



Responsible Insurance, Sustainable Tomorrow

ANNUAL REPORT 2024



A Member of **MS&AD** INSURANCE GROUP

Responsible Insurance, Sustainable Tomorrow

Rooted in our unwavering belief that insurance plays a vital role in shaping a better world, this year's theme, "Responsible Insurance, Sustainable Tomorrow," reflects our deepening commitment to responsible practices that go beyond protection. The cover captures this essence with a delicate balance of nature and structure, a symbolic representation of how our actions today can foster a flourishing tomorrow.

As we move forward, we remain steadfast in our vision of a future where insurance empowers, protects, and nurtures. Guided by our values and strengthened by progress, we will carry this momentum into the years ahead, turning today's responsibilities into tomorrow's possibilities.



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BOARD OF DIRECTORS

Seated (from left to right)

Ms. Gan Bee Lan

Independent Non-Executive Director

Dato' Sri Muthanna bin Abdullah

Chairman/Independent Non-Executive Director

Ms. Pearl Chan Siew Cheng

Non-Independent Non-Executive Director

Standing (from left to right)

Mr. Kenichi Shoji

Independent Non-Executive Director

Mr. Clemens Philippi

Executive Director

Mr. Lim Tiang Siew

Independent Non-Executive Director

Ms. Loh Guat Lan

Non-Independent Non-Executive Director

Datin Cheryl Kaur Pola

Independent Non-Executive Director



Note: The composition of the Board of Directors is as of 19 March 2025.

DIRECTORS' PROFILES

Dato' Sri Muthanna bin Abdullah*Chairman/Independent Non-Executive Director*

Dato' Sri Muthanna Bin Abdullah joined the Board of MSIG Insurance (Malaysia) Bhd as an Independent Non-Executive Director on 12 March 2018. He is a Barrister of Middle Temple and an Advocate and Solicitor of the High Court of Malaya. He read law at the University of Buckingham, England and was called to the Bar of England and Wales in 1982 and to the Malaysian Bar in 1983. He is a Consultant of Abdullah Chan & Co.

Currently, Dato' Sri Muthanna is the Honorary Consul to Kuala Lumpur of the Republic of San Marino.

He is also a Director of MSM Malaysia Holdings Berhad, IHH Healthcare Berhad, Malaysian Life Reinsurance Group Berhad and Apollo Food Holdings Berhad.

Presently, Dato' Sri Muthanna serves as Chairman of the Board of Directors and is a member of the Board Audit, Nominations, Remuneration and Investment Committees of the Company.



DIRECTORS' PROFILES



Ms. Pearl Chan Siew Cheng joined the Board of MSIG Insurance (Malaysia) Bhd on 18 March 2014 as an Independent Non-Executive Director. She has 31 years of experience in the Malaysian fund management industry, having managed institutional money such as government funds, insurance funds, pension funds, charitable foundations and unit trust funds throughout her career.

Prior to her retirement in January 2008, she was the Deputy Chief Executive Officer of CIMB Principal Asset Management for one year, after a merger between CIMB and the Southern Bank Group. Before that, she pioneered SBB Asset Management, a wholly-owned subsidiary of the Southern Bank Group, which became the first commercial bank in Malaysia to have an asset management arm. She held the position of CEO for 17 years, and CEO/Chief Investment Officer for the first 14 years, leading a team of equity and fixed income fund managers. Before setting up SBB Asset Management, she was General Manager of Rashid Hussain Asset Management and fund manager with Bumiputra Merchant Bankers Berhad for a total of 13 years.

During her career, she also spearheaded two major corporate integration exercises in 2003 and 2007, where she successfully completed the entire integration process, involving organisation and governance structures, human resources, administrative and technical systems. She is a graduate in Economics from the University of Nottingham, England.

Ms. Chan served as Chairman of the Investment Committee and was a member of the Remuneration and Compliance & Risk Management Committees of the Company.

Ms. Chan resigned from the Board of Directors of MSIG Insurance (Malaysia) Bhd on 20 March 2025.



Mr. Lim Tiang Siew joined MSIG Insurance (Malaysia) Bhd as an Independent Non-Executive Director on 15 December 2018. He retired as the Group Chief Internal Auditor of CIMB Group in March 2018, after serving 27 years in CIMB. Mr. Lim's experience and expertise of over 40 years covered internal and external auditing, accounting, corporate finance and advisory, corporate governance, and compliance. For more than half of his tenure in CIMB, Mr. Lim was a member of CIMB's top most management team, and a member of all its major risk committees.

Mr. Lim has been a member of the Malaysian Institute of Certified Public Accountants since January 1981 and is a Chartered Accountant of the Malaysian Institute of Accountants since November 1987. He was an examiner for the Malaysian Institute of Certified Public Accountants professional examinations in respect of a particular subject for some 15 years before being appointed as a reviewer for the same subject, a position which he still holds.

He joined Commerce International Merchant Bankers Berhad (now known as CIMB Investment Bank) in January 1991 as an assistant manager in the Corporate Finance Department and eventually become the Head for a number of years. After over 15 years as a Corporate Finance specialist and following the acquisition of Bumiputra-Commerce Bank by CIMB and the subsequent merger of Bumiputra-Commerce Bank with Southern Bank, Mr. Lim was appointed the Group Chief Financial Officer, a position he held for over 2 years before being appointed the Group Chief Internal Auditor.

He is currently the Senior Independent Non-Executive Director of Sapura Energy Berhad, Chairman of its Board Audit Committee and a member of its Board Risk Management Committee; and Senior Independent Non-Executive Director of HSBC Amanah Malaysia Berhad, Chairman of its Board Risk Committee and a member of its Board Audit Committee and Nominations and Remuneration Committee.

Presently, Mr. Lim serves as Chairman of the Board Audit Committee and is a member of the Board Compliance & Risk Management Committee of the Company.

DIRECTORS' PROFILES



Ms. Gan Bee Lan joined the Board of MSIG Insurance (Malaysia) Bhd on 15 August 2020 as an Independent Non-Executive Director.

Ms. Gan holds a Bachelor in Accountancy from the University of Singapore. Overall, Ms. Gan has 40 years of working experience in diverse disciplines spanning IT/Systems Management, Project management (IT and non-IT), HR & Admin Management, Process & Workflow Streamlining as well as Legal and Operational Integration arising from various Mergers & Acquisitions (M&A).

Prior to her retirement from MSIG Insurance (Malaysia) Bhd in December 2009, Ms. Gan was a member of the Senior Management Team (SMT) overseeing - at various periods - Information Technology (IT), Information Security, HR & Admin, Service Quality as well as centralised policy administration. During her service with the Company, Ms. Gan was also the Integration Manager managing the operational integration during the MSI-Aviva (MSIG) merger as well as the CU-GA (Aviva) merger.

Immediately after retirement, Ms. Gan returned to MSIG Insurance (Malaysia) Bhd in February 2010 as Special Project Manager to support the legal, business transfer and operational integration of Hong Leong general business into MSIG Insurance (Malaysia) Bhd operations. Following that in January 2012, Ms. Gan joined MSIG Insurance (Singapore) Pte. Ltd. for a year to initiate the system migration to the new regional IT system for the Singapore insurance operations.

In January 2016 until July 2018, Ms. Gan joined the Regional Holding Company (RHC) in Singapore as Head of ICT / Consulting Advisor to Regional CEO to manage the regional centralised IT services, system development and infrastructural services/support to country IT in Singapore, Malaysia, Indonesia, Vietnam, Hong Kong, Thailand, Philippines and Australia. During her stint with RHC, Ms. Gan spearheaded the regional cybersecurity initiative as well as the updated regional IT Strategy focusing on new technologies in the digital arena.

Presently, Ms. Gan serves as Chairman of the Board Compliance & Risk Management Committee and Nominations Committee and is a member of the Board Audit and Remuneration Committees of the Company.



Mr. Kenichi Shoji joined the Board of MSIG Insurance (Malaysia) Bhd as an Independent Non-Executive Director on 21 October 2022 and is currently the Managing Director of Toyota Tsusho (Malaysia) Sdn Bhd. Prior to this, he was the General Manager, Global Parts Department of Toyota Tsusho Corporation since 2018.

A graduate in law from Kwansei Gakuin University Japan, Mr. Shoji has more than 30 years of working experience in the automotive parts during his tenure with Toyota Tsusho Corporation. He also has experience in overseas posting where he worked at Toyota Tsusho America Inc. from 2001 to 2007, Toyota Tsusho Corporation from 2007 to 2013 as Group Leader, Asia Oceania Group, Global Parts Department and as Marketing Director, Global Parts & Logistic Division in PT Toyota Tsusho Indonesia from 2013 to 2018.

Presently, Mr. Shoji serves as Chairman of the Board Remuneration Committee and is a member of the Audit, Nominations and Compliance & Risk Management Committees of the Company.

DIRECTORS' PROFILES



Ms. Loh Guat Lan joined the Board of MSIG Insurance (Malaysia) Bhd ("MSIG") as a Non-Independent Non-Executive Director on 1 October 2010. She is currently the Group Managing Director / Chief Executive Officer ("GMD/CEO") of Hong Leong Assurance ("HLA"), a subsidiary of HLA Holdings Sdn Bhd ("HLAH"), wholly-owned by Hong Leong Financial Group Berhad (HLFG), the financial services arm of Hong Leong Group Malaysia. She was appointed to this position on 1 September 2009.

Ms. Loh holds a Bachelor of Science in Human Development and is a Fellow Member of Life Management Institute (FLMI) as well as Associate, Customer Service of Life Office Management Association (LOMA). She is also a Certified Financial Planner (CFP) and Registered Financial Planner (RFP).

Ms. Loh has extensive experience in the insurance industry, including agency management, branch management agency development and training. She was previously the Chief Operating Officer (Life Division) of HLA and prior to joining HLA, she was in the employment of American International Assurance Company Limited where her last position was Vice President & Senior Director of Agency (Malaysia).

Ms. Loh is the Chairman of HL Assurance Pte Ltd, Singapore, and a Director of HLAH; Hong Leong MSIG Takaful Berhad; Hong Leong Insurance (Asia) Limited, Hong Kong; L.I.A.M. Holding Sdn Bhd and L.I.A.M. Property Sdn Bhd. She is also a Committee Member of the Life Insurance Association of Malaysia (LIAM). She was a Director of The Malaysian Insurance Institute and was a Board Member of Financial Industry Collective Outreach (FINCO).

Presently, she is a member of the Board Investment Committee of the Company.



Datin Cheryl was the Deputy Head of Equities at a prominent asset management firm, overseeing more than RM2bn in equities. As a key member of the pioneering team, she played an integral role in establishing a strong reputation for delivering superior, consistent, and risk-adjusted performance.

She holds a Bachelor's Degree in Accounting and Finance from Monash University in Australia and is also a member of the CFA Institute.

Presently, Datin Cheryl serves as Chairman of Investment Committee and is a member of the Board Remuneration Committee and Compliance & Risk Management Committee of the Company.

DIRECTORS' PROFILES



Mr. Clemens Philippi was appointed CEO of the Singapore-based Asia regional office of Mitsui Sumitomo Insurance on 1 April 2022.

With over 20 years of experience in the insurance industry as risk consultant, broker and insurer, Mr. Philippi has worked in Luxembourg, London and Tokyo before settling in Singapore in 2015.

Prior to joining MSIG, Mr. Philippi was leading regional business development for Allianz Global Corporate & Specialty based here. In 2017, he took on full P&L responsibility as ASEAN CEO of Euler Hermes, a subsidiary of Allianz.

Mr. Philippi was Chief Operating Officer of MSIG Asia when he joined in 2021, leading the Business Development & Digitalisation, Technology Solutions, Risk Management & Actuarial Services, and Technical Services departments which contributed to the profitable and sustainable growth of MSIG in the region.

He attained his Master's Degree in Germany's University of Trier with a major in Japanese Studies, and a minor in Business Administration and Political Science. He also studied in one of U.S.' top ranking university, Loyola Marymount University, with a sports scholarship, and obtained his Bachelor's Degree with a major in Asian-Pacific Studies and a minor in Business Administration.

Presently, Mr. Philippi serves as member of the Board Nominations Committee of the Company.

CORPORATE INFORMATION

BOARD NOMINATIONS COMMITTEE

Chairman: Ms. Gan Bee Lan
Members: Dato' Sri Muthanna bin Abdullah
Mr. Kenichi Shoji
Mr. Clemens Philippi

BOARD REMUNERATION COMMITTEE

Chairman: Mr. Kenichi Shoji
Members: Dato' Sri Muthanna bin Abdullah
Ms. Gan Bee Lan
Datin Cheryl Kaur Pola

BOARD COMPLIANCE & RISK MANAGEMENT COMMITTEE

Chairman: Ms. Gan Bee Lan
Members: Mr. Lim Tiang Siew
Mr. Kenichi Shoji
Datin Cheryl Kaur Pola

BOARD AUDIT COMMITTEE

Chairman: Mr. Lim Tiang Siew
Members: Dato' Sri Muthanna bin Abdullah
Ms. Gan Bee Lan
Mr. Kenichi Shoji

BOARD INVESTMENT COMMITTEE

Chairman: Datin Cheryl Kaur Pola
Members: Dato' Sri Muthanna bin Abdullah
Ms. Loh Guat Lan
Mr. Chua Seck Guan
Mr. Toshibumi Suzuki @ Toshibumi Kikuchi

EXTERNAL AUDITOR

KPMG PLT

REGISTERED OFFICE

Level 12, Menara Hap Seng 2,
Plaza Hap Seng,
No.1, Jalan P. Ramlee,
50250 Kuala Lumpur.

TECHNICAL ADVISORS

Mr. Yuji Nakano
Bachelor of Business and Commerce

Mr. Toshihiro Kuroi
Master of Economics

Mr. Hideo Muroi
Bachelor of Policy Management

Mr. Ippei Saisu
Bachelor of Economics

Mr. Masaya Ikeda
Bachelor of Economics

Mr. Ryo Kato
Bachelor of Language and Culture

Mr. Kodai Naito
Bachelor of Science

SENIOR MANAGEMENT



CHIEF EXECUTIVE OFFICER
Chua Seck Guan
ANZIIF (Snr Assoc)



DEPUTY CHIEF EXECUTIVE OFFICER
Toshibumi Suzuki @ Toshibumi Kikuchi
Bachelor of Laws



CHIEF OPERATING OFFICER
Soh Lai Sim
CA (M), CPA, FCTIM



JAPANESE TECHNICAL ADVISOR
Yuji Nakano
Bachelor of Business and Commerce

Note: The composition of the Senior Management Team is as of 1 April 2025.

SENIOR MANAGEMENT



EXECUTIVE VICE PRESIDENT

IT, Digital, Bancassurance & Branding

Chin Jee Gwan

BSc (Hons), MSc



SENIOR VICE PRESIDENT

Business Units

Ang Yien Chia

B.Sc (BA), DMII



SENIOR VICE PRESIDENT

Franchise & Direct Corporate

Victor Chen Fan Loan

ANZIIF (Assoc) CIP, DMII



SENIOR VICE PRESIDENT

Enterprise Risk Management

Kelvin Hii Chee Yun

FIAA, BCom (Hons)



SENIOR VICE PRESIDENT

Agency

Gary Lim Lean Leong

AMII, ACII, ANZIIF (Snr Assoc), CIP



SENIOR VICE PRESIDENT

Claims & Reinsurance

Marianne Sow Mei Eng

FCII, FMII, Chartered Insurer



SENIOR VICE PRESIDENT

Underwriting (Commercial Lines)

Amy Tan Gow Hou

B.Econ (Hons), FCII, FMII, Chartered Insurer



SENIOR VICE PRESIDENT

Customer Experience, Business Excellence & Business Operations Support

Jean Wong Siew Hong

Bachelor of Business



VICE PRESIDENT

Underwriting (Personal Lines)

Tiffany Tan Shi En

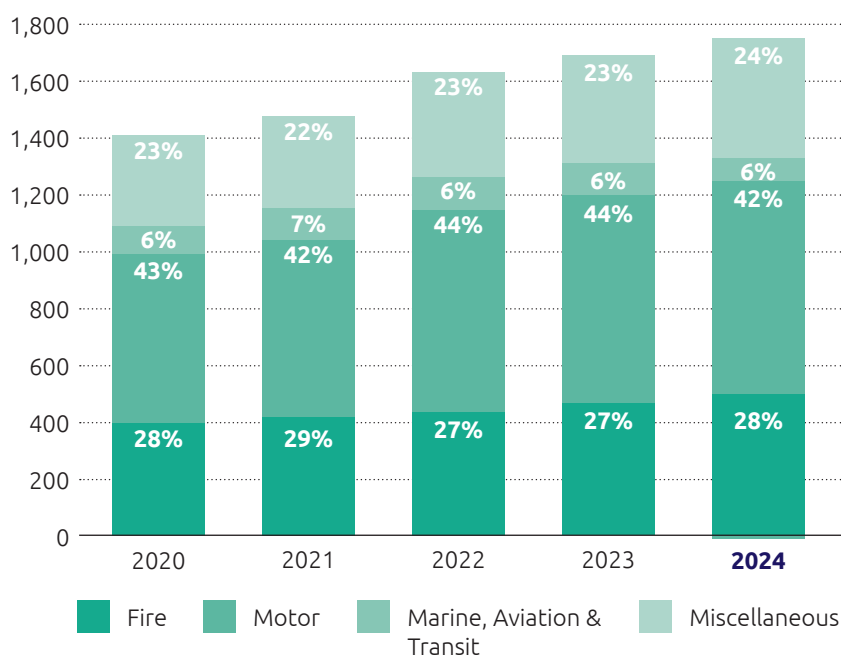
Bsc (Hons) Actuarial Science, FCAS

FINANCIAL HIGHLIGHTS

COMPOSITION OF 2024 GROSS WRITTEN PREMIUM

TOTAL
RM **1.8** BILLION

RM (million)



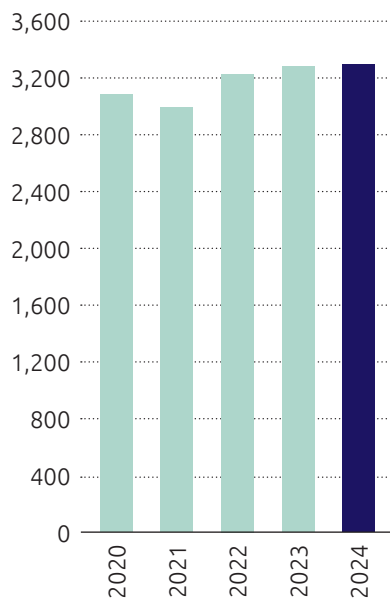
YEAR ENDED 31 DECEMBER	RM'000				
	2020	2021	2022* Restated	2023*	2024*
Paid-up Share Capital	1,511,546	1,511,546	1,511,546	1,511,546	1,511,546
Total Equity	3,117,850	3,091,114	3,230,630	3,290,780	3,317,135
Total Assets	5,292,289	6,165,155	5,705,322	5,682,791	5,681,752
Gross Written Premium	1,403,123	1,477,731	1,633,043	1,708,040	1,765,266
Underwriting Results / Insurance Service Result*	254,165	246,065	275,628	256,341	249,389
Investment & Other Income / Investment, Finance Expenses & Others*	117,594	97,597	47,959	113,786	150,320
Profit Before Taxation	371,759	343,662	323,587	370,127	399,709
Profit After Taxation	290,589	280,047	245,657	295,858	324,867
Earning Per Share (RM)	0.87	0.84	0.74	0.89	0.98
NTA Per Share (RM)	5.92	5.84	6.25	6.44	6.51
Total Workforce	1,088	1,043	986	975	986

*The Company has applied MFRS 17 & 9 on 1 Jan 2023 and restated 2022 comparative information on adoption of MFRS 17.

