,095,791
Interest paid		(8,683)	(8,370)
Income tax paid		(12,687,202)	(12,353,484)
Net cash flows generated from operating activities		38,888,103	68,316,147
Investing activities			
Proceeds from disposal of property and equipment		-	300
Purchase of equipment	4(a)	(5,896,614)	(1,033,494)
Purchase of intangible assets	3	(3,482,017)	(3,243,900)
Net cash flows used in investing activities		(9,378,631)	(4,277,094)
Financing activities			
Payment of lease liabilities		(3,252,318)	(3,391,623)
Dividend paid	17	(50,600,000)	(36,000,000)
Net cash flows used in financing activities		(53,852,318)	(39,391,623)
Net (decrease)/increase in cash and cash equivalents		(24,342,846)	24,647,430
Cash and cash equivalents at beginning of financial year		43,110,786	18,463,356
Cash and cash equivalents at end of financial year		18,767,940	43,110,786
Cash and cash equivalents comprises:			
Cash and bank balances		18,767,940	43,110,786
		18,767,940	43,110,786
Reconciliation of liabilities arising from financing activities.			
Lease liabilities			
As at 1 January		14,245,581	14,012,242
Additions		1,545,446	6,530,231
Lease expiration		(804,248)	(3,495,623)
Interest charge		598,663	590,354
Cash flows		(3,252,318)	(3,391,623)
As at 31 December		12,333,124	14,245,581

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

1. CORPORATE INFORMATION

The Company is a public limited liability company incorporated and domiciled in Malaysia. The registered office of the Company is located at Level 20, Menara Great Eastern, 303 Jalan Ampang, 50450 Kuala Lumpur.

The principal activity of the Company is underwriting of all classes of general insurance business.

There has been no significant change in the nature of the principal activity during the financial year.

The immediate holding company is Overseas Assurance Corporation (Holdings) Berhad ("OACH"), which is incorporated in Malaysia. The intermediate holding company is Great Eastern General Insurance Limited, a company incorporated in the Republic of Singapore. The ultimate holding company is OCBC Bank, a public-listed company incorporated in the Republic of Singapore.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 March 2025.

2. MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

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

At the beginning of the current financial year, the Company had adopted the amended MFRSs and new MFRSs as described fully in Note 2.3.

The Company has met the minimum capital requirements as prescribed by the Risk-Based Capital ("RBC") Framework as at the reporting date.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.1 Basis of preparation (cont'd.)

The financial statements of the Company have been prepared under the historical cost convention, unless stated otherwise in the accounting policies. The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency.

2.2 Summary of material accounting policies

(a) Property and equipment

Property and equipment are recorded at cost less accumulated depreciation and impairment losses. The initial cost of property and equipment comprises its purchase price, including non-refundable taxes and any costs to enhance the working condition of the asset for its intended use.

Expenditure incurred after the property and equipment have been put into operation, such as repairs and maintenance and overhaul costs, is charged to the statement of profit or loss in the period in which the costs are incurred. Where the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditure is capitalised as an additional cost of property and equipment.

Depreciation of property and equipment is calculated on a straight-line basis to reduce the cost of each amount to its residual value over its estimated useful life. No depreciation is provided for capital work in progress as it is not ready for active use. The useful life of an asset is as follows:

Category of asset	**Useful life**
Office equipment	5 years
Furniture and fittings	10 years
Renovation	3 to 5 years
Computer equipment	3 years
Motor vehicles	5 years

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

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

The residual values, useful lives and depreciation methods are reviewed at each financial year end 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.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Gains and losses on disposal are determined by comparing proceeds with the carrying amounts and are included in the statement of profit or loss.

(b) Financial assets

(i) Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial assets. The Company determines the classification of its financial assets and liabilities at initial recognition.

At initial recognition, the Company measures a financial asset at its fair value, plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs for financial assets carried at fair value through profit or loss are recognised as expense in the statement of profit or loss.

Classification

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL").

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(b) Financial assets (cont'd.)

(i) Initial recognition and measurement (cont'd.)

Classification (cont'd.)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as measured at FVTPL:

- The asset is held within a business model whose objective is to hold assets 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.

A debt security is measured at FVOCI only if it meets both of the following conditions and is not designated as measured at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling 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 on the principal amount outstanding.

An equity security that is not held for trading may, by irrevocable election, be designated and measured at FVOCI. This election is made on an investment-by-investment basis. The Company has designated certain equity securities held for strategic purposes as measured at FVOCI.

A financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI may, by irrevocable election, be designated and measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. The Company has designated certain debt securities which are held with the intent to hold to collect contractual cash flows and sell to be measured at FVTPL.

All other financial assets are measured as FVTPL.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(b) Financial assets (cont'd.)

(i) Initial recognition and measurement (cont'd.)

Business model assessment

The Company assesses the objective of the business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice;
- How the performance of the portfolio is evaluated and reported to management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated; and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or whose performance is evaluated on a fair value basis, are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(b) Financial assets (cont'd.)

(i) Initial recognition and measurement (cont'd.)

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers the following key aspects:

- Contingent events that would change the amount and timing of cash flows;
- Leverage features;
- Prepayment and extension terms;
- Terms that limit the Company's claim to cash flows from specified assets; and
- Features that modify consideration of the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(b) Financial assets (cont'd.)

(ii) Subsequent measurement

Debt Instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(a) Amortised Cost (AC)

Debt instruments that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Gains or losses are also recognised in profit or loss when the assets are derecognised.

(b) Fair value through other comprehensive income (FVOCI)

Debt instruments that are held for collection of contractual cash flows and for sale, where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Any gains or losses from changes in fair value are recognised in other comprehensive income and accumulated in fair value reserve. Impairment, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to statement of profit or loss when the financial asset is derecognised.

(c) Fair value through profit or loss (FVTPL)

Debt instruments that do not meet the criteria for classification as amortised cost or FVOCI are measured at FVTPL. Any gains or losses from changes in fair value and interest are recognised in profit or loss.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(b) Financial assets (cont'd.)

(ii) Subsequent measurement (cont'd.)

Equity Instruments

The Company subsequently measures all equity instruments at fair value. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. The Company's policy is to designate equity investments as FVOCI when those investments are held for purposes other than held for trading. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to the statement of profit or loss, including upon disposal. Equity instruments are not subjected to impairment.

Dividends, when representing a return from such investments are to be recognised in the statement of profit or loss when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in profit or loss.

Financial Assets at Amortised Cost

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

These investments are initially recognised at cost. All transaction costs directly attributable to the acquisition are also included in the cost of the investment.

Subsequent to initial recognition, financial assets at amortised cost are measured at amortised cost, using the effective yield method, less allowance for impairment. Gains and losses are recognised in the statement of profit or loss when the assets are derecognised or impaired, as well as through the amortisation process.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(b) Financial assets (cont'd.)

(ii) Subsequent measurement (cont'd.)

Reclassifications

Financial assets are not reclassified subsequently to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

(c) Financial liabilities

Financial liabilities within the scope of MFRS 9 are recognised on the statement of financial position when the Company becomes a party to the contractual obligations of the financial instruments.

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 ("HFT") and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities HFT include derivatives entered into by the Company 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 statement of profit or loss. Net gains or losses on derivatives include exchange differences.

The Company has not designated any financial liabilities at FVTPL.

(ii) Other financial liabilities

Other financial liabilities are recognised when due and measured on initial recognition at the fair value of the consideration received plus directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective yield method.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(c) Financial liabilities (cont'd.)

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Gains or losses are recognised in the statement of profit or loss.

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 new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(d) Fair value measurement

The Company measures certain financial instruments as disclosed in Note 22 at fair value at each financial position.

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:

- In the principal market for the asset or liability; or
- 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 to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when the pricing the asset or liability, assuming that market participants act in their economic best interest.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(d) Fair value measurement (cont'd.)

The 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 assets in its highest and best use.

The Company uses 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 (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable including quotes from brokers and market makers, discounted cash flows and other valuation techniques commonly used by market participants;
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines 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 reporting period.

At each financial position, Finance Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(d) Fair value measurement (cont'd.)

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(e) Impairment of assets

(i) Impairment of non-financial assets

The carrying amount of non-financial assets is reviewed at each financial position to determine whether there is any indication of impairment. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of the net realisable value and its value in use, which is measured by reference to discounted cash flows. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash-generating unit ("CGU").

An impairment loss is recognised in the statement of profit or loss in the period in which it arises. Subsequent increases in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. A reversal of impairment loss is recognised in the statement of profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

(ii) Impairment of financial assets

The Company recognises loss allowances for ECL on the following financial instruments that are not measured at FVTPL:

(a) Debt instruments measured at FVOCI; and
(b) Debt instruments measured at amortised cost.

The Company assesses on a forward looking basis the ECL associated with its loans and debt instruments carried at amortised cost and FVOCI. For insurance receivables, the Company measures the loss allowance at an amount equal to the lifetime expected credit losses. The Company recognises a loss allowance for ECL at each reporting date.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

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

(ii) Impairment of financial assets (cont'd.)

The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Company measures loss allowances at an amount equal to lifetime ECL, except for financial instruments on which credit risk has not increased significantly since their initial recognition.

12-month ECL represents the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Not credit-impaired financial assets

For financial assets that are not credit-impaired at the reporting date, the ECL is the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

Modified financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made whether the financial asset should be derecognised and ECL is measured as follows:

- If the expected modification will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

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

(ii) Impairment of financial assets (cont'd.)

- If the expected modification will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets measured at amortised cost and debt financial assets measured at FVOCI are credit-impaired.

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company considers factors as evidence that a financial instrument is credit impaired;

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as default or past due event;
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

For financial assets that are credit-impaired at the reporting date: the ECL is the difference between the gross carrying amount and the present value of estimated future cash flows.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

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

(ii) Impairment of financial assets (cont'd.)

Write-off

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(f) Derecognition

A financial asset is derecognised when:

- The contractual right to receive cash flows from the asset has expired; or
- The Company has transferred its rights to receive cash flows from the assets or has 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) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if, and to what extent it has retained the risk and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(f) Derecognition (cont'd.)

On derecognition of a financial asset except for equity securities measured at FVOCI, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (a) the consideration received (including any new asset obtained less any new liability assumed) and (b) any cumulative gain or loss that has been recognised in other comprehensive income is recognised in the statement of profit or loss.

On derecognition of equity securities measured at FVOCI, any cumulative gain or loss recognised in other comprehensive income is not recognised in statement of profit or loss.

Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Company is recognised as a separate asset or liability.

Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or derecognised on trade date i.e., the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(g) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount reported on the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expenses are not offset in the statement of profit or loss unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Company.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(h) Intangible assets

(i) Business combination and goodwill

Business combinations are accounted for using the purchase method of accounting. This involves recognising identifiable assets and liabilities including contingent liabilities but excluding future restructuring liabilities of the acquired business at fair value. Any excess of the cost of acquisition over the fair values of the identifiable net assets (net fair value of identifiable assets, liabilities and contingent liabilities) acquired is recognised as goodwill. If the cost of acquisition is less than the fair values of the identifiable net assets acquired, the discount on acquisition is recognised directly in the statement of profit or loss in the year of acquisition.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Company's CGU that are expected to benefit from the synergies of the combination irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The CGU to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the CGU may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU to which the goodwill relates. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised in the statement of profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a CGU and part of the operation within that CGU is disposed, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed in this circumstance is measured based on the relative fair values of the operations disposed and the portion of the CGU retained.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(h) Intangible assets (cont'd.)

(ii) Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

No amortisation is provided on capital works in progress as the assets are not yet available for use. Amortisation of an asset begins when it is available for use and calculated on a straight-line basis over the estimated useful life of an asset. The useful lives are as follows:

Category of asset	**Useful life**
Computer software and software development costs	3 to 10 years
Distribution platform	6.5 years

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at the end of each reporting period.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite useful life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(i) Shareholders' equity

Shareholders' equity is defined as the residual interest in the assets of an entity after deducting all its liabilities. The following outlines the various types of equity and reserves of the Company.

Ordinary share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

Retained earnings

A portion of the retained earnings has been set aside to meet risk-based capital requirements for regulatory reporting purposes. These reserves are deemed statutory reserves and are not available for distribution to shareholders. These statutory reserves are measured according to the regulatory prescriptions and are subject to changes in line with the underlying risks underwritten.

Fair value reserve

Fair value reserve comprises the cumulative net change in fair value of financial assets measured at FVOCI and the related loss allowance recognised in profit or loss until the assets are derecognised, net of tax. Any cumulative gain or loss on disposal (net of tax) for equities measured at FVOCI will be reclassified from fair value reserve to retained earnings.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(j) Insurance and Reinsurance Contracts

Contracts under which the Company accepts significant insurance risk are classified as insurance contracts. Contracts held by the Company under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts. Insurance and reinsurance contracts also expose the Company to financial risk.

Insurance contracts may be issued and reinsurance contracts may be initiated by the Company, or they may be acquired in a business combination or in a transfer of contracts that do not form a business. All references in these accounting policies to 'insurance contracts' and 'reinsurance contracts' include contracts issued, initiated or acquired by the Company, unless otherwise stated.

Contracts that have a legal form of insurance but do not transfer significant insurance risk and expose the Company to financial risk are classified as investment contracts, and they follow financial instruments accounting under MFRS 9.

(k) Separating Components from Insurance and Reinsurance Contracts

The Company assesses its insurance and reinsurance contracts to determine whether they contain components which must be accounted for under another MFRS rather than MFRS 17 (distinct non insurance components). After separating any distinct components, the Company applies MFRS 17 to all remaining components of the (host) insurance contract. Currently, the Company's contracts do not include distinct components that require separation.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(k) Separating Components from Insurance and Reinsurance Contracts (cont'd.)

MFRS 17 defines investment components as the amounts that an insurance contract requires an insurer to repay to a policyholder in all circumstances, regardless of whether an insured event has occurred. Investment components which are highly interrelated with the insurance contract of which they form a part are considered non-distinct and are not separately accounted for. However, receipts and payments of the investment components are excluded from insurance revenue and insurance service expenses.

Some reinsurance contracts issued contain profit commission arrangements. Under these arrangements, there is a minimum guaranteed amount that the policyholder will always receive – either in the form of profit commission, or as claims, or another contractual payment irrespective of the insured event happening. For profit commission components which are not subject to any conditions in the contracts, these have been assessed to be highly interrelated with the insurance component of the reinsurance contracts and are, therefore, non-distinct investment components which are not accounted for separately. However, receipts and payments of these investment components are recognised outside of profit or loss.

(l) Level of Aggregation

(i) Insurance contracts

Insurance contracts are aggregated into groups for measurement purposes. Groups of insurance contracts are determined by identifying portfolios of insurance contracts, each comprising contracts subject to similar risks and managed together, and dividing each portfolio into annual cohorts (by year of issuance), into three groups based on the expected profitability of the contracts:

(a) Contracts that are onerous at initial recognition,
(b) Contracts that at initial recognition have no significant possibility of becoming onerous subsequently, or
(c) Remaining group of contracts.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(l) Level of Aggregation (cont'd.)

(i) Insurance contracts (cont'd.)

These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. The profitability groupings are not reassessed under subsequent remeasurement.

Level of aggregation is also affected by law or regulation which specifically constrains the Company's practical ability to set a different price or level of benefits for policyholders with different characteristics.

The Company broadly groups its insurance contracts by how the contracts are managed, product type, currency, measurement model and insurance risks. Group of contracts usually correspond to the risk class or product type.

An assessment is performed to distinguish onerous contracts from non-onerous ones. For non-onerous contacts, the Company assesses the likelihood of changes in the applicable facts and circumstances in the subsequent periods in determining whether contracts have a significant possibility of becoming onerous. This assessment is performed at the product type level.

(ii) Reinsurance contracts

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Company aggregates reinsurance contracts into annual cohorts (by year of issuance) into groups of:

(a) Contracts for which there is a net gain at initial recognition, if any;
(b) Contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and
(c) Remaining contracts in the portfolio, if any.

Reinsurance contracts held are assessed for aggregation requirements on an individual reinsurance treaty basis.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(m) Recognition

A group of insurance contracts issued by the Company is recognised from the earliest of:

(a) The beginning of its coverage period (i.e. the period during which the Company provides services in respect of any premiums within the contract boundary;
(b) When the first payment from the policyholder becomes due or, if there is no contractual due date, when first payment is received from the policyholder; and
(c) When facts and circumstances indicate that the contract is onerous.

The Company recognises a group of reinsurance contracts held from the earliest of the following:

(a) The beginning of the coverage period of the group of reinsurance contracts held. However, the Company delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date when any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held; and
(b) The date the Company recognises and onerous group of underlying insurance contracts if the Company entered into the related reinsurance contract in the group of reinsurance contracts held at or before that date.

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts are added. Composition of the groups is not reassessed in subsequent periods.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(n) Contract Boundary

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

(a) The Company has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks; or
(b) Both of the following criteria are satisfied:
   - The Company has the practical ability to reassess the risks of the portfolio of insurance contracts 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 up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

Fulfilment cash flows outside the insurance contract boundary are not recognised. Such amounts relate to future insurance contracts.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Company that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or in which the Company has a substantive right to receive insurance contract services from the reinsurer. A substantive right to receive services from the reinsurer ends either when the reinsurer can reprice the contract to fully reflect the reinsured risk, or when the reinsurer has a substantive right to terminate coverage.

The Company reassesses contract boundary of each group at the end of each reporting period.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(o) Measurement

(i) Measurement – contracts not measured under the PAA

On initial recognition, the Company measures a group of insurance contracts as the total of (a) the fulfilment cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk; and (b) the Contractual Service Margin ("CSM"). The fulfilment cash flows of a group of insurance contracts do not incorporate the Company's non-performance risk.

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and it reflects the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfils insurance contracts.

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Company to the reinsurer.

Methods and assumptions used to determine the risk adjustment for non-financial risk are discussed in Note 2.5(b)(i).

On initial recognition of a group of insurance contracts, if the total of (a) the fulfilment cash flows, (b) any cash flows arising at that date and (c) any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group is a net inflow, then the group is not onerous. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition.

If the total is a net outflow, then the group is onerous. A loss from onerous insurance contracts is recognised in profit or loss immediately, with no CSM recognised on the Statement of Financial Position on initial recognition, and a loss component is established in the amount of loss recognised (refer to the Onerous contracts – Loss component section in Note 2.2(o)(iv).

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(o) Measurement (cont'd.)

(ii) Fulfilment Cash Flows ("FCF")

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

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

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation. Refer to Note 2.5(b)(i).

(iii) Contractual Service Margin

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

At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous or insurance revenue and insurance service expenses are recognised as in (d) below) arising from:

(a) The initial recognition of the FCF;
(b) Cash flows arising from the contracts in the group at that date;
(c) The derecognition of any insurance acquisition cash flows asset; and

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(o) Measurement (cont'd.)

(iii) Contractual Service Margin (cont'd.)

(d) The derecognition of any other pre-recognition cash flows. Insurance revenue and insurance service expenses are recognised immediately for any such assets derecognised.

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Company recognises the net cost immediately in profit or loss. For reinsurance contracts held, the CSM represents a deferred gain or loss that the Company will recognise as a reinsurance expense as it receives insurance contract services from the reinsurer in the future and is calculated as the sum of:

(a) The initial recognition of the FCF;
(b) Cash flows arising from the contracts in the group at that date;
(c) The amount derecognised at the date of initial recognition of any asset or liability previously recognised for cash flows related to the group of reinsurance contracts held (other pre-recognition cash flows); and
(d) Any income recognised in profit or loss when the entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group.

(iv) Subsequent Measurement – contracts not measured under the PAA

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

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(o) Measurement (cont'd.)

(iv) Subsequent Measurement – contracts not measured under the PAA (cont'd.)

Changes relating to future service	Adjusted against CSM (or recognised in the insurance service result in profit or loss if the group is onerous).
Changes relating to current or past service	Recognised in the insurance service result in profit or loss.
Effects of the time value of money, financial risk and changes therein on estimated cash flows	Recognised as insurance finance income or expenses in profit or loss, except for certain portfolios measured using the GMM where the Other Comprehensive Income ("OCI") option is applied.

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

The Company reports its financial results on a quarterly basis. The Company has elected to treat every quarter as a discrete interim reporting period, and estimates made by the Company in previous interim financial results are not changed when applying MFRS 17 in subsequent interim periods or in the annual financial statements.

Onerous contracts – Loss component

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(o) Measurement (cont'd.)