Financial Highlights

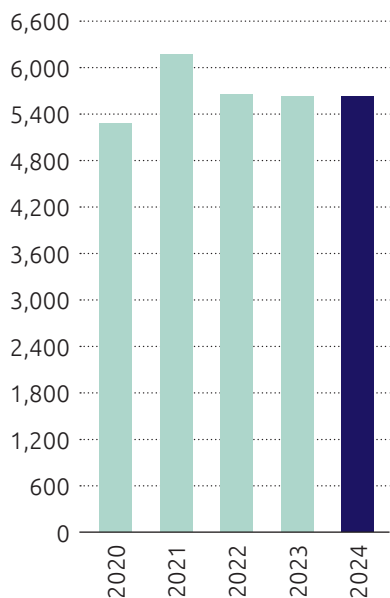
TOTAL EQUITY

(RM MILLION)



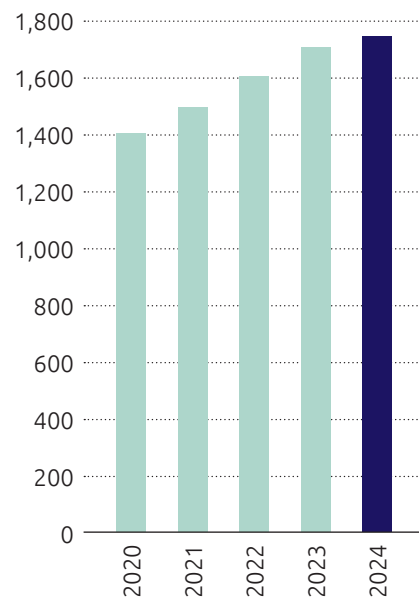
TOTAL ASSETS

(RM MILLION)



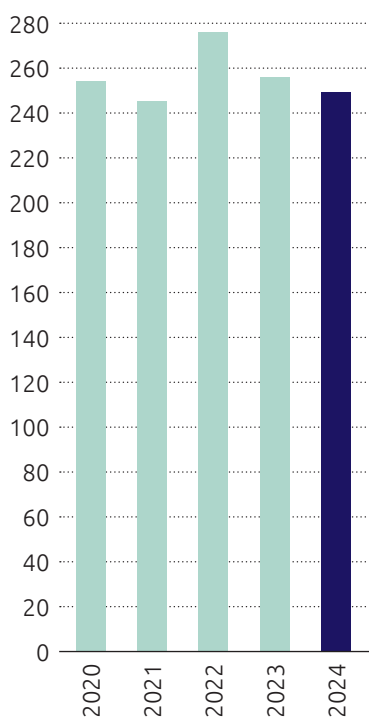
GROSS WRITTEN PREMIUM

(RM MILLION)



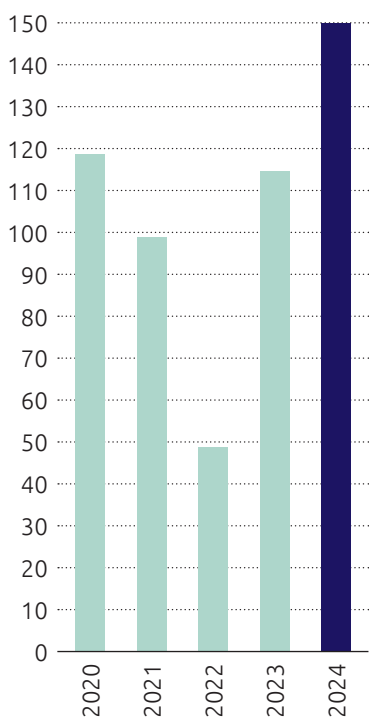
UNDERWRITING RESULTS / INSURANCE SERVICE RESULT*

(RM MILLION)



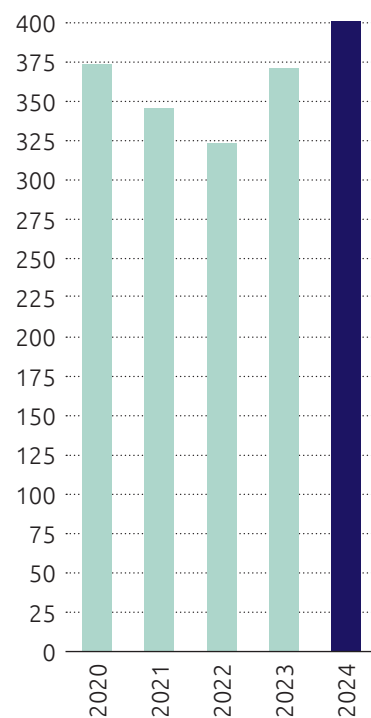
INVESTMENT & OTHER INCOME / INVESTMENT, FINANCE EXPENSES & OTHERS*

(RM MILLION)



PROFIT BEFORE TAXATION

(RM MILLION)



CHAIRMAN'S STATEMENT

**ON BEHALF OF THE BOARD OF DIRECTORS,
I AM PLEASED TO PRESENT THE ANNUAL REPORT
AND FINANCIAL STATEMENTS OF THE COMPANY
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2024 (FY2024).**

The FY2024 Financial Statements are based on the Malaysian Financial Reporting Standards (MFRS) for Insurance Contracts (MFRS 17) and Financial Instruments (MFRS 9) which came into effect on 1 January 2023.

Dato' Sri Muthanna bin Abdullah
Chairman



CHAIRMAN'S STATEMENT

FINANCIAL REVIEW

In 2024, the Company recorded its highest Profit After Tax at RM324.9 million, an increase of RM29.0 million compared to the preceding year of RM295.9 million. Earnings per share is reported at 97.5 sen versus preceding year at 88.8 sen.

Gross Written Premium (GWP) recorded a growth of 3.4%, or RM57.2 million, to close at RM1.76 billion. Growth was recorded mainly from Commercial Property (RM30.9 million) and Commercial Other (RM11.5 million), while the digital business segment and travel insurance both recorded an encouraging growth of 39.3% (RM22.8 million) and 28.4% (RM4.8 million) respectively.

In the General Insurance Industry, MSIG Insurance (Malaysia) Bhd is ranked No. 5 in market position based on gross direct premium.

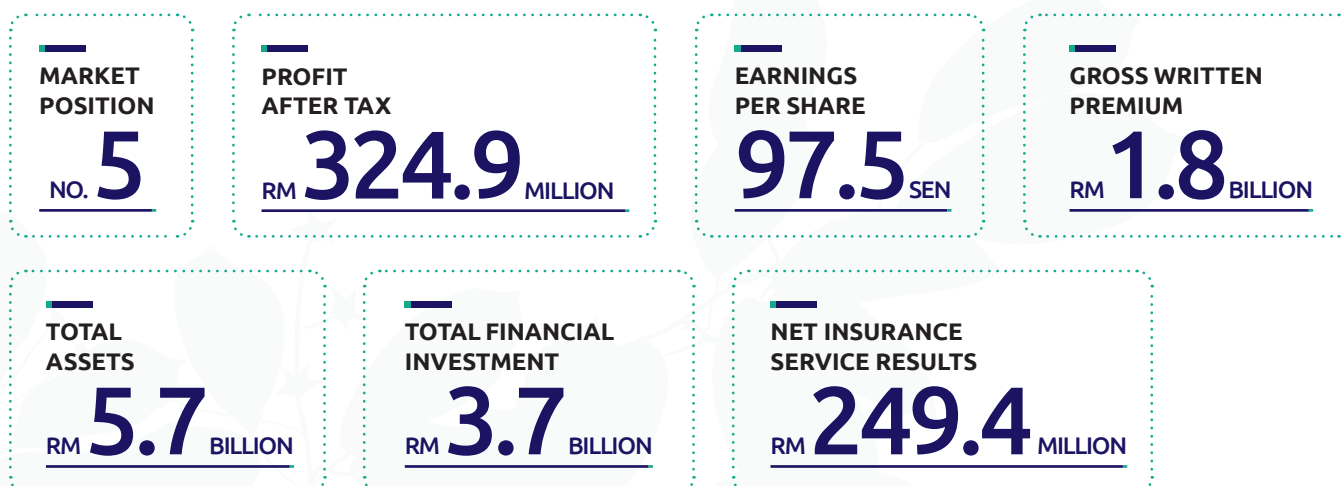
The Company's Net Insurance Service Results of RM249.4 million was lower by RM7.0 million (2.7%) against 2023. The Company's Net Combined Ratio was 81.2% in 2024 compared to 80.1% in 2023.

Claims trends were higher in the Motor and Commercial Property classes due to an increase in claims frequency and severity and an increase in the number of large losses.

The Company's total Financial Investments continued to grow to RM3.7 billion, an increase of RM150.5 million or 4.2% in 2024.

Net Investment income, including realised and fair value gains amounting to RM199.6 million, an increase of RM32.1 million, is mainly derived from equity and from higher interest income.

Total Assets, including Goodwill, stood at RM5.7 billion as at the financial year ended in 2024.



CHAIRMAN'S STATEMENT

OPERATIONAL REVIEW

Products and Services

In 2024, new products addressed present and upcoming trends, bolstering existing products with add-ons to fit policyholders' needs and creating new coverage for emerging target markets.

FlexiCo Medical Insurance

A health protection plan designed to adapt to policyholders' preferences, especially to the cost-conscious, to customise their protection plan based on their needs. It covers hospitalisation and surgical expenses due to accident and illnesses with a co-insurance feature.

Policyholders have the flexibility to choose optional add-ons for better coverage, boost overall annual limit, or opt for a higher co-insurance limit.



Houseowner / Householder Add-On: Home Protector

Five distinct plans to complement different fire insurance policyholders — from landlords seeking protection to those servicing mortgage loan instalments.

The plans also safeguard valuable items, offer personal liability protection, and even cover pet-related concerns to cover a wide range of individualised protection to customers.



Travel Add-On: Cruise Benefit

A valuable supplement to a travel insurance policy, the add-on protects policyholders against financial loss arising from changes to the policyholder's cruise excursions due to unforeseen events. This could take the form of reimbursing the non-refundable excursion tour cost.



Motor Add-On: EV Plus

To address the needs of a growing Electric Vehicle (EV) demographic, this add-on provides compensation against loss or damage to EV Home Wall Charger due to fire, lightning or other perils.

It also includes personal liability coverage against third party bodily injury or death, or third-party property damage due to direct use of EV Home Charger, inconvenience allowances, and 24-hour towing service to policyholder's home or nearest EV charging station if a policyholder's EV runs out of battery.



Motor Add-On: Commercial Vehicle Truck Assist

This add-on is a new addition for commercial vehicle owners. It is designed for vehicles up to 8,000 kg (with load) and aged 15 years and below.

It provides essential assistance features, including Roadside Assistance up to four times per year, on-site repair services in the event of breakdown, and towing services for a round trip of up to 150km, minimising downtime and disruption to business operations.



CHAIRMAN'S STATEMENT

Sustainability-driven products

The Company recognises the importance of aligning with global trends to remain relevant and achieve a common goal towards sustainability. In 2024, our sustainability-driven products achieved significant business traction, with an impressive 121% growth compared to the past year. The Company will continue to focus on growing this product category this year.

EZ Mile Motor Add-on

Motor Insurance (EV)

Built Back Better Green Clause

Solar PV All Risk

Solar PV for Home

IT & Digitalisation

Digital channels played a pivotal role in enhancing business performance, contributing RM80 million in GWP and representing a 39% increase from the previous year. This growth was predominantly driven by MSIG Online sales and digital partnerships, along with targeted social media campaigns that boosted brand visibility, emphasising the significance of digital channels as a major growth driver.

The Company revolutionised the claims assessment process with Artificial Intelligence (AI). By analysing media files, it could assess vehicular damage and determine the most cost-effective repair. In specific use-cases, the system processed 56% of external body damage claims with 93% accuracy, improving turnaround time and benefitting customers with faster claims settlement.

GenLink 2, the Company's new platform for intermediaries, provides an intuitive user interface that enhances B2B2C relationships and enables seamless end-to-end processing within a secure environment. The digital portal is also optimised for mobile devices, allowing business partners to manage business acquisition on-the-go and expand their outreach potential.



CHAIRMAN'S STATEMENT

Claims

Supporting Phased Liberalisation of Motor Insurance

The Company's Internal Dispute Resolution was established in December 2024 under the Panel Workshop Management, Wreck Disposal Committee, in response to and as recommended by Bank Negara Malaysia's (BNM) Insurer and Takaful Operators-Repairers Code of Conduct (COC). The Company will continue to support the industry's initiatives in implementing the COC and the Independent Dispute Resolution Framework (IDRF) as part of motor claims reform.

Claims Settlement Roadmap

In compliance with BNM's Policy Document on Claims Settlement Practices, which promotes fair, transparent, and timely claims, the Company has conducted an operational review to evaluate the efficiency and adherence of claims handling processes. The key focus was to ensure all claims settlements are aligned with the policy provisions and requirements. Operational challenges have been identified, and mitigation actions have been successfully implemented.

Fast Track Claims

Additionally, as part of our customer-centric approach, the Company has implemented fast-track claims initiatives for travel, pet, and marine insurance.

Data and Analytics

Using data-informed insights in key functions has become an integral part of the Company, supporting various departments, including underwriting, claims, marketing, and product development. To drive innovation and stay ahead of the curve in the industry, the Company actively encourages experimentation and implementation of machine learning across the organisation.



CHAIRMAN'S STATEMENT

People

With the aim of developing an adaptive and agile workforce, additional alternative workforce channels have been introduced, including full-time remote work and hybrid work arrangements. The Company also celebrates the onboarding of the first fully remote People With Disability (PWD) employee as a pivotal step in our commitment to diversity and inclusion.

A landmark in our social media presence, the Company's new LinkedIn Life page has reached a significant milestone of 10,000 followers. Moreover, employees who were given access to LinkedIn's Learning & Development portal, LinkedIn Learning, displayed commendable initiative by logging 10,507 hours of self-directed learning. In recognition of this achievement, the Company was honoured with the LinkedIn Learning Award Champion of 2024.

As part of a new Employee Wellness initiative, the Company has launched the Long-Term Medication programme. This partnership provides employees with the flexibility to obtain essential medication at their convenience, whether delivered directly to their home, to a panel pharmacy, or to a designated medicine locker at the office. Thus, the Company supports employees in their long-term health management.

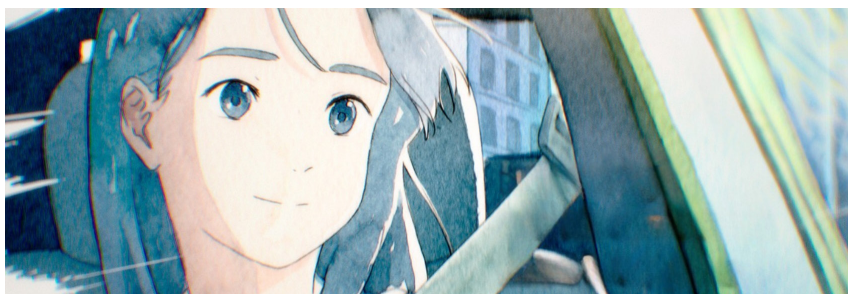
Brand Awareness

The Company continued its consumer education programme to raise awareness of motor insurance in support of BNM's agenda towards Phased Liberalisation of Motor Insurance 2.0. Consumer awareness content was shared on digital platforms and through radio advertising, highlighting essential information such as product coverage, claims, and digital roadside assistance services. This initiative also included the involvement and support of the *Persatuan Insurans Am Malaysia* (PIAM)'s Consumer Education Programme.



Taking the learnings from various sessions with MSI Japan Head Office's (HO) Customer Experience (CX) team, the Company embarked on a travel insurance advertising campaign involving travel-related content platforms and creators—one in each of Malaysia's main language groups. Over the campaign period, a collection of articles and short videos reached 1.74 million users on different social media platforms. It increased the number of new users to MSIG Online by up to 10%.

In collaboration with the CX team at MSI Japan HO, the Company was also involved in an advertising campaign called "You Ready?" on social media as well as digital outdoor out-of-home advertising. The featured advertisement, rendered in a Japanese animation style, has been widely and positively received.



Alongside other business units across the region, MSIG Asia became the Official Insurance Partner of ASEAN United FC tournaments, including the Title Partner of the ASEAN Women's MSIG Serenity Cup™, which is set to commence in Q3 2025. In support of the end-of-year Mitsubishi Electric Cup™, the Company organised an on-ground event to enhance brand presence and educate a new audience on the importance of insurance.



CHAIRMAN'S STATEMENT

Sustainability



UN SDG 3 Good Health and Well-Being

Aside from its focus on supporting BNM's Consumer Education Programme, the Company continued embedding road safety messages into festive messages that were shared with intermediaries, business partners, and the public through social media.



UN SDG 4 Quality Education

In collaboration with the Financial Institution Collective Outreach (FINCO) organisation, the Company contributed RM20,000 to two schools in Pahang for flood relief. The MSIG Kuantan branch also visited the site to assist with the school refurbishment.



UN SDG 11 Sustainable Cities and Communities

The Company continued in its efforts to be a part of local communities through the Act of Kindness initiative, which contributed over RM192,000 to local communities across organisations helping children, the elderly, the differently abled, women, and various community care and relief organisations.



BNM organised two events called *Karnival Celik Kewangan* (KCK) as part of its Financial Literacy agenda. The Company supported both events in Pahang and Sarawak, where local branch staff reached out to mall visitors to talk about various aspects of insurance.



CHAIRMAN'S STATEMENT



UN SDG 13 Climate Action

In continued support of the Malaysian Nature Society (MNS), the Company has collectively, through monetary support and manpower, planted 10,587 mangrove saplings since 2019. Staff from five states went to seven sites in their locality to help with the activities and learn more about the importance of protecting and replenishing these vital sites.

The Company also organised a river cleaning and plastic recycling workshop in partnership with Fuze Ecoteer.



Governance and Enterprise Risk Management (ERM)

The Company has a zero-tolerance policy on dishonest or unlawful acts, and employees and business partners are required always to maintain the highest ethical and professional standards. In support of this, the security task force continued to assess Fraud Risk, reviewing existing fraud detection and preventive measures.

Additional measures have been implemented to strengthen the foundations of the Company as a responsible corporate entity. The task force has continued to assess bribery and corruption risks, extending this to branch operations and including an awareness programme for staff and business partners as a measure under Section 17A of the Malaysian Anti-Corruption Commission Act 2009, which governs the offence of corruption committed by commercial organisations.

The Company remains committed to the principles outlined in its ERM Framework to guarantee that its risk exposures are effectively managed. Regular assessments of the Company's risk profile facilitate the prompt identification, careful consideration, and close monitoring of emerging material risks. The Company continues to foster a robust risk culture to enhance its risk governance.

To better control customer information and the Company's assets, a Data Loss Prevention (DLP) system has been implemented to safeguard and further strengthen data protection.



CHAIRMAN'S STATEMENT

Outlook

The General Insurance industry is expected to grow moderately at 7.8% Compound Annual Growth Rate (CAGR) by 2028, having achieved a growth of 7.1% in 2024.

With that in mind, the Company will concentrate on new, sustainable growth strategies and profitable segments to ensure it meets Customers' needs across various distribution channels. Staying current with new technologies and market trends is essential for enhancing operational capability and maintaining competitiveness.

I am confident in the Company's ability to navigate the future and have complete faith in our Management Team's ability to achieve our strategic objectives and goals. I look forward to sharing more of our achievements with our valued stakeholders and shareholders in the future.

ACKNOWLEDGEMENT

On behalf of the Board, I hereby express my appreciation to Bank Negara Malaysia and the relevant Regulatory Authorities for their sound guidance and advice throughout our financial year.

We also extend our gratitude and appreciation to our valued intermediaries, clients, and business partners for their strong, continuous support in 2024.

The Board also wishes to extend its appreciation to the Senior Management Team and staff for their dedication and commitment to continuous improvements in line with the Company's core values.

We are pleased to welcome Datin Cheryl Kaur Pola as an Independent Non-Executive Director effective 1 March 2025, succeeding Ms. Pearl Chan Siew Cheng, who resigned in March 2025. The Board records its appreciation for Ms. Pearl Chan Siew Cheng's tireless contributions to the Company over the last 11 years.

Lastly, I would like to thank my fellow Directors for their continued support.

Dato' Sri Muthanna bin Abdullah

Chairman



PENYATA PENGERUSI

BAGI PIHAK LEMBAGA PENGARAH, SAYA DENGAN SUKACITANYA MEMBENTANGKAN LAPORAN TAHUNAN DAN PENYATA KEWANGAN SYARIKAT BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2024 (TK2024).

Penyata Kewangan TK2024 adalah berdasarkan Piawaian Pelaporan Kewangan Malaysia (MFRS) bagi Kontrak Insurans (MFRS 17) dan Instrumen Kewangan (MFRS 9) yang berkuat kuasa pada 1 Januari 2023.

Dato' Sri Muthanna bin Abdullah
Pengerusi



PENYATA PENERUSI

TINJAUAN KEWANGAN

Pada tahun 2024, Syarikat mencatatkan Keuntungan Selepas Cukai tertinggi pada RM324.9 juta, peningkatan sebanyak RM29.0 juta berbanding tahun sebelumnya sebanyak RM295.9 juta. Perolehan setiap saham dilaporkan pada 97.5 sen berbanding tahun sebelumnya pada 88.8 sen.

Premium Bertulis Kasar (GWP) mencatatkan pertumbuhan 3.4%, atau RM57.2 juta, ditutup pada RM1.76 bilion. Pertumbuhan dicatatkan terutamanya daripada perniagaan Harta Komersial (RM30.9 juta) dan Komersial Lain-lain (RM11.5 juta), manakala kedua-dua segmen perniagaan digital dan insurans perjalanan mencatatkan pertumbuhan GWP yang memberangsangkan, masing-masing sebanyak 39.3% (RM22.8 juta) dan 28.4% (RM4.8 juta).

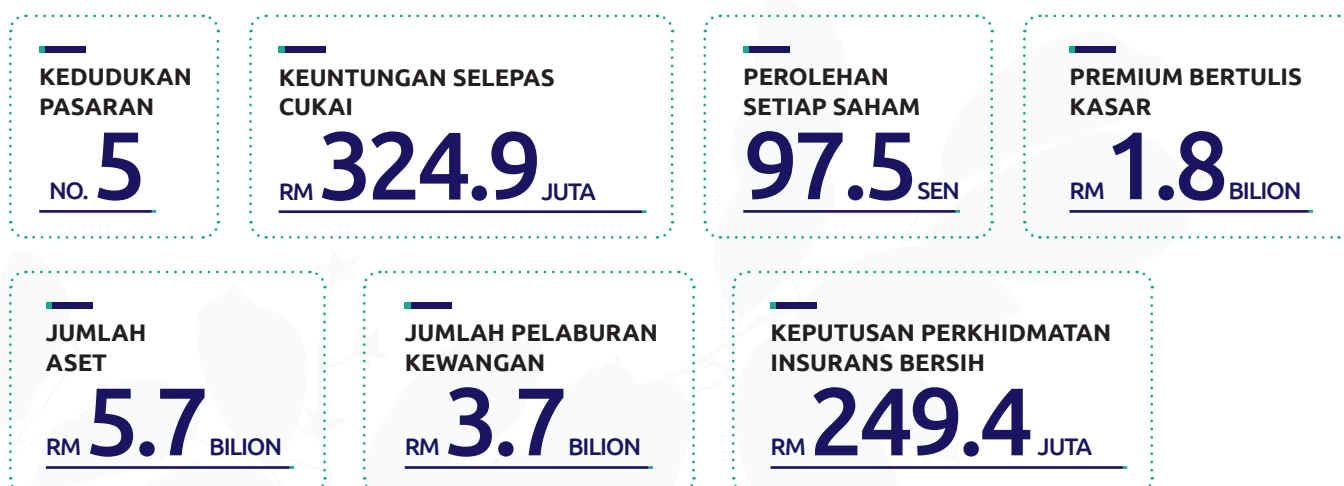
Dalam Industri Insurans Am, MSIG Insurance (Malaysia) Bhd menduduki kedudukan pasaran No. 5 berdasarkan premium langsung kasar.

Keputusan Perkhidmatan Insurans Bersih Syarikat sebanyak RM249.4 juta adalah lebih rendah sebanyak RM7.0 juta (2.7%) berbanding tahun 2023. Kadar Kendalian Digabungkan Bersih Syarikat berada pada 81.2% pada tahun 2024 berbanding 80.1% pada tahun 2023.

Trend tuntutan adalah lebih tinggi dalam kelas perniagaan Motor dan Harta Komersial disebabkan oleh kekerapan dan keseriusan tuntutan yang lebih tinggi serta peningkatan dari segi bilangan kerugian yang besar.

Jumlah Pelaburan Kewangan Syarikat terus berkembang kepada RM3.7 bilion, iaitu peningkatan sebanyak RM150.5 juta atau 4.2% pada tahun 2024. Pendapatan Pelaburan Bersih, termasuk keuntungan direalisasikan dan nilai saksama berjumlah RM199.6 juta, iaitu peningkatan sebanyak RM32.1 juta, telah diperolehi terutamanya daripada ekuiti dan pendapatan faedah yang lebih tinggi.

Jumlah Aset, termasuk Muhibah, berjumlah RM5.7 bilion pada tahun kewangan berakhir pada 2024.



PENYATA PENERUSI

TINJAUAN OPERASI

Produk dan Perkhidmatan

Pada tahun 2024, produk baharu telah diperkenalkan untuk menangani trend semasa dan akan datang, mengukuhkan produk sedia ada dengan perlindungan tambahan untuk memenuhi keperluan pemegang polisi dan mewujudkan perlindungan baharu untuk pasaran sasaran yang baru muncul.

Insurans Perubatan FlexiCo

Pelan perlindungan kesihatan yang direka untuk memenuhi kehendak pemegang polisi, terutamanya bagi mereka yang mengutamakan kos, pelan perlindungan ini boleh diubah suai berdasarkan keperluan mereka. Produk ini meliputi perbelanjaan hospital dan pembedahan akibat kemalangan dan penyakit serta mempunyai elemen ko-insurans.

Pemegang polisi mempunyai fleksibiliti untuk memilih perlindungan tambahan bagi mendapatkan liputan perlindungan yang lebih baik, meningkatkan had tahunan keseluruhan atau memilih had ko-insurans yang lebih tinggi.



Perlindungan Tambahan Empunya Rumah / Isi Rumah: Perlindungan Rumah

Lima pelan yang berlainan untuk melengkapkan polisi insurans kebakaran bagi pemegang polisi yang berbeza-beza — daripada tuan tanah yang mencari perlindungan kepada mereka yang membayar ansuran pinjaman gadai janji.

Pelan ini juga meliputi pelbagai jenis perlindungan kepada pelanggan termasuk melindungi barangan berharga, menawarkan perlindungan liabiliti peribadi, dan juga menyediakan perlindungan berkaitan haiwan peliharaan.



Perlindungan Tambahan Perjalanan: Manfaat Pelayaran

Tambahan berharga kepada polisi insurans perjalanan, iaitu perlindungan tambahan yang melindungi pemegang polisi daripada kerugian kewangan akibat perubahan kepada jadual lawatan persiaran pemegang polisi disebabkan oleh kejadian yang tidak dijangka. Perlindungan yang disediakan adalah dalam bentuk pembayaran balik kos lawatan persiaran yang tidak boleh dikembalikan.



Perlindungan Tambahan Motor: EV Plus

Untuk menangani keperluan demografi Kenderaan Elektrik (EV) yang semakin meningkat, perlindungan tambahan ini menyediakan pampasan terhadap kehilangan atau kerosakan pada Pengecas Dinding Rumah EV akibat kebakaran, kilat atau bencana khas lain.

Manfaat polisi ini juga termasuk perlindungan liabiliti peribadi terhadap kecederaan atau kematian pihak ketiga, atau kerosakan harta benda pihak ketiga akibat penggunaan langsung Pengecas Rumah EV, elaun kesulitan dan perkhidmatan tundaan 24 jam ke rumah pemegang polisi atau stesen pengecasan EV terdekat jika EV pemegang polisi kehabisan bateri.



PENYATA PENERUSI

Perlindungan Tambahan Motor: Bantuan Kenderaan Pengangkutan Barangan

Perlindungan tambahan ini merupakan tambahan baharu untuk pemilik kenderaan komersial. Polisi ini direka untuk kenderaan sehingga berat 8,000 kg (dengan muatan) dan berumur 15 tahun dan ke bawah.

Ia menyediakan ciri bantuan penting, termasuk Bantuan Tepi Jalan sehingga empat kali setahun, perkhidmatan pembaikan di tempat kejadian sekiranya berlaku kerosakan, dan perkhidmatan tundaan untuk perjalanan pergi dan balik sehingga 150km, meminimumkan masa henti dan gangguan kepada operasi perniagaan.



Produk yang didorong kemampanan

Syarikat menyedari keperluan untuk mengikuti aliran global untuk kekal relevan dan mencapai matlamat bersama ke arah kemampanan. Pada tahun 2024, produk didorong kemampanan kami mencapai daya tarikan perniagaan yang ketara, dengan pertumbuhan 121% yang mengagumkan berbanding tahun lalu. Syarikat akan terus menumpukan usaha pada perkembangan kategori produk ini pada tahun ini.



IT & Digitalisasi

Saluran digital memainkan peranan penting dalam meningkatkan prestasi perniagaan, menyumbang RM80 juta dalam GWP dan mewakili peningkatan 39% daripada tahun sebelumnya. Pertumbuhan ini didorong terutamanya oleh jualan dan perkongsian digital MSIG Online, bersama dengan kempen media sosial yang disasarkan yang meningkatkan keterlihatan jenama, menekankan kepentingan saluran digital sebagai pemacu pertumbuhan utama.

Syarikat merevolusikan proses penilaian tuntutan dengan Kecerdasan Buatan (AI). Dengan menganalisis fail media, ia boleh menilai kerosakan kenderaan dan menentukan pembaikan yang paling kos efektif. Dalam kes penggunaan tertentu, sistem ini telah memproses 56% tuntutan kerosakan badan luaran dengan ketepatan 93%, meningkatkan masa pemulihan dan memanfaatkan pelanggan dengan penyelesaian tuntutan yang lebih pantas.

GenLink 2, platform baharu Syarikat bagi pengantara, menyediakan antara muka pengguna intuitif yang meningkatkan hubungan B2B2C dan membolehkan pemprosesan hujung ke hujung yang lancar dalam persekitaran yang selamat. Portal digital juga dioptimumkan untuk peranti mudah alih, membolehkan rakan kongsi perniagaan mengurus pemerolehan perniagaan di mana sahaja dan mengembangkan potensi jangkauan mereka.



PENYATA PENERUSI

Tuntutan

Menyokong Liberalisasi Berperingkat Insurans Motor

Penyelesaian Pertikaian Dalaman Syarikat telah ditubuhkan pada Disember 2024 di bawah Panel Pengurusan Bengkel, Jawatankuasa Pelupusan Bangkai, sebagai tindak balas kepada dan seperti yang disyorkan oleh Kod Etika Pembaiki (COC) Bank Negara Malaysia (BNM) bagi Penanggung Insurans dan Pengendali Takaful. Syarikat akan terus menyokong inisiatif industri dalam melaksanakan COC dan Rangka Kerja Penyelesaian Pertikaian Bebas (IDRF) sebagai sebahagian daripada pembaharuan tuntutan motor.

Pelan Penyelesaian Tuntutan

Selaras dengan Dokumen Polisi Amalan Penyelesaian Tuntutan BNM, yang menggalakkan tuntutan yang adil, telus dan tepat pada masanya, Syarikat telah menjalankan semakan operasi untuk menilai kecekapan dan pematuhan proses pengendalian tuntutan. Tumpuan utama adalah untuk memastikan semua penyelesaian tuntutan sejajar dengan peruntukan dan keperluan polisi. Cabaran operasi telah dikenal pasti, dan tindakan mitigasi telah berjaya dilaksanakan.

Tuntutan Pantas

Selain itu, sebagai sebahagian daripada pendekatan berpusatkan pelanggan kami, Syarikat telah melaksanakan inisiatif tuntutan pantas untuk insurans perjalanan, haiwan peliharaan dan marin.

Data dan Analitik

Penggunaan maklumat berasaskan data dalam fungsi-fungsi utama telah menjadi sebahagian penting Syarikat, menyokong pelbagai jabatan, termasuk taja jamin, tuntutan, pemasaran dan pembangunan produk. Untuk memacu inovasi dan kekal di hadapan dalam industri, Syarikat secara aktif menggalakkan percubaan dan pelaksanaan pembelajaran mesin di seluruh organisasi.



PENYATA PENERUSI

Insan

Dengan tujuan untuk membangunkan tenaga kerja yang mudah suai diri dan tangkas, saluran tenaga kerja alternatif tambahan telah diperkenalkan, termasuk pengaturan kerja jarak jauh sepenuh masa dan hibrid. Syarikat juga meraikan penyertaan kakitangan pertama dalam kategori Orang Kurang Upaya (OKU) yang bekerja secara jarak jauh sepenuh masa sebagai langkah penting dalam komitmen kami terhadap kepelbagaian dan keterangkuman.

Satu mercu tanda dalam kehadiran media sosial kami, halaman *LinkedIn Life* baharu Syarikat telah mencapai kejayaan penting sebanyak 10,000 pengikut. Selain itu, kakitangan yang diberi akses kepada portal Pembelajaran & Pembangunan LinkedIn, *LinkedIn Learning*, mempamerkan inisiatif yang membanggakan dengan mencatatkan 10,507 jam pembelajaran terarah sendiri. Sebagai pengiktirafan atas pencapaian ini, Syarikat telah dinamakan sebagai Juara Anugerah Pembelajaran LinkedIn 2024.

Sebagai sebahagian daripada inisiatif Kesejahteraan Pekerja yang baharu, Syarikat telah melancarkan program Pengurusan Ubat Jangka Panjang. Kerjasama ini memudahkan kakitangan untuk mendapatkan ubat penting mengikut keselesaan mereka, sama ada dihantar terus ke rumah mereka, ke farmasi panel, atau ke loker ubat yang disediakan di pejabat. Dengan inisiatif ini, Syarikat menyokong kakitangan dari segi pengurusan kesihatan jangka panjang mereka.

Kesedaran Jenama

Syarikat meneruskan program pendidikan pengguna untuk meningkatkan kesedaran tentang insurans motor bagi menyokong agenda BNM ke arah Liberalisasi Berperingkat Insurans Motor 2.0. Kandungan kesedaran pengguna telah dikongsi pada platform digital dan melalui pengiklanan radio, menyerlahkan maklumat penting seperti liputan produk, tuntutan dan perkhidmatan bantuan tepi jalan digital. Inisiatif ini juga termasuk penglibatan dan sokongan kepada Program Pendidikan Pengguna Persatuan Insurans Am Malaysia (PIAM).



Melalui pembelajaran daripada pelbagai sesi bersama pasukan Pengalaman Pelanggan (CX) Ibu Pejabat MSI Japan (HO), Syarikat memulakan kempen pengiklanan insurans perjalanan yang melibatkan platform kandungan dan pencipta berkaitan perjalanan—satu kempen dalam setiap kumpulan bahasa utama di Malaysia. Sepanjang tempoh kempen, koleksi-koleksi artikel dan video-video pendek telah mencapai 1.74 juta pengguna di platform media sosial yang berbeza. Kempen ini telah meningkatkan bilangan pengguna baharu kepada MSIG Online sehingga 10%.

Dengan kerjasama pasukan CX di MSI Japan HO, Syarikat juga terlibat dalam kempen pengiklanan yang dipanggil “Anda Bersedia?” di media sosial serta pengiklanan digital luar rumah. Iklan yang ditampilkan, yang dipaparkan dalam gaya animasi Jepun, telah disambut baik secara meluas dan positif.



Di samping unit perniagaan lain di seluruh rantau ini, MSIG Asia menjadi Rakan Kongsi Insurans Rasmi bagi kejohanan *ASEAN United FC*, termasuk sebagai Rakan Kongsi Utama bagi Piala Wanita ASEAN, MSIG Serenity Cup™, yang akan bermula pada Q3 2025. Bagi menyokong acara akhir tahun Mitsubishi Electric Cup™, Syarikat telah menganjurkan acara di lapangan untuk meningkatkan kehadiran jenama Syarikat dan mendidik para pengunjung tentang kepentingan insurans.



PENYATA PENERUSI

Kemampanan



UN SDG 3

Kesihatan dan Kesejahteraan yang Baik

Selain daripada tumpuannya untuk menyokong Program Pendidikan Pengguna BNM, Syarikat telah meneruskan penerapan mesej keselamatan jalan raya ke dalam mesej perayaan yang dikongsi dengan pengantara, rakan kongsi perniagaan dan orang awam melalui media sosial.



UN SDG 4

Pendidikan Berkualiti

Dengan kerjasama organisasi *Financial Institution Collective Outreach* (FINCO), Syarikat telah menyumbang RM20,000 kepada dua sekolah di Pahang untuk bantuan banjir. MSIG cawangan Kuantan turut melawat tapak tersebut bagi membantu kerja-kerja baik pulih sekolah.



UN SDG 11

Bandar dan Masyarakat Mampan

Syarikat meneruskan usahanya untuk menjadi sebahagian daripada komuniti tempatan melalui inisiatif *Act of Kindness*, yang menyumbang lebih RM192,000 kepada komuniti setempat merentas organisasi yang membantu kanak-kanak, warga tua, orang kurang upaya, wanita, dan pelbagai organisasi penjagaan dan bantuan masyarakat.



BNM menganjurkan dua acara yang dipanggil Karnival Celik Kewangan (KCK) sebagai sebahagian daripada agenda Celik Kewangannya. Syarikat menyokong kedua-dua acara di Pahang dan Sarawak, di mana kakitangan cawangan tempatan bertemu dengan pengunjung pusat membeli-belah untuk berbual mengenai pelbagai aspek insurans.



PENYATA PENERUSI



UN SDG 13 Tindakan Iklim

Sebagai sokongan berterusan kepada Persatuan Pencinta Alam Malaysia (MNS), Syarikat secara kolektif, melalui sokongan kewangan dan tenaga kerja, telah menanam 10,587 anak pokok bakau sejak 2019. Kakitangan dari lima negeri telah pergi ke tujuh tapak di kawasan mereka untuk membantu menjayakan aktiviti tersebut dan mempelajari lebih lanjut mengenai kepentingan melindungi dan mempertahankan tapak-tapak penting ini.

Syarikat juga menganjurkan bengkel pembersihan sungai dan kitar semula plastik dengan kerjasama *Fuze Ecoteer*.



Tadbir Urus dan Pengurusan Risiko Perusahaan (ERM)

Syarikat mempunyai dasar toleransi sifar mengenai perbuatan tidak jujur atau menyalahi undang-undang, dan kakitangan serta rakan kongsi perniagaan dikehendaki sentiasa mengekalkan standard etika dan profesional yang tertinggi. Bagi menyokong dasar ini, pasukan petugas keselamatan berterusan menilai Risiko Penipuan, mengkaji pengesanan penipuan dan langkah pencegahan sedia ada.

Langkah tambahan telah dilaksanakan untuk mengukuhkan asas Syarikat sebagai entiti korporat yang bertanggungjawab. Pasukan petugas itu telah berterusan menilai risiko sogokan dan rasuah, mengembangkan usaha ini kepada operasi cawangan dan termasuk program kesedaran untuk kakitangan dan rakan kongsi perniagaan sebagai langkah di bawah Seksyen 17A Akta Suruhanjaya Pencegahan Rasuah Malaysia 2009, yang mengawal kesalahan rasuah yang dilakukan oleh organisasi komersial.

Syarikat kekal komited kepada prinsip yang digariskan dalam Rangka Kerja ERM untuk menjamin bahawa pendedahan risikonya diuruskan dengan berkesan. Penilaian berkala terhadap profil risiko Syarikat memudahkan pengenalan segera, pertimbangan yang teliti, dan pemantauan rapi terhadap risiko material yang baru muncul. Syarikat terus memupuk budaya risiko yang teguh untuk memperkukuhkan tadbir urus risikonya.

Untuk mengawal maklumat pelanggan dan aset Syarikat dengan lebih baik, sistem Kawalan Ketirisan Maklumat Elektronik (DLP) telah dilaksanakan untuk melindungi dan mengukuhkan lagi perlindungan data.