(iv) Subsequent Measurement – contracts not measured under the PAA (cont'd.)

Onerous contracts – Loss component (cont'd.)

When a loss component exists, the Company allocates the following between the loss component and the remaining component of the LRC for the respective group of contracts, based on the ratio of the loss component to the FCF relating to the expected future cash outflows:

(a) Expected incurred claims and other directly attributable expenses for the period;
(b) Changes in the risk adjustment for non-financial risk for the risk expired; and
(c) Finance income/(expenses) from insurance contracts issued.

The amounts of the loss component allocation in (a) and (b) above reduce the respective components of insurance revenue and are reflected in insurance service expenses.

Decreases in the FCF in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Increases in the FCF in subsequent periods increase the loss component.

(v) Reinsurance Contracts

The Company will apply the same accounting policies to measure a group of reinsurance contracts, with the following modifications.

The carrying amount of a group of reinsurance contracts at each reporting date is the sum of the asset for remaining coverage ("ARC") and the asset for incurred claims ("AIC"). The AIC comprises (a) the FCF that relate to services that will be received under the contracts in future periods and (b) any remaining CSM at that date.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(o) Measurement (cont'd.)

(v) Reinsurance Contracts (cont'd.)

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

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

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Company recognises the net cost immediately in profit or loss. For reinsurance contracts held, the CSM represents a deferred gain or loss that the Company will recognise as a reinsurance income or expenses as it receives insurance contract services from the reinsurer in the future.

A loss-recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised above. This amount is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Company expects to recover from the reinsurance contracts held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(o) Measurement (cont'd.)

(vi) Insurance Acquisition Cash Flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts that are directly attributable to the portfolio of insurance contracts to which the group belongs. If insurance acquisition cash flows are directly attributable to a group of contracts, then they are allocated to that group.

Insurance acquisition cash flows are allocated to groups of insurance contracts on a systematic and rational basis. Insurance acquisition cash flows that are directly attributable to a group of insurance contracts are allocated to that group; and to groups that will include insurance contracts that are expected to arise from renewals of the insurance contracts in that group.

Insurance acquisition cash flows not directly attributable to a group of contracts but directly attributable to a portfolio of contracts are allocated to groups of contracts in the portfolio or expected to be in the portfolio.

The insurance acquisition cash flows that arise before the recognition of the related insurance contracts are recognised as separate assets and tested for recoverability, whereas other insurance acquisition cash flows are included in the estimates of the present value of future cash flows as part of the measurement of the related insurance contracts.

The Company assesses at each reporting date whether facts and circumstances indicate that an asset for insurance acquisition cash flows may be impaired, then the Company:

(a) Recognises an impairment loss in profit or loss so that the carrying amount of the asset does not exceed the expected net cash inflow for the related group; and
(b) If the asset relates to future renewals, recognises an impairment loss in profit or loss to the extent that it expects those insurance acquisition cash flows to exceed the net cash inflow for the expected renewals and this excess has not already been recognised as an impairment loss under item (a).

The Company reverses any impairment losses in profit or loss and increases the carrying amount of the asset to the extent that the impairment conditions no longer exist or have improved.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(p) Measurement – contracts measured under the PAA

The PAA is an optional simplified measurement model in MFRS 17 that is available for insurance and reinsurance contracts that meet the eligibility criteria. This approach is used for insurance contracts which have a coverage period of one year or less, or where the PAA provides a measurement that is not materially different from that under the General Measurement Model ("GMM").

For insurance contracts issued, on initial recognition, the Company measures the LRC at the amount of premiums received, less any acquisition cash flows paid and any amounts arising from the derecognition of the insurance acquisition cash flows asset and the derecognition of any other relevant pre-recognition cash flows. The LRC is discounted to reflect the time value of money and the effect of financial risk.

The Company estimates the LIC as the fulfilment cash flows related to incurred claims. The FCF 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 Company, and include an explicit adjustment for non-financial risk (the risk adjustment). The Company adjusts the future cash flows for the time value of money and the effect of financial risk for the measurement of LIC, unless when they are expected to be paid within one year or less from the date of which the claims are incurred.

Where, during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Company recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the FCF. A loss component is established by the Company for the LRC for such onerous group depicting the losses recognised.

For reinsurance contracts held, on initial recognition, the Company measures the remaining coverage at the amount of ceding premiums paid net of commission, plus broker fees paid to a party other than the reinsurer.

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of the LRC and the LIC, comprising the FCF related to past service allocated to the group at the reporting date.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(p) Measurement – contracts measured under the PAA (cont'd.)

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of the ARC and the AIC, comprising the FCF related to past service allocated to the group at the reporting date.

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

(i) Increased for premiums received in the period, excluding amounts that relate to premium receivables included in the LIC;
(ii) Decreased for insurance acquisition cash flows paid in the period;
(iii) Decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the period;
(iv) Increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses; and
(v) Increased for net insurance finance expenses recognised during the period.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

(i) Increased for ceding premiums, net of commission, paid in the period;
(ii) Increased for broker fees paid in the period;
(iii) Decreased for the expected amounts of ceding premiums and broker fees recognised as reinsurance expenses for the services received in the period; and
(iv) Increased for net reinsurance finance income recognised during the period.

(q) Derecognition and Contract Modification

An insurance contract is derecognised when it is:

(i) Extinguished (that is, when the obligation specified in the insurance contract expires or is discharged or cancelled); or
(ii) The contract is modified and certain additional criteria discussed below are met.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(q) Derecognition and Contract Modification (cont'd.)

When an insurance contract is modified by the Company as a result of an agreement with the counterparties or due to a change in regulations, the Company treats changes in cash flows caused by the modification as changes in estimates of the FCF, unless the conditions for the derecognition of the original contract are met. The Company derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

(i) If the modified terms had been included at contract inception and the Company would have concluded that the modified contract:
  (a) Is not within the scope of MFRS 17;
  (b) Results in different separable components;
  (c) Results in a different contract boundary; or
  (d) Belongs to a different group of contracts;

(ii) The original contract was accounted for under the PAA, but the modification means that the contract no longer meets the eligibility criteria for that approach.

When a new contract is required to be recognised as a result of modification and it is within the scope of MFRS 17, the new contract is recognised from the date of modification and is assessed for, amongst other things, contract classification and contract aggregation requirements.

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

(i) Adjusts the FCF to eliminate the present value of future cash flows and risk adjustment for non-financial risk relating to the rights and obligations removed from the group;

(ii) Adjusts the CSM (unless the decrease in the FCF is allocated to the loss component of the LRC of the group) in the following manner, depending on the reason for the derecognition:
  (a) If the contract is extinguished, in the same amount as the adjustment to the FCF relating to future service;
  (b) If the contract is transferred to a third party, in the amount of the FCF adjustment in (a) less the premium charged by the third party; or

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(q) Derecognition and Contract Modification (cont'd.)

(c) If the original contract is modified resulting in its derecognition, in the amount of the FCF adjustment in (a) adjusted for the premium that the Company would have charged if it had entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification; when recognising the new contract in this case, the Company assumes such a hypothetical premium as actually received.

(iii) Adjusts the number of coverage units for the expected remaining insurance contract services, to reflect the number of coverage units removed.

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

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

(r) Presentation and Disclosure

For presentation in the Statement of Financial Position, the Company aggregates portfolios of insurance contracts issued and reinsurance contracts held and present separately:

(i) Portfolios of insurance contracts that are assets;
(ii) Portfolios of reinsurance contracts held that are assets;
(iii) Portfolios of insurance contracts that are liabilities; and
(iv) Portfolios of reinsurance contracts held that are liabilities.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(r) Presentation and Disclosure (cont'd.)

The portfolios referred to above are those established at initial recognition in accordance with the MFRS 17 requirements.

In the profit or loss statement, the following are presented separately:

(i) Insurance revenue;
(ii) Insurance service expense;
(iii) Insurance finance income or expense; and
(iv) Income or expenses from reinsurance contracts held.

The Company provides disaggregated qualitative and quantitative information in the notes to the financial statements about:

(i) The amounts recognised in its financial statements from insurance contracts and reinsurance contracts; and
(ii) Significant judgement, and changes in those judgement made when applying the standard.

(s) Recognition of Income and Expenses

(i) Insurance Service Result from Insurance Contracts Issued

Insurance revenue

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(s) Recognition of Income and Expenses (cont'd.)

(i) Insurance Service Result from Insurance Contracts Issued(cont'd.)

Insurance revenue (cont'd.)

For contracts not measured under the PAA, insurance revenue comprises the following:

(a) Amounts relating to the changes in the LRC:
- (i) Claims and other directly attributable expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:
  - (a) amounts allocated to the loss component;
  - (b) repayments of investment components and policyholder rights to withdraw an amount;
  - (c) amounts of transaction-based taxes collected in a fiduciary capacity;
  - (d) insurance acquisition expenses; and
  - (e) amounts related to the risk adjustment for non-financial risk (see (ii)).
- (ii) Changes in the risk adjustment for non-financial risk, excluding:
  - (a) Changes included in insurance finance income/(expenses);
  - (b) Changes that relate to future coverage (which adjust the CSM); and
  - (c) Amounts allocated to the loss component.
- (iii) Amounts of the CSM recognised for the services provided in the period;
- (iv) Experience adjustments – arising from premiums received in the period other than those that relate to future service; and
- (v) Other amounts, including any other pre-recognition cash flows assets derecognised at the date of initial recognition.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(s) Recognition of Income and Expenses (cont'd.)

(i) Insurance Service Result from Insurance Contracts Issued (cont'd.)

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

For groups of insurance contracts measured under the PAA, the Company recognises revenue based on the passage of time over the coverage period of a groups of contracts.

Insurance service expenses

Insurance service expenses include the following:

(a) Incurred claims and benefits, excluding investment components reduced by loss component allocations;
(b) Other incurred directly attributable expenses, including amounts of any other pre-recognition cash flows assets (other than insurance acquisition cash flows) derecognised at the date of initial recognition;
(c) Insurance acquisition cash flows amortisation;
(d) Changes that relate to past service – changes in the FCF relating to the LIC;
(e) Changes that relate to future service – changes in the FCF that results in onerous contract losses or reversals of those losses; and
(f) Insurance acquisition cash flows assets impairment.

For contracts not measured under the PAA, amortisation of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue, as described above.

For contracts measured under the PAA, amortisation of insurance acquisition cash flows is reflected in insurance service expenses based on the passage of time.

Other expenses not meeting the above categories are included in other expenses in the statement of profit or loss.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(s) Recognition of Income and Expenses (cont'd.)

(ii) Insurance Service Result from Reinsurance Contracts Held

Net income/(expenses) from Reinsurance Contracts Held

The Company presents financial performance of groups of reinsurance contracts held on a net basis in net income/(expenses) from reinsurance contracts held , comprising the following amounts:

(a) Reinsurance expenses;
(b) For groups of reinsurance contracts measured under the PAA, broker fees are included within reinsurance expenses;
(c) Incurred claims recovery, excluding investment components reduced by loss-recovery component allocations;
(d) Other incurred directly attributable expenses;
(e) Changes that relate to past service – changes in the FCF relating to incurred claims recovery;
(f) Effect of changes in the risk of reinsurers' non-performance; and
(g) Amounts relating to accounting for onerous Company of underlying insurance contracts issued:
   (i) Income on initial recognition of onerous underlying contracts;
   (ii) Reinsurance contracts held under the GMM: reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held; and
   (iii) Reinsurance contracts held under the GMM: changes in the FCF of reinsurance contracts held from onerous underlying contracts.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(s) Recognition of Income and Expenses (cont'd.)

(ii) Insurance Service Result from Reinsurance Contracts Held (cont'd.)

Reinsurance expenses are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received insurance contract services at an amount that reflects the portion of ceding premiums that the Company expects to pay in exchange for those services. Additionally, for reinsurance contracts held measured under the PAA, broker fees are included in reinsurance expenses.

For contracts not measured under the PAA, reinsurance expenses comprise the following amounts relating to changes in the remaining coverage:

(a) Claims and other directly attributable expenses recovery in the period, measured at the amounts expected to be incurred at the beginning of the period, excluding:
   (i) Amounts allocated to the loss-recovery component;
   (ii) Repayments of investment components; and
   (iii) Amounts related to the risk adjustment for non-financial risk (see (b));
(b) Changes in the risk adjustment for non-financial risk, excluding:
   (i) Changes included in finance income/(expenses) from reinsurance contracts held;
   (ii) Changes that relate to future coverage (which adjust the CSM); and
   (iii) Amounts allocated to the loss-recovery component.
(c) Amounts of the CSM recognised for the services received in the period;
(d) Experience adjustments – arising from premiums paid in the period other than those that relate to future service.

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

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(s) Recognition of Income and Expenses (cont'd.)

(iii) Insurance Finance Income or Expenses

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

(a) The effect of the time value of money and changes in the time value of money; and
(b) The effect of financial risk and changes in financial risk.

For contracts measured under the GMM, the main amounts within insurance finance income or expenses are:

(a) Interest accreted on the FCF and the CSM;
(b) The effect of changes in interest rates and other financial assumptions, and
(c) Foreign exchange differences.

For contracts measured under the PAA, the main amounts within insurance finance income or expenses are:

(a) Interest accreted on the FCF; and
(b) The effect of changes in interest rates and other financial assumptions.

For non-life insurance, the entire change in the risk adjustment for non-financial risk is included in insurance service results.

In the event of transfer of a group of insurance contracts or derecognition of an insurance contract, the Company reclassifies the insurance finance income or expenses to profit or loss as a reclassification adjustment to any remaining amounts.

The groups of insurance contracts, including the CSM , that generate cash flows in a foreign currency are treated as monetary items.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(t) Other revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

Interest income is recognised on a time proportion basis that takes into account the effective yield of the asset.

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

All sales of investments are recognised on their trade dates i.e., the date the Company commits to sell the assets. Gains or losses arising from the sale of investments are calculated as the difference between net sales proceeds and the original or carrying amount and are credited or charged to the statement of profit or loss.

(u) Income tax

Income tax on the profit or loss 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 financial position.

Deferred tax is provided for, using the liability method, on temporary differences at the financial position 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 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 financial position.

Deferred tax is recognised in the statement of profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(v) Provisions

Provisions are recognised when the Company has 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 position and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risk specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(w) Contingent liabilities

A contingent liability is:

(i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

(ii) a present obligation that arises from past events but is not recognised because:
- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised on the statement of financial position of the Company, except for contingent liabilities assumed in a business combination that are present obligations and for which the fair values can be reliably determined.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(x) Employee benefits

Defined Contribution Plans Under Statutory Regulations

As required by law, companies in Malaysia make contributions to the national pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the statement of profit or loss as incurred.

Employee Leave Entitlements

An employee's entitlement to annual leave is estimated and accrued according to the Company's Human Resource policy.

Share Options

Senior executives of the Group were granted share options in the OCBC's Share Option Scheme as consideration for services rendered. Options granted are exercisable for up to 10 years. The options may be exercised after the first anniversary of the date of the grant, and generally vest in one-third increments over a 3-year period. The cost of these options are recognised as expense in the Profit or Loss Statement based on the fair value of the options at the date of the grant. The share options are cash-settled share-based payment transactions. The expense is recognised over the vesting period of the grant, with a corresponding increase in liabilities.

OCBC has ceased granting share options under the scheme effective from financial year 2018 remuneration. Share options granted in prior years continue to be outstanding until the options lapse or are exercised by the recipients. The share options have a validity period of 10 years from date of grant and will lapse immediately on the termination of employment or appointment, except in the event of retirement, redundancy, death, or where approved by OCBC's Remuneration Committee.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(x) Employee benefits (cont'd.)

Deferred Share Plan

In addition to the OCBC's Share Option Scheme, certain employees within the Company are granted OCBC shares under the OCBC Deferred Share Plan ("DSP"). There are 2 types of deferred share awards. Deferred share awards granted as part of long term incentive compensation will vest three years from the grant date and will lapse if the staff ceases employment during the vesting period. For deferred share awards granted as part of variable performance bonus, half of the share awards will vest two years from the grant date and the remaining half will vest at the end of three years from the grant date. The cost of the DSP is recognised in the statement of profit or loss on a straight-line basis over the vesting period of the DSP.

At each financial position, the cumulative expense is adjusted for the estimated number of shares granted under the DSP that have vested and/or lapsed.

Employee Share Purchase Plan

The OCBC Employee Share Purchase Plan ("ESPP") was implemented for all employees of the participating companies in OCBC Group, including executive Directors.

The ESPP is a saving-based share ownership plan to help employees own ordinary shares in OCBC through their monthly contributions via deductions from payroll. The employees have the option to convert the contributions to ordinary shares after one year or to withdraw the contributions at any time. As a further incentive to employees to enrol in the ESPP, OCBC pays interest on the amounts saved at a preferential interest rate. The duration of the offering period is 24 months. The expense is recognised over the offering period of the plan, with a corresponding increase in liabilities.

(y) Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and on hand and short-term, highly liquid investments with original maturity of three months or less from the date of acquisition, or are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(z) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves the use of an identified asset and conveys the right to control the use of the asset for a period of time in exchange for consideration – i.e. the customer has the right to:

- obtain substantially all of the economic benefits from using the asset; and
- direct the use of the asset.

The Company recognises a right-of-use asset and a lease liability at the commencement date of the lease. The right-of-use asset is initially measured at cost, which comprises the amount of lease liability, any lease payments made or before the commencement date, any indirect costs incurred and an estimate of the costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate will be used as the discount rate. The Company generally uses its incremental borrowing rate as the discount rate.

Subsequently, the right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the carrying amount of the right-of-use asset is reduced by any impairment losses and adjusted for certain remeasurements of the lease liability.

The lease liability is subsequently measured at amortised cost using the effect interest method. It is remeasured to reflect any lease modifications or reassessments.

The Company presents its right-of-use assets in 'property, plant and equipment' and lease liabilities in the statement of financial position.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(z) Leases (cont'd.)

Short-term leases and leases of low-value assets

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

(aa) Sales Tax Act 2018 and Service Tax Act 2018 ("SST")

Effective from 1 September 2018, Sales Tax Act 2018 and Service Tax Act 2018 ("SST") are introduced to replace the GST Act 2014. Service Tax is charged and levied on any provision of taxable services made in the furtherance of business by a taxable person and in Malaysia. Service tax is not chargeable on imported and exported services.

The provision of all types of general insurance contracts to cover any risk incurred in Malaysia is a taxable service and subject to service tax at prevailing tax rate.

The amount of Service Tax payable to the tax authority is included as part of the payables in the statement of financial position.

(ab) Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family who:

- (i) has control or joint control over the Company;
- (ii) has significant influence over the Company; or
- (iii) is a member of the key management personnel which includes the Directors, Chief Executive Officer and Senior Management Team of the Company or parent of the Company.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

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

(ab) Related parties (cont'd.)

(b) An entity is related to the Company where any of the following condition applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
(ii) the entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Company of which the other entity is a member);
(iii) both the entities are joint ventures of the same third party;
(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
(vi) the entity is controlled or jointly controlled by a person identified in (a);
(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or parent of the entity); or
(viii) the entity, or any member of a Company of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

Related party transactions are reported in the Company's financial statement in accordance with requirements of MFRS 124 Related Party Disclosures, Companies Act 2016 and Financial Services Act 2013 and Guidelines on Financial Reporting.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.3 Changes in accounting policies and disclosures

New and amended standards and IC interpretations

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2024, the Company adopted the following amendments to MFRSs mandatory for annual financial periods beginning on or after 1 January 2024.

- Amendments to MFRS 101 Presentation of Financial Statements - Non-current Liabilities with Covenants
- Amendments to MFRS 16 Leases - Lease Liability in a Sale and Leaseback

The adoption of the above pronouncement did not have any significant impact on the financial statements of the Company.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.4 Standards issued but not yet effective

As at the date of authorisation of these financial statements, the following Standards, IC Interpretations and Amendments to Standards and improvements to published standards have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Company.