PENYATA Pengerusi

Tinjauan

Industri Insurans Am dijangka berkembang secara sederhana pada Kadar Pertumbuhan Tahunan Kompaun (CAGR) 7.8% menjelang 2028, setelah mencapai pertumbuhan 7.1% pada 2024.

Dengan itu, Syarikat akan menumpukan pada strategi pertumbuhan baharu yang mampan dan segmen yang menguntungkan untuk memastikan ia memenuhi keperluan Pelanggan merentasi pelbagai saluran pengedaran. Sentiasa mengikuti teknologi baharu dan arah aliran pasaran terkini adalah penting untuk meningkatkan keupayaan operasi dan mengekalkan daya saing.

Saya yakin dengan keupayaan Syarikat untuk mengemudi pada masa hadapan dan saya mempunyai kepercayaan penuh terhadap keupayaan Pasukan Pengurusan kami untuk mencapai objektif dan matlamat strategik kami. Saya berharap untuk berkongsi lebih banyak pencapaian kami dengan pihak berkepentingan dan pemegang saham kami yang dihargai pada masa hadapan.

PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya dengan ini merakamkan penghargaan saya kepada Bank Negara Malaysia dan Pihak Berkuasa Pengawalseliaan yang berkenaan atas bimbingan dan nasihat yang baik mereka sepanjang tahun kewangan kami.

Kami juga menyampaikan ucapan terima kasih dan penghargaan kami kepada pengantara, pelanggan dan rakan kongsi perniagaan kami yang dihargai atas sokongan padu dan berterusan mereka sepanjang tahun 2024.

Lembaga Pengarah juga ingin menyampaikan penghargaan kepada Pasukan Pengurusan Kanan dan kakitangan atas dedikasi dan komitmen mereka terhadap penambahbaikan berterusan selaras dengan nilai-nilai teras Syarikat.

Kami berbesar hati mengalu-alukan Datin Cheryl Kaur Pola sebagai Pengarah Bukan Eksekutif Bebas berkuat kuasa 1 Mac 2025, menggantikan Puan Pearl Chan Siew Cheng, yang telah meletakkan jawatan pada Mac 2025. Lembaga Pengarah merakamkan penghargaan atas sumbangan Puan Pearl Chan Siew Cheng kepada Syarikat sepanjang 11 tahun.

Akhir sekali, saya ingin mengucapkan terima kasih kepada rakan-rakan Pengarah saya atas sokongan berterusan mereka.

Dato' Sri Muthanna bin Abdullah

Pengerusi



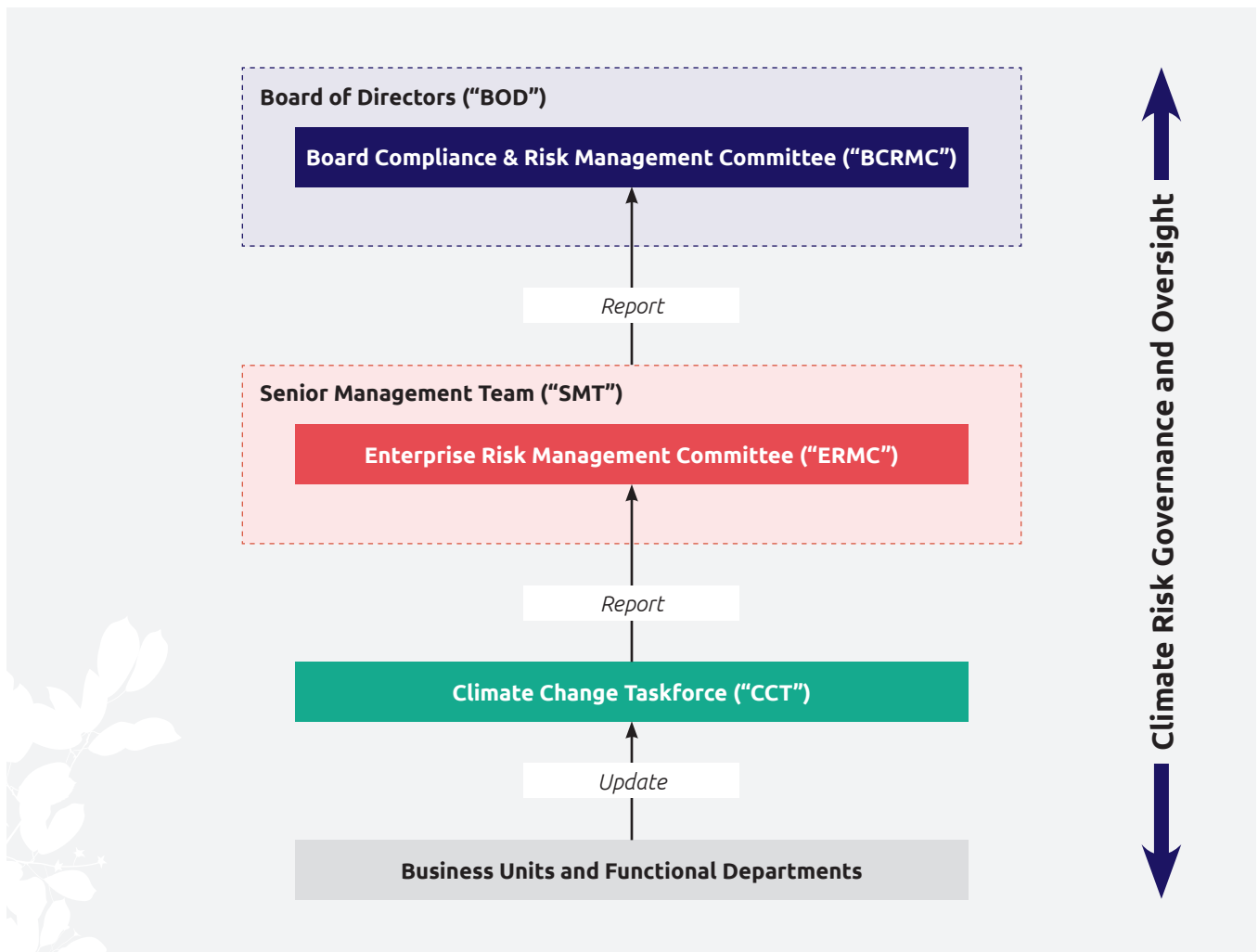
CLIMATE-RELATED DISCLOSURES

The Company believes that the disclosure of climate-related risks and the associated initiatives are key steps towards promoting a just and orderly climate transition.

This year, we continue to publish our progress, approaches and initiatives in managing climate-related risks and opportunities, guided by the JC3's Task Force on Climate-related Financial Disclosure ("TCFD") Application Guide¹.

1. GOVERNANCE

For holistic management of climate risk and opportunities, the Company has in place a well-defined governance structure, consisting of the Board Compliance & Risk Management Committee ("BCRMC"), the Enterprise Risk Management Committee ("ERMC"), and the Climate Change Taskforce ("CCT"). The multitiered governance ensures effective oversight of climate-related matters – as shown below.



¹ JC3 - TCFD Application Guide is the Application Guide published by Joint Committee on Climate Change ("JC3") which outlines key recommendations to facilitate the adoption of TCFD Recommendations by the Malaysian financial industry. JC3 is a platform for regulator-industry cooperation to build climate resilience within the Malaysia financial sector, which is co-chaired by Bank Negara Malaysia ("BNM") and Securities Commission Malaysia ("SC").

CLIMATE-RELATED DISCLOSURES

BOARD OVERSIGHT

The BCRMC, a committee delegated by the Board of Directors (“BOD”), provides ultimate oversight on climate-related matters, and direct supervision of climate-related risks management activities performed by the Company.

MANAGEMENT’S ROLE

The Company’s approach to managing climate-related risks and opportunities is coordinated at an enterprise level management committee, the ERMCM, which comprises the Company’s Senior Management Team, and reports to the BCRMC.

The ERMCM is supported by a dedicated cross functional working level committee – the CCT. Established in 2021, the CCT is headed by the CEO and Deputy CEO, and comprises cross-functional representatives who assume pivotal roles in steering our climate change initiatives.

The functional representatives and staff within their respective departments work actively in their business-as-usual roles to support the Company’s management of climate-related risk and opportunities, guided by the areas identified by CCT.

Throughout 2024, various climate-related topics were actively deliberated within the respective committees.

LEVEL	COMMITTEE	MEETING FREQUENCY	KEY CLIMATE-RELATED TOPICS
Board Level	BCRMC	Quarterly	a. Insights on climate-related awareness and initiatives of corporate clients from climate-related risk survey questionnaire b. Implementation progress of the regulatory expectation outlined in BNM’s Policy Document on Climate Risk Management and Scenario Analysis (“CRMSA”) c. Insights from the regulatory thematic review on climate risk management d. Review of climate-related consideration in our Risk Appetite Framework e. Initiatives and digital tools to support clients in their sustainability journey f. Implementation of BNM’s Climate Change and Principle-based Taxonomy (“CCPT”) g. Review of climate-related disclosures, including the related frameworks and internal controls h. Progress of BNM’s Climate Risk Stress Testing (“CRST”) exercise i. Climate-related metrics and performance such as greenhouse gas (“GHG”) emission, energy consumption and underwriting performance of climate-related products and etc. j. Other key matters such as regulatory and industry updates on selected climate topics
Management Level	CCT		

CLIMATE-RELATED DISCLOSURES

In the pursuit of maintaining the Company's strategic focus on the climate agenda, the Company also integrated the associated targets such as reducing energy consumption, developing and promoting climate-related insurance products, enhancing capacity building and implementing other climate-related initiatives into the Personal Objectives of Senior Management Team. Furthermore, these expectations are cascaded to the relevant employees and will be appraised through the Company's appraisal process and performance management system.

Both our board members and staff continue to participate in various capacity building programmes to equip themselves with cutting-edge climate-related knowledge. Some of the key areas include:

- Carbon capture and storage technologies
- Environmental, Social and Governance ("ESG") consideration in underwriting
- Implementation and application of CCPT
- Sustainability disclosure standards and best practices
- Climate risk stress testing
- Climate transition planning
- Catastrophe modelling and analytics solutions
- Development of climate-related metrics and targets

**MSIG Malaysia
is also an active
participating member
of Joint Committee
on Climate Change
("JC3") and various
industry-level
climate-related
committees to
pursue collaborative
action in addressing
climate change.**



CLIMATE-RELATED DISCLOSURES

2. STRATEGY

As a general insurer, the Company faces a broad range of climate-related risks and opportunities. The Company recognises climate developments as key risk drivers that impact traditional risk types and actively discusses the underlying developments in these areas. The table below provides a summary of the impact of physical and transition climate risks, detailing how these factors may impact the Company's business activities and daily operations. Additionally, it outlines several examples of climate-related opportunities for the Company.

PHYSICAL RISK	TRANSITION RISK	OPPORTUNITIES
Acute and chronic extreme weather events, causing an increase in severity and/ or frequency of adverse climate events.	Risk arising from the adjustments toward a low carbon economy, i.e. policy, legal, technology and changes in consumer/ market preferences.	<u>Operational sustainability</u> Efficient energy use in office operations with support for renewable energy and recycling practices.
POTENTIAL IMPACTS		<u>Green and sustainable products</u> Development of products to support climate agenda.
• Rising insurance claims. • Increase of uncertainty and model risk in loss estimation. • Increase of liquidity requirement. • Increase of reinsurance credit risk. • Increase of reinsurance cost due to rate hardening. • Operational disruption and damage of physical assets.	• Lower investment income as market shifts to low-carbon economy. • Increase demand for green propositions from customer.	<u>Climate advocacy engagement</u> Engagement with corporate clients on climate-related topics during risk survey.



CLIMATE-RELATED DISCLOSURES

The Company broadly considers climate physical risk from a more immediate standpoint as compared to climate transition risk. Nevertheless, the Company strives to systematically assess climate-related risks across a range of time horizons, from short-term to long-term, leveraging on current developments such as industry-wide climate risk stress testing.

The Company takes a holistic view of the climate risk and opportunities. The Company establishes key strategies based on the guiding principle of Embrace, Enable and Evolve.

KEY STRATEGIES	EXAMPLE OF INITIATIVES
Enterprise-wide integration of climate change considerations in risk assessment, reporting and trainings.	- Integration of climate-related considerations in the Company's strategic planning and capital assessment. - Monitor and discuss key developments on climate risk and the underlying opportunities. - Enhance risk management practices in line with BNM CRMSA policy document. - Participate and develop climate-related capacity building programmes. - Discuss initiatives and digital tools to support clients in their sustainability journey.
Restricting underwriting and investment on coal-based power generating businesses.	Implement measures to restrict underwriting and investment on coal-fired power plants based on internal policies and guidelines.
Strengthening the use of taxonomy and other relevant tools for better understanding of climate risk and for target setting.	- Monitor and report climate risk exposure in line with CCPT. - Enhance CCPT classification methodology based on regulatory expectations. - Ongoing efforts to develop better geocoding data capabilities. - Engage corporate clients to promote climate advocacy through climate-related risk survey questionnaires for both transition and physical risks. - Engage Fund Manager to understand and assess ESG investments and strategies.
Developing green and sustainable products to facilitate orderly climate transition.	- Continue to support clients' climate transition through products such as Solar PV insurance², Built Back Better Green Clause³ and MSIG EZ-mile⁴. - Launch of MSIG Motor Add-on EV Plus that offers a package add-on designed for electric vehicles. - Continue to implement MSIG Windscreen Repair Campaign to support sustainable and environmentally friendly practices.
Understanding the Company's carbon footprint to accelerate our carbon reduction effort.	- Measurement and tracking of the Company's Scope 1 GHG emission (from company-owned vehicles), Scope 2 GHG emission (from electricity consumption in offices) and Scope 3 GHG emission (from business travel and employee commuting). - Implementation of enterprise-wide "Energy Conservation Policy" in managing the operational carbon footprint from offices' electricity consumption. - Acquire internationally recognised renewable energy certificates (i-Rec) to support the transition towards clean and renewable energy.

² Refers to Solar Photovoltaic ("PV") All Risk and Solar PV for Home insurance. It insures solar PV system against loss or damage due to fire, theft and accidental damage, and provides compensation for income or savings affected by downtime caused by such loss or damage.

³ Built Back Better Green Clause – an additional clause to fire insurance that covers the additional cost of replacing damaged materials with sustainable alternatives.

⁴ MSIG EZ-Mile – motor add-on for selected comprehensive motor vehicle policies which allow customers to enjoy lower premium by committing to predetermined mileage plans and incentivise them to drive less towards reducing the collective carbon footprint.

CLIMATE-RELATED DISCLOSURES

3. RISK MANAGEMENT

3.1 Regulatory Development

In the course of paving our climate change journey, the Company fully supports climate-related regulatory requirements and initiatives, including but not limiting to the below:

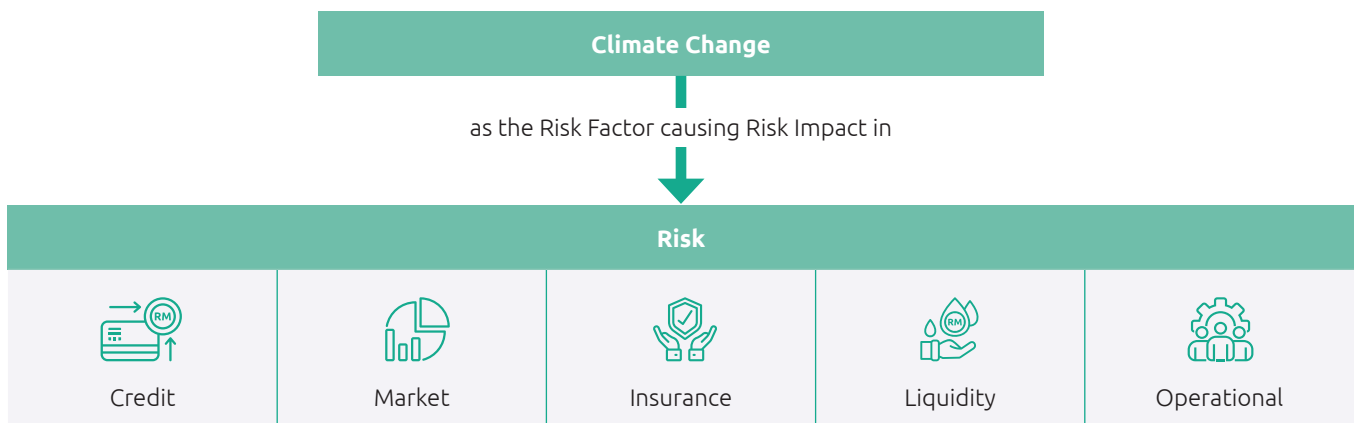
- Participating in various questionnaire survey and pilot initiatives.
- Implementation of initiatives to align with regulatory expectations on climate risk management practices.

The Company also strives to pursue collaborative action in improving the resilience against climate risk and facilitating the climate change transition towards a low carbon economy through the active participation in the regulator-industry platforms such as the JC3, its sub-committees⁵ and the associated working groups⁶.

3.2 Climate Risk Management

The Company's Enterprise Risk Management ("ERM") Framework, the overarching framework in risk management activities, governs the identification, assessment, management, monitoring and reporting of risks, including those driven by climate change.

Climate change considerations are embedded in the Company's risk management approach as part of the overall risk management process. In the risk detailing methodology, climate change is assessed across the conventional key financial risk categories, including credit risk, market risk, insurance risk, liquidity risk, and operational risk.



The management of climate-related risks are embedded in the Company through:

- Risk Appetite Framework
- Financial Plans, including Stress Testing
- Internal Policies and Procedures

⁵ MSIG is the member of JC3 Sub-Committee on Risk Management ("JC3 SC1"), JC3 Sub-Committee on Governance & Disclosure ("JC3 SC2"), and JC3 Sub-Committee on Bridging Data Gaps ("JC3 SC5").

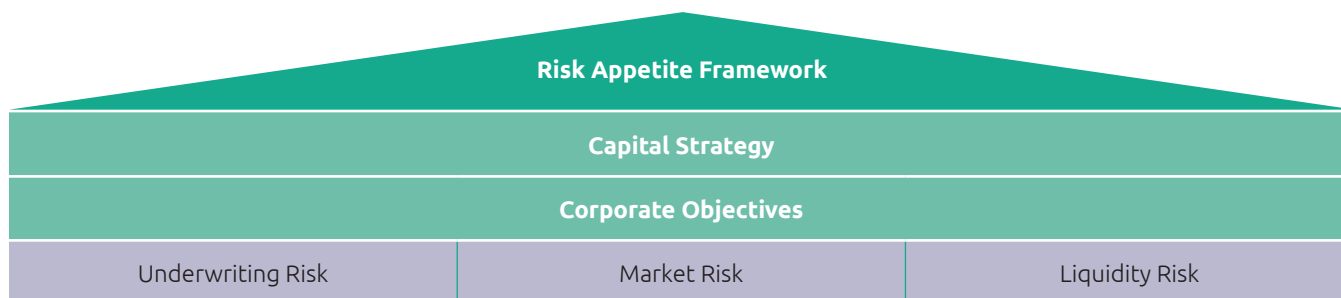
⁶ MSIG is the member of BNM CCPT Implementation Group ("CCPT IG"), Physical Risk Working Group ("PRWG") and Transition Risk Working Group ("TRWG").

CLIMATE-RELATED DISCLOSURES

3.3 Risk Appetite Framework

The Risk Appetite Framework (“RAF”) which is reviewed and approved by the Board annually, articulates the risks that the Company is willing to accept in pursuit of its corporate objectives.

In year 2024, the Company has performed an assessment on the consideration of climate risk in the existing RAF and reviewed it accordingly. Both the quantitative and qualitative aspects of climate-related risks have been integrated into the RAF’s components below:



The Company will continue to develop the appropriate risk metrics to support the monitoring of the RAF.

3.4 Stress Testing

Climate-related considerations has been factored into our regular capital stress testing exercise as part of the Company’s Internal Capital Adequacy Assessment Process (“ICAAP”) and the preparation of Financial Condition Report (“FCR”). The climate-related stress testing is performed to assess the resilience of the Company’s capital position to withstand various shocks caused by the climate-related factors identified.

In 2024, the Company continues to explore various scenarios and combinations of climate-related factors in its stress testing exercises. Additionally, the Company participates in the industry-wide BNM Climate Risk Stress Testing exercise to assess potential impacts and vulnerabilities across different climate pathways and time horizons.

The Company will continue to develop internal data capabilities, tools and methodologies to better incorporate the distinctive elements of climate-related risks in our assessments.

3.5 Internal Policies and Procedures

The Company acknowledges climate-related factors as cross-cutting risk drivers, with their consideration explicitly or implicitly defined within established policies and procedures. In the Company’s underwriting and investment activities, climate-related risks are systematically assessed and managed by their respective functions as part of day-to-day activities:

Underwriting	a. Incorporates the assessment of climate-related physical risks, such as flood exposure, into underwriting practices through internal underwriting capabilities, supported by external tools for risk analysis. b. Implements appropriate underwriting measures, including restricting coverage to risks that are not aligned with the Company’s risk appetite and underwriting policy. c. Develops the capabilities and processes to underwrite emerging risk such as risks associated with solar photovoltaic systems, lithium batteries.
Investment	a. Implements the investment strategies in accordance with climate and sustainability considerations outlined in the investment policy.

CLIMATE-RELATED DISCLOSURES

In addition to these, the other key highlights of the risk management initiatives include:

- Annual review of the Company's reinsurance arrangement based on the catastrophe risk modelling performed by external vendors.
- Establish climate disclosure policy to govern the disclosure process and internal controls.
- Review of CCPT assessment and reporting methodology based on the regulatory expectation.
- Enhancement of internal systems and processes to effectively capture exposure to electric vehicles.
- Incorporation of physical risk assessments in the climate-related underwriting risk questionnaire.
- Ongoing initiatives to enhance geocoding capabilities for better underwriting risk exposure monitoring.
- Ongoing initiatives to assess the underwriting and investment exposure to sectors with high climate transition risk.

The Company will continue to implement and review these policies and procedures in line with the expectation set out in BNM CRMSA.

4. METRICS & TARGETS

The Company has started to measure our carbon footprint based on globally accepted standards. This is part of the Company's effort to accelerate our carbon reduction effort.

GHG Emission Scope 1, Scope 2 and Scope 3 (in tCO₂eq):

	SOURCE	2022	2023	2024
SCOPE 1	Company – owned Vehicles ¹	72.6	77.1	73.5
SCOPE 2	Electricity Consumption ²	0	0	0
SCOPE 3	Business Road Travel ³	900.8	963.5	735.3
	Business Air Travel ⁴	36.0	119.6	116.6
	Employee Commuting ⁵	-	-	699.1

Note:

1. Scope 1 GHG emissions are the direct emissions attributed to the sources controlled or owned by the Company. We calculate our emissions based on the fuel consumption of our company-owned vehicles based on the tracking of petrol consumption from petrol cards. The emission factor was derived from UK Government GHG Conversion Factors for Company Reporting. Figures for year 2022 and 2023 have been restated using improved methodology.
2. Scope 2 GHG emissions are the indirect emissions from the consumption of purchased electricity from the office operations (Head Office and branches). The reported nil emission (market-based approach) is attributed to the purchase of i-Rec for year 2022, 2023 and 2024. The Company's actual electricity consumption across the entire Malaysian operations - 2022: 1,421mWh; 2023: 1,332mWh; 2024: 1,292mWh.
3. Scope 3 GHG emissions from business road travel are the indirect emissions from the transportation of employees for business-related activities. We calculate our emissions based on the petrol reimbursement and mileage claims, including those fuel consumption from petrol fleet cards. The emission factor was derived from UK Government GHG Conversion Factors for Company Reporting. It excludes the reimbursement from other land transport such as taxi, bus and etc. Scope 3 GHG emissions from business road travel is lower in 2024, as the estimated emissions from employee commuting have been separately accounted for staff who are provided with petrol fleet cards by the Company to avoid double counting.
4. Scope 3 GHG emissions from business air travel are the indirect emissions from the transportation of employees for business-related activities. We calculate our emission through distance-based method, which involves the collection of GHG activity data such as the travelling location based on the expense record and deriving the distance between the airport locations using the ICAO's Carbon Emissions Calculator. The emission factor was derived from UK Government GHG Conversion Factors for Company Reporting.
5. Scope 3 GHG emissions from employee commuting are the indirect emissions from the transportation of employees between their homes and their worksites. The GHG activity data such as mode of transportation and distance between employees' homes and worksites are gathered through a survey with the active staff as of 31 Dec 2024. The emission factor was derived from UK Government GHG Conversion Factors for Company Reporting.

CLIMATE-RELATED DISCLOSURES

Other notable developments in our climate risk initiatives:



Note:

* Climate related products/ add-ons included in the measurement are Solar PV insurance, Built Back Better Green Clause and MSIG EZ-Mile.

The Company, as a member of MS&AD Insurance Group ("MS&AD"), supports MS&AD's commitment to half the GHG emissions by FY 2030 (compared to FY 2019 levels) and achieve net zero emissions by 2050. The Company's initiatives to reduce its operational carbon footprints include:

- Close monitoring and tracking of the offices' electricity consumption.
- Replacement of faulty lightings with energy efficient lightings.
- Consideration of energy efficiency in the procurement of electrical appliances and IT equipment.
- Monitoring of Power Usage Effectiveness for data centre.
- Promote awareness among the employees on efficient use of energy.
- Subscription of renewable energy certificate.

The Company will continue to identify suitable climate-related metrics once they are formalised. These metrics will then be integrated into the Company's overall risk management approach and climate-related target setting.





FINANCIAL STATEMENTS

Directors' report for the year ended 31 December 2024

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

Principal activities

The Company is principally engaged in the underwriting of all classes of general insurance business. There has been no significant change in the nature of these activities during the financial year.

Ultimate holding company

The Company is a subsidiary of MS&AD Insurance Group Holdings, Inc., of which is incorporated in Japan and regarded by the Directors as the Company's ultimate holding company, during the financial year and until the date of this report.

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 7.6 to the financial statements.

Financial results

	Group and Company RM'000
Profit for the year	324,867

Dividends

Since the end of the previous financial year, the Company paid final dividend of 89 sen per ordinary share totalling RM296,497,144 in respect of the year ended 31 December 2023 on 3 July 2024.

The final ordinary dividend recommended by the Directors in respect of the financial year ended 31 December 2024 is 50 sen per ordinary share totalling RM166,571,429. Such dividend, if approved, will be accounted for in the shareholders' equity as an appropriation of retained earnings during financial year ending 31 December 2025.

Directors of the Company

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

Dato' Sri Muthanna bin Abdullah
 Ms. Pearl Chan Siew Cheng
 Mr. Lim Tiang Siew
 Ms. Gan Bee Lan
 Mr. Kenichi Shoji
 Ms. Loh Guat Lan
 Mr. Clemens Philippi (Appointed on 16 March 2024)
 Datin Cheryl Kaur Pola (Appointed on 1 March 2025)
 Mr. Alan John Wilson (Retired on 16 March 2024)

Directors' interests in shares

The interests and deemed interests in the shares of the Company and of its related corporations of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.1.2024/ Date of appointment	Bought	Sold	At 31.12.2024
Shareholdings in which a Director has direct interest				
Related companies:				
Mr. Clemens Philippi				
BPI/MS Insurance Corporation	1	-	-	1
Ueang Mai Co Ltd	1	-	-	1
Yardhimar Company Ltd	1	-	-	1
MS&AD Insurance Group Holdings, Inc.	-	1,100	-	1,100

None of the other Directors holding office at the end of the financial year had any interest in the ordinary shares of the Company or its related corporations during the financial year.

Directors' benefits

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

Directors' benefits (continued)

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

	From the Company RM'000
Directors of the Company:	
Fees	462
Estimated money value of any other benefits	437
	899

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

Issue of shares and debentures

There was no change in the authorised, issued and paid-up capital of the Company during the financial year.

There were no debentures issued during the financial year.

Options granted over unissued shares

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

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

Provision for insurance liabilities

Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and 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 requirements of MFRS 17, *Insurance Contracts* issued by the Malaysian Accounting Standards Board ("MASB").

Impaired debts

Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of impaired debts and the making of impairment allowance for impaired debts and satisfied themselves that all known impaired debts had been written off and adequate impairment allowance had been made for impaired debts.

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

Current assets

Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that any current assets, other than debts, which were unlikely to be realised in the ordinary course of business, at their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

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

Valuation methods

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

Contingent and other liabilities

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

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

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, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

Change of circumstances

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

Items of an unusual nature

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

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

Indemnity and insurance costs

The Group and the Company maintain a Directors' and Officers' Liability Insurance effected for all the Directors and members of Senior Management of the Group and of the Company. Pursuant to disclosure requirements under Section 289(7)(b) of Companies Act 2016, the insurance premium incurred during the financial year amounted to RM9,063.

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

Corporate governance disclosure

Board of Directors

Membership and meetings of the Committees

The composition of the Board and Board Committees, number of meetings held during the financial year ended 31 December 2024, including number of meetings convened by the Board and each Board Committee with the attendance of each member is as follows:

	Board	Board Audit Committee	Board Nominations Committee	Board Remuneration Committee	Board Compliance & Risk Management Committee	Board Investment Committee
				</		

Corporate governance disclosure (continued)

Board of Directors (continued)

Membership and meetings of the Committees (continued)

	Board	Board Audit Committee	Board Nominations Committee	Board Remuneration Committee	Board Compliance & Risk Management Committee	Board Investment Committee
	<i>(Attendance / Number of Meetings)</i>					
Ms. Loh Guat Lan <i>(Non-Independent Non-Executive Director)</i>	7/7	-	-	-	-	6/6
Mr. Clemens Philippi ⁽¹⁾ <i>(Executive Director)</i>	6/6	-	4/4	-	-	-

⁽¹⁾ Appointed as Executive Director and a member of NC effective 16 March 2024.

Corporate governance disclosure (continued)

Board of Directors (continued)

Profiles of Directors

The profiles of the Directors of the Company are as follows:

Dato' Sri Muthanna bin Abdullah **(Chairman/Independent Non-Executive Director)**

Dato' Sri Muthanna Bin Abdullah joined the Board of MSIG Insurance (Malaysia) Bhd as an Independent Non-Executive Director on 12 March 2018. He is a Barrister of Middle Temple and an Advocate and Solicitor of the High Court of Malaya. He read law at the University of Buckingham, England and was called to the Bar of England and Wales in 1982 and to the Malaysian Bar in 1983. He is a Consultant of Abdullah Chan & Co.

Currently, Dato' Sri Muthanna is the Honorary Consul to Kuala Lumpur of the Republic of San Marino.

He is also a Director of MSM Malaysia Holdings Berhad, IHH Healthcare Berhad, Malaysian Life Reinsurance Group Berhad, Apollo Food Holdings Berhad.

Presently, Dato' Sri Muthanna serves as Chairman of the Board of Directors and is a member of the Board Audit, Nominations, Remuneration and Investment Committees of the Company.

Ms. Pearl Chan Siew Cheng **(Non-Independent Non-Executive Director)**

Ms. Pearl Chan Siew Cheng joined the Board of MSIG Insurance (Malaysia) Bhd on 18 March 2014 as an Independent Non-Executive Director. She has 31 years of experience in the Malaysian fund management industry, having managed institutional money such as government funds, insurance funds, pension funds, charitable foundations and unit trust funds throughout her career.

Prior to her retirement in January 2008, she was the Deputy Chief Executive Officer of CIMB Principal Asset Management for one year, after a merger between CIMB and the Southern Bank Group. Before that, she pioneered SBB Asset Management, a wholly-owned subsidiary of the Southern Bank Group, which became the first commercial bank in Malaysia to have an asset management arm. She held the position of CEO for 17 years, and CEO/Chief Investment Officer for the first 14 years, leading a team of equity and fixed income fund managers. Before setting up SBB Asset Management, she was General Manager of Rashid Hussain Asset Management and fund manager with Bumiputra Merchant Bankers Berhad for a total of 13 years.

During her career, she also spearheaded two major corporate integration exercises in 2003 and 2007, where she successfully completed the entire integration process, involving organisation and governance structures, human resources, administrative and technical systems. She is a graduate in Economics from the University of Nottingham, England.

Ms. Chan served as Chairman of the Investment Committee and was a member of the Remuneration and Compliance & Risk Management Committees of the Company.

Ms. Chan resigned from the Board of Directors of MSIG Insurance (Malaysia) Bhd on 20 March 2025.

Corporate governance disclosure (continued)

Board of Directors (continued)

Profiles of Directors (continued)

Mr. Lim Tiang Siew ***(Independent Non-Executive Director)***

Mr. Lim Tiang Siew joined MSIG Insurance (Malaysia) Bhd as an Independent Non-Executive Director on 15 December 2018. He retired as the Group Chief Internal Auditor of CIMB Group in March 2018, after serving 27 years in CIMB. Mr. Lim's experience and expertise of over 40 years covered internal and external auditing, accounting, corporate finance and advisory, corporate governance, and compliance. For more than half of his tenure in CIMB, Mr. Lim was a member of CIMB's top most management team, and a member of all its major risk committees.

Mr. Lim has been a member of the Malaysian Institute of Certified Public Accountants since January 1981 and is a Chartered Accountant of the Malaysian Institute of Accountants since November 1987. He was an examiner for the Malaysian Institute of Certified Public Accountants professional examinations in respect of a particular subject for some 15 years before being appointed as a reviewer for the same subject, a position which he still holds.

He joined Commerce International Merchant Bankers Berhad (now known as CIMB Investment Bank) in January 1991 as an assistant manager in the Corporate Finance Department and eventually become the Head for a number of years. After over 15 years as a Corporate Finance specialist and following the acquisition of Bumiputra-Commerce Bank by CIMB and the subsequent merger of Bumiputra-Commerce Bank with Southern Bank, Mr. Lim was appointed the Group Chief Financial Officer, a position he held for over 2 years before being appointed the Group Chief Internal Auditor.

He is currently the Senior Independent Non-Executive Director of Sapura Energy Berhad, Chairman of its Board Audit Committee and a member of its Board Risk Management Committee; and Senior Independent Non-Executive Director of HSBC Amanah Malaysia Berhad, Chairman of its Board Risk Committee and a member of its Board Audit Committee and Nominations and Remuneration Committee.

Presently, Mr. Lim serves as Chairman of the Board Audit Committee and is a member of the Board Compliance & Risk Management Committee of the Company.

Ms. Gan Bee Lan ***(Independent Non-Executive Director)***

Ms. Gan Bee Lan joined the Board of MSIG Insurance (Malaysia) Bhd on 15 August 2020 as an Independent Non-Executive Director.

Ms. Gan holds a Bachelor in Accountancy from the University of Singapore. Overall, Ms. Gan has 40 years of working experience in diverse disciplines spanning IT/Systems Management, Project management (IT and non-IT), HR & Admin Management, Process & Workflow Streamlining as well as Legal and Operational Integration arising from various Mergers & Acquisitions (M&A).

Corporate governance disclosure (continued)

Board of Directors (continued)

Profiles of Directors (continued)

Ms. Gan Bee Lan (continued) ***(Independent Non-Executive Director)***

Prior to her retirement from MSIG Insurance (Malaysia) Bhd in December 2009, Ms. Gan was a member of the Senior Management Team (SMT) overseeing - at various periods - Information Technology (IT), Information Security, HR & Admin, Service Quality as well as centralised policy administration. During her service with the Company, Ms. Gan was also the Integration Manager managing the operational integration during the MSI-Aviva (MSIG) merger as well as the CU-GA (Aviva) merger.

Immediately after retirement, Ms. Gan returned to MSIG Insurance (Malaysia) Bhd in February 2010 as Special Project Manager to support the legal, business transfer and operational integration of Hong Leong general business into MSIG Insurance (Malaysia) Bhd operations. Following that in January 2012, Ms. Gan joined MSIG Insurance (Singapore) Pte. Ltd. for a year to initiate the system migration to the new regional IT system for the Singapore insurance operations.

In January 2016 until July 2018, Ms. Gan joined the Regional Holding Company (RHC) in Singapore as Head of ICT / Consulting Advisor to Regional CEO to manage the regional centralized IT services, system development and infrastructural services/support to country IT in Singapore, Malaysia, Indonesia, Vietnam, Hong Kong, Thailand, Philippines and Australia. During her stint with RHC, Ms. Gan spearheaded the regional cybersecurity initiative as well as the updated regional IT Strategy focusing on new technologies in the digital arena.

Presently, Ms. Gan serves as Chairman of the Board Compliance & Risk Management Committee and Nominations Committee and is a member of the Board Audit and Remuneration Committees of the Company.

Mr. Kenichi Shoji ***(Independent Non-Executive Director)***

Mr. Kenichi Shoji joined the Board of MSIG Insurance (Malaysia) Bhd as an Independent Non-Executive Director on 21 October 2022 and is currently the Managing Director of Toyota Tsusho (Malaysia) Sdn Bhd. Prior to this, he was the General Manager, Global Parts Department of Toyota Tsusho Corporation since 2018.

A graduate in law from Kwansei Gakuin University Japan, Mr. Shoji has more than 30 years of working experience in the automotive parts during his tenure with Toyota Tsusho Corporation. He also has experience in overseas posting where he worked at Toyota Tsusho America Inc. from 2001 to 2007, Toyota Tsusho Corporation from 2007 to 2013 as Group Leader, Asia Oceania Group, Global Parts Department and as Marketing Director, Global Parts & Logistic Division in PT Toyota Tsusho Indonesia from 2013 to 2018.

Presently, Mr. Shoji serves as Chairman of the Board Remuneration Committee and is a member of the Audit, Nominations and Compliance & Risk Management Committees of the Company.

Corporate governance disclosure (continued)

Board of Directors (continued)

Profiles of Directors (continued)

Ms. Loh Guat Lan

(Non-Independent Non-Executive Director)

Ms. Loh Guat Lan joined the Board of MSIG Insurance (Malaysia) Bhd ("MSIG") as a Non-Independent Non-Executive Director on 1 October 2010. She is currently the Group Managing Director / Chief Executive Officer ("GMD/CEO") of Hong Leong Assurance ("HLA"), a subsidiary of HLA Holdings Sdn Bhd ("HLAH"), wholly-owned by Hong Leong Financial Group Berhad (HLFG), the financial services arm of Hong Leong Group Malaysia. She was appointed to this position on 1 September 2009.

Ms. Loh holds a Bachelor of Science in Human Development and is a Fellow Member of Life Management Institute (FLMI) as well as Associate, Customer Service of Life Office Management Association (LOMA). She is also a Certified Financial Planner (CFP) and Registered Financial Planner (RFP).

Ms. Loh has extensive experience in the insurance industry, including agency management, branch management agency development and training. She was previously the Chief Operating Officer (Life Division) of HLA and prior to joining HLA, she was in the employment of American International Assurance Company Limited where her last position was Vice President & Senior Director of Agency (Malaysia).

Ms. Loh is the Chairman of HL Assurance Pte Ltd, Singapore, and a Director of HLAH; Hong Leong MSIG Takaful Berhad; Hong Leong Insurance (Asia) Limited, Hong Kong; L.I.A.M. Holding Sdn Bhd and L.I.A.M. Property Sdn Bhd. She is also a Committee Member of the Life Insurance Association of Malaysia (LIAM). She was a Director of The Malaysian Insurance Institute and was a Board Member of Financial Industry Collective Outreach (FINCO).

Presently, she is a member of the Board Investment Committee of the Company.

Datin Cheryl Kaur Pola

(Appointed as an Independent Non-Executive Director effective 1 March 2025)

Datin Cheryl was the Deputy Head of Equities at a prominent asset management firm, overseeing more than RM2bn in equities. As a key member of the pioneering team, she played an integral role in establishing a strong reputation for delivering superior, consistent, and risk-adjusted performance.

She holds a Bachelor's Degree in Accounting and Finance from Monash University in Australia and is also a member of the CFA Institute.

Presently, Datin Cheryl serves as Chairman of Investment Committee and is a member of the Board Remuneration Committee and Compliance & Risk Management Committee of the Company.