Effective for the financial periods beginning on or after 1 January 2025

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

Effective for the financial periods beginning on or after 1 January 2026

- Amendments to MFRS 7 Financial Instruments - Classification and Measurement of Financial Instruments (Amendments to MFRS 9 and MFRS 7)
- Annual Improvements to MFRS 10 Consolidated Financial Statements

The management expects that the adoption of the above standards, amendments to standards and interpretations to standards issued by MASB, but not yet effective, will have no material impact on the financial statements in the period of initial application.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.5 Critical accounting judgements, estimates and assumptions

(a) Critical judgements made in applying accounting policies

In the preparation of the Company's financial statements, management makes estimates, assumptions and judgements that affect the reported amounts of revenues, expenses, assets and liabilities at reporting date. Estimates, assumptions and judgements are continually evaluated and based on internal studies of actual historical experience and other factors. Best estimates and assumptions are constantly reviewed to ensure that they remain relevant and valid. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The following are judgements made by management in the process of applying the Company's accounting policies that have significant effect on the amounts recognised in the financial statements.

(i) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(b) Key sources of estimation uncertainty and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial position 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.

(i) Insurance Business

The Company makes estimates, assumptions and judgements in its estimates of FCF, discount rates used and risk adjustments for non-financial risk.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.5 Critical accounting judgements, estimates and assumptions (cont'd.)

(b) Key sources of estimation uncertainty and assumptions (cont'd.)

(i) Insurance Business (cont'd.)

Discount rates

Insurance contract liabilities are calculated by discounting expected future cash flows at a risk free rate, plus an illiquidity premium where applicable. Risk free rates are determined by reference to the observable market yields of government securities in the currency of the insurance contract liabilities. The illiquidity premium is determined by reference to observable market rates.

The Company adopts a bottom-up approach in which discount rates are based on the relevant currency's risk-free yield curves and an adjustment for illiquidity premium.

- Risk-free yield curves are derived in a consistent approach as that taken by the International Associations of Insurance Supervisors ("IAIS") on the design of the global insurance capital standards ("ICS"), with the rates for the first 15 years being referenced to Bank Negara Malaysia Risk Based Capital Framework ("BNM RBC"). Similarly, Ultimate Forward Rate ("UFR") references are made to the approach taken by the International Associations of Insurance Supervisors ("IAIS") on the design of the global insurance capital standards ("ICs').

- For illiquidity premium, illiquidity buckets ("illiquidity application ratio") are assigned using an objective scoring system that is based on illiquidity characteristics of products on each portfolio. Market observable illiquidity premium levels are derived every month-end based on a credit-risk adjusted market spread of reference assets for each currency. Non-life insurance liabilities are generally short-term, hence illiquidity premium is not required.

The adjustment of illiquidity premium in (b) is added as a layer in addition to the risk-free yield curves in (a) based on the illiquidity application ratio of each portfolio.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.5 Critical accounting judgements, estimates and assumptions (cont'd.)

(b) Key sources of estimation uncertainty and assumptions (cont'd.)

(i) Insurance Business (cont'd.)

Discount rates (cont'd.)
The yield curves that were used to discount the estimates of future cash flows that do not vary based on the returns of the underlying items are as follows:

	1 year	5 years	10 years	15 years	20 years	30 years
2024						
Fire	3.29%	3.66%	3.86%	4.03%	4.15%	4.33%
Motor	3.29%	3.66%	3.86%	4.03%	4.15%	4.33%
Marine & aviation	3.29%	3.66%	3.86%	4.03%	4.15%	4.33%
Workmen's compensation	3.29%	3.66%	3.86%	4.03%	4.15%	4.33%
Personal accident & health	3.29%	3.66%	3.86%	4.03%	4.15%	4.33%
Miscellaneous	3.29%	3.66%	3.86%	4.03%	4.15%	4.33%

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.5 Critical accounting judgements, estimates and assumptions (cont'd.)

(b) Key sources of estimation uncertainty and assumptions (cont'd.)

(i) Insurance Business (cont'd.)

Discount rates (cont'd.)

2023	1 year	5 years	10 years	15 years	20 years	30 years
Fire	3.30%	3.65%	3.74%	4.05%	4.22%	4.43%
Motor	3.30%	3.65%	3.74%	4.05%	4.22%	4.43%
Marine & aviation	3.30%	3.65%	3.74%	4.05%	4.22%	4.43%
Workmen's compensation	3.30%	3.65%	3.74%	4.05%	4.22%	4.43%
Personal accident & health	3.30%	3.65%	3.74%	4.05%	4.22%	4.43%
Miscellaneous	3.30%	3.65%	3.74%	4.05%	4.22%	4.43%

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.5 Critical accounting judgements, estimates and assumptions (cont'd.)

(b) Key sources of estimation uncertainty and assumptions (cont'd.)

(i) Insurance Business (cont'd.)

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled. Because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favourable and unfavourable outcomes in a way that reflects the Company's degree of risk aversion. The Company estimates an adjustment for non-financial risk separately from all other estimates.

The confidence level technique is used to derive the overall risk adjustment for non-financial risk. The risk adjustment is the excess of the value at risk at the target confidence level over the expected present value of the future cash flows. The target confidence level will be at 85th percentile.

Estimates of future cash flows

In estimating future cash flows, the Company 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 experience updated to reflect current expectations of future events.

The estimates of future cash flows will reflect the Company's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.5 Critical accounting judgements, estimates and assumptions (cont'd.)

(b) Key sources of estimation uncertainty and assumptions (cont'd.)

(i) Insurance Business (cont'd.)

Estimates of future cash flows (cont'd.)

When estimating future cash flows, the Company takes into account current expectations of future events that might affect cash flows. Cash flows within the boundary of a contract are those that relate directly to the fulfilment of the contract, including those for which the Company has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows, liabilities for remaining coverage, liabilities for incurred claim and other costs that are incurred in fulfilling contracts. Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads.

Cash flows are attributed to acquisition activities, other fulfilment activities and other activities at local entity level using activity-based costing techniques. Cash flows attributable to acquisition and other fulfilment activities are allocated to groups of contracts using methods that are systematic and rational and will be consistently applied to all costs that have similar characteristics.

For insurance contracts issued, on initial recognition, the Company measures the liabilities for remaining coverage at the amount of premiums received, less any acquisition cash flows paid and any amounts arising from the derecognition of the insurance acquisition cash flows asset and the derecognition of any other relevant pre-recognition cash flows. The liabilities for remaining coverage is discounted to reflect the time value of money and the effect of financial risk.

The Company estimates the liabilities for incurred claim as the fulfilment cash flows related to incurred claims. The FCF 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 Company, and include an explicit adjustment for non-financial risk (the risk adjustment). The Company adjusts the future cash flows for the time value of money and the effect of financial risk for the measurement of liabilities for incurred claim, unless when they are expected to be paid within one year or less from the date of which the claims are incurred.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.5 Critical accounting judgements, estimates and assumptions (cont'd.)

(b) Key sources of estimation uncertainty and assumptions (cont'd.)

(ii) Pipeline Premium

The estimation of pipeline premiums made by management is based on average actual pipeline premium booked in for past three (3) years. As estimations are inherently uncertain, actual premium may differ from the estimated premiums.

(iii) Impairment of Goodwill

The Company assesses goodwill annually to determine if any impairment exists by measuring the recoverable amount of the goodwill based on the value-in-use method, which requires the use of estimates of cash flow projections, growth rates and discount rates. Changes to the assumptions used by management, particularly the discount rate and the terminal value, may affect the results of the impairment assessment. The assumptions applied to estimate the value-in-use computations are as described in Note 3 to the financial statements.

3. INTANGIBLE ASSETS

	Shareholder's Fund		Insurance Fund		
	Goodwill RM	Distribution platform RM	Software RM	Capital work-in-progress RM	Total RM
Cost					
At 1 January 2023	18,182,598	4,372,500	60,844,504	3,146,240	86,545,842
Additions	-	-	2,316,586	927,314	3,243,900
Impairment	-	(811,516)	-	-	(811,516)
At 31 December 2023	18,182,598	3,560,984	63,161,090	4,073,554	88,978,226
Additions	-	-	725,395	2,756,622	3,482,017
At 31 December 2024	18,182,598	3,560,984	63,886,485	6,830,176	92,460,243
Accumulated amortisation					
At 1 January 2023	-	2,074,134	26,210,815	-	28,284,949
Amortisation for the financial year	-	672,692	6,172,473	-	6,845,165
At 31 December 2023	-	2,746,826	32,383,288	-	35,130,114
Amortisation for the financial year	-	672,693	5,221,024	-	5,893,717
At 31 December 2024	-	3,419,519	37,604,312	-	41,023,831
Net carrying amount					
At 31 December 2023	18,182,598	814,158	30,777,802	4,073,554	53,848,112
At 31 December 2024	18,182,598	141,465	26,282,173	6,830,176	51,436,412

3. INTANGIBLE ASSETS (CONT'D.)

3.1 GOODWILL

The goodwill above arose from the acquisition of certain assets and liabilities of the general insurance business of Tahan Insurance Malaysia Berhad ("Tahan") (now known as IUB Greengold Berhad) on 1 January 2011.

Goodwill is allocated to the Company's CGU which is expected to benefit from the synergies of the acquisition. The recoverable amount of the CGU is assessed based on its value-in-use and compared to the carrying value of the CGU to determine whether any impairment exists. Impairment is recognised in the statement of profit or loss if the carrying amount of the CGU exceeds its recoverable amount.

Goodwill is allocated to the Company's business as a whole, which is defined as a single CGU. The value-in-use calculations apply discounted cash flow projections prepared and approved by management, covering a five-year period.

The other key assumptions for the computation of value-in-use are as follows:

(i) The expected growth rate of the Company is on the average of 11.6% per annum (2023: 11.2%);

(ii) The discount rate applied is the internal weighted average cost of capital of the Company at the time of the assessment, which is estimated to be 7.9% per annum (2023: 8.9%), pre-tax discount rate of 8.7% per annum (2023: 10.3%); and

(iii) Terminal value cash flow growth rate of 4.5% (2023: 4.5%), which is consistent with the Gross Domestic Product rate.

The management of the Company believes that any reasonably possible changes in any of the above key assumptions would not cause the carrying value of the CGU to exceed its recoverable amount. Accordingly, there is no evidence of impairment of goodwill as at the financial year-end.

3. INTANGIBLE ASSETS (CONT'D.)

3.2 DISTRIBUTION PLATFORM

The distibution platform cost are in relation to micro insurance provided by Axiata Digital Capital Sdn Bhd ("ADC"). It is a joint collaboration to distribute the general insurance offerred by the Company to access customer who can be reached through ADC, the ADC Partners and Channels in order to be referred to the Company for cross-selling and up-selling purposes.

The fee for this exclusive right is amortised over its useful life of 6.5 years using the straight-line method. The Company conducts impairment assessment when there is an indication of impairment in accordance with its accounting policies in Note 2.2(h)(ii). In the impairment assessment conducted by the Company, the future economic benefits that are attributable to the Axiata platform was valued at the present value of projected future cash flows of 2 years (2023: 5 years) using the discounted cash flow model.

The following key assumptions have been used in cash flow projections in respect of of the Axiata platform:

Key assumptions	**2024**	**2023**
Average Growth rate	27%	12%
Discount rate (pre-tax)	8.8%	8.6%

Sensitivity to changes in key assumptions
Management considers that it is reasonably for the abovementioned key assumptions to change that would resulted in impairment of the Axiata platform.

As of 31 December 2024, there is no indication that additional impairment is required for the Axiata platform. Last year, the platform's recoverable amount of RM814,158 is less than its carrying amount of RM1,625,674 which requires an impairment of RM811,516.

4. PROPERTY AND EQUIPMENT

(a) Owned

	Office equipment, renovation, furniture & fittings RM	Motor vehicles RM	Computer equipment RM	Capital work-in-progress RM	Total RM
Cost					
At 1 January 2023	6,525,349	427,423	6,370,291	1,500	13,324,563
Additions	92,745	-	800,717	140,032	1,033,494
Disposal	(765)	-	-	-	(765)
Write-off	(10,230)	-	-	-	(10,230)
At 31 December 2023	6,607,099	427,423	7,171,008	141,532	14,347,062
Additions	193,375	-	800,315	4,902,924	5,896,614
At 31 December 2024	6,800,474	427,423	7,971,323	5,044,456	20,243,676

4. PROPERTY AND EQUIPMENT (CONT'D.)

(a) Owned (cont'd.)

	Office equipment, renovation, furniture & fittings RM	Motor vehicles RM	Computer equipment RM	Capital work-in-progress RM	Total RM
Accumulated depreciation					
At 1 January 2023	5,711,227	184,753	4,092,476	-	9,988,456
Depreciation charge for the financial year (Note 13)	399,797	66,242	1,321,103	-	1,787,142
Disposal	(573)	-	-	-	(573)
Write-off	(9,929)	-	-	-	(9,929)
At 31 December 2023	6,100,522	250,995	5,413,579	-	11,765,096
Depreciation charge for the financial year (Note 13)	218,628	66,242	1,198,660	-	1,483,530
At 31 December 2024	6,319,150	317,237	6,612,239	-	13,248,626
Net carrying amount					
At 31 December 2023	506,577	176,428	1,757,429	141,532	2,581,966
At 31 December 2024	481,324	110,186	1,359,084	5,044,456	6,995,050

Included in the cost of property and equipment of the Company are the costs of fully depreciated assets which are still in use amounting to RM10,476,131 (2023: RM9,108,528).

4. PROPERTY AND EQUIPMENT (CONT'D.)

(b) Right-of-use assets

	Properties RM	Other Right-Of-Use Assets RM	Total RM
Cost			
At 1 January 2023	17,530,758	703,416	18,234,174
Additions	6,691,489	-	6,691,489
Lease expiration	(6,862,392)	-	(6,862,392)
At 31 December 2023	17,359,855	703,416	18,063,271
Additions	1,631,272	-	1,631,272
Lease expiration	(1,631,608)	(703,416)	(2,335,024)
At 31 December 2024	17,359,519	-	17,359,519
Accumulated depreciation			
At 1 January 2023	3,599,657	492,717	4,092,374
Depreciation charge for the financial year (Note 13)	2,921,786	185,994	3,107,780
Lease expiration	(3,431,196)	-	(3,431,196)
At 31 December 2023	3,090,247	678,711	3,768,958
Depreciation charge for the financial year (Note 13)	2,905,189	24,705	2,929,894
Lease expiration	(815,804)	(703,416)	(1,519,220)
At 31 December 2024	5,179,632	-	5,179,632
Net carrying amount			
At 31 December 2023	14,269,608	24,705	14,294,313
At 31 December 2024	12,179,887	-	12,179,887

5. INVESTMENTS

	2024			2023		
	Insurance Fund RM	Shareholder's Fund RM	Total RM	Insurance Fund RM	Shareholder's Fund RM	Total RM
Malaysian government securities	123,921,573	3,629,340	127,550,913	130,951,351	3,440,494	134,391,845
Debt securities	409,750,789	37,643,498	447,394,287	443,171,292	35,711,250	478,882,542
Equity securities	33,371,351	35,228,094	68,599,445	26,361,555	31,658,875	58,020,430
Collective investment schemes	72,834,452	32,601,910	105,436,362	69,966,188	31,269,299	101,235,487
Loans	1,044,964	-	1,044,964	679,824	-	679,824
	640,923,129	109,102,842	750,025,971	671,130,210	102,079,918	773,210,128

The Company's investments are summarised by categories as follows:

Financial assets at amortised cost	1,044,964	-	1,044,964	679,824	-	679,824
Financial assets at FVOCI	501,754,733	71,505,791	573,260,524	557,928,081	66,969,895	624,897,976
Financial assets at FVTPL	138,123,432	37,597,051	175,720,483	112,522,305	35,110,023	147,632,328
	640,923,129	109,102,842	750,025,971	671,130,210	102,079,918	773,210,128

5. INVESTMENTS (CONT'D.)

	2024			2023		
	Insurance Fund RM	Shareholder's Fund RM	Total RM	Insurance Fund RM	Shareholder's Fund RM	Total RM
The following investments mature after 12 months:						
Financial assets at amortised cost	1,033,860	-	1,033,860	666,262	-	666,262
Financial assets at FVOCI	411,056,204	71,505,791	482,561,995	506,237,451	66,969,896	573,207,347
Financial assets at FVTPL	138,123,432	37,597,051	175,720,483	112,522,305	35,105,250	147,627,555
	550,213,496	109,102,842	659,316,338	619,426,018	102,075,146	721,501,164

Included in financial assets at FVOCI are quoted equity securities of RM51,242,121 (2023: RM48,159,112) with no maturity date.

Included in financial assets at FVTPL are collective investment schemes of RM105,436,362 (2023: RM101,235,487) with no maturity date.

(a) Financial assets measured at amortised cost

	2024			2023		
	Insurance Fund RM	Shareholder's Fund RM	Total RM	Insurance Fund RM	Shareholder's Fund RM	Total RM
Vehicle loans	1,044,964	-	1,044,964	679,824	-	679,824

The carrying value of financial assets measured at amortised cost are reasonable approximations of fair values due to the insignificant impact of discounting.

5. INVESTMENTS (CONT'D.)

(b) Financial assets measured at FVOCI

	2024			2023		
	Insurance Fund RM	Shareholder's Fund RM	Total RM	Insurance Fund RM	Shareholder's Fund RM	Total RM
Malaysian government securities	123,921,573	3,629,340	127,550,913	130,951,351	3,440,494	134,391,845
Unquoted debt securities in Malaysia	361,819,134	32,648,356	394,467,490	410,471,720	31,875,299	442,347,019
Quoted equity securities in Malaysia	16,014,026	35,228,095	51,242,121	16,505,009	31,654,103	48,159,112
	501,754,733	71,505,791	573,260,524	557,928,080	66,969,896	624,897,976

Allowance for ECL has been provided for Malaysian government securities and unquoted debt securities measured at FVOCI amount to RM712,000 (2023: RM1,820,470). The movement of allowance for ECL is detailed in Note 23(vii).

Quoted equities securities measured at FVOCI are not subject to impairment assessment.

During the financial year ended 31 December 2024, the Company sold listed equity securities due to portfolio rebalancing activities. These investments had a fair value of RM7,193,765 (2023: RM5,443,219) at the date of disposal. The cumulative loss on disposal (net of tax) of RM1,008,962 (2023: RM89,818) was reclassified from fair value reserve to retained earnings.

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5. INVESTMENTS (CONT'D.)

(c) Financial assets measured at FVTPL

	2024			2023		
	Insurance Fund RM	Shareholder's Fund RM	Total RM	Insurance Fund RM	Shareholder's Fund RM	Total RM
Unquoted debt securities in Malaysia	47,931,656	4,995,141	52,926,797	32,699,571	3,835,952	36,535,523
Quoted equity securities in Malaysia	-	-	-	-	4,772	4,772
Unquoted equity securities in Malaysia	15,911,940	-	15,911,940	9,420,870	-	9,420,870
Unquoted equity securities outside Malaysia	1,445,384	-	1,445,384	435,676	-	435,676
Collective investment schemes	72,834,452	32,601,910	105,436,362	69,966,188	31,269,299	101,235,487
	138,123,432	37,597,051	175,720,483	112,522,305	35,110,023	147,632,328

6 INSURANCE AND REINSURANCE CONTRACTS

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

	2024 RM	2023 RM
Insurance contracts issued		
Insurance contract liabilities	961,790,728	993,867,456
Insurance contract assets	(5,961,152)	(4,179,463)
Total insurance contracts issued	955,829,576	989,687,993
Reinsurance contracts held		
Reinsurance contract assets	569,055,705	646,999,132
Reinsurance contract liabilities	(29,698,102)	(73,351,803)
Total reinsurance contracts held	539,357,603	573,647,329

As at 31 December 2024, the insurance contract liabilities and reinsurance contract assets above includes the Company's share of MMIP. The Company's net exposure arising from its participation in MMIP is detailed in Note 23 (vi).

6 INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)

Reconciliation of the liability for remaining coverage and the liability for incurred claims

	2024					2023				
	Liabilities for remaining coverage		Liabilities for incurred claims			Liabilities for remaining coverage		Liabilities for incurred claims		
			Contracts under PAA					Contracts under PAA		
	Excluding loss component RM	Loss component RM	Estimates of the present value of future cash flows RM	Risk adjustment RM	Total RM	Excluding loss component RM	Loss component RM	Estimates of the present value of future cash flows RM	Risk adjustment RM	Total RM
Insurance contract liabilities as at 1 January	**154,461,403**	**24,044,636**	**750,155,673**	**65,205,744**	**993,867,456**	**117,131,772**	**31,410,156**	**788,196,183**	**88,449,669**	**1,025,187,780**
Insurance contract assets as at 1 January	(4,179,463)	-	-	-	(4,179,463)	(13,977,948)	-	-	-	(13,977,948)
Net insurance contract liabilities/(assets) as at 1 January	150,281,940	24,044,636	750,155,673	65,205,744	989,687,993	103,153,824	31,410,156	788,196,183	88,449,669	1,011,209,832
Insurance revenue	(619,578,820)	-	-	-	(619,578,820)	(621,253,272)	-	-	-	(621,253,272)
Insurance service expenses										
Incurred claims and other expenses	-	(47,252,068)	357,917,335	18,765,708	329,430,975	-	(62,749,320)	367,941,285	13,198,444	318,390,409
Amortisation of insurance acquisition cash flows	140,655,950	-	-	-	140,655,950	135,889,500	-	-	-	135,889,500
Losses on onerous contracts	-	40,088,592	-	-	40,088,592	-	54,174,153	-	-	54,174,153
Changes to liabilities for incurred claims	-	-	(27,131,091)	(40,206,302)	(67,337,393)	-	-	(43,896,580)	(38,906,458)	(82,803,038)
Insurance service result	(478,922,870)	(7,163,476)	330,786,244	(21,440,594)	(176,740,696)	(485,363,772)	(8,575,167)	324,044,705	(25,708,014)	(195,602,248)
Insurance finance expenses	8,083,108	846,886	23,991,048	2,158,685	35,079,727	6,978,208	1,209,647	25,102,896	2,464,089	35,754,840
Total changes in the statement of profit or loss and OCI	(470,839,762)	(6,316,590)	354,777,292	(19,281,909)	(141,660,969)	(478,385,564)	(7,365,520)	349,147,601	(23,243,925)	(159,847,408)
Cash flows										
Premiums received	650,444,445	-	-	-	650,444,445	656,946,017	-	-	-	656,946,017
Claims and other expenses paid	-	-	(397,612,968)	-	(397,612,968)	-	-	(387,188,111)	-	(387,188,111)
Insurance acquisition cash flows	(145,028,925)	-	-	-	(145,028,925)	(131,432,337)	-	-	-	(131,432,337)
Total cash flows	505,415,520	-	(397,612,968)	-	107,802,552	525,513,680	-	(387,188,111)	-	138,325,569
Transfer other items in the statement of financial position	-	-	-	-	-	-	-	-	-	-
Net insurance contract liabilities/(assets) as at 31 December	184,857,698	17,728,046	707,319,997	45,923,835	955,829,576	150,281,940	24,044,636	750,155,673	65,205,744	989,687,993
Insurance contract liabilities as at 31 December	190,818,850	17,728,046	707,319,997	45,923,835	961,790,728	154,461,403	24,044,636	750,155,673	65,205,744	993,867,456
Insurance contract assets as at 31 December	(5,961,152)	-	-	-	(5,961,152)	(4,179,463)	-	-	-	(4,179,463)
Net insurance contract liabilities/(assets) as at 31 December	184,857,698	17,728,046	707,319,997	45,923,835	955,829,576	150,281,940	24,044,636	750,155,673	65,205,744	989,687,993

6 INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)

Reconciliation of the liability for remaining coverage and the liability for incurred claims (cont'd.)

	2024					2023				
	Assets for remaining coverage		Assets for incurred claims			Assets for remaining coverage		Assets for incurred claims		
	Excluding loss component RM	Loss component RM	Estimates of the present value of future cash flows RM	Risk adjustment for non-financial risk RM	Total RM	Excluding loss component RM	Loss component RM	Estimates of the present value of future cash flows RM	Risk adjustment for non-financial risk RM	Total RM
Reinsurance contract assets as at 1 January	60,957,804	133,757	532,375,641	53,531,930	646,999,132	29,697,289	6,900,928	617,602,216	51,614,581	705,815,014
Reinsurance contract liabilities as at 1 January	(74,211,151)	859,348	-	-	(73,351,803)	(30,793,177)	441,785	-	-	(30,351,392)
Net reinsurance contract assets/(liabilities) as at 1 January	(13,253,347)	993,105	532,375,641	53,531,930	573,647,329	(1,095,888)	7,342,713	617,602,216	51,614,581	675,463,622
Allocation of reinsurance premiums	(191,900,943)	-	-	-	(191,900,943)	(183,519,823)	-	-	-	(183,519,823)
Amounts recoverable from reinsurers										
Recoveries of incurred claims and other insurance service expenses	-	(2,123,037)	86,847,801	7,492,167	92,216,931	-	(13,565,446)	85,354,456	13,175,962	84,964,972
Recoveries of losses on onerous underlying contracts	-	1,644,656	-	-	1,644,656	-	6,973,325	-	-	6,973,325
Adjustments to assets for incurred claims	-	-	(46,084,760)	(37,762,312)	(83,847,072)	-	-	(47,611,260)	(12,793,650)	(60,404,910)
Net income or expense from reinsurance contracts held	(191,900,943)	(478,381)	40,763,041	(30,270,145)	(181,886,428)	(183,519,823)	(6,592,121)	37,743,196	382,312	(151,986,436)
Reinsurance finance income	3,064,998	38,280	16,944,597	1,546,949	21,594,824	2,131,651	242,513	15,011,823	1,535,037	18,921,024
Total changes in the statement of profit or loss and OCI	(188,835,945)	(440,101)	57,707,638	(28,723,196)	(160,291,604)	(181,388,172)	(6,349,608)	52,755,019	1,917,349	(133,065,412)
Cash flows										
Premiums paid	229,295,521	-	-	-	229,295,521	169,230,713	-	-	-	169,230,713
Amounts received	-	-	(103,293,643)	-	(103,293,643)	-	-	(137,981,594)	-	(137,981,594)
Total cash flows	229,295,521	-	(103,293,643)	-	126,001,878	169,230,713	-	(137,981,594)	-	31,249,119
Net reinsurance contract assets/(liabilities) as at 31 December	27,206,229	553,004	486,789,636	24,808,734	539,357,603	(13,253,347)	993,105	532,375,641	53,531,930	573,647,329
Reinsurance contract assets as at 31 December	56,982,421	474,914	486,789,636	24,808,734	569,055,705	60,957,804	133,757	532,375,641	53,531,930	646,999,132
Reinsurance contract liabilities as at 31 December	(29,776,192)	78,090	-	-	(29,698,102)	(74,211,151)	859,348	-	-	(73,351,803)
Net reinsurance contract assets/(liabilities) as at 31 December	27,206,229	553,004	486,789,636	24,808,734	539,357,603	(13,253,347)	993,105	532,375,641	53,531,930	573,647,329

7. OTHER RECEIVABLES

	2024			2023		
	Insurance Fund RM	Shareholder's Fund RM	Total RM	Insurance Fund RM	Shareholder's Fund RM	Total RM
Amount due from related companies (Note 21(a))	-	1,867,560	1,867,560	-	2,806,094	2,806,094
Income due and accrued	6,894,108	606,093	7,500,201	7,060,287	584,186	7,644,473
Assets held under the Malaysian Motor Insurance Pool ("MMIP") (Note 23(vi))*	36,477,142	-	36,477,142	38,832,066	-	38,832,066
Collateral fixed deposits	8,999,695	-	8,999,695	8,246,584	-	8,246,584
Deposits and prepayments	2,997,765	-	2,997,765	2,467,843	-	2,467,843
Other receivables	10,163,604	72,607	10,236,211	30,097	-	30,097
	65,532,314	2,546,260	68,078,574	56,636,877	3,390,280	60,027,157

The carrying amounts of other receivables (not including assets held under the MMIP) approximate fair values due to the relatively short-term maturity of these balances.

* As a participating member of MMIP ("Pool"), the Company shares a proportion of the Pool's assets/liabilities. At each reporting date, the Company accounts for its share of the assets, liabilities and performance of the Pool. The assets held under the MMIP represents the Company's share of the Pool's assets, before insurance contract liabilities and other liabilities. The Company's share of the Pool's insurance contract liabilities, other liabilities and net exposure arising from its participation in the Pool are disclosed in Notes 6, 11 and 23 (vi) respectively.

Assets held under the MMIP includes net cash contribution of RM2,449,491 (2023: RM5,849,491) made to MMIP. The accumulated net cash contributions were made in respect of the Company's share of MMIP's accumulated losses/surplus up to 31 December 2024.

The amounts due from immediate holding company and related companies are unsecured, interest free and are repayable on demand.

8. DEFERRED TAX

	2024 Insurance Fund RM	2024 Shareholder's Fund RM	2024 Total RM	2023 Insurance Fund RM	2023 Shareholder's Fund RM	2023 Total RM
At beginning of financial year	11,214,056	(168,057)	11,045,999	(4,048,477)	(393,945)	(4,442,422)
Recognised in:						
Statement of profit or loss (Note 15)	4,142,396	113,738	4,256,134	13,475,457	139,667	13,615,124
Other comprehensive income	255,579	1,176,508	1,432,087	1,787,076	86,221	1,873,297
At end of financial year	15,612,031	1,122,189	16,734,220	11,214,056	(168,057)	11,045,999

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

	2024 Insurance Fund RM	2024 Shareholder's Fund RM	2024 Total RM	2023 Insurance Fund RM	2023 Shareholder's Fund RM	2023 Total RM
Presented after appropriate offsetting as follows:						
Deferred tax liabilities	21,228,491	1,122,189	22,350,680	14,460,726	(168,057)	14,292,669
Deferred tax assets	(5,616,460)	-	(5,616,460)	(3,246,670)	-	(3,246,670)
	15,612,031	1,122,189	16,734,220	11,214,056	(168,057)	11,045,999

8. DEFERRED TAX (CONT'D.)

Deferred tax liabilities:

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

	Insurance / Reinsurance contract liabilities RM	Investments RM	Accelerated capital allowance on property and equipment RM	Change in accounting basis* RM	Total RM
Insurance Fund					
At 1 January 2024	-	1,162,785	3,739,308	9,558,633	14,460,726
Recognised in:					
Statement of profit or loss	-	585,656	733,248	5,120,450	6,439,354
Other comprehensive income	-	255,579	-	-	255,579
Transfer from deferred tax assets	72,832	-	-	-	72,832
At 31 December 2024	72,832	2,004,020	4,472,556	14,679,083	21,228,491
At 1 January 2023	-	(1,238,858)	2,970,842	-	1,731,984
Recognised in:					
Statement of profit or loss	-	614,567	768,466	-	1,383,033
Other comprehensive income	-	1,787,076	-	-	1,787,076
Transfer from deferred tax assets	-	-	-	9,558,633	9,558,633
At 31 December 2023	-	1,162,785	3,739,308	9,558,633	14,460,726

8. DEFERRED TAX (CONT'D.)

Deferred tax liabilities: (cont'd.)

	Investments RM	Change in accounting basis* RM	Total RM
Shareholder's Fund			
At 1 January 2024	(260,943)	92,886	(168,057)
Recognised in:			
Statement of profit or loss	62,768	50,970	113,738
Other comprehensive income	1,176,508	-	1,176,508
At 31 December 2024	978,333	143,856	1,122,189
At 1 January 2023	(433,889)	-	(433,889)
Recognised in:			
Statement of profit or loss	86,725	-	86,725
Other comprehensive income	86,221	-	86,221
Transfer from deferred tax assets	-	92,886	92,886
At 31 December 2023	(260,943)	92,886	(168,057)

8. DEFERRED TAX (CONT'D.)

Deferred tax assets:

	Provisions RM	Leases RM	Insurance/ Reinsurance contract liabilities RM	Provision for ECL RM	Tax losses RM	Change in accounting basis* RM	Total RM
Insurance Fund							
At 1 January 2024	(2,502,010)	(109,350)	(212,014)	(423,296)	-	-	(3,246,670)
Recognised in							
Statement of profit or loss	(164,184)	(49,832)	284,846	(231,964)	(2,135,824)	-	(2,296,958)
Transfer to deferred tax liabilities			(72,832)				(72,832)
At 31 December 2024	(2,666,194)	(159,182)	-	(655,260)	(2,135,824)	-	(5,616,460)
At 1 January 2023							
As previously reported	(2,961,634)	(92,368)	(709,873)	(442,316)	-	(1,574,270)	(5,780,461)
Recognised in							
Statement of profit or loss	459,624	(16,982)	497,859	19,020	-	11,132,903	12,092,424
Transfer to deferred tax liabilities	-	-	-	-	-	(9,558,633)	(9,558,633)
At 31 December 2023	(2,502,010)	(109,350)	(212,014)	(423,296)	-	-	(3,246,670)

8. DEFERRED TAX (CONT'D.)

Deferred tax assets: (cont'd.)

	Change in accounting basis* RM	Total RM
Shareholder's Fund		
At 1 January 2024	-	-
Recognised in		
Statement of profit or loss	-	-
At 31 December 2024	-	-
At 1 January 2023		
As previously reported	39,944	39,944
Recognised in		
Statement of profit or loss	52,942	52,942
Transfer to deferred tax liabilities	(92,886)	(92,886)
At 31 December 2023	-	-

* With effect from 1 January 2023, Malaysia insurers will use the insurance returns filed with BNM for regulatory purposes ("Insurance Companies Statistical System") as the basis for preparing tax computations instead of financial statements prepared in accordance with the MFRS17. With the change in accounting basis effective 1 January 2023, a one-time adjustment of RM11.19 million of deferred tax liabilities was recognized in the Statement of Financial Position.

8. DEFERRED TAX (CONT'D.)

The Company is part of Oversea-Chinese Banking Corporation Limited ("OCBC") and its subsidiaries, a multinational enterprise group that is within the scope of the Organisation for Economic Co-operaton and Development ("OECD") Pillar Two model rules. Pillar Two legislation was enacted in Malaysia, the jurisdiction in which the Company is incorporated, and came into effect from 1 January 2025.

The Company applies the MFRS 112 Income Taxes exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Company does not have any exposure to Pillar Two legislation as at 31 December 2024.

Based on Company's assessment, the Company does not expect any material impact from exposure to Pillar Two legislation in the financial year 2025.

9. SHARE CAPITAL

	2024		2023	
	No. of Shares	**RM**	**No. of Shares**	**RM**
Issued and paid-up:				
Ordinary shares				
At beginning and end of financial year	100,000,000	100,000,000	100,000,000	100,000,000

The shares issued by the Company do not have par value.

10. RETAINED EARNINGS

The Company may distribute dividends out of its retained earnings as at 31 December 2024 and 31 December 2023 under the single-tier system.

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11. OTHER PAYABLES

	2024			2023		
	Insurance Fund RM	Shareholder's Fund RM	Total RM	Insurance Fund RM	Shareholder's Fund RM	Total RM
Amount due to related companies (Note 21(a))	-	2,919,834	2,919,834	-	3,930,515	3,930,515
Liabilities held under the MMIP (Note 23(vi))	122,229	-	122,229	321,331	-	321,331
Cash collateral held on behalf of insureds	8,997,999	-	8,997,999	8,244,888	-	8,244,888
Accrual for staff bonus	7,120,000	-	7,120,000	8,600,000	-	8,600,000
Other accrued expenses	16,927,506	-	16,927,506	12,082,097	-	12,082,097
Provision for reinstatement cost on lease propertie	510,025	-	510,025	504,359	-	504,359
Other payables	32,685,872	632,967	33,318,839	30,523,603	400,664	30,924,267
	66,363,631	3,552,801	69,916,432	60,276,278	4,331,179	64,607,457

The carrying amounts disclosed above approximate fair values at the financial position date as the other payables (not including liabilities held under the MMIP) are due within one year.

The amounts due to related companies are trade in nature, unsecured, interest free and are repayable on demand.

12. INSURANCE SERVICE RESULTS

An analysis of insurance revenue, insurance service expenses and net expenses from reinsurance contracts held is included in the following tables.

	2024 RM	2023 RM
Insurance Revenue		
Insurance revenue from contracts measured under PAA	619,578,820	621,253,272
Total insurance revenue	619,578,820	621,253,272
Insurance Service Expenses		
Incurred claims	(200,552,443)	(176,908,474)
Other incurred insurance service expenses	(61,541,139)	(58,678,897)
Allocation of deferred acquisition cost ("DAC")(Note 13)	(140,655,950)	(135,889,500)
Losses on onerous contracts	(40,088,592)	(54,174,153)
Total insurance service expenses	(442,838,124)	(425,651,024)
Net Expenses from Reinsurance Contracts Held		
Allocation of reinsurance premiums	(191,900,943)	(183,519,823)
Recoveries of incurred claims and other insurance service expenses	8,369,859	24,560,062
Recoveries of losses on onerous underlying contracts	1,644,656	6,973,325
Total net expenses from reinsurance contracts held	(181,886,428)	(151,986,436)
Total insurance service results	(5,145,732)	43,615,812

13. EXPENSES

	2024 RM	2023 RM
Employee benefits expense (Note 13(a))	70,449,031	62,599,002
Director's remuneration (Note 13(b))	1,073,200	1,045,273
Fees paid to auditors		
Audit fees paid to Auditor of the Company	721,344	1,269,186
Non-audit fees paid to Auditor of the Company	54,422	47,200
Depreciation of property and equipment (Note 4(a))	1,483,530	1,787,142
Depreciation of right of use assets (Note 4(b))	2,929,894	3,107,780
Amortisation of intangible asset (Note 3)	5,893,717	6,845,165
Impairment of Intangible asset (Note 3)	-	811,516
Commissions and distribution expenses	86,690,811	72,727,465
Other expenses	37,991,860	39,017,782
	207,287,809	189,257,511
Amounts attributed to insurance acquisition cash flows incurred during the year	(145,061,627)	(131,443,266)
Amortisation of insurance acquisition cash flows (Note 12)	140,655,950	135,889,500
	202,882,132	193,703,745
Represented by		
Insurance service expenses	202,197,089	194,568,397
Other operating expenses/(income)	685,043	(864,652)
	202,882,132	193,703,745

(a) Employee benefits expense

	2024 RM	2023 RM
Wages and salaries	57,476,799	51,353,419
Social security contributions	478,545	452,118
Contributions to defined contribution plan - EPF	8,542,207	7,803,747
Other benefits	3,623,856	2,849,202
Share based payments	53,531	(67,804)
Human Resource Development ("HRD") Levy	274,093	208,320
	70,449,031	62,599,002

Included in employee benefits expense is CEO's remuneration of RM1,510,882 (2023: RM1,510,223) as detailed in Note 13(c).

13. EXPENSES (CONT'D.)

(b) Directors' remuneration

The details of remuneration received by Directors during the year are as follows:

	2024 RM	2023 RM
Non-executive Directors' fees	1,073,200	1,045,273
Name		
Mr Norman Ka Cheung Ip	224,180	137,190
Mr Koh Poh Tiong	-	48,498
Y Bhg Datuk Kamaruddin bin Taib	88,770	225,574
Mdm Tan Fong Sang	228,900	206,811
Ms Mimi Sze Ho	-	202,600
Mr Lai Chin Tak	242,300	159,200
Mr Tong Hon Keong	203,583	65,400
Mr Gan Kim Khoon	46,800	-
Mr Ng Hon Soon	38,667	-
	1,073,200	1,045,273

The other Directors in office during the year and as at the financial year did not receive any remuneration from the Company.

The Directors' fees are subject to the recommendation by the Board Nominations and Remuneration Committee ("BNRC") to the Board for endorsement and approval by the shareholder at the Annual General Meeting ("AGM") of the Company.