Corporate governance disclosure (continued)

Board of Directors (continued)

Profiles of Directors (continued)

Mr. Clemens Philippi

(Appointed as an Executive Director effective 16 March 2024)

Mr. Clemens Philippi was appointed CEO of the Singapore-based Asia regional office of Mitsui Sumitomo Insurance on 1 April 2022.

With over 20 years of experience in the insurance industry as risk consultant, broker and insurer, Mr. Philippi has worked in Luxembourg, London and Tokyo before settling in Singapore in 2015.

Prior to joining MSIG, Mr. Philippi was leading regional business development for Allianz Global Corporate & Specialty based here. In 2017, he took on full P&L responsibility as ASEAN CEO of Euler Hermes, a subsidiary of Allianz.

Mr. Philippi was Chief Operating Officer of MSIG Asia when he joined in 2021, leading the Business Development & Digitalisation, Technology Solutions, Risk Management & Actuarial Services, and Technical Services departments which contributed to the profitable and sustainable growth of MSIG in the region.

He attained his Master's Degree in Germany's University of Trier with a major in Japanese Studies, and a minor in Business Administration and Political Science. He also studied in one of U.S.' top ranking university, Loyola Marymount University, with a sports scholarship, and obtained his Bachelor's Degree with a major in Asian-Pacific Studies and a minor in Business Administration.

Presently, Mr. Philippi serves as member of the Board Nominations Committee of the Company.

Mr. Alan John Wilson

(Retired as an Executive Director effective 16 March 2024)

He was honoured to be appointed as the first foreign Executive Officer of Mitsui Sumitomo Insurance Co Ltd (Japan) in April 2015 and became Deputy Head of its International Business Department in January 2020. Mr. Wilson has a sound executive management track record with over 40 years of experience in the insurance industry.

Prior to joining MSIG Asia, Mr. Wilson was the Asia CEO at Allianz from 1999 where he assumed overall responsibility for managing over 20 general, life and health insurance operations across 14 countries, and later served on several boards for Allianz and for other groups such as Parkway in Asia. Mr. Wilson joined Allianz from Guardian Royal Exchange Assurance Group where he was Asia Managing Director. Over the course of his 21 years there, he held various senior positions with progressive responsibilities, where he managed general and life insurance businesses in 11 countries.

A British national and a Singaporean Permanent Resident, Mr. Wilson has lived and worked in Asia since 1982 in various places, including Hong Kong, Indonesia, Pakistan and Singapore.

Mr. Wilson is a Fellow of the Chartered Insurance Institute (UK) and has a BA (Hons) in Economics and Economic History from the University of Liverpool, England. He was honoured to receive the Asia Insurance Review's Lifetime Achievement Award in 2023.

Mr. Wilson served as member of the Board Nominations Committee of the Company.

Mr. Wilson retired from the Board of Directors of MSIG Insurance (Malaysia) Bhd on 16 March 2024.

Corporate governance disclosure (continued)

Board of Directors (continued)

Profiles of Directors (continued)

Directors' trainings

The training provided to the Directors are as follows:

- Anti-Money Laundering Council: AMLC Registration and Reporting Guidelines (ARRG) Course
- Securities Commission Malaysia: AOB Conversation with Audit Committees
- Bank Negara Malaysia (BNM) – FIDE FORUM Engagement Session with Board of Directors of Islamic Financial Institutions: Hajah and Darurah Policy Document
- BNM Sasana Symposium 2024
- BNM-FIDE FORUM: Responsibility Mapping Engagement with Directors of Financial Institutions
- BNM: Engagement session with Chairpersons and CEOs of ITOs and Insurance Associations in conjunction with the release of AR 2023, EMR 2023 and FSR 2H2023
- BNM: Policy Document on Hajah and Darurah
- Institute of Corporate Directors Malaysia (ICDM): Bursa Malaysia Mandatory Accreditation Programme (MAP II: Leading for Impact)
- Milliman: Climate Risk Stress Testing (CRST) - [Step 1] Pre-Workshop (Climate Risk) Training & Climate Risk Stress Testing (CRST) - [Step 2] Climate Risk Workshop
- LIMRA: Cracking the Code: Empowering Advisors to Connect with Modern Consumers
- FIDE FORUM: Data Innovation to Drive Financial Inclusion - Pushing New Frontiers
- FIDE FORUM: Directors Masterclass Series: What Directors Must Know: Recent Developments in Climate Science
- FIDE FORUM: Distinguished Board Leadership Series 2024: Digital Transformation of the World's Best Bank
- EY: Financial Services Organization (FSO) Insurance Forum 2024
- Asia School of Business (ASB): Governance of Generative AI
- ICDM: ICDM Virtual Advocacy Dialogue & Networking: The Launch of the 2024 ASEAN Board Trends Report & The ASEAN Directors Registry
- Securities Industry Development Corporation (SIDC): IIC Corporate Governance Conference 2024 - Countdown to 2030: Investing towards Sustainable Development in Malaysia
- BNM: Invitation to Dialogue Session between BNM and Insurance and Takaful Industry (Governors)
- Khazanah Nasional Berhad: Khazanah Megatrends Forum 2024
- FIDE FORUM: Launch of Directors' Remuneration Report 2024
- BNM: Launch of the Future Skills Framework for the Malaysian Financial Sector
- ICDM: Masterclass The 4th Series: Session 4 – Deploying a Data-first Strategy: Separating Fact Versus Fiction & Session 5 – Who is Responsible for your Corporate Culture
- FIDE FORUM: Nomination Committee Chairs Network Session 2024
- Perbadanan Insurans Deposit Malaysia (PIDM): PIDM National Resolution Symposium 2024
- ASB: Preventing Fraud: The Board's Roles and Responsibilities
- Institute of Singapore Chartered Accountants: Sustainability E-Training for Directors
- ASB: Sustainable Sustainability – Why ESG Is Not Enough
- Anti-Money Laundering Council: Targeted Financial Sanctions
- MSIG In-House Directors' Training

Corporate governance disclosure (continued)

Responsibilities of the Board and Board Committees

(A) The roles and responsibilities of the Board are as follows:

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

(B) The roles and responsibilities of the Board Committees are as follows:

Board Audit Committee

The Board Audit Committee's primary role is to support the Board in ensuring that there is a reliable and transparent financial reporting process within the Company and that the Company's system of internal controls, risk management and governance are adequate. In addition, it provides oversight over the internal and external auditors to foster quality audits. In fulfilling this role, the Board Audit Committee:

- (i) Reviews and approves the annual audit plan.
- (ii) Reviews and approves the Internal Audit Charter and budget of the Internal Audit Department and ensures that the Internal Audit Department is distinct and has the appropriate status within the overall Company structure for the internal auditors to achieve their audit objectives.
- (iii) Reviews key audit reports and ensures that Senior Management is taking necessary corrective actions in a timely manner to address control weaknesses, non-compliance with laws, regulatory requirements, policies and other observations identified by the Internal Audit, the external auditors and other control functions.
- (iv) Notes any significant disagreements between the Chief Internal Auditor and the rest of the Senior Management, irrespective of whether these have been resolved, in order to identify any impact that the disagreements may have on the audit process or findings.
- (v) Approves on the appointment, remuneration, performance, evaluation, removal or redeployment of the Chief Internal Auditor and evaluates her respective performance.
- (vi) Assesses the performance and effectiveness of the Internal Audit function.
- (vii) Makes recommendations to the Board on the appointment and remuneration, or removal of the external auditors.

Corporate governance disclosure (continued)

Responsibilities of the Board and Board Committees (continued)

(B) The roles and responsibilities of the Board Committees are as follows:

Board Audit Committee (continued)

- (viii) Monitors and assesses the independence of the external auditors including approving the provision of non-audit services by the external auditors.
- (ix) Monitors and assesses the effectiveness of the internal and external audits, including meeting with the Chief Internal Auditor and the external auditors without the presence of Senior Management at least once annually.
- (x) Maintains regular, timely, open and honest communication with the external auditors, and requires the external auditors to report to the Board Audit Committee on significant matters.
- (xi) Reviews and updates the Board on all related party transactions.
- (xii) Reviews the accuracy and adequacy of the Chairman's statement in the Directors' report, corporate governance disclosures, and interim financial reports.
- (xiii) Monitors compliance with the Board's conflicts of interest policy.
- (xiv) Reviews third-party opinions on the design and effectiveness of the Company's internal control framework.
- (xv) Provides oversight over the Company's whistleblowing process.
- (xvi) Other functions as may be determined by the Board.

Board Nominations Committee

- (i) Ensuring a director fulfills all the minimum requirements of Financial Services Act, 2013 ("FSA 2013") and Bank Negara Malaysia ("BNM")'s Policy Document on Corporate Governance ("Corporate Governance") at the time of his appointment and on a continuing basis.
The minimum requirements, where applicable, is also extended to Chief Executive Officer, Senior Management and the Company Secretary.
- (ii) Regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes.
- (iii) Establish and regularly review succession plans for the Board to promote Board renewal, address any vacancies, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future.
- (iv) Establish a rigorous process for the appointment and removal of directors. Such process must involve the assessment of candidates against the minimum requirements. Direct engagements between a candidate and the Nominations Committee are an important way to ascertain the suitability of each candidate for the Board.
- (v) Reviewing the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace.

Corporate governance disclosure (continued)

Responsibilities of the Board and Board Committees (continued)

(B) The roles and responsibilities of the Board Committees are as follows:

Board Nominations Committee (continued)

- (vi) Carrying out Annual Board Evaluations to objectively assess the performance and effectiveness of the Board, Board Committees and Individual Directors.
- (vii) Establishing a robust succession plan for Senior Management and clearly defined processes for:
 - the appointment and removal of the CEO and members of Senior Management and;
 - assessment of the candidates against the minimum requirements.

Board Remuneration Committee

- (i) Setting the Remuneration Policy and/or remuneration system for directors and the Company for the Board's approval. Such policy and/or system must be in line with the Company's business and risk strategies, culture and corporate values, with consideration to BNM's Policy Document on Corporate Governance and Principle 10 of Policy Document on Risk Governance.
- (ii) Recommending the remuneration for each director, member of Senior Management and other material risk takers annually for the Board's approval which must commensurate with the performance and contribution made to the Company in line with the approved Remuneration Policy and/or remuneration system.

Board Compliance & Risk Management Committee

Compliance

- (i) Promoting a positive, open and strong compliance culture within the Company by ensuring overall compliance with legal, regulatory requirements and operational manuals as well as encouraging ethical conduct.
- (ii) Recommending to the Board the appointment, remuneration and dismissal of the Chief Compliance Officer ("CCO") and ensuring that the CCO and Compliance Department are provided with appropriate standing, authority and independence, including adequate infrastructure, resources and systems are in place.
- (iii) Discussing and resolving compliance issues regularly and effectively. At least annually, evaluating the effectiveness of the Company's overall management of Compliance risk, having regard to the assessments of senior management and internal audit, as well as interactions with the CCO.
- (iv) Reviewing, approving and overseeing implementation of the Company's Compliance Policy, Regulations and Guidelines including Compliance Program.
- (v) Reviewing periodic Compliance reports and new or revised laws & regulations, including Compliance Risk Assessment, Compliance Risk Profile, Risk Treatment Plan as well as disclosure in regard to compliance activities in the Company's Annual Report.
- (vi) Reviewing and providing direction on the Internal Control Program activities.
- (vii) Reviewing, approving and overseeing implementation of MSIG Anti-Bribery and Corruption Policy Incorporating Adequate Procedures.

Corporate governance disclosure (continued)

Responsibilities of the Board and Board Committees (continued)

(B) The roles and responsibilities of the Board Committees are as follows:

Board Compliance & Risk Management Committee (continued)

Risk Management

- (i) Reviewing the adequacy of Risk Management policy and framework to ensure effective implementation of Policies for Risk Governance.
- (ii) Recommending to the Board the appointment, remuneration and dismissal of the Chief Risk Officer ("CRO") for Risk Management function and ensuring that the CRO and Enterprise Risk Management Department are provided with sufficient stature, authority and independence in the Company including adequate infrastructure, resources and systems are in place.
- (iii) Reviewing the periodic reports on risk exposure, risk portfolio composition, independent assessment and Risk Management activities, including disclosure regarding Risk Management activities in the Company's Annual Report.
- (iv) Reviewing and approving Internal Capital Adequacy Assessment Process ("ICAAP") activities as well as Risk Appetite Statement, Individual Target Capital Level ("ITCL") review and Capital Management Plan ("CMP") regularly.
- (v) Overseeing technology risk and effective implementation of Technology Risk Management Framework ("TRMF") and Cyber Resilience Framework ("CRF").
- (vi) Reviewing and approving Outsourcing Plan and activities.
- (vii) Overseeing climate related risk management activities with respect to focus areas undertaken by MSIG Climate Change Taskforce.
- (viii) Overseeing business continuity risk and effective implementation of Business Continuity Management framework.
- (ix) Reviewing risk activities and reports as required under relevant BNM Policy Documents.

To effect a focused attention on management of compliance and enterprise risk as prescribed by relevant BNM Policy Documents at the management level, the Board Compliance & Risk Management Committee is supported by the Compliance Committee and Enterprise Risk Management Committee comprising the Chief Executive Officer, Deputy Chief Executive Officer and Senior Management Team respectively.

Board Investment Committee

- (i) Review and advise on investment strategies and policies with a view to optimise investment performance in line with MSIG's Investments Risk Appetite Statement.
- (ii) Review and monitor the Investment Assets Allocation within the risk and limit permitted under the Investment Policy, BNM Policy Documents and RBC Framework, at least on an annual basis.
- (iii) Review and approve the exposure limits for counterparties for deposit placements.
- (iv) Manage and monitor risks associated with investment activities with a view to strengthening the Capital Adequacy Ratio whilst optimising risk adjusted returns.
- (v) Ensure proper execution and monitoring of investments by having adequate internal controls for investment assets management, including approval of counterparty limits.
- (vi) Review and approve the Investment Plan, including realised and fair value gains where applicable.

Corporate governance disclosure (continued)

Responsibilities of the Board and Board Committees (continued)

(B) The roles and responsibilities of the Board Committees are as follows:

Board Investment Committee (continued)

- (vii) Set Performance Standards for external Fund Managers and review their actual performance on a regular basis.
- (viii) Review and approve the appointment/termination of external Fund Managers, including the Custodians for safekeeping of assets.
- (ix) Ensure compliance with the MSIG Malaysia's Investment Policy, BNM's requirements, as well as in compliance with legal, accounting, prudential and liquidity requirements.

Internal control framework

- The Company has an Internal Control Programme ("ICP") comprising of Company Level Control and Process Level Control Documentation to ensure Internal Controls on significant key risk areas in regard to Financial Reporting are adequately designed, documented and functioning effectively at all times.
- ICP is an annual exercise entailing review and update of the ICP documents of the Company's operational processes and controls that include compliance with the requirements of relevant laws and regulations.
- ICP is subject to independent Testing of Design and Operating Effectiveness on annual basis for the evaluation on Internal Control Over Financial Reporting ("ICOFR") to provide assurance on the reliability of Financial Reporting.
- The internal control requirement on the key risk areas and compliance with relevant laws and regulations has been embedded in the Company's new Business Process Management system.
- The Internal Audit function as third line of defense provides independent review on, identifies and highlights key compliance risk areas for improvement.
- The Compliance Risk Assessment focusing on the business units' governance and compliance is performed regularly.
- The Company's outsourcing arrangements are reviewed periodically to ensure compliance with the Outsourcing Policy Document issued by Bank Negara Malaysia and its effectiveness in managing the Company's outsourcing activities.
- Besides the framework for internal controls and procedures, the Company puts in place an organisation structure that clearly defines the segregation of roles, responsibilities and authority in the Company.

Internal Audit

The Company maintains an in-house Internal Audit function which assists the Board Audit Committee in discharging its duties and responsibilities. The Internal Audit Department reports directly to the Board Audit Committee. The Internal Audit function of the Company is independent of the activities it audits.

The Internal Audit function has unrestricted access to the Board Audit Committee and to the Company's records, files or data, including management information, where relevant to the performance of its audit work. Internal Audit is responsible for reviewing the risk profile and developing a risk-based audit plan that will help to confirm and verify the existence and effectiveness of Management's system of internal controls and risk management.

The audit activities are performed with impartiality, proficiency, and due professional care. It undertakes regular reviews of the appropriateness and effectiveness of corporate governance practices, as well as adequacy and effectiveness of the Company's system of internal controls and risk management process based on an annual Internal Audit Plan approved by the Board Audit Committee.

Corporate governance disclosure (continued)

Internal Audit (continued)

The Internal Audit Plan covers the audit of all major business units and operations within the Company such as governance, enterprise risk management, legal, compliance, marketing, underwriting, claims, finance, operations, and information technology ("IT"). Internal Audit will report to the Board Audit Committee if there are factors that adversely affect its independence, objectivity or effectiveness, or there are material findings from audits, reviews or any investigations conducted.

In addition, it also assists the Board Audit Committee in its oversight of the Company's whistleblowing framework.

The activities of this Department provide the Board with the assurance it requires regarding the adequacy and integrity of the risk management, internal control systems and corporate governance practices, as well as internal control over financial reporting, through its review of key controls, processes and procedures.

The Company adopts the practice that the Chief Internal Auditor reports directly to the Chairman of the Board Audit Committee and administratively to the Chief Executive Officer. The Board Audit Committee also meets with the Chief Internal Auditor at least once a year without the presence of the Management. The appointment or dismissal of the Chief Internal Auditor is to be approved by the Board Audit Committee and her annual performance appraisal is primarily performed by the Chairman of the Board Audit Committee.

To ensure that the internal audits are performed by competent professionals, Internal Audit employs experienced and qualified staff as much as possible. The staff of the Internal Audit function hold relevant educational or professional qualifications. They are provided with continuing professional development in ensuring that their knowledge and skills remain current and relevant in order to enable them to discharge their roles and responsibilities effectively.

The Chief Internal Auditor is a Fellow of CPA Australia and she is also a member of the Malaysian branch of the Institute of Internal Auditors Inc. ("IIA"). The internal auditor involved in IT audits is a Certified Information System Auditor ("CISA") and a member of the Information System Audit and Control Association ("ISACA"), USA.

The Internal Audit function adopts the International Standards for the Professional Practices of Internal Auditing ("Standards") as laid down in the 2017 International Professional Practices Framework ("IPPF") issued by the IIA. Internal Audit has incorporated these Standards into its audit practices.

The Internal Audit function carries out its work according to the code of ethics and standards set by professional bodies, primarily consistent with the IPPF issued by the IIA. In compliance with the IIA Standards, an external quality assessment review ("QAR") of Internal Audit is conducted once every five years by a qualified, independent reviewer. The last external QAR of Internal Audit was completed in 2019 and it was assessed that the Internal Audit function is in conformance with the IIA Standards. The latest external QAR of Internal Audit was completed in 2024 with the final report issued in February 2025, and it was assessed that the Internal Audit function is in conformance with the IIA Standards.

Corporate governance disclosure (continued)

Internal Audit (continued)

The Standards set by the IIA cover requirements on:

- independence and objectivity;
- proficiency and due professional care;
- managing the internal audit activity;
- engagement planning;
- performing engagement;
- communicating results; and
- monitoring progress.

Where applicable, reference is also made to the standards and statements issued by the other international accounting and auditing organisations.

Remuneration

Remuneration Policy

The Company adopts a fair and competitive Remuneration Policy, where rewards commensurate with position responsibilities and individual work performance to avoid directors and employees from engaging in excessive or inappropriate risk taking.

The Company is guided by equal opportunities and principles to balance risk and incentives associated with remuneration to ensure a sound and appropriate operation of the remuneration framework.

The Remuneration Policy ensures employees are compensated at a level corresponding to the quality, roles, and responsibilities, in compliance with local laws and regulations. It sets out guiding principles of remuneration covering basic concepts, subject positions, pay structure and other relevant matters, approved, and reviewed by the Board of Directors.

Employees will be appraised on their yearly performance using the Company's appraisal process and performance management system.

Remuneration for Directors, Senior Management Team, other Material Risk Takers, and any individuals that are defined as highly remunerated under the Company's guidelines with reference to Bank Negara Malaysia's Corporate Governance policy document will be reviewed annually and approved by the Board.