(c) CEO's remuneration

The details of remuneration received by the CEO during the year are as follows:

	2024 RM	2023 RM
Salaries and other remuneration	1,239,802	1,302,623
Bonus	246,480	183,000
Total remuneration excluding benefits in kind	1,486,282	1,485,623
Estimated money value of benefits in kind	24,600	24,600
Total remuneration (Note 13(a))	1,510,882	1,510,223
Share-based payment (in units)	6,278	6,003

14. NET INVESTMENT AND INSURANCE FINANCIAL RESULT

The table below presents an analysis of net investment income and net insurance financial result recognised in profit or loss and OCI in the period:

	2024 RM	2023 RM
Investment income		
Interest income (Note 14 (i))	25,754,725	25,302,018
Other investment income (Note 14 (ii))	7,683,783	12,608,111
Changes in allowance for ECL on investment assets (Note 14 (iii))	1,108,470	(89,267)
Amounts recognised at OCI (Note 14 (iv))	5,967,028	7,805,404
Total investment income	40,514,006	45,626,266
Finance expenses from insurance contracts issued		
Interest accreted to insurance contracts using current financial assumptions	(35,054,635)	(34,526,787)
Effect of changes in interest rates and other financial assumptions	(25,092)	(1,228,053)
Total finance expenses from insurance contracts issued	(35,079,727)	(35,754,840)
Represented by:		
Amounts recognised in profit or loss	(35,079,727)	(35,754,840)
	(35,079,727)	(35,754,840)
Finance income from reinsurance contracts held		
Interest accreted to reinsurance contracts using current financial assumptions	20,169,463	20,634,798
Effect of changes in interest rates and other financial assumptions	25,972	893,572
Changes in non-performance risk of reinsurer	1,399,389	(2,607,346)
Total finance income from reinsurance contracts held	21,594,824	18,921,024
Represented by:		
Amounts recognised in profit or loss	21,594,824	18,921,024
	21,594,824	18,921,024
Total net investment and insurance financial result		
Represented by:		
Amounts recognised in profit or loss	21,062,075	20,987,046
Amounts recognised in OCI	5,967,028	7,805,404
	27,029,103	28,792,450

14. NET INVESTMENT AND INSURANCE FINANCIAL RESULT (CONT'D.)

	2024 RM	2023 RM
(i) Interest income		
Financial assets measured at FVOCI	22,758,956	23,946,982
Financial assets measured at FVTPL	2,355,377	869,396
Financial assets measured at amortised cost	640,392	485,640
Total interest income	25,754,725	25,302,018
(ii) Other investment income		
Dividend income		
- Financial assets measured at FVOCI	2,885,201	2,971,736
- Financial assets measured at FVTPL	4,211,826	3,677,582
Realised (losses)/gains		
- Net (losses)/gains on sale of financial asset measured at FVOCI	(888,749)	714,467
- Net gains on sale of financial asset measured at FVTPL	2,386	201,027
- Net gains on sale of PPE	-	107
Fair value gains		
- Financial assets measured at FVTPL	797,612	3,994,553
Realised losses on exchange differences	(5,335)	(678)
Unrealised losses on exchange differences	(25,311)	(4,504)
Investment expenses	(1,360,998)	(1,388,943)
Other income	2,067,151	2,442,764
Total other investment income	7,683,783	12,608,111
(iii) Changes in allowance for ECL on investment assets	1,108,470	(89,267)
(iv) Fair value gains		
- Financial assets measured at FVOCI	5,967,028	7,805,404
Total amounts recognised in the profit or loss	34,546,978	37,820,862
Amounts recognised in OCI	5,967,028	7,805,404
Net investment income	40,514,006	45,626,266

15. TAXATION

The major components of income tax expense for the year ended 31 December 2024 and 31 December 2023 are:

	2024 RM	2023 RM
Current income tax:		
Malaysian income tax	364,791	1,112,773
(Overprovision)/Underprovision of income tax	(88,210)	102,894
	276,581	1,215,667
Deferred tax (Note 8):		
Relating to origination and reversal of temporary differences	4,605,829	13,545,686
(Overprovision)/Underprovision in prior financial year	(349,695)	69,438
	4,256,134	13,615,124
Income tax expense recognised in the Profit & Loss Statements	4,532,715	14,830,791

Income tax is based on the statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the financial year.

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

	2024 RM	2023 RM
Profit before taxation	15,231,300	65,467,510
Taxation at Malaysian statutory tax rate of 24% (2023: 24%)	3,655,512	15,712,202
Income not subject to tax	(2,042,171)	(1,832,103)
Expenses not deductible for tax purposes	3,357,279	778,360
(Overprovision)/Underprovision of prior year income tax	(88,210)	102,894
(Overprovision)/Underprovision of deferred tax in prior financial year	(349,695)	69,438
Tax expense for the financial year	4,532,715	14,830,791

16. EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit for the financial year attributable to ordinary equity holders of the Company by the number of ordinary shares in issue during the financial year.

	2024 RM	2023 RM
Profit attributable to ordinary equity holder	10,698,585	50,636,719
Number of ordinary shares in issue during the year	100,000,000	100,000,000
Basic earnings per share (sen)	10.70	50.64

There were no dilutive potential ordinary shares as at the reporting date. There have been no other transactions involving ordinary shares between the reporting date and the date of completion of the financial statements.

17. DIVIDENDS

Recognised during the financial year:

	2024 RM	2023 RM
Final single tier dividend of RM0.36 per ordinary share on 100,000,000 ordinary shares paid on 27 April 2023	-	36,000,000
Final single tier dividend of RM0.506 per ordinary share on 100,000,000 ordinary shares paid on 29 April 2024	50,600,000	-

18. CASH GENERATED FROM OPERATING ACTIVITIES

	Note	2024 RM	2023 RM
Profit before taxation		15,231,300	65,467,510
Investment income		(33,533,012)	(32,788,290)
Realised losses/(gains) on financial assets at FVOCI and FVTPL	14	886,363	(915,494)
Fair value gains recorded in statement of profit or loss		(771,080)	(3,990,105)

18. CASH GENERATED FROM OPERATING ACTIVITIES (CONT'D.)

	Note	2024 RM	2023 RM
Purchases of financial assets at FVTPL		(42,584,484)	(30,495,491)
Purchases of financial assets at FVOCI		(139,454,020)	(158,104,247)
Proceeds from maturities/disposals of financial assets at FVOCI		195,269,380	146,341,754
Proceeds from maturities/disposals of financial assets at FVTPL		15,269,795	12,000,000
Increase in financial assets at amortised cost		(365,140)	(51,152)
Non-cash items:			
Depreciation of property and equipment	4(a)	1,483,530	1,787,142
Depreciation of right-of-use assets	4(b)	2,929,894	3,107,780
Amortisation on intangible assets	3	5,893,717	6,845,165
Impairment on intangible assets	3	-	811,516
Gains on disposal of property and equipment	14	-	(107)
Changes in allowance for ECL on investment assets	14	(1,108,470)	89,267
Change in non performance risk of reinsurer	14	(1,399,389)	2,607,346
Property and equipment written off		-	301
Release provision on reinstatement cost		(102,273)	(191,370)
Finance cost		641,014	554,342
Net amortisation of discounts		681,260	836,954
Changes in working capital:			
Reinsurance contract assets		79,342,816	56,208,536
Insurance contract assets		(1,781,689)	9,798,485
Other receivables		(8,195,690)	(194,048)
Insurance contract liabilities		(32,076,728)	(31,320,324)
Reinsurance contract liabilities		(43,653,701)	43,000,411
Other payables		5,303,312	(43,585,360)
Cash generated from operating activities		17,906,705	47,820,521

18. CASH GENERATED FROM OPERATING ACTIVITIES (CONT'D.)

The Company classifies the cash flows from the acquisition and disposal of financial assets as operating cash flows, as the purchases are funded from cash flows associated with the origination of insurance contracts, net of the cash flows for payments of claims incurred for insurance contracts, which are classified under operating activities.

19. CAPITAL COMMITMENTS

The capital commitments of the Company as at the financial year-end are as follows:

	2024 RM	2023 RM
Capital expenditure:		
Approved and contracted for:		
Property and equipment	3,521,763	2,189,957
Approved but not contracted for:		
Property and equipment	6,552,471	11,431,999
	10,074,234	13,621,956

20. OPERATING LEASE ARRANGEMENTS

The Company as lessee

The Company has entered into lease agreements for rental of equipment and office premises.

The Company has recognised right-of-use assets for these leases, except for short term and low-value leases, see Note 4 for further information.

The future aggregate minimum lease payments under operating lease contracted for as at the reporting date but not recognised as liabilities are as follows:

Future minimum rental payments:

	2024 RM	2023 RM
Rental of equipment:		
Not later than 1 year	20,622	-
Total operating lease	20,622	-

21. RELATED PARTY DISCLOSURES

(a) Related party transactions and balances

In addition to the transactions detailed elsewhere in the financial statements, the Company had the following transactions and balances with related parties during and at the end of the financial year:

Significant transactions with related parties during the year:

	2024 RM	2023 RM
Expense/(Income):		
Premium paid (i)		
- Great Eastern Life Assurance (Malaysia) Berhad	1,763,307	1,439,923
Premium (received)/refund (i)		
- Great Eastern Life Assurance (Malaysia) Berhad	(1,699,634)	(2,004,721)
- OCBC Bank (Malaysia) Berhad	(3,766,494)	(5,660,270)
- OCBC Al-Amin Bank Berhad	-	(78,290)
- OCBC Properties (M) Sdn Bhd	(5,613)	(11,437)
- BOS Wealth Management Malaysia Berhad	(3,147)	(7,762)
- E2 Power Sdn Bhd	(695,651)	(626,548)
- Pac Lease Berhad	8	(8,792)
- Great Eastern Capital (Malaysia) Sdn Bhd	(193,000)	(193,000)
- Axiata Digital Capital Sdn Bhd	-	(16,803)
- Oversea-Chinese Banking Corporation Limited	(1,085)	386
- Apigate Sdn Bhd	-	2,198
- Boost Holdings Sdn Bhd	(56,818)	(99,996)
- Key Management Personnel	(73,152)	(68,788)
Property rentals paid (ii)		
- Great Eastern Life Assurance (Malaysia) Berhad	3,118,700	3,117,116
Service charges paid/(received) (iii)		
- Great Eastern Life Assurance (Malaysia) Berhad	8,471,440	8,144,434
- Great Eastern Life Assurance (Singapore) Co Ltd	2,861,477	1,698,129
- Great Eastern General Insurance Limited	(237,795)	(19,437)
Bank charges and custodian fees paid (iii)		
- OCBC Bank (Malaysia) Berhad	2,410,548	2,417,729

21. RELATED PARTY DISCLOSURES (CONT'D.)

(a) Related party transactions and balances (cont'd.)

Significant transactions with related parties during the year: (cont'd.)

	2024 RM	2023 RM
Expense/(Income): (cont'd.)		
Interest received (iv)		
- OCBC Bank (Malaysia) Berhad	(47,945)	(249,192)
- OCBC Al-Amin Bank Berhad	(11,670)	(25,973)
Commission fees paid		
- OCBC Bank (Malaysia) Berhad	2,284,758	2,451,800
- OCBC Al-Amin Bank Berhad	853	853
- Pac Lease Berhad	4,110,334	4,138,347
- Axiata Digital Capital Sdn Bhd	145,561	141,396
Employee Share Purchase Plan		
- Oversea-Chinese Banking Corporation Limited	160,536	(183,169)
Deferred Share Plan		
- Oversea-Chinese Banking Corporation Limited	(107,005)	115,366
Disposal of investments to		
- Great Eastern Life Assurance (Malaysia) Berhad	-	(3,508,775)
Investment in collective investment scheme		
- Aham Wholesale Income Fund	785,768	1,217,803
- Aminstitutional Income Bond Fund SRI	3,062,759	12,039,104

21. RELATED PARTY DISCLOSURES (CONT'D.)

(a) Related party transactions and balances (cont'd.)

Significant transactions with related parties during the year: (cont'd.)

	2024 RM	2023 RM
Expense/(Income): (cont'd.)		
Dividend received from collective investment scheme		
- Aham Wholesale Income Fund	(785,768)	(1,217,803)
- Aminstitutional Income Bond Fund SRI	(3,397,570)	(1,916,279)
Dividend paid		
- Overseas Assurance Corporation (Holdings) Berhad	50,600,000	36,000,000
Balances with related parties at year-end:		
Cash and bank balances		
- OCBC Bank (Malaysia) Berhad	15,281,787	15,049,170
- OCBC Al-Amin Bank Berhad	81,222	35,236
Fixed deposits and structured deposits		
- OCBC Bank (Malaysia) Berhad	-	5,995,044
- OCBC Al-Amin Bank Berhad	-	10,000,000
Amount due to subsidiaries of penultimate holding company (Note 11):		
- Great Eastern Life Assurance (Singapore) Co Ltd	2,858,215	3,659,960
- Oversea-Chinese Banking Corporation Limited	61,619	78,342
- PT Great Eastern General Insurance Indonesia	-	192,213
	2,919,834	3,930,515
Amount due from subsidiaries of penultimate holding company (Note 7):		
- Great Eastern Life Assurance (Malaysia) Berhad	(1,824,146)	(2,790,311)
- Great Eastern General Insurance Limited	(43,414)	(15,783)
	(1,867,560)	(2,806,094)

21. RELATED PARTY DISCLOSURES (CONT'D.)

(a) Related party transactions and balances (cont'd.)

Significant transactions with related parties during the year: (cont'd.)

The related companies disclosed above are companies within the Oversea-Chinese Banking Corporation Group. Notes on transactions with related parties:

(i) The sale and purchase of insurance policies to/from related companies are made according to normal market prices and at terms and conditions no more favourable than those to other customers and employees.

(ii) Rental of property from related parties are made according to normal market prices, terms and conditions.

(iii) Payment of banking and trading service charges to related parties are made according to normal market prices.

(iv) The interest income arose mainly from investment in fixed deposits and structured deposits which are made according to prevailing market rates, terms and conditions.

(v) General terms for balances with related companies are disclosed in Note 11.

(vi) Payment of Group function costs based on allocation rates governed by corporate service agreement and in line with Malaysian Transfer Pricing Guidelines and Organisation for Economic Co-operation and Development ("OECD") Transfer Pricing Guidelines. Group function services are derived from immediate parent company in the Republic of Singapore.

21. RELATED PARTY DISCLOSURES (CONT'D.)

(a) Related party transactions and balances (cont'd.)

Significant transactions with related parties during the year: (cont'd.)

(vi) (cont'd.)

The table below shows the breakdown by type of services received and geographical location for inter company charges:

Geographical Location	Type of Services	2024 RM	2023 RM
Singapore	Group service charges for services rendered, which include those in respect of finance, legal, actuarial, support, human resources, operations, investment management, IT, internal audit and risk management services.	2,861,477	1,698,129
		2,861,477	1,698,129

(b) Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The key management personnel of the Company includes the Directors, Chief Executive Officer and Senior Management Team.

The remuneration of key management personnel during the year was as follows:

	2024 RM	2023 RM
Short-term employee benefits	5,458,619	4,473,725
Post-employment benefits	795,088	641,476
Share based payment	227,285	337,563
	6,480,992	5,452,764
Non Executive Directors' remuneration (Note 13(b))	1,073,200	1,045,273
	7,554,192	6,498,037
Share-based payment (in units)	13,685	8,966

22. FINANCIAL INSTRUMENTS BY CATEGORY

	Amortised cost RM	FVOCI RM	FVTPL RM	Other financial liabilities RM	Total RM
2024					
Assets					
Investments	1,044,964	573,260,524	175,720,483	-	750,025,971
Reinsurance contract assets	(98,694,049)	-	-	-	(98,694,049)
Insurance contract assets	11,396,650	-	-	-	11,396,650
Other receivables	66,015,730	-	-	-	66,015,730
Cash and bank balances	18,767,940	-	-	-	18,767,940
Total financial assets	(1,468,765)	573,260,524	175,720,483	-	747,512,242
Liabilities					
Insurance contract liabilities	-	-	-	(110,689,161)	(110,689,161)
Reinsurance contract liabilities	-	-	-	37,930,239	37,930,239
Lease liabilities	-	-	-	12,333,124	12,333,124
Other payables	-	-	-	69,916,432	69,916,432
Total financial liabilities	-	-	-	9,490,634	9,490,634

22. FINANCIAL INSTRUMENTS BY CATEGORY (CONT'D.)

	Amortised cost RM	FVOCI RM	FVTPL RM	Other financial liabilities RM	Total RM
2023					
Assets					
Investments	679,824	624,897,976	147,632,328	-	773,210,128
Reinsurance contract assets	22,646,224	-	-	-	22,646,224
Insurance contract assets	64,018,726	-	-	-	64,018,726
Other receivables	58,435,288	-	-	-	58,435,288
Cash and bank balances	43,110,786	-	-	-	43,110,786
Total financial assets	188,890,848	624,897,976	147,632,328	-	961,421,152
Liabilities					
Insurance contract liabilities	-	-	-	(103,188,992)	(103,188,992)
Reinsurance contract liabilities	-	-	-	199,189,945	199,189,945
Lease liabilities	-	-	-	14,245,581	14,245,581
Other payables	-	-	-	64,607,457	64,607,457
Total financial liabilities	-	-	-	174,853,991	174,853,991

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES

Governance Framework

Managing risk is an integral part of the Company's core business. As stated in the Enterprise Risk Management ("ERM") Framework, the Company shall:

- Operate within parameters and limits that have been set based on the risk appetite approved by the Board; and
- Pursue appropriate risk-adjusted returns.

Risk Management Department spearheads the development and implementation of the ERM Framework for the Company.

The Board provides oversight in ensuring that the activities of the Company are consistent with the strategic intent, risk appetite, operating environment, effective internal controls, capital sufficiency and regulatory requirements. The Board may delegate this oversight responsibility to the Board Risk Management Committee ("BRMC") and Senior Management for the execution of these initiatives. Detailed risk management and oversight activities are undertaken by the following Management Committees comprising the Chief Executive Officer and key Senior Management Executives:

- Senior Management Team ("SMT")
- Asset Liability Committee ("ALC")
- Product Development Committee ("PDC")
- IT Steering Committee ("ITSC")
- Financial Crime Committee ("FCC")

The SMT is responsible for providing leadership and direction with regards to all major operational and business issues and sustainability performance of the Company. The SMT ensures that the Company is operating within parameters and limits set out in the risk appetite approved by the Board; and in complance with the Company's frameworks, policies and regulatory requirements.

The ALC is responsible for Statement of Financial Position Management, involving interactions between assets and liabilities (including Asset-Liability Management, Liquidity Management, and Investment Management). Specifically, the ALC reviews and formulates technical frameworks, policies and methodologies relating to financial position management.

The PDC oversees the product development and launch process. In addition, the PDC regularly reviews and monitors the performance of new and existing products, ensuring the business operates within the risk appetite in delivering annual business targets.

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Governance Framework (cont'd.)

The ITSC is responsible for assisting SMT in approving IT related issues and initiatives, providing the overall strategic direction on technology in alignment to the Company's strategy and manage technology related risk.

The FCC provides an independent oversight of fraud investigation and anti-money laundering/counter financing of terrorism ("AML/CFT") review, and ensures that investigations and reviews are conducted in a manner that is fair, consistent and transparent.

Regulatory Framework

As set out in its Compliance Risk Management Framework, the Company operates its business on a sound and responsible basis, which entails compliance with the applicable laws, regulations, rules and standards.

Insurers are regulated by the Financial Services Act 2013 ("FSA") which came into force on 30 June 2013, and other relevant regulations issued by regulators from time to time. The Board exercises oversight of compliance with the applicable laws, regulations, rules and standards to safeguard the interests of policyholders and shareholders.

Capital Management

The Company's capital management policy is to create shareholders' value, deliver sustainable returns to the shareholder, maintain a strong capital position with sufficient buffer to meet obligations to policyholders and regulatory requirements and to make strategic investments for business growth. The Company has had no significant changes in the policies and processes relating to its capital structure during the year.

Under the Risk-Based Capital ("RBC") Framework, the insurer has to maintain a capital adequacy level that is commensurate with its risk profiles. The Capital Adequacy Ratio of the Company remained well at above the minimum capital requirement of 130% under the RBC Framework regulated by BNM.

The Internal Capital Adequacy Assessment Process ("ICAAP") Framework came into effect on 1 September 2012. Under this Framework, the Company has to ensure adequate capital to meet its capital requirements on an ongoing basis. The key elements supporting the Framework include Board and Senior Management oversight, comprehensive risk assessment, individual target capital level and stress testing, sound capital management as well as ongoing monitoring, reporting and review of capital position.

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Capital Management (cont'd.)

Capital management and contingency policies have been further developed and refined under the Framework to outline the approaches and principles under which the Company's capital will be monitored and managed, as well as the corrective actions to be implemented at various critical capital levels. In addition, a risk appetite statement has been established to outline the Company's capacity to take on risks to achieve its business objectives while managing the expectations of key stakeholders.

The following sections provide details regarding the exposure to the key risks faced by the Company and the objectives, policies and processes for the management of these risks. There has been no major change to the Company's exposure to these key risks or the manner in which it manages and measures these risks.

Insurance Risk

The principal activity of the Company is underwriting of all classes of general insurance business.

The Company's underwriting strategy is designed to ensure that these risks are well diversified in terms of type of risk and level of insurance exposure. This is largely achieved through diversification of insurance contracts across industry sectors and geography. There is also regular review of the actual claims experience, as well as detailed claims handling procedures. Underwriting limits are also set in place to enforce appropriate risk acceptance criteria.

Insurance risk comprises both actuarial and underwriting risks resulting from the pricing and acceptance of insurance contracts. Should the actual claims experience be worse than the assumptions used in pricing the products and establishing the provisions and liabilities for claims, there may be potential shortfalls in provision for future claims and expenses. Assumptions that may cause insurance risks to be underestimated include assumptions on policy claims frequency and policy claims severity.

The Company works closely with reinsurers to put in place a prudent underwriting policy to ensure appropriate risk classification and premium levels. The Company's reinsurance management strategy and policy are reviewed annually by the SMT, BRMC, and the Board as appropriate. Reinsurance structures are set based on the type of risk. Catastrophe reinsurance is procured to limit catastrophic losses.

Only foreign reinsurers meeting a minimum credit rating of Standard & Poor's "A-", or its equivalent, or legally set up local reinsurers are considered. The Company limits its risk to any one reinsurer by ceding different risks to different reinsurers or to a panel of reinsurers.

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Insurance Risk (cont'd.)

The SMT reviews the claims trends, experience and persistency, and ensure that the policies, guidelines and limits put in place to manage these risks remain adequate and appropriate.

Stress Testing ("ST") is performed in accordance with BNM requirements. The purpose of the ST is to test the solvency of the general insurance funds under the various scenarios (i.e. U.S. Federal Reserve "Higher for Longer" Strategy Backfires, Country-wide Cyberattacks, and Unusual Weather Phenomena) according to regulatory guidelines on stress testing, simulating drastic changes in major parameters such as new business volume, market volatilities, reinsurance recoveries and loss ratios.

Risks under general insurance policies usually cover a twelve-month duration. The risk inherent in general insurance contracts is reflected in the insurance contract liabilities which include the Liabilities for Remaining Coverage and Liabilities for Incurred Claim, as set out under Note 6 of the financial statements.

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Insurance Risk (cont'd.)

Table 23(A1): The table below sets out the distribution of the various categories of the general insurance risk for insurance contract liabilities as at the financial position date:

	Gross Insurance Contract liabilities RM	Reinsurance Contract Assets RM	Net RM
2024			
Fire	149,645,160	(90,707,742)	58,937,418
Motor	215,322,552	(9,205,133)	206,117,419
Marine, Aviation and Transit	30,531,835	(20,793,162)	9,738,673
Workmen's Compensation	1,231,132	(6,242)	1,224,890
Personal Accident and Health	90,933,504	(11,690,188)	79,243,316
Others	468,165,393	(406,955,136)	61,210,257
	955,829,576	(539,357,603)	416,471,973
2023			
Fire	169,410,276	(175,341,355)	(5,931,079)
Motor	175,239,460	(2,563,251)	172,676,209
Marine, Aviation and Transit	40,672,426	54,347	40,726,773
Workmen's Compensation	6,750,073	(120,246)	6,629,827
Personal Accident and Health	124,342,535	(28,218,662)	96,123,873
Others	473,273,223	(367,458,162)	105,815,061
	989,687,993	(573,647,329)	416,040,664

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Insurance Risk (cont'd.)

The general insurance contract liabilities are determined based on claims experience, knowledge of existing events, terms and conditions of the relevant policies and interpretation of circumstances. Of particular relevance is past experience with similar cases, trends in historical claims, legislative changes, judicial decisions, economic conditions and claims handling procedures. The estimates of the general insurance contract liabilities are therefore sensitive to various factors. The actual liabilities for remaining coverage and incurred claim will not develop exactly as projected and may vary from initial estimates.

Insurance risk of general insurance contracts is mitigated by emphasising diversification across a large portfolio of insurance contracts. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography. Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are put in place to reduce the risk exposure of the Company. The Company further enforces a policy of actively managing and prompt pursuing of claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Company.

The Company has also limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events, e.g. flood damages.

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Insurance Risk (cont'd.)

Table 23(A2): The sensitivity analysis below shows the impact of changes in key assumptions on profit/(loss) after tax and equity:

	Changes in Assumptions	Impact on Profit/(Loss) After Tax		Impact on Equity	
		Gross RM'000	Net RM'000	Gross RM'000	Net RM'000
2024					
Risk Adjustments	+ 20%	(8,606)	(4,794)	(8,606)	(4,794)
	-20%	8,606	4,794	8,606	4,794
Loss ratio	+ 10%	(34,166)	(27,285)	(34,166)	(27,285)
	-10%	32,814	25,964	32,814	25,964

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Insurance Risk (cont'd.)

Table 23(A2): The sensitivity analysis below shows the impact of changes in key assumptions on profit/(loss) after tax and equity: (cont'd)

	Changes in Assumptions	Impact on Profit/(Loss) After Tax		Impact on Equity	
		Gross RM'000	Net RM'000	Gross RM'000	Net RM'000
2023					
Risk Adjustments	+ 20%	(12,646)	(4,373)	(12,646)	(4,373)
	-20%	12,646	4,376	12,646	4,376
Loss ratio	+ 20%	(67,844)	(56,539)	(67,844)	(56,539)
	-20%	60,172	49,597	60,172	49,597

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Insurance Risk (cont'd.)

Claims development table

Table 23(A3): table below shows the cumulative claims estimates, at each financial position date, together with cumulative payments to date:

Gross general insurance contract liabilities for 2024:

Accident year	2017 RM	2018 RM	2019 RM	2020 RM	2021 RM	2022 RM	2023 RM	2024 RM	Total RM
At the end of accident year	220,434,947	263,133,991	302,295,743	262,897,335	464,103,569	347,425,858	343,835,811	342,184,524	
One year later	228,879,595	247,811,868	285,450,962	238,661,168	485,601,809	328,338,506	334,784,111		
Two years later	238,983,782	243,757,789	286,443,690	240,102,977	467,141,139	326,285,327			
Three years later	272,243,416	535,032,737	290,406,375	240,743,161	448,313,205				
Four years later	276,834,340	534,997,364	293,220,057	242,482,940					
Five years later	276,322,389	533,706,950	292,714,568						
Six years later	256,955,127	524,747,472							
Seven years later	245,130,188								
Current estimate of cumulative claims incurred	245,130,188	524,747,472	292,714,568	242,482,940	448,313,205	326,285,327	334,784,111	342,184,524	2,756,642,335
Cumulative Payments	237,804,064	227,612,279	266,661,895	216,755,469	424,544,168	276,670,960	249,468,527	135,972,648	2,035,490,010
Total gross claim liabilities	7,326,124	297,135,193	26,052,673	25,727,471	23,769,037	49,614,367	85,315,584	206,211,876	721,152,325
Gross claim liabilities - prior years									2,142,636
Effect of discounting									(22,541,495)
Effect of the risk adjustment margin for non-financial risk									45,923,835
Actual cash flow and MMIP component									6,566,531
Insurance contract liabilities, gross									753,243,832

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Insurance Risk (cont'd.)

Claims development table (cont'd.)

Table 23(A3): table below shows the cumulative claims estimates, at each financial position date, together with cumulative payments to date. (cont'd.):

Net of reinsurance contract liabilities for 2024:

Accident year	2017 RM	2018 RM	2019 RM	2020 RM	2021 RM	2022 RM	2023 RM	2024 RM	Total RM
At the end of accident year	168,782,123	208,637,451	217,229,839	192,153,763	185,643,316	233,829,600	251,182,409	249,889,508	
One year later	172,414,958	197,438,226	207,982,435	171,262,273	167,091,565	214,931,771	249,780,310		
Two years later	176,502,389	198,819,079	210,021,493	174,265,540	165,347,404	216,449,056			
Three years later	180,357,404	202,080,192	213,963,670	175,501,937	165,547,727				
Four years later	180,492,148	202,337,455	214,119,943	175,853,730					
Five years later	179,158,214	201,808,670	214,316,450						
Six years later	172,342,616	195,121,366							
Seven years later	167,900,803								
Current estimate of cumulative claims incurred	167,900,803	195,121,366	214,316,450	175,853,730	165,547,727	216,449,056	249,780,310	249,889,508	1,634,858,950
Cumulative Payments	166,475,870	190,125,897	201,998,668	165,723,818	154,563,325	188,881,125	198,650,300	121,237,046	1,387,656,049
Total net liabilities	1,424,933	4,995,469	12,317,782	10,129,912	10,984,402	27,567,931	51,130,010	128,652,462	247,202,901
Net liabilities - prior years									952,811
Non-performing risk									2,659,193
Effect of discounting									(8,807,399)
Effect of the risk adjustment margin for non-financial risk									21,115,101
Actual cash flow and MMIP component									(21,477,145)
Net of reinsurance contract liabilities									241,645,462

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Insurance Risk (cont'd.)

Claims development table (cont'd.)

Table 23(A3): table below shows the cumulative claims estimates, at each financial position date, together with cumulative payments to date. (cont'd.):

Gross general insurance contract liabilities for 2023:

Accident year	2016 RM	2017 RM	2018 RM	2019 RM	2020 RM	2021 RM	2022 RM	2023 RM	Total RM
At the end of accident year	244,944,261	220,434,948	263,133,992	302,295,744	262,897,336	464,103,570	347,425,859	343,835,815	
One year later	229,858,691	228,879,596	247,811,868	285,450,963	238,661,168	485,601,809	328,338,505		
Two years later	226,244,170	238,983,783	243,757,789	286,443,691	240,102,976	467,141,138			
Three years later	228,459,320	272,243,416	535,032,737	290,406,375	240,743,161				
Four years later	228,901,380	276,834,341	534,997,364	293,220,058					
Five years later	230,833,673	276,322,390	533,706,950						
Six years later	215,869,063	256,955,127							
Seven years later	210,862,446								
Current estimate of cumulative claims incurred	210,862,446	256,955,127	533,706,950	293,220,058	240,743,161	467,141,138	328,338,505	343,835,815	2,674,803,200
Cumulative Payments	209,555,827	237,747,215	227,014,765	261,398,418	212,584,265	371,585,377	254,123,023	138,296,947	1,912,305,837
Total gross claim liabilities	1,306,619	19,207,912	306,692,185	31,821,640	28,158,896	95,555,761	74,215,482	205,538,868	762,497,363
Gross claim liabilities - prior years									3,258,403
Effect of discounting									(28,742,422)
Effect of the risk adjustment margin for non-financial risk									65,205,744
Actual cash flow and MMIP component									13,142,329
Insurance contract liabilities, gross									815,361,417

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23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Insurance Risk (cont'd.)

Claims development table (cont'd.)

Table 23(A3): table below shows the cumulative claims estimates, at each financial position date, together with cumulative payments to date. (cont'd.):

Net of reinsurance contract liabilities for 2023:

Accident year	2016 RM	2017 RM	2018 RM	2019 RM	2020 RM	2021 RM	2022 RM	2023 RM	Total RM
At the end of accident year	164,310,995	168,782,123	208,637,451	217,229,839	192,153,763	185,643,316	233,829,601	251,182,411	
One year later	160,906,549	172,414,958	197,438,226	207,982,435	171,262,273	167,091,565	214,931,771		
Two years later	159,487,672	176,502,389	198,819,079	210,021,493	174,265,540	165,347,404			
Three years later	160,753,065	180,357,404	202,080,192	213,963,670	175,501,937				
Four years later	161,269,856	180,492,148	202,337,455	214,119,943					
Five years later	162,222,690	179,158,214	201,808,670						
Six years later	153,525,888	172,342,616							
Seven years later	150,238,245								
Current estimate of cumulative claims incurred	150,238,245	172,342,616	201,808,670	214,119,943	175,501,937	165,347,404	214,931,771	251,182,411	1,545,472,997
Cumulative Payments	149,748,627	166,440,508	189,739,452	200,280,633	162,898,015	150,363,759	172,360,337	121,692,768	1,313,524,099
Total net liabilities	489,618	5,902,108	12,069,218	13,839,310	12,603,922	14,983,645	42,571,434	129,489,643	231,948,898
Net liabilities - prior years									881,061
Non-performing risk									3,938,737
Effect of discounting									(8,435,891)
Effect of the risk adjustment margin for non-financial risk									11,673,814
Actual cash flow and MMIP component									(10,552,773)
Net of reinsurance contract liabilities									229,453,846

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risks

Market risk arises when the market values of assets and liabilities are adversely affected by changes in financial markets. Changes in interest rates, foreign exchange rates and equity prices can impact present and future investment earnings of the insurance operations as well as shareholder's equity.

The Company is exposed to market risk in the Shareholder's Fund and the General Insurance Fund. The ALC actively manages market risk through setting and monitoring of the investment policy, asset allocation, portfolio construction, risk measurement methodologies, as well as approving hedging and alternative risk transfer strategies. Investment limits are monitored at various levels to ensure that all investment activities are conducted within the Company's risk appetite and in line with the Company's risk management principles and philosophies. Compliance with established limits forms an integral part of the risk governance and financial reporting framework. The approach adopted by the Company in managing the various types of risk, including interest rate risk, foreign exchange risk, equity price risk, credit spread risk, liquidity risk, credit risk, alternative investment risk and concentration risk, is briefly described as follows:

(i) Interest Rate Risk

The Company is exposed to interest rate risk through investments in fixed income instruments. Since the Shareholder's Fund and General Insurance Fund have exposure to investments in fixed income instruments, it will incur an economic loss when interest rates rise.

(ii) Foreign Currency Risk

Investments denominated in foreign currencies are limited to 10% of individual funds regardless of country, subject to the foreign investments being in jurisdictions with sovereign ratings at least equivalent to that of Malaysia, as prescribed by the regulator. In addition, net foreign currency exposure at the Company-level is limited to 10% of the total invested assets. (Refer to Table 23(B)).

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risks (cont'd.)

(ii) Foreign Currency Risk (cont'd.)

Table 23(B): The table below shows the foreign exchange position of the entity's financial assets and liabilities by major currencies:

2024	**RM**	**USD**	**EUR**	**Total**
Financial and Insurance Related Assets				
Financial assets at Amortised Cost:				
Loans	1,044,964	-	-	1,044,964
Financial assets at FVOCI:				
Malaysian government securities	127,550,913	-	-	127,550,913
Debt securities	394,467,490	-	-	394,467,490
Equity securities	51,242,121	-	-	51,242,121
Financial assets at FVTPL:				
Debt securities	52,926,797	-	-	52,926,797
Equity securities	15,911,940	1,397,748	47,636	17,357,324
Collective investment schemes	105,436,362	-	-	105,436,362
Other receivables	68,078,574	-	-	68,078,574
Cash and bank balances	18,575,366	192,574	-	18,767,940
Reinsurance contract assets	569,055,705	-	-	569,055,705
Insurance contract assets	5,961,152	-	-	5,961,152
	1,410,251,384	1,590,322	47,636	1,411,889,342
Financial and Insurance Related Liabilities				
Other payables	69,916,432	-	-	69,916,432
Insurance contract liabilities	961,790,728	-	-	961,790,728
Reinsurance contract liabilities	29,698,102	-	-	29,698,102
	1,061,405,262	-	-	1,061,405,262

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risks (cont'd.)

(ii) Foreign Currency Risk (cont'd.)

Table 23(B): The table below shows the foreign exchange position of the entity's financial assets and liabilities by major currencies: (cont'd.)

2023	RM	USD	EUR	Total
Financial and Insurance Related Assets				
Financial assets at Amortised Cost:				
Loans	679,824	-	-	679,824
Financial assets at FVOCI:				
Malaysian government securities	134,391,845	-	-	134,391,845
Debt securities	442,347,019	-	-	442,347,019
Equity securities	48,159,112	-	-	48,159,112
Financial assets at FVTPL:				
Debt securities	36,535,523	-	-	36,535,523
Equity securities	9,425,642	435,676	-	9,861,318
Collective investment schemes	101,235,487	-	-	101,235,487
Other receivables	60,027,157	-	-	60,027,157
Cash and bank balances	43,108,541	2,245	-	43,110,786
Reinsurance contract assets	646,999,132	-	-	646,999,132
Insurance contract assets	4,179,463	-	-	4,179,463
	1,527,088,745	437,921	-	1,527,526,666
Financial and Insurance Related Liabilities				
Other payables	64,607,457	-	-	64,607,457
Insurance contract liabilities	993,867,456	-	-	993,867,456
Reinsurance contract liabilities	73,351,803	-	-	73,351,803
	1,131,826,716	-	-	1,131,826,716

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risks (cont'd.)

(iii) Equity Price Risk

Exposure to equity price risk exists in investment assets through equity, where the Company bears the volatility in returns and investment performance risk.

A robust monitoring process is in place to manage equity risk by having appropriate risk management strategies to limit the downside risk at certain pre-determined levels. Limits are set for single security holdings as a percentage of equity holdings.

(iv) Credit Spread Risk

Exposure to credit spread risk exists in the Company's investments in corporate bonds. Credit spread is the difference between the corporate yields against the risk-free rate of similar tenure. When spreads widen, it generally implies that the market is factoring a deterioration in the creditworthiness of the bonds. A widening in credit spreads will generally result in a fall in the value of the Company's bond portfolio.

(v) Alternative Investment Risk

The Company is exposed to alternative investment risk through investments in private equities. Transactions for private equity may be subject to review by the BRMC and approval by the Board in accordance with the Authority Grid. The relevant Management Committees assist in deliberating matters relating to private equity, including risk management, performance, and operations management.

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risks (cont'd.)

(vi) Liquidity Risks

Liquidity risks arise when a Company is unable to meet the cash flow needs of its financial liabilities, or if the assets backing the liabilities cannot be sold quickly enough to meet its financial obigations without incurring significant losses. For an insurance company, the greatest liquidity needs typically arise from its insurance liabilities. Demands for funds can usually be met through ongoing normal operations, premiums received, sale of assets or borrowings. Unexpected demands for liquidity may be triggered by mass surrender of insurance policies due to negative publicity, deterioration of the economy, reports of problems in other companies in the same or similar lines of business, unanticipated policy claims, or other unexpected cash demands from policyholders.

Expected liquidity demands are managed through a combination of treasury, investment and asset-liability management practices, which are monitored on an ongoing basis. Actual and projected cash inflows and outflows are monitored and a reasonable amount of assets are kept in liquid instruments at all times.

The Company is exposed to liquidity risk from its insurance contract liabilities when actual claims development deviates from estimated liabilities for incurred claim. This is mitigated to some extent through the Company's periodic liability adequacy tests.

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23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risks (cont'd.)

(vi) Liquidity Risks (cont'd.)

Maturity profiles

Table 23(C1): The following tables show the expected recovery or settlement of financial assets and maturity profile of the Company's financial liabilities which are presented based on contractual undiscounted cash flows.

	Carrying value RM	Less than 1 year RM	Over 1-5 years RM	Over 5 years RM	No maturity date RM	Total RM
2024						
Financial and insurance related assets						
Investments:						
Amortised cost	1,044,964	13,778	506,121	534,430	-	1,054,329
FVOCI	573,260,524	110,015,013	389,674,415	100,182,484	51,242,121	651,114,033
FVTPL	175,720,483	2,003,400	49,694,492	-	136,533,288	188,231,180
Other receivables	68,078,574	29,876,661	-	36,477,142	-	66,353,803
Cash and bank balances	18,767,940	18,767,940	-	-	-	18,767,940
	836,872,485	160,676,792	439,875,028	137,194,056	187,775,409	925,521,285

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risks (cont'd.)

(vi) Liquidity Risks (cont'd.)

Maturity profiles (cont'd.)

Table 23(C1): The following tables show the expected recovery or settlement of financial assets and maturity profile of the Company's financial liabilities which are presented based on contractual undiscounted cash flows. (cont'd.)

	Carrying value RM	Less than 1 year RM	Over 1-5 years RM	Over 5 years RM	No maturity date RM	Total RM
2024						
Financial and insurance related liabilities						
Lease liabilities	12,333,124	3,208,515	10,255,300	82,862	-	13,546,677
Other payables	69,916,432	69,304,516	480,972	234,244	-	70,019,732
	82,249,556	72,513,031	10,736,272	317,106	-	83,566,409

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risks (cont'd.)

(vi) Liquidity Risks (cont'd.)

Maturity profiles (cont'd.)

Table 23(C1): The following tables show the expected recovery or settlement of financial assets and maturity profile of the Company's financial liabilities which are presented based on contractual undiscounted cash flows. (cont'd.)