Employee whose work performance which may lead to serious legal, regulatory, disciplinary, or internal breaches, will be subjected to reevaluation of the remuneration award through actions such as deferments, adjustments, claw backs where applicable, depending on the employee's position and pay grade.

Scope of Remuneration Policy

The scope covers all permanent and contractual staff.

Expatriates assigned to the Company, temporary and outsource staff are excluded.

For union staff, the Company shall abide by the terms and conditions in the Collective Agreement.

Corporate governance disclosure (continued)

Remuneration (continued)

Risk Governance

In compliance with Bank Negara Malaysia's Policy Document on Risk Governance, the Company has incorporated Principle 10 into its remuneration structure where executive remuneration is aligned with prudent risk taking and appropriately adjusted for risks.

A guided performance management process is in place to ensure that the payments of variable remuneration are conducted in accordance with the Remuneration Policy.

Remuneration Structure

The Company's Remuneration Policy is limited to cash and benefits-in-kind which commensurate with the position of the officers. There are no shares and/or share-linked instruments, deferring or vesting as part of its remuneration framework.

The Company's remuneration structure takes into consideration the types of risks and long-term objectives of the Company. Benchmarks for remuneration are sourced from market data taking into consideration the Company's business structure, internal equity, pay practices and financial position of the Company to determine pay level for the roles and tasks of the jobs.

The pay structure is the reference point to establish salary, benefits, and positions within the Company.

The remuneration for Chief Executive Officer, Executive and Non-Executive Directors and Senior Management for the financial year is disclosed in Note 22 and 23 to the financial statements.

Fixed Remuneration

The Company decides the average salary increment percentage to be paid every year based on the Company's performance and external market references.

Annual salary reviews and increment follow a consistent performance appraisal process using the Company's Performance Management System.

To promote behaviors that are aligned to the Company's core values and achievement of objectives, recommendations for annual salary increments are based on the overall performance and competency scores of the employee.

Annual salary increments are subjected to the Company's employment conditions and criteria.

Variable Remuneration

Variable pay is based on the achievement of the employee's personal objectives, the Company's overall achievements, roles, responsibilities, and tasks.

The variable pay is designed and operated to take into consideration the following:

- A variable pay ratio to the total remuneration will not trigger excessive or inappropriate risk-taking or the weight which is in line with the performance and financial position of the Company as well as existing and potential risks.
- Performance indicators that consider both Company and employee's performance over the period which risk will be materialised.
- The Company's financial position at the point in time when the amount of variable pay is decided.

Corporate governance disclosure (continued)

Remuneration (continued)

Performance Management System

The Company uses a comprehensive performance measurement framework that incorporates both financial and non-financial performance in determining the size and allocation of the variable remuneration under the Company's Short-Term Incentive Plan.

The financial matrix links the Short-Term Incentive to the profits, revenue, and other performance measurements of the Company as a whole, and the contributions of the employee in deciding the quantum.

The non-financial matrix captures the performance of the qualitative aspects such as the compliance of Risk Management Policy, adherence to legal, regulatory, and other ethical standards, customer's satisfaction, effectiveness, and efficiency of support functions.

The overall assessment of an individual is a combination of individual performance and competencies. The overall scores will be given a weightage which falls into a structured performance band. This ensures the employees are appropriately assessed and compensated at the level corresponding to the performance.

For unsatisfactory performance, this would impact on the salary/bonus of the affected employee and in certain circumstances the Company would not grant bonus or increase in salary.

Auditors

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

The auditors' remuneration of the Group and of the Company during the year are RM650,000.

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

.....
Dato' Sri Muthanna bin Abdullah

Director

.....
Mr. Lim Tiang Siew

Director

Kuala Lumpur

Date: 19 March 2025

Statements of financial position as at 31 December 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000 Restated	2024 RM'000	2023 RM'000 Restated
Assets					
Plant and equipment	2	9,085	10,075	9,085	10,075
Right-of-use assets	3	40,781	12,827	40,781	12,827
Investment property	4	104	108	104	108
Intangible assets	5	6,719	5,619	6,719	5,619
Goodwill	6	1,141,224	1,141,224	1,141,224	1,141,224
Financial investments	7				
- Fair value through profit or loss		2,599,910	2,376,966	2,608,529	2,375,207
- Amortised cost		1,107,189	1,190,027	1,107,189	1,190,027
Reinsurance contract assets	9	494,607	636,734	494,607	636,734
Receivables	10	92,161	123,726	78,398	84,412
Cash and cash equivalents	11	312,150	278,090	195,116	226,558
Total assets		5,803,930	5,775,396	5,681,752	5,682,791
Equity					
Share capital	12	1,511,546	1,511,546	1,511,546	1,511,546
Reserves	13	1,805,589	1,779,234	1,805,589	1,779,234
Total equity		3,317,135	3,290,780	3,317,135	3,290,780
Liabilities					
Insurance contract liabilities	9	2,128,501	2,228,497	2,128,501	2,228,497
Reinsurance contract liabilities	9	20,018	-	20,018	-
Lease liabilities	14	41,426	14,468	41,426	14,468
Other payables	15	256,468	214,197	134,290	121,592
Deferred tax liabilities	8	18,892	13,738	18,892	13,738
Tax payable		21,490	13,716	21,490	13,716
Total liabilities		2,486,795	2,484,616	2,364,617	2,392,011
Total equity and liabilities		5,803,930	5,775,396	5,681,752	5,682,791

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

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Insurance revenue	16	1,711,454	1,660,346	1,711,454	1,660,346
Insurance service expenses	16	(1,164,241)	(1,064,471)	(1,164,241)	(1,064,471)
Net expenses from reinsurance contracts	17	(297,824)	(339,534)	(297,824)	(339,534)
Insurance service result		249,389	256,341	249,389	256,341
Investment income	18	142,991	128,625	141,384	120,743
Realised gains and losses	19	39,142	(15,658)	30,195	(8,026)
Fair value gains and losses	20	23,958	61,909	28,022	54,784
Net investment return		206,091	174,876	199,601	167,501
Net finance expenses from insurance contracts	21	(56,641)	(62,572)	(56,641)	(62,572)
Net finance income from reinsurance contracts	21	15,171	18,486	15,171	18,486
Movement in third party interests in consolidated funds		(4,294)	(4,853)	-	-
Net financial result		(45,764)	(48,939)	(41,470)	(44,086)
Net insurance and investment result		409,716	382,278	407,520	379,756
Other income		3,410	3,245	3,410	3,245
Other operating expenses	22	(12,279)	(13,642)	(10,082)	(11,120)
Other finance costs		(1,138)	(1,754)	(1,139)	(1,754)
Profit before income tax		399,709	370,127	399,709	370,127
Income tax expenses	24	(74,842)	(74,269)	(74,842)	(74,269)
Profit for the year		324,867	295,858	324,867	295,858

Statements of profit or loss and other comprehensive income for the year ended 31 December 2024 (continued)

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Net finance expenses from insurance contracts, net of tax	21	(4,388)	(3,983)	(4,388)	(3,983)
Net finance income from reinsurance contracts, net of tax	21	2,373	1,475	2,373	1,475
Other comprehensive loss for the year, net of tax		(2,015)	(2,508)	(2,015)	(2,508)
Total comprehensive income for the year		322,852	293,350	322,852	293,350
Basic earnings per share (sen)	25	97.5	88.8	97.5	88.8

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

	/----- Attributable to owners of the Group and the Company -----/		/----- Non-distributable -----/ Distributable		
	Share capital RM'000	Insurance finance reserve RM'000	Retained earnings RM'000	Total equity RM'000	
Group and Company					
At 1 January 2024	1,511,546	2,066	1,777,168	3,290,780	
Profit for the year	-	-	324,867	324,867	
Other comprehensive loss for the year	-	(2,015)	-	(2,015)	
Total comprehensive income for the year	-	(2,015)	324,867	322,852	
<i>Distribution to owners of the Company</i>					
Dividends recognised during the year	-	-	(296,497)	(296,497)	
Total transactions with owners of the Company	-	-	(296,497)	(296,497)	
At 31 December 2024	1,511,546	51	1,805,538	3,317,135	
	Note 12	Note 13.1	Note 13.2		

Statements of changes in equity for the year ended 31 December 2024 (continued)

	/----- Attributable to owners of the Group and the Company -----/		/----- Non-distributable -----/ Distributable		
	Share capital RM'000	Insurance finance reserve RM'000	Retained earnings RM'000	Total equity RM'000	
Group and Company					
At 1 January 2023	1,511,546	4,574	1,714,510	3,230,630	
Profit for the year	-	-	295,858	295,858	
Other comprehensive loss for the year	-	(2,508)	-	(2,508)	
Total comprehensive income for the year, restated	-	(2,508)	295,858	293,350	
<i>Distribution to owners of the Company</i>					
Dividends recognised during the year	-	-	(233,200)	(233,200)	
Total transactions with owners of the Company	-	-	(233,200)	(233,200)	
At 31 December 2023	1,511,546	2,066	1,777,168	3,290,780	
	Note 12	Note 13.1	Note 13.2		

The notes on pages 73 to 154 are an integral part of the financial statements.

Statements of cash flows

for the year ended 31 December 2024

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash flows from operating activities				
Profit before tax	399,709	370,127	399,709	370,127
<i>Adjustments for:</i>				
Amortisation of intangible assets	1,885	2,048	1,885	2,048
Depreciation of plant and equipment	4,106	4,241	4,106	4,241
Depreciation of right-of-use assets	8,750	8,357	8,750	8,357
Depreciation of investment property	4	5	4	5
Investment income	(142,991)	(128,625)	(141,384)	(120,743)
Realised (gains)/loss recorded in profit or loss	(39,417)	15,664	(30,470)	8,033
Fair value gains recorded in profit or loss	(23,958)	(61,909)	(28,022)	(54,784)
Purchase of financial assets carried at fair value through profit or loss	(1,146,962)	(1,734,500)	(526,872)	(911,876)
Proceeds from disposal of financial assets carried at fair value through profit or loss	1,012,887	1,515,994	351,767	782,085
Interest on lease liabilities	1,083	1,590	1,083	1,590
Retirement gratuities charged	1,189	280	1,189	280
Others	(127)	(293)	(127)	(293)
Operating gain/(loss) before changes in working capital	76,158	(7,021)	41,618	89,070
Change in financial investments	82,838	(25,082)	82,838	(35,090)
Change in insurance and reinsurance contracts	85,867	131,613	85,867	131,613
Change in receivables	(35,298)	11,860	(33,158)	(2,627)
Change in other financial liabilities	(21)	24	(21)	24
Change in other payables	22,486	(3,768)	23,269	11,141
Change in third party interests in consolidated funds	26,033	19,712	-	-
Cash generated from operating activities	258,063	127,338	200,413	194,131
Dividend income received	100,491	93,500	93,315	75,225
Interest income received	49,808	39,761	49,132	39,121
Income tax paid	(61,278)	(67,522)	(61,278)	(67,522)
Net cash flows from operating activities	347,084	193,077	281,582	240,955

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

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash flows from investing activities				
Proceeds from disposal of plant and equipment	289	-	289	-
Purchase of intangible assets	(2,985)	(1,637)	(2,985)	(1,637)
Purchase of plant and equipment	(3,130)	(2,776)	(3,130)	(2,776)
Net cash flows used in investing activities	(5,826)	(4,413)	(5,826)	(4,413)
Cash flows from financing activities				
Dividend paid	(296,497)	(233,200)	(296,497)	(233,200)
Payment of lease liabilities	(10,701)	(9,195)	(10,701)	(9,195)
Net cash flows used in financing activities	(307,198)	(242,395)	(307,198)	(242,395)
Net increase/(decrease) in cash and cash equivalents	34,060	(53,731)	(31,442)	(5,853)
Cash and cash equivalents at beginning of year	278,090	331,821	226,558	232,411
Cash and cash equivalents at end of year	312,150	278,090	195,116	226,558

Notes to the financial statements

MSIG Insurance (Malaysia) Bhd is a public limited liability company, incorporated and domiciled in Malaysia. The addresses of its registered office and principal place of business are as follows:

Registered office

Level 12, Menara Hap Seng 2, Plaza Hap Seng,
No.1, Jalan P. Ramlee,
50250 Kuala Lumpur.

Principal place of business

Level 15, Menara Hap Seng 2, Plaza Hap Seng,
No.1, Jalan P. Ramlee,
50250 Kuala Lumpur.

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2024 comprise the Company and its investment in controlled structured entities as disclosed in Note 7.6 (together referred to as the "Group" and individually referred to as "Group entities"). The financial statements of the Group as at 31 December 2024 do not include other entities.

The Company is principally engaged in the underwriting of all classes of general insurance business. There has been no significant change in the nature of these activities during the financial year.

The immediate and ultimate holding companies are Mitsui Sumitomo Insurance Co., Ltd. and MS&AD Insurance Group Holdings, Inc., respectively. Both companies are incorporated in Japan.

The financial statements were authorised for issue by the Board of Directors on 19 March 2025.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), the requirements of the Companies Act, 2016 and the Financial Services Act, 2013 in Malaysia.

The following are accounting standards, amendments and interpretations of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

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

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

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

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

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

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

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

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

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

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 January 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025.
- from the annual period beginning on 1 January 2026 for the amendments that are effective for annual periods beginning on or after 1 January 2026, except for Amendments to MFRS 1 and MFRS 10 which are not applicable to the Group and the Company.
- from the annual period beginning on 1 January 2027 for the accounting standards that are effective for annual periods beginning on or after 1 January 2027, except for MFRS 19 which is not applicable to the Group and the Company.

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

The initial application of the abovementioned accounting standards, amendments and interpretations is not expected to have any material impacts to the financial statements of the Group and of the Company, except as discussed below:

MFRS 18, Presentation and Disclosures in Financial Statements

In June 2024, the MASB issued MFRS 18, which replaces MFRS 101 *Presentation of Financial Statements*. MFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements ("PFS") and the notes.

In addition, narrow-scope amendments have been made to MFRS 107 *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

MFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. MFRS 18 will apply retrospectively.

The Group and the Company are currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

(b) Basis of measurement

The financial statements of the Group and the Company have been prepared on the historical cost basis except as disclosed in Note 7 and Note 9 to the financial statements.

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

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

1. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

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

- Note 6 – Valuation of goodwill.
- Note 9.2.(i) – definition and classification of insurance and reinsurance contracts: identifying whether contracts are within the scope of MFRS 17 and, for contracts determined to be within the scope of MFRS 17, what measurement model is applicable.
- Note 9.2.(iii) – level of aggregation of insurance and reinsurance contracts: identifying portfolios of contracts and determining groups of contracts that are onerous on initial recognition and those that have no significant possibility of becoming onerous subsequently.
- Note 9.2.(vi) – measurement of insurance and reinsurance contracts: determining discount rates and the techniques for estimating risk adjustments for non-financial risk; information about assumptions made in measuring the fulfilment cash flows of insurance and reinsurance contracts are included in note 9.2.(vii).

2. Plant and equipment

Group and Company

Cost

At 1 January 2023

Additions

Disposals

At 31 December 2023/1 January 2024

Additions

Disposals

At 31 December 2024

Accumulated depreciation

At 1 January 2023

Additions

Disposals

At 31 December 2023/1 January 2024

Additions

Disposals

At 31 December 2024

Carrying amount

At 1 January 2023

At 31 December 2023/1 January 2024

At 31 December 2024

	Office equipment RM'000	Furniture and fittings RM'000	Computers RM'000	Motor vehicles RM'000	Total RM'000
At 1 January 2023	7,888	15,374	25,598	2,912	51,772
Additions	101	19	2,494	162	2,776
Disposals	(161)	-	(1,238)	-	(1,399)
At 31 December 2023/1 January 2024	7,828	15,393	26,854	3,074	53,149
Additions	259	668	1,016	1,187	3,130
Disposals	(712)	(139)	(650)	(1,078)	(2,579)
At 31 December 2024	7,375	15,922	27,220	3,183	53,700
At 1 January 2023	5,198	14,585	18,433	2,009	40,225
Additions	786	302	2,833	320	4,241
Disposals	(161)	-	(1,231)	-	(1,392)
At 31 December 2023/1 January 2024	5,823	14,887	20,035	2,329	43,074
Additions	741	240	2,706	419	4,106
Disposals	(711)	(136)	(640)	(1,078)	(2,565)
At 31 December 2024	5,853	14,991	22,101	1,670	44,615
At 1 January 2023	2,690	789	7,165	903	11,547
At 31 December 2023/1 January 2024	2,005	506	6,819	745	10,075
At 31 December 2024	1,522	931	5,119	1,513	9,085

2. Plant and equipment (continued)

2.1 Material accounting policy

(i) Recognition and measurement

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

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

(ii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment from the date that they are available for use.

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

• Office equipment	5 years
• Furniture and fittings	6 - 7 years
• Computers	5 years
• Motor vehicles	5 years

3. Right-of-use assets

	Properties RM'000	Office and other equipment RM'000	Total RM'000
Group and Company			
At 1 January 2023	29,831	535	30,366
Additions	1,248	52	1,300
Depreciation charge	(8,076)	(281)	(8,357)
Remeasurement	(10,482)	-	(10,482)
At 31 December 2023/1 January 2024	12,521	306	12,827
Additions	38,000	-	38,000
Depreciation charge	(8,483)	(267)	(8,750)
Remeasurement	(1,296)	-	(1,296)
At 31 December 2024	40,742	39	40,781

3.1 Extension options

Some leases of properties, office buildings and other equipment contain extension options exercisable by the Group and the Company up to six years before the end of the non-cancellable contract period. Where practicable, the Group and the Company seek to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and the Company and not by the lessors. The Group and the Company assess at lease commencement whether it is reasonably certain to exercise the extension options. The Group and the Company reassess whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

3.2 Significant judgements and assumptions in relation to leases

The Group and the Company assess at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. The Group and the Company consider all facts and circumstances including its past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help it determine the lease term. The Group and the Company also applied judgement and assumptions in determining the interest rate implicit in the lease.

3.3 Material accounting policy information

(i) Recognition and measurement

The Group and the Company recognise a right-of-use asset at the lease commencement date. The right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

(ii) Recognition exemption

The Group and the Company have elected not to recognise right-of-use assets for short-term leases that have a lease term of 12 months or less.

4. Investment property

	Group and Company	
	2024 RM'000	2023 RM'000
Cost		
At 1 January/31 December	233	233
Accumulated depreciation		
At 1 January	118	113
Charge for the year	4	5
At 31 December	122	118
Accumulated impairment		
At 1 January/31 December	7	7
Carrying amount		
At 1 January	108	113
At 31 December	104	108
Included in the above is:		

	2024		2023	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Group and Company				
Leasehold building	104	230	108	220

4.1 Other expenses

The following are recognised in profit or loss in respect of the investment property:

	Group and Company	
	2024 RM'000	2023 RM'000
Direct operating expenses	4	5

4.2 Fair value information

Fair value disclosed for the investment property is categorised as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2024				
Leasehold building	-	230	-	230
2023				
Leasehold building	-	220	-	220

4. Investment property (continued)

4.3 Material accounting policy information

Investment properties are measured at cost less any accumulated depreciation and any accumulated impairment.

5. Intangible assets

Group and Company	Computer software	
	2024 RM'000	2023 RM'000
Cost		
At 1 January	30,753	29,138
Additions	2,985	1,637
Disposals	-	(22)
At 31 December	33,738	30,753
Accumulated amortisation		
At 1 January	25,134	23,108
Amortisation charge	1,885	2,048
Disposals	-	(22)
At 31 December	27,019	25,134
Carrying amount		
At 31 December	6,719	5,619

5.1 Material accounting policy information

(i) Recognition and measurement

Intangible assets comprised customised software, desktop applications and licenses which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

(ii) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

The estimated useful lives for the current and comparative periods are 5 years.

6. Goodwill

	Group and Company	
	2024 RM'000	2023 RM'000
At 1 January/31 December	<u>1,141,224</u>	<u>1,141,224</u>

6.1 Impairment testing for cash-generating units

For the purpose of annual impairment testing, goodwill has been allocated to the general insurance business of the Group and the Company as one single cash-generating unit which represents the lowest level within the Group and the Company at which the goodwill is monitored for internal management purposes.