	Carrying value RM	Less than 1 year RM	Over 1-5 years RM	Over 5 years RM	No maturity date RM	Total RM
2023						
Financial and insurance related assets						
Investments:						
Amortised cost	679,824	33,749	551,101	174,609	-	759,459
FVOCI	624,897,976	75,331,198	374,689,786	216,368,170	48,159,112	714,548,266
FVTPL	147,632,328	1,597,777	37,461,270	-	118,683,408	157,742,455
Other receivables	60,027,157	19,928,957	-	38,832,066	-	58,761,023
Cash and bank balances	43,110,786	43,110,786	-	-	-	43,110,786
	876,348,071	140,002,467	412,702,157	255,374,845	166,842,520	974,921,989

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risks (cont'd.)

(vi) Liquidity Risks (cont'd.)

Maturity profiles (cont'd.)

Table 23(C1): The following tables show the expected recovery or settlement of financial assets and maturity profile of the Company's financial liabilities which are presented based on contractual undiscounted cash flows. (cont'd.)

	Carrying value RM	Less than 1 year RM	Over 1-5 years RM	Over 5 years RM	No maturity date RM	Total RM
2023						
Financial and insurance related liabilities						
Lease liabilities	14,245,581	3,241,839	11,974,388	665,168	-	15,881,395
Other payables	64,607,457	63,781,767	422,857	511,844	-	64,716,468
	78,853,038	67,023,606	12,397,245	1,177,012	-	80,597,863

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risks (cont'd.)

(vi) Liquidity Risks (cont'd.)

Maturity profiles (cont'd.)

Table 23(C2): The following tables show the maturity profile of insurance contracts issued and reinsurance contracts held that are liabilities of the Company based on the estimates of present value of the future cash flows expected to be paid out in the periods presented.

	Up to 1 year RM	1-2 year RM	2-3 years RM	3-4 years RM	4-5 years RM	> 5 years RM	Total RM
2024							
Insurance contract liabilities	576,062,153	232,733,989	86,233,184	36,353,603	15,713,827	8,732,820	955,829,576
Reinsurance contract held	(316,067,320)	(136,518,858)	(50,819,917)	(21,539,336)	(9,284,928)	(5,127,244)	(539,357,603)
	259,994,833	96,215,131	35,413,267	14,814,267	6,428,899	3,605,576	416,471,973

	Up to 1 year RM	1-2 year RM	2-3 years RM	3-4 years RM	4-5 years RM	> 5 years RM	Total RM
2023							
Insurance contract liabilities	523,018,301	272,452,209	120,196,091	45,441,036	16,181,892	12,398,464	989,687,993
Reinsurance contract held	(357,129,821)	(148,529,212)	(54,630,000)	(11,736,368)	5,989,017	(7,610,945)	(573,647,329)
	165,888,480	123,922,997	65,566,091	33,704,668	22,170,909	4,787,519	416,040,664

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risks (cont'd.)

(vi) Liquidity Risks (cont'd.)

Included in other receivables and other payables is the Company's share in the assets and liabilities held under MMIP as disclosed in Note 7 and Note 11. The Company's share of insurance contract liabilities from MMIP are disclosed in Note 6 of the financial statements. These balances have not been offset in the financial statements of the Company as it is the view of the Directors and Management that no legal right of set-off exists. The assets have been contributed in line with the Company's obligations under the Collective Agreement signed on 16 November 1992 and the insurance contract liabilities represent the Company's share of the Pool's insurance contract liabilities arising from insurance contracts underwritten in respect of third party policyholders collectively, under the name of MMIP. Presented below is the Company's net position of its share in the net asset held under MMIP as at year end:

	2024 RM	2023 RM
Assets/(Liabilities):		
Assets:		
- Accumulated net cash contributions to MMIP	2,449,491	5,849,491
- Other assets	34,027,651	32,982,575
Total Assets (Note 7)	36,477,142	38,832,066
Liabilities:		
- Other payables and provisions	(122,229)	(321,331)
Total Liabilities (Note 11)	(122,229)	(321,331)
Net assets held under MMIP	36,354,913	38,510,735
Insurance contract liabilities (Note 6)		
- Liabilities for incurred claim	(9,552,754)	(12,541,069)
- Liabilities for remaining coverage	(777,236)	(709,962)
- Assets for incurred claim	129,298	-
- Assets for remaining coverage	(2,032)	-
	(10,202,724)	(13,251,031)
Net position	26,152,189	25,259,704

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risks (cont'd.)

(vi) Liquidity Risks (cont'd.)

Table 23(C3): The following table shows the current and non current classification of assets and liabilities:

	Current* RM	Non-current** RM	Total RM
2024			
Assets			
Intangible assets	-	51,436,412	51,436,412
Property and equipment:			
Owned	-	6,995,050	6,995,050
Right-of-use assets	-	12,179,887	12,179,887
Investments:			
Amortised cost	11,104	1,033,860	1,044,964
FVOCI	90,698,529	482,561,995	573,260,524
FVTPL	-	175,720,483	175,720,483
Insurance contract assets	8,842,577	(2,881,425)	5,961,152
Reinsurance contract receivables	351,140,569	217,915,136	569,055,705
Other receivables	31,601,432	36,477,142	68,078,574
Tax recoverable	31,194,013	-	31,194,013
Cash and bank balances	18,767,940	-	18,767,940
Total assets	532,256,164	981,438,540	1,513,694,704

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risks (cont'd.)

(vi) Liquidity Risks (cont'd.)

Table 23(C3): The following table shows the current and non current classification of assets and liabilities: (cont'd.)

	Current* RM	Non-current** RM	Total RM
2024			
Liabilities			
Insurance contract liabilities	584,904,730	376,885,998	961,790,728
Reinsurance contract liabilities	35,073,249	(5,375,147)	29,698,102
Lease liabilities	2,713,931	9,619,193	12,333,124
Other payables	69,304,516	611,916	69,916,432
Deferred tax liabilities	-	16,734,220	16,734,220
Total liabilities	691,996,426	398,476,180	1,090,472,606

* Expected utilisation or settlement within 12 months from the financial position date.

** Included in non-current FVOCI financial assets are quoted equity securities of RM 51,242,121 with no maturity date.

** Included in non-current FVTPL financial assets are collective investment schemes RM 105,436,362 with no maturity date.

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risks (cont'd.)

(vi) Liquidity Risks (cont'd.)

Table 23(C3): The following table shows the current and non current classification of assets and liabilities: (cont'd.)

	Current* RM	Non-current** RM	Total RM
2023			
Assets			
Intangible assets	-	53,848,112	53,848,112
Property and equipment:			
Owned	-	2,581,966	2,581,966
Right-of-use assets	-	14,294,313	14,294,313
Investments:			
Amortised cost	13,562	666,262	679,824
FVOCI	51,690,629	573,207,347	624,897,976
FVTPL	4,773	147,627,555	147,632,328
Insurance contract assets	33,732,333	(29,552,870)	4,179,463
Reinsurance contract assets	422,384,737	224,614,395	646,999,132
Other receivables	21,195,091	38,832,066	60,027,157
Tax recoverable	18,464,773	-	18,464,773
Cash and bank balances	43,110,786	-	43,110,786
Total assets	590,596,684	1,026,119,146	1,616,715,830

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risks (cont'd.)

(vi) Liquidity Risks (cont'd.)

Table 23(C3): The following table shows the current and non current classification of assets and liabilities: (cont'd.)

	Current* RM	Non-current** RM	Total RM
2023			
Liabilities			
Insurance contract liabilities	556,750,634	437,116,822	993,867,456
Reinsurance contract liabilities	65,254,916	8,096,887	73,351,803
Lease liabilities	3,241,839	11,003,742	14,245,581
Other payables	63,781,767	825,690	64,607,457
Deferred tax liabilities	-	11,045,999	11,045,999
Total liabilities	689,029,156	468,089,140	1,157,118,296

* Expected utilisation or settlement within 12 months from the financial position date.

** Included in non-current FVOCI financial assets are quoted equity securities of RM48,159,112 with no maturity date.

** Included in non-current FVTPL financial assets are collective investment schemes RM101,235,487 with no maturity date.

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risks (cont'd.)

(vii) Credit Risk

Credit risk is the risk that one party to a financial contract will cause financial loss to the other party by failing to discharge an obligation. The Company is exposed to credit risk mainly through (i) investment in cash, deposits and bonds, (ii) staff lending activities, (iii) exposure to counterparty's credit in reinsurance contracts and (iv) non-payment of premiums. For investment in bonds, financial loss may materialise as a result of the widening credit spread or downgrade of credit rating. For all four types of exposures, financial loss may materialise as a result of credit default by the borrower or counterparty.

The task of evaluating and monitoring credit risk arising from financial instruments is undertaken by the ALC. The Company has internal limits by issuer and counterparty according to their investment credit rating, which are actively monitored to manage the credit and concentration risk, and are being reviewed on a regular basis. The creditworthiness of reinsurers, issuers and banks is assessed on an annual basis by reviewing their financial strength through published credit ratings and other publicly available financial information.

Treaty reinsurance is placed with counterparties that have good rating while facultative reinsurance is placed with counterparties that have been carefully selected via internal guidelines to minimise the credit risk.

Credit risk in respect of non-payment of premiums past the grace period is being actively monitored and guided by strict credit control guideline.

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risks (cont'd.)

(vii) Credit Risk (cont'd.)

For staff lending, the amount and type of collateral required depends on the assessment of the credit risk of the counterparty. Credit risk is mitigated by entering into collateral agreements and collaterals are revalued on a periodic basis. The Company monitors the market value of the collateral, requests additional collateral when needed and performs an impairment valuation, whenever applicable. The fair value of collateral, held by the Company as a lender, for which it is entitled to sell or pledge in the event of default is as follows:

	Type of Collateral	Carrying Amount of Loans RM	Fair Value of Collateral RM
2024			
Secured loans			
- Vehicle loans	Vehicle	1,044,964	1,044,964
2023			
Secured loans			
- Vehicle loans	Vehicle	679,824	679,824

Transactions are conducted under terms and conditions that are usual and customary to standard securities borrowing and lending activities.

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risks (cont'd.)

(vii) Credit Risk (cont'd.)

Table 23(C4): The table below shows the maximum exposure to credit risk for the components of the Statement of Financial Position and items such as future commitments by funds.

	Insurance Fund RM	Shareholder's Fund RM	Total RM
2024			
Financial assets at amortised cost:			
Loans	1,044,964	-	1,044,964
Financial assets at FVOCI:			
Malaysian government securities	123,921,573	3,629,340	127,550,913
Debt securities	361,819,134	32,648,356	394,467,490
Financial assets at FVTPL:			
Debt securities	47,931,655	4,995,142	52,926,797
Insurance contract assets	5,961,152	-	5,961,152
Reinsurance contract assets	569,055,705	-	569,055,705
Other receivables	65,532,314	2,546,260	68,078,574
Cash and bank balances	18,227,166	540,774	18,767,940
	1,193,493,663	44,359,872	1,237,853,535
2023			
Financial assets at amortised cost:			
Loans	679,824	-	679,824
Financial assets at FVOCI:			
Malaysian government securities	130,951,351	3,440,494	134,391,845
Debt securities	410,471,721	31,875,298	442,347,019
Financial assets at FVTPL:			
Debt securities	32,699,571	3,835,952	36,535,523
Insurance contract assets	4,179,463	-	4,179,463
Reinsurance contract assets	646,999,132	-	646,999,132
Other receivables	56,636,877	3,390,280	60,027,157
Cash and bank balances	42,646,160	464,626	43,110,786
	1,325,264,099	43,006,650	1,368,270,749

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risks (cont'd.)

(vii) Credit Risk (cont'd.)

Table 23(C5): The following table sets out information about the credit quality of loans and debt securities measured at amortised cost and debt securities at FVOCI. The maximum exposure is shown gross basis, before the effect of mitigation through the use of master netting or collateral agreements and the use of credit derivatives. For loan commitments, the amounts in the table represent the amounts committed.

For explanation of the terms: "12-month ECL", "lifetime ECL" and "credit-impaired", refer to Note 2.2(e)(ii).

	2024			
	12-month ECL (Stage 1) RM	Lifetime ECL not credit impaired (Stage 2) RM	Lifetime ECL credit impaired (Stage 3) RM	Total RM
Loans at amortised cost				
Government guaranteed and low risk bonds	-	-	-	-
Not rated	1,044,964	-	-	1,044,964
	1,044,964	-	-	1,044,964
Loss allowance	-	-	-	-
Carrying amount	1,044,964	-	-	1,044,964

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risks (cont'd.)

(vii) Credit Risk (cont'd.)

Table 23(C5): (cont'd.)

	2024			
	12-month ECL (Stage 1) RM	Lifetime ECL not credit impaired (Stage 2) RM	Lifetime ECL credit impaired (Stage 3) RM	Total RM
Debt securities at FVOCI				
Government guaranteed and low risk bonds	197,550,663	-	-	197,550,663
Investment grade (BBB to AAA)	324,467,740	-	-	324,467,740
Not rated	-	-	-	-
	522,018,403	-	-	522,018,403

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risks (cont'd.)

(vii) Credit Risk (cont'd.)

Table 23(C5): The following table sets out information about the credit quality of loans and debt securities measured at amortised cost and debt securities at FVOCI. The maximum exposure is shown gross basis, before the effect of mitigation through the use of master netting or collateral agreements and the use of credit derivatives. For loan commitments, the amounts in the table represent the amounts committed. (cont'd.)

For explanation of the terms: "12-month ECL", "lifetime ECL" and "credit-impaired", refer to Note 2.2(e)(ii).

	2023			
	12-month ECL (Stage 1) RM	Lifetime ECL not credit impaired (Stage 2) RM	Lifetime ECL credit impaired (Stage 3) RM	Total RM
Loans at amortised cost				
Government guaranteed and low risk bonds	-	-	-	-
Not rated	679,824	-	-	679,824
	679,824	-	-	679,824
Loss allowance	-	-	-	-
Carrying amount	679,824	-	-	679,824

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risks (cont'd.)

(vii) Credit Risk (cont'd.)

Table 23(C5): (cont'd.)

	2023			
	12-month ECL (Stage 1) RM	Lifetime ECL not credit impaired (Stage 2) RM	Lifetime ECL credit impaired (Stage 3) RM	Total RM
Debt securities at FVOCI				
Government guaranteed and low risk bonds	239,106,855	-	-	239,106,855
Investment grade (BBB to AAA)	335,188,258	2,019,741	-	337,207,999
Not rated	-	424,010	-	424,010
	574,295,113	2,443,751	-	576,738,864

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23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risks (cont'd.)

(vii) Credit Risk (cont'd.)

Credit exposure by credit rating

Table 23(C6): The table below provides information regarding the credit risk exposures of the Company by classifying assets according to the credit ratings of counterparties:

	Neither past-due nor impaired					
	Government guaranteed/ Investment grade* (BBB - AAA) RM	Non-investment grade* (C to BB) RM	Not rated RM	Not subject to credit risk RM	Past-due RM	Total RM
2024						
Financial assets at amortised cost:						
Loans	-	-	1,044,964	-	-	1,044,964
Financial assets at FVOCI:						
Malaysian government securities	127,550,913	-	-	-	-	127,550,913
Debt securities	394,467,490	-	-	-	-	394,467,490
Financial assets at FVTPL:						
Debt securities	52,926,797	-	-	-	-	52,926,797
Other receivables	16,499,896	-	51,578,678	-	-	68,078,574
Cash and cash equivalents	18,767,940	-	-	-	-	18,767,940
Reinsurance contract assets	626,432,958	-	(57,377,253)	-	-	569,055,705
Insurance contract assets	-	-	5,961,152	-	-	5,961,152
	1,236,645,994	-	1,207,541	-	-	1,237,853,535

* *Based on internal ratings grades which are equivalent to grades of external rating agencies*

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23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risks (cont'd.)

(vii) Credit Risk (cont'd.)

Credit exposure by credit rating (cont'd.)

Table 23(C6): The table below provides information regarding the credit risk exposures of the Company by classifying assets according to the credit ratings of counterparties (cont'd.):

	Neither past-due nor impaired					
	Government guaranteed/ Investment grade* (BBB - AAA) RM	Non-investment grade* (C to BB) RM	Not rated RM	Not subject to credit risk RM	Past-due RM	Total RM
2023						
Financial assets at amortised cost:						
Loans	-	-	679,824	-	-	679,824
Financial assets at FVOCI:						
Malaysian government securities	134,391,845	-	-	-	-	134,391,845
Debt securities	441,923,009	-	424,010	-	-	442,347,019
Financial assets at FVTPL:						
Debt securities	36,535,523	-	-	-	-	36,535,523
Other receivables	15,891,057	-	44,136,100	-	-	60,027,157
Cash and cash equivalents	43,110,786	-	-	-	-	43,110,786
Reinsurance contract assets	572,884,057	-	74,115,075	-	-	646,999,132
Insurance contract assets	-	-	4,179,463	-	-	4,179,463
	1,244,736,277	-	123,534,472	-	-	1,368,270,749

* *Based on internal ratings grades which are equivalent to grades of external rating agencies*

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risks (cont'd.)

(vii) Credit Risk (cont'd.)

This disclosure below relates to MFRS 9 which came into effect in 2018.

Amounts arising from Expected Credit Losses ("ECL")

Measurement of ECL - Explanation of inputs, assumptions and estimation techniques

The key inputs into the measurement of ECL are the term structure of the following variables:
- probability of default ("PD");
- loss given default ("LGD"); and
- exposure at default ("EAD").

These parameters are derived from the statistical models which are internally developed by the Company based on the historical data. They are adjusted to reflect forward-looking information.

PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months ("12M PD"), or over the remaining lifetime ("Lifetime PD") of the obligation. They are estimates at a certain date, which are calculated based on the statistical rating models. These statistical models are based on internally and externally compiled data comprising both quantitative and qualitative factors. The model outputs are adjusted to reflect forward-looking information whenever appropriate.

If a counterparty or exposure migrates between rating classes, this will lead to a change in the estimate of the associated PD. The ECL considers the contractual maturities of exposures.

LGD is the magnitude of the likely loss if there is a default. LGD is expressed as a percentage of loss per unit of exposure at the time of default and represents an estimate of the economic loss in the event of the default of the counterparty. Factors in determining LGDs include seniority of claims, availability and quality of collateral, legal enforceability of processes in the jusridiction and industry of borrower and existing market conditions. They are estimates at a certain date and are derived using statistical models, which are calculated based on the statistical rating models. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. The model outputs are adjusted to reflect forward-looking information whenever appropriate.

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risks (cont'd.)

(vii) Credit Risk (cont'd.)

Amounts arising from ECL (cont'd.)

Measurement of ECL - Explanation of inputs, assumptions and estimation techniques (cont'd.)

EAD represents the expected exposure in the event of a default. The Company derives the EAD from the current and potential future exposure to the counterparty. The EAD of a financial asset is its gross carrying amount.

The ECL is determined by projecting PD, LGD and EAD for each individual exposure. These three components are multiplied together and adjusted for forward looking information. This is then discounted back to the reporting date. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

Significant increase in credit risk

To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Company considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations.

A movement of an instrument's credit rating along the rating scale will represent changes in credit risk, measured by the change in PD.

The criteria for assessing whether credit risk has increased significantly will be determined by both quantitative changes in 12M PDs and qualitative factors. The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Company's quantitative model, the 12M PD is determined to have increased by more than 100% since origination. The criteria as described above would only apply if the financial instrument does not have an investment grade rating.

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risks (cont'd.)

(vii) Credit Risk (cont'd.)

Significant increase in credit risk (cont'd.)

Using its experienced credit judgement and, where possible, relevant historical experience, the Company may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative factors that are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis. The Company uses the watch-list as an additional trigger for the identification of significant increase in credit risk.

The Company considers "low credit risk" to be an investment grade credit rating using a combination of internal and external credit rating models.

Credit risk grades

The Company assigns each obligor to a credit risk grade that reflects the PD of the obligor. Credit risk grades are established based on qualitative and quantitative factors that are indicative of default risk. These factors vary depending on the nature of the exposure and the type of counterparty. Credit risk grades are defined and calibrated such that the default risk increases as credit risk deteriorates. Each exposure is assigned with a credit risk grade at initial recognition, based on available information on the borrower. Obligors are subject to ongoing monitoring and review, and may be assigned with new credit risk grades that better reflects their creditworthiness. The monitoring typically involves the use of information obtained during periodic review, including published financial statements, external rating (where available), as well as qualitative information on an obligor's industry, competitive positioning, management, financial policy and financial flexibility.

Definition of default

The Company considers a financial asset to be in default by assessing the following criteria:

Quantitative criteria

For other receivables, the counterparty fails to make a contractual payment within 6 months after it falls due (i.e. after expiration of the maximum granted credit terms). For bonds and loans, the instrument is in overdue status and there are non-payments on another debt obligation of the same issuer to the Company.

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risks (cont'd.)

(vii) Credit Risk (cont'd.)

Definition of default (cont'd.)

Qualitative criteria

The counterparty is either bankrupt or has indications of potentially significant financial difficulty such as lawsuits or similar actions that threaten the financial viability of the counterparty; distressed exchange, merger or amalgamation without assumption or breach of material loan covenants not rectified within a given timeframe, restructuring with expected principal haircut or a breach in material loan covenant that is not rectified within a given timeframe.

The criteria above have been applied to all financial instruments held by 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, EAD and LGD throughout the Company's expected loss calculations.

Incorporating of forward-looking information

The Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. The Company has performed historical analysis and identified key economic variables impacting credit risk and ECL for each portfolio.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Experienced judgement has also been applied in this process. Forecasts of these economic variables (the "base economic scenario") are obtained from publicly available economic databases published on a quarterly basis and provide the best estimate view of the economy over the next four to five years, and based on such information, to project the economic variables for the full remaining lifetime of each instrument, a mean reversion approach is used. The impact of these economic variables on the PD, EAD and LGD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates and the components of LGD and EAD.

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risks (cont'd.)

Incorporating of forward-looking information (cont'd.)

In addition to the base economic scenario, the Company uses multiple scenarios to ensure non-linear risks are captured. The number of scenarios and their respective scenario attributes are reviewed at each reporting date. At 31 December 2024, the Company concluded that two particular scenarios are capable of capturing non-linear risks inherent in all portfolios. The scenario weightings are determined by expert judgement, taking into account the range of possible outcomes presented by the chosen scenarios. The assessment of significant increase in credit risk is performed using the 12M PD under each scenario multiplied by the associated scenario weights. This determines whether the financial instrument is in Stage 1, 2 or 3, and hence whether 12M or lifetime ECL should be applied. Following this assessment, the Company measures ECL as either a probability-weighted 12M ECL (Stage 1), or a probability-weighted lifetime ECL (Stages 2 and 3). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weight (as opposed to weighting the inputs).

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and the actual outcomes may be significantly different from those projected. The Company considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Company's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

The sensitivity of the ECL to the economic variable assumptions affecting the calculation of ECL was not material to the Company for the year ended 31 December 2024.

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risks (cont'd.)

(vii) Credit Risk (cont'd.)

Loss allowance - Provision for ECL

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instruments.

	2024 12-month ECL (Stage 1) RM	2024 Lifetime ECL not credit impaired (Stage 2) RM	2024 Lifetime ECL credit impaired (Stage 3) RM	2024 Total RM	2023 12-month ECL (Stage 1) RM	2023 Lifetime ECL not credit impaired (Stage 2) RM	2023 Lifetime ECL credit impaired (Stage 3) RM	2023 Total RM
Loans at amortised cost								
Opening balance	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	-	-	-	-	-	-	-	-
New financial assets purchased	-	-	-	-	-	-	-	-
Financial assets that have been derecognised	-	-	-	-	-	-	-	-
Changes in models/risk parameters	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-
Debt securities at FVOCI								
Opening balance	848,622	971,848	-	1,820,470	760,683	970,520	-	1,731,203
Transfer to 12-month ECL	-	-	-	-	-	-	-	-
Transfer to lifetime ECL not credit-impaired	-	-	-	-	(5,347)	5,347	-	-
Additional loss allowance due to transfer	-	-	-	-	-	3,865	-	3,865
Net remeasurement of loss allowance	(63,034)	24	-	(63,010)	4,786	(9,032)	-	(4,246)
New financial assets purchased	129,204	-	-	129,204	216,845	-	-	216,845
Financial assets that have been derecognised	(121,267)	(403,745)	-	(525,012)	(157,183)	-	-	(157,183)
Changes in models/risk parameters	(81,525)	(568,127)	-	(649,652)	28,838	1,148	-	29,986
Closing balance	712,000	-	-	712,000	848,622	971,848	-	1,820,470

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risks (cont'd.)

(vii) Credit Risk (cont'd.)

Loss allowance - Provision for ECL (cont'd.)

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instruments. (cont'd.)

	2024				2023			
	12-month ECL (Stage 1) RM	Lifetime ECL not credit impaired (Stage 2) RM	Lifetime ECL credit impaired (Stage 3) RM	Total RM	12-month ECL (Stage 1) RM	Lifetime ECL not credit impaired (Stage 2) RM	Lifetime ECL credit impaired (Stage 3) RM	Total RM
Other receivables								
Opening balance	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	-	-	-	-	-	-	-	-
Changes in models/risk parameters	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risks (cont'd.)

(viii) Concentration Risk

An important element of managing market, credit risks and liquidity risk is to actively manage concentration to specific issuers, counterparties, industry sectors, countries and currencies. Both internal and regulatory limits are put in place and monitored to manage this risk. These limits are reviewed on a regular basis by the ALC. The Company's exposures are within the concentration limits set by the regulator. The Company actively manages its asset mix to ensure that there is no significant concentration of market, credit risk and liquidity risk.

(ix) Sensitivity Analysis on Financial Risks

The sensitivity analysis below shows the impact on the Company's net profit after tax by applying possible shocks to each key variables, with all other variables constant. Co-movement of key variables can significantly affect the fair values and/or amortised cost of financial assets. To demonstrate the impact due to changes in each key variable, the variables are changed individually.

The impact on net profit after tax represents the effect caused by changes in fair value of financial assets whose fair values are recorded in the Profit or Loss Statement, and changes in valuation of insurance and reinsurance contract liabilities/assets. The equity sensitivity represents the impact on net profit after tax and the effect on changes in fair value of financial assets measured at FVOCI and changes in insurance finance reserves.

The below tables demonstrate the sensitivity of the Company's profit and loss after tax and equity to a change in the specified variables on an individual basis with all other variables held constant.

The methodology for deriving sensitivities has not changed from the previous year. Certain variable has been updated to reflect more relevant scenarios for the Company.

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23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risks (cont'd.)

(ix) Sensitivity Analysis on Financial Risks (cont'd.)

	Changes in variable	Impact on Profit After Tax		Impact on Equity [2]	
		Impact arising from Financial Assets	Impact arising from Insurance & Reinsurance Contracts	Impact arising from Financial Assets	Impact arising from Insurance & Reinsurance Contracts
2024		**RM'000**	**RM'000**	**RM'000**	**RM'000**
Equity	+20%	-	-	7,788.8	-
(KLCI)	-20%	-	-	(7,788.8)	-
Alternative	+10%	-	-	109.8	-
Investment[1]	-10%	-	-	(109.8)	-
Foreign Currency	+5%	-	-	54.8	-
(USD)	-5%	-	-	(54.8)	-
Interest	Yield curve +100 bps	(232.5)	2,646.0	(15,861.8)	2,646.0
rate	Yield curve -100 bps	239.2	(2,727.2)	16,673.0	(2,727.2)
Credit	Spread +100 bps	(59)	-	(11,499.1)	-
spread	Spread -100 bps	59	-	12,031.8	-

(1) Alternative Investments comprise investments in private equity.

(2) The impact on equity reflects the after taxation impact, when applicable.

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23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risks (cont'd.)

(ix) Sensitivity Analysis on Financial Risks (cont'd.)

		Impact on Profit After Tax		Impact on Equity [2]	
	Changes in variable	Impact arising from Financial Assets RM'000	Impact arising from Insurance & Reinsurance Contracts RM'000	Impact arising from Financial Assets RM'000	Impact arising from Insurance & Reinsurance Contracts RM'000
2023					
Equity	+20%	0.1	-	7,319.3	-
(KLCI)	-20%	(0.1)	-	(7,319.3)	-
Alternative	+10%	-	-	33.1	-
Investment[1]	-10%	-	-	(33.1)	-
Foreign Currency	+5%	16.7	-	16.7	-
(USD)	-5%	(16.7)	-	(16.7)	-
Interest	Yield curve +100 bps	(523.5)	2,472.7	(22,908.8)	2,472.7
rate	Yield curve -100 bps	523.5	(2,548.0)	23,787.7	(2,548.0)
Credit	Spread +100 bps	-	-	(17,352.3)	-
spread	Spread -100 bps	-	-	17,890.3	-

(1) Alternative Investments comprise investments in private equity.

(2) The impact on equity reflects the after taxation impact, when applicable.

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Operational, Market Conduct and Compliance Risk

Operational risk is an event or action that may potentially impact partly or completely the achievement of the Company's objectives resulting from inadequate or failed internal processes and systems, human factors or external events.

Market conduct risk is an event or action that may potentially impact partly or completely the achievement of the Company's objectives arising from its personnel and intermediaries not conducting themselves in accordance with the ethical standards and in compliance with the relevant laws and regulations governing insurance product for pre-sales, during sales and after sales process. It is synonymous with professional behaviour and customer's protection. There are four areas in which the Company continuously strengthens:

- Fit and Proper
- Sales Advisory Process
- Training and Competency
- Business Conduct

Compliance risk is any event or action that may potentially impact partly or completely the achievement of the Company's objectives and its reputation, as a result of its failure to comply with the following applicable laws, regulations and standards:

- Laws, regulations and rules governing insurance business and regulated financial licensed activities undertaken by the Company;
- Codes of practice promoted by industry associations of which the Company is a member of; and
- Any other applicable regulations which do not specifically govern the licensed activities undertaken by the Company but can expose the organisation to legal, regulatory or reputational loss.

The day-to-day management of operational, market conduct and compliance risks is effected through the maintenance of comprehensive internal controls, supported by an infrastructure of systems and procedures to monitor processes and transactions. The SMT regularly reviews and monitors these issues at its monthly meetings. The Internal Audit team regularly reviews the systems of internal control to assess their ongoing relevance and effectiveness , and reports at least quarterly to the Board Audit Committee. As an added measure, the risk appetite statement explicitly sets the Company's tolerance level to financial loss arising from operational, market conduct and compliance risks.

23. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Technology, Information and Cyber Risks

Technology risk is defined as risk related to any potential adverse outcome, damage, loss, disruption, violation, system/hardware failure and capacity deficiency arising from the use of technologies such as electronic hardware/devices, software, online networks and telecomunication systems.

Information risk is defined as risk related to confidentiality, integrity and availability of information (in physical or digital form).

Cyber risk is defined as risk related to acts perpetrated by malicious threat actors including internal sabotage, espionage, malicious attacks, hacking incidents, fraudulent conduct using information and communication technologies.

The Company adopts a risk based approach in managing technology, risks relating to IT disruption, cyber threats, data loss and third parties. The Company has put in place technological and procedural risk controls to defend against external and internal threats. Key risk indicators related to technology, information and cyber risks are reported to the Board on a regular basis. Independent assessment is performed by the Internal Audit team on the adequacy and effectiveness of the processes to manage technology, information and cyber risks. The risk appetite statement also explicitly sets the Company's tolerance level to financial loss arising from technology risks.

Sustainability Risk

Sustainability risk is defined as any environmental, social or governance ("ESG") event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment and enterprise value.

The Company's Sustainability Report 2024 will be published on its corporate website. The report is aligned with the requirements of the Global Reporting Initiative ("GRI") Standards for sustainability reporting, and the recommendations of the Taskforce on Climate-related Financial Disclosures ("TCFD") for climate-related disclosures. The report provides an update on the Company's ambition for sustainable development, strategy, risk management practices, initiatives and progress.

24. FAIR VALUES OF ASSETS AND LIABILITIES

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

Fair values hierarchy

	Quoted market price (Level 1) RM	Valuation technique using observable inputs (Level 2) RM	Valuation technique using unobservable inputs (Level 3) RM	Total RM
2024				
Assets measured at fair value on a recurring basis:				
Financial assets at FVOCI:				
Malaysian government securities	-	127,550,913	-	127,550,913
Debt securities	-	394,467,490	-	394,467,490
Quoted equity securities	51,242,121	-	-	51,242,121
Financial assets at FVTPL:				
Debt securities	-	52,926,797	-	52,926,797
Unquoted equity securities	-	15,911,940	1,445,384	17,357,324
Collective investment schemes	-	105,436,362	-	105,436,362
	51,242,121	696,293,502	1,445,384	748,981,007
2023				
Assets measured at fair value on a recurring basis:				
Financial assets at FVOCI:				
Malaysian government securities	-	134,391,845	-	134,391,845
Debt securities	-	442,347,019	-	442,347,019
Quoted equity securities	48,159,112	-	-	48,159,112
Financial assets at FVTPL:				
Debt securities	-	36,535,523	-	36,535,523
Quoted equity securities	4,772	-	-	4,772
Unquoted equity securities	-	9,420,870	435,676	9,856,546
Collective investment schemes	-	101,235,487	-	101,235,487
	48,163,884	723,930,744	435,676	772,530,304

24. FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D.)

Valuation techniques

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the financial year.

The following is a description of the method by which the fair values of financial instruments which are recorded at fair value are determined using valuation techniques. These incorporate the Company's estimate of assumptions that a market participant would make when valuing the instruments:

FVOCI /FVTPL financial assets

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

Investments in financial instruments with embedded derivatives consist of investments in structured deposits. The fair values of structured deposits are determined by reference to banks' valuation at the close of business on the financial position date.

For investment in Collective Investment Schemes, fair values are determined by reference to published net asset values.

25. REGULATORY CAPITAL REQUIREMENTS

The capital structure of the Company as at 31 December 2024, as prescribed under the RBC Framework is provided below:

	2024 RM	2023 RM
Eligible Tier 1 Capital:		
Share capital (paid-up)	100,000,000	100,000,000
Reserves, including retained earnings	267,350,065	324,636,609
	367,350,065	424,636,609
Tier 2 Capital:		
Eligible Reserves	8,932,832	4,397,891
Deductions	(51,436,412)	(53,848,112)
Total Capital Available	324,846,485	375,186,388

26. CONTINGENT LIABILITIES

On 22 February 2017, the Malaysian Competition Commission ("MyCC") issued its Proposed Decision on an alleged infringement by the General Insurance Association of Malaysia ("PIAM") and its 22 members under the Section 4(2)(a) of the Competition Act 2010 ("the Act"). MyCC's Proposed Decision is with respect to the agreement reached between PIAM and the Federation of Automobile Workshop Owners' Association of Malaysia ("FAWOAM") in respect to the trade discount rates for parts of certain vehicle makes and labour rates for workshops under the PIAM Approved Repairers Scheme.

A final decision dated 14 September 2020 was issued by the MyCC with a finding of infringement and the general insurance industry was imposed a financial penalty of about RM130 million. For GEGM, specifically, the financial penalty imposed is in the sum of RM1.9mil. The Company has filed its appeal against the MyCC's final decision on 13 October 2020 and a stay application (pending disposal of the appeal) on 6 November 2020. The Competition Appeal Tribunal ("Tribunal") delivered its decision with regard to the stay application on 23 March 2021, unanimously deciding to allow the insurers' respective stay applications and ordered that the Cease and Desist order and financial penalty imposed on all insurers be stayed pending disposal of the appeal before the Tribunal. Counsels for PIAM and the 22 insurers have completed their respective submissions before the Tribunal.

On 2 September 2022, the Tribunal issued the decision and grounds of the decision on the case, which was to allow the appeals by PIAM & the general insurers and the Final Decision of MyCC dated 14.09.2020 to be set aside, while at the same time dismissing Bank Negara Malaysia ("BNM")'s appeal.

On 1 December 2022, MyCC filed an application for leave for judicial review of the Tribunal's decision dated 2 September 2022 ("Leave Application"). On 4 January 2023, PIAM's legal counsel was informed by the High Court that PIAM's request for leave to appear in MyCC's Leave Application has been allowed by the High Court Judge.

The hearing on the judicial review application took place on 30 November 2023. After hearing the oral submissions of all parties, the learned Judged fixed the matter for decision (by way of Zoom) on 16 January 2024.

On 16 January 2024, the learned Judge dismissed the above matter. The learned Judge's main ground of decision is that MyCC does not have the locus standi to commence judicial review proceedings against the Respondents, as MyCC is not a person adversely affected by the decision of the Tribunal.

Following the dismissal of the MyCC's Leave Application, the MyCC submitted a Notice of Appeal dated 15 February 2024 to the Court of Appeal to appeal the decision previously made on 16 January 2024. The Appeal was fixed for Case Management on 15 May 2024.

The Court further fixed the Case Management (by way of e-review) on 8 May 2025 and physical hearing before the Court of Appeal on 22 May 2025.

The Management of the Company believes that the criteria to disclose the above as a contingent liability is met. Except as disclosed above, the Company does not have any other contingent assets or liabilities.

27. INSURANCE FUNDS

The Company's activities are organised by funds and segregated into General Insurance and Shareholder's Funds in accordance with the Financial Services Act, 2013. The Statement of Profit or Loss by funds are presented as follows:

Statement of Profit or Loss
For the Financial Year Ended 31 December 2024

	2024			2023		
	Insurance Fund RM	Shareholder's Fund RM	Total RM	Insurance Fund RM	Shareholder's Fund RM	Total RM
Insurance revenue	619,578,820	-	619,578,820	621,253,272	-	621,253,272
Insurance service expenses	(442,838,124)	-	(442,838,124)	(425,651,024)	-	(425,651,024)
Net expenses from reinsurance contracts held	(181,886,428)	-	(181,886,428)	(151,986,436)	-	(151,986,436)
Insurance service results	(5,145,732)	-	(5,145,732)	43,615,812	-	43,615,812
Interest income on						
- Financial assets not measured at FVTPL	22,494,622	1,585,986	24,080,608	23,696,036	1,573,540	25,269,576
- Financial assets measured at FVTPL	2,176,898	178,479	2,355,377	727,848	141,548	869,396
Other investment income	4,281,433	2,840,487	7,121,920	4,141,796	2,724,389	6,866,185
Losses on exchange differences	(30,575)	(71)	(30,646)	(5,182)	-	(5,182)
Realised (losses)/gains	(788,301)	(98,062)	(886,363)	688,157	227,444	915,601
Fair value gains	583,678	213,934	797,612	3,632,166	362,387	3,994,553
Changes in allowance for expected credit losses ("ECL") on investment assets	971,419	137,051	1,108,470	(106,288)	17,021	(89,267)
Net investment income	29,689,174	4,857,804	34,546,978	32,774,533	5,046,329	37,820,862
Finance expenses from insurance contracts issued	(35,079,727)	-	(35,079,727)	(35,754,840)	-	(35,754,840)
Finance income from reinsurance contracts held	21,594,824	-	21,594,824	18,921,024	-	18,921,024
Net insurance financial result	(13,484,903)	-	(13,484,903)	(16,833,816)	-	(16,833,816)
Net insurance and investment result	11,058,539	4,857,804	15,916,343	59,556,529	5,046,329	64,602,858
Other operating (expenses)/income	927,019	(1,612,062)	(685,043)	2,289,271	(1,424,619)	864,652
Profit before taxation	11,985,558	3,245,742	15,231,300	61,845,800	3,621,710	65,467,510
Taxation	(4,023,267)	(509,448)	(4,532,715)	(14,393,167)	(437,624)	(14,830,791)
Net profit for the financial year	7,962,291	2,736,294	10,698,585	47,452,633	3,184,086	50,636,719

28. COMPARATIVE FIGURES

The Company has made changes during the year to present net investment income separately into three (03) lines: Interest income from financial assets not measured at FVTPL, Interest income from financial assets measured at FVTPL and Other investment income in the Statement of Profit or Loss to comply with the requirements of MFRS 101 Presentation of Financial Statement. The net investment income from different categories of financial assets were separately presented in the notes to the financial statements in the prior year and is now distinctly presented in the Statement of Profit or Loss to provide greater clarity into the Company's financial investment performance. This approach also ensures alignment with the presentation in the penultimate parent company's financial statements.

The above changes in comparatives have no impact to the Statement of Financial Position, Profit before tax, Profit after tax, Statement of Cash Flows nor Statement of Changes in Equity of the Company for the financial year ended 31 December 2023.

Statement of Profit or Loss

	As previously reported	Reclassification	As restated
	RM	RM	RM
Interest income:			
Financial assets not measured at FVTPL	-	24,432,622	24,432,622
Financial assets measured at FVTPL	-	869,396	869,396
Other investment income	33,005,157	(25,302,018)	7,703,139