The recoverable amount of the general insurance business was based on its value in use. Value in use was determined by discounting the future cash flows generated from the continuing use of the unit using estimated operating results of 2025 to 2027 business plan.

The key assumptions used in the value in use calculations are as follows:

	Group and Company	
	2024	2023
Perpetual growth rate (for terminal value)	3.0%	3.0%
Discount rate	<u>8.4%</u>	<u>8.3%</u>

The values assigned to the key assumptions represent management's assessment of future trends in the general insurance industry and are based on both external sources and internal sources (historical data).

The carrying amount of the unit was determined to be lower than its recoverable amount and accordingly, no impairment loss is required.

Sensitivity to changes in key assumptions

Management considers that it is not reasonably possible for the abovementioned key assumptions to change so significantly that would result in impairment.

6.2 Material accounting policy information

Goodwill arises on business combinations is measured at cost less any accumulated impairment losses. The goodwill arose from the acquisition of general insurance businesses in 2006 and 2010.

Goodwill represents the excess of the cost of the acquisition over the net fair value of the identifiable assets, liabilities and contingent liabilities of the business purchased.

Goodwill is measured at cost and is not amortised. Goodwill is allocated to cash-generating units or a group of cash-generating units and is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired.

7. Financial investments

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Equity securities in corporations	297,846	222,328	297,846	222,328
Unit trusts and collective investment scheme	953,248	847,654	860,143	750,183
Controlled structured entities	-	-	1,450,540	1,402,696
Corporate and government bonds	1,348,816	1,306,984	-	-
Deposits with financial institutions	1,107,189	1,190,027	1,107,189	1,190,027
Total financial investments	3,707,099	3,566,993	3,715,718	3,565,234

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

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Financial assets at fair value through profit or loss ("FVTPL")	7.1	2,599,910	2,376,966	2,608,529	2,375,207
Financial assets at amortised cost ("AC")	7.2	1,107,189	1,190,027	1,107,189	1,190,027
Total financial investments		3,707,099	3,566,993	3,715,718	3,565,234

7.1 Financial assets measured at FVTPL

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At fair value:				
Equity securities in corporations:				
Quoted in Malaysia	294,903	221,726	294,903	221,726
Unquoted in Malaysia	2,943	602	2,943	602
Unit trusts and collective investment scheme	953,248	847,654	860,143	750,183
Controlled structured entities	-	-	1,450,540	1,402,696
Corporate and government bonds	1,348,816	1,306,984	-	-
Total financial assets measured at FVTPL	2,599,910	2,376,966	2,608,529	2,375,207

7. Financial investments (continued)

7.2 Financial assets measured at AC

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At amortised cost:				
Fixed and call deposits with maturity > 3 months with licensed financial institutions in Malaysia	1,107,189	1,190,027	1,107,189	1,190,027
Total financial assets measured at AC	1,107,189	1,190,027	1,107,189	1,190,027

The carrying amount of the deposits with financial institutions approximates fair value due to the relatively short-term maturities.

7.3 Estimation of fair value

The fair values of quoted equity securities are their closing prices at the end of reporting period.

The fair value of the unquoted equity securities in corporations is determined by applying Net Asset Value ("NAV") based on the annual financial statements of the invested company.

The fair value of unit trusts and controlled structured entities are their published Net Asset Value ("NAV") unit prices at the end of reporting period.

7.4 Carrying value of financial investments

	Group RM'000	Company RM'000
FVTPL		
1 January 2023, restated	2,152,346	2,198,658
Additions	1,737,639	911,876
Disposals/Maturities	(1,570,271)	(790,111)
Fair value gain recorded in profit and loss	57,252	54,784
At 31 December 2023/1 January 2024	2,376,966	2,375,207
Additions	1,146,967	526,872
Disposals/Maturities	(947,981)	(321,572)
Fair value gain recorded in profit and loss	23,958	28,022
At 31 December 2024	2,599,910	2,608,529

7. Financial investments (continued)

7.5 Material accounting policy information

(i) Initial recognition and measurement

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").

(ii) Classification and subsequent measurement

Classification

Financial assets are not reclassified subsequent to their initial recognition unless the Group and the Company change its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI").

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

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are SPPI.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. In addition, on initial recognition the Group and the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Group and the Company assess the objective of the business model in which a financial asset is held for each portfolio of financial assets because this best reflects the way that the business is managed and information is provided to management. The information considered includes:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the key management personnel;
- 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 (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected); and
- The expected frequency, value and timing of sales.

7. Financial investments (continued)

7.5 Material accounting policy information (continued)

(ii) Classification and subsequent measurement (continued)

Business model assessment (continued)

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

The Group and the Company determine that both collecting contractual cash flows as they come due and selling financial assets to maintain the desired asset profile are integral to achieving the business model’s objective.

The SPPI test

As a first step of its classification process, the Group and the Company assess the contractual terms of financial assets to identify whether they meet the SPPI test.

“Principal” is defined as the fair value of the financial asset on initial recognition. However, the principal may change over time – e.g. if there are repayments of principal.

Interest is defined as consideration for the time value of money.

In assessing whether the contractual cash flows are SPPI, the Group and the Company consider 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 this assessment, the Group and the Company consider:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension features;
- terms that limit the Group’s and the Company’s claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration for the time value of money (e.g. periodic reset of interest rates).

Subsequent measurement and gains and losses

Financial assets at FVTPL	Measured at fair value. Net gains and losses, including any interest or dividend income and foreign exchange gains and losses, are recognised in profit or loss.
Financial assets at amortised cost	Measured at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

7. Financial investments (continued)

7.5 Material accounting policy information (continued)

(iii) Derecognition and contract modification

Financial assets

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

On derecognition of a financial asset, the difference between the carrying amount at the date of derecognition and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Financial liabilities

The Group and the Company generally derecognise a financial liability when its contractual obligations expire or are discharged or cancelled. The Group and the Company also derecognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

7. Financial investments (continued)

7.6 Controlled structured entities

The Company has determined that its investment in unit trust funds amounting to RM1,450,540,035 (2023: RM1,402,695,696) are in essence investment in structured entities ("investee funds"). The Company invests in certain investee funds whose objectives range from achieving short to long-term fixed income. The investee funds are managed by AmFunds Management Berhad, AHAM Asset Management Berhad, Principal Asset Management Berhad and Nomura Asset Management Malaysia Sdn. Bhd. which apply various investment strategies to accomplish their respective investment objectives. The investee funds finance their operations through the creation of investee fund units which entitle the holder to variable returns and fair values in the respective investee fund's net assets.

The Company hold over 80% to 100% of all the investee funds disclosed below, which are all established in Malaysia. The Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Accordingly, the Company has control over these investee funds and has consolidated these investee funds.

Details of the Company's investment in controlled structured entities are as follows:

Name of unit trust fund	Principal activities	% of ownership interest held by the Company	
		2024	2023
AmBond Select 2	Investment in corporate bonds and deposits	81.50%	83.80%
AHAM Wholesale Corporate Bond Fund	Investment in corporate bonds and deposits	100.00%	100.00%
AHAM World Series-Asian Bond Fund	Investment in collective investment scheme, deposits and derivatives	100.00%	100.00%
Principal Institutional Bond Fund 4	Investment in corporate bonds and deposits	100.00%	99.97%
Nomura Ringgit Bond Fund 2	Investment in government bonds, corporate bonds and deposits	100.00%	99.98%

7. Financial investments (continued)

7.6 Controlled structured entities (continued)

These investee funds are classified as fair value through profit or loss ("FVTPL") investments and the change in fair value of each investee fund is recognised in profit and loss.

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

2024	AmBond Select 2 RM'000	AHAM Wholesale Corporate Bond Fund RM'000	AHAM World Series- Asian Bond Fund RM'000	Principal Institutional Bond Fund 4 RM'000	Nomura Ringgit Bond Fund 2 RM'000	Total RM'000
Fair value of underlying assets:						
Company						
Government bonds	-	-	-	-	9,690	9,690
Corporate bonds	441,011	259,308	-	284,743	254,280	1,239,342
Collective investment scheme	-	-	93,103	-	-	93,103
Money market deposits	48,929	8,461	902	4,842	5,319	68,453
Cash and cash equivalents	28,327	24	2,718	21	10	31,100
	518,267	267,793	96,723	289,606	269,299	1,441,688

7. Financial investments (continued)

7.6 Controlled structured entities (continued)

2023

Fair value of underlying assets:

Company

Government bonds
 Corporate bonds
 Collective investment scheme
 Money market deposits
 Cash and cash equivalents

AmBond Select 2 RM'000	AHAM Wholesale Corporate Bond Fund RM'000	AHAM World Series- Asian Bond Fund RM'000	Principal Institutional Bond Fund 4 RM'000	Nomura Ringgit Bond Fund 2 RM'000	Total RM'000
-	-	-	-	14,568	14,568
458,190	250,700	-	287,178	204,003	1,200,071
-	-	97,469	-	-	97,469
-	15,806	-	1,377	18,045	35,228
13,033	80	513	21	136	13,783
471,223	266,586	97,982	288,576	236,752	1,361,119

7. Financial investments (continued)

7.6 Controlled structured entities (continued)

The change in fair value of each investee fund is recognised in profit and loss is disclosed below:

Company	AmBond Select 2 RM'000	AHAM Wholesale Corporate Bond Fund RM'000	AHAM World Series- Asian Bond Fund RM'000	Principal Institutional Bond Fund 4 RM'000	Nomura Ringgit Bond Fund 2 RM'000	Total RM'000
At 31 December 2024						
Total fair value gain/(loss) recognised	5,680	3,838	(4,895)	9,255	(633)	13,245
At 31 December 2023						
Total fair value gain/(loss) recognised	10,185	2,604	(2,202)	9,200	(4,386)	15,401

7. Financial investments (continued)

7.6 Controlled structured entities (continued)

Material accounting policy information

Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of controlled structured entities are included in the consolidated financial statements of the Group from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

(ii) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

(iii) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial statements of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

8. Deferred tax liabilities/(assets)

Recognised deferred tax liabilities/(assets)

Recognised deferred tax liabilities/(assets) are attributable to the following:

	Group and Company	
	2024 RM'000	2023 RM'000
Financial assets at FVTPL	10,287	3,562
Plant and equipment	2,052	1,888
Provisions	(16,285)	(13,225)
Insurance/reinsurance contracts	22,838	21,513
Deferred tax liabilities (net)	18,892	13,738

Movement in temporary differences during the year:

	At 1.1.2023 RM'000	Recognised in profit or loss RM'000	Recognised in other comprehensive income RM'000	At 31.12.2023/ 1.1.2024 RM'000	Recognised in profit or loss RM'000	Recognised in other comprehensive income RM'000	At 31.12.2024 RM'000
Group and Company							
Financial assets at FVTPL	(6,714)	10,276	-	3,562	6,725	-	10,287
Plant and equipment	2,598	(710)	-	1,888	164	-	2,052
Provisions	(16,459)	3,234	-	(13,225)	(3,060)	-	(16,285)
Insurance/reinsurance contracts	21,702	602	(791)	21,513	1,962	(637)	22,838
Deferred tax (assets)/liabilities	1,127	13,402	(791)	13,738	5,791	(637)	18,892

8. Deferred tax (assets)/liabilities (continued)

8.1 Global minimum top-up tax

As at 31 December 2023, Malaysia have substantively enacted new legislation to implement the global minimum top-up tax. As the Group is part of a multinational group which has also implemented global minimum top-up tax, the Group and the Company expect to be subjected to the top-up tax. However, since the newly enacted tax will only come into effect in year 2025, there is no current year tax impact for the year ended 31 December 2024.

8.2 Temporary mandatory relief from deferred tax accounting

The Group and the Company have applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

9. Insurance and reinsurance contracts

	Note	2024		2023	
		Assets RM'000	Liabilities RM'000	Assets RM'000 Restated	Liabilities RM'000 Restated
Group and Company					
Insurance contracts					
Fire		-	478,859	-	584,798
Motor		-	1,010,557	-	990,194
Marine		-	65,400	-	65,692
Others		-	573,685	-	587,813
Total insurance contracts	9.1(i)	-	2,128,501	-	2,228,497
Reinsurance contracts					
Proportional	9.1(ii)	491,967	-	600,568	-
Non-Proportional	9.1(iii)	2,640	20,018	36,166	-
Total reinsurance contracts		494,607	20,018	636,734	-

The following table sets out the carrying amounts of insurance and reinsurance contracts expected to be (recovered) settled more than 12 months after the reporting dates.

	2024 RM'000	2023 RM'000
Group and Company		
Insurance contract liabilities	863,443	868,882
Reinsurance contract assets	165,843	175,820
Reinsurance contract liabilities	33,430	-

At 31 December 2024, the maximum exposure to credit risk from insurance contract is RM97,869,210 (2023: RM96,356,490), which primarily relates to premium receivable, and the maximum exposure to credit risk from reinsurance contracts is RM37,430,669 (2023: RM28,876,037).

Included in insurance contract liabilities of the Group and the Company are RM31,879,000 (2023: RM27,516,000) held as cash collateral deposits received from policyholder.

9. Insurance and reinsurance contracts (continued)

9.1 Movement in insurance and reinsurance contract balances

(i) Insurance contracts – Analysis by remaining coverage and incurred claims

Group and Company in RM'000	Note	Liabilities for remaining coverage		Liabilities for incurred claims		Total
		Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non- financial risk	
2024						
Opening liabilities, restated	(a)	640,651	30,723	1,430,755	126,368	2,228,497
Changes in the statement of profit or loss and OCI						
Insurance revenue		(1,711,454)	-	-	-	(1,711,454)
Insurance service expenses						
Incurred claims and other insurance service expenses		-	(58,781)	1,087,675	46,564	1,075,458
Amortisation of insurance acquisition cash flows		309,062	-	-	-	309,062
Losses and reversals of losses on onerous contracts		-	57,261	-	-	57,261
Adjustments to liabilities for incurred claims		-	-	(210,253)	(67,287)	(277,540)
Investment components and premium refunds		309,062	(1,520)	877,422	(20,723)	1,164,241
		(5,556)	-	5,556	-	-
Insurance service result		(1,407,948)	(1,520)	882,978	(20,723)	(547,213)
Net finance expenses from insurance contracts	21	-	12,647	45,757	4,012	62,416
Total changes in the statement of profit or loss and OCI	(b)	(1,407,948)	11,127	928,735	(16,711)	(484,797)
Cash flows						
Premium received		1,908,646	-	-	-	1,908,646
Claims and other insurance service expenses paid		-	-	(1,062,483)	-	(1,062,483)
Insurance acquisition cash flows		(321,863)	-	-	-	(321,863)
Total cash flows	(c)	1,586,783	-	(1,062,483)	-	524,300
Transfer to other items in the statement of financial position	(d)	(139,499)	-	-	-	(139,499)
Closing liabilities (a + b + c + d)		679,987	41,850	1,297,007	109,657	2,128,501

9. Insurance and reinsurance contracts (continued)

9.1 Movement in insurance and reinsurance contract balances (continued)

(i) Insurance contracts – Analysis by remaining coverage and incurred claims (continued)

Group and Company in RM'000	Note	Liabilities for remaining coverage		Liabilities for incurred claims		Total
		Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non- financial risk	
2023						
Opening liabilities, restated	(a)	601,872	36,408	1,566,677	147,249	2,352,206
Changes in the statement of profit or loss and OCI						
Insurance revenue		(1,660,346)	-	-	-	(1,660,346)
Insurance service expenses						
Incurred claims and other insurance service expenses		-	(54,258)	1,043,205	42,045	1,030,992
Amortisation of insurance acquisition cash flows		304,175	-	-	-	304,175
Losses and reversals of losses on onerous contracts		-	29,821	-	-	29,821
Adjustments to liabilities for incurred claims		-	-	(233,530)	(66,987)	(300,517)
Investment components and premium refunds		304,175	(24,437)	809,675	(24,942)	1,064,471
		(6,528)	-	6,528	-	-
Insurance service result		(1,362,699)	(24,437)	816,203	(24,942)	(595,875)
Net finance expenses from insurance contracts	21	-	18,752	44,999	4,061	67,812
Total changes in the statement of profit or loss and OCI	(b)	(1,362,699)	(5,685)	861,202	(20,881)	(528,063)
Cash flows						
Premium received		1,814,816	-	-	-	1,814,816
Claims and other insurance service expenses paid		-	-	(997,124)	-	(997,124)
Insurance acquisition cash flows		(305,640)	-	-	-	(305,640)
Total cash flows	(c)	1,509,176	-	(997,124)	-	512,052
Transfer to other items in the statement of financial position	(d)	(107,698)	-	-	-	(107,698)
Closing liabilities (a + b + c + d)		640,651	30,723	1,430,755	126,368	2,228,497

9. Insurance and reinsurance contracts (continued)

9.1 Movement in insurance and reinsurance contract balances (continued)

(ii) Proportional reinsurance contracts - Analysis by remaining coverage and incurred claims

Group and Company in RM'000	Note	Assets for remaining coverage		Assets for incurred claims		Total
		Excluding Loss- recovery component	Loss- recovery component	Estimates of present value of future cash flows	Risk adjustment for non- financial risk	
2024						
Opening assets	(a)	46,239	700	494,088	59,541	600,568
Changes in the statement of profit or loss and OCI						
Allocation of reinsurance premiums paid		(274,867)	-	-	-	(274,867)
Amount recoverable from reinsurers						
Recoveries of incurred claims and other insurance service expenses		-	(1,314)	151,595	16,093	166,374
Recoveries and reversals of recoveries of losses on onerous underlying contracts		-	1,250	-	-	1,250
Adjustments to assets for incurred claims		-	-	(69,101)	(31,644)	(100,745)
		-	(64)	82,494	(15,551)	66,879
Investment components and premium refunds		99	-	(99)	-	-
Effect of changes in non-performance risk of reinsurers		-	-	1,350	-	1,350
Net expenses from reinsurance contracts	17	(274,768)	(64)	83,745	(15,551)	(206,638)
Net finance income from reinsurance contracts		-	291	13,959	1,760	16,010
Total changes in the statement of profit or loss and OCI	(b)	(274,768)	227	97,704	(13,791)	(190,628)
Cash flows						
Premium paid		268,615	-	-	-	268,615
Amounts received		-	-	(186,588)	-	(186,588)
Total cash flows	(c)	268,615	-	(186,588)	-	82,027
Closing assets (a + b + c)		40,086	927	405,204	45,750	491,967

9. Insurance and reinsurance contracts (continued)

9.1 Movement in insurance and reinsurance contract balances (continued)

(ii) Proportional reinsurance contracts - Analysis by remaining coverage and incurred claims (continued)

Group and Company in RM'000	Note	Assets for remaining coverage		Assets for incurred claims		Total
		Excluding Loss- recovery component	Loss- recovery component	Estimates of present value of future cash flows	Risk adjustment for non- financial risk	
2023 (Restated)						
Opening assets	(a)	43,610	851	636,896	77,939	759,296
Changes in the statement of profit or loss and OCI						
Allocation of reinsurance premiums paid		(253,375)	-	-	-	(253,375)
Amount recoverable from reinsurers						
Recoveries of incurred claims and other insurance service expenses		-	(1,275)	132,739	13,593	145,057
Recoveries and reversals of recoveries of losses on onerous underlying contracts		-	675	-	-	675
Adjustments to assets for incurred claims		-	-	(136,695)	(33,894)	(170,589)
		-	(600)	(3,956)	(20,301)	(24,857)
Investment components and premium refunds		158	-	(158)	-	-
Effect of changes in non-performance risk of reinsurers		-	-	80	-	80
Net expenses from reinsurance contracts	17	(253,217)	(600)	(4,034)	(20,301)	(278,152)
Net finance income from reinsurance contracts		-	449	14,981	1,903	17,333
Total changes in the statement of profit or loss and OCI	(b)	(253,217)	(151)	10,947	(18,398)	(260,819)
Cash flows						
Premium paid		255,846	-	-	-	255,846
Amounts received		-	-	(153,755)	-	(153,755)
Total cash flows	(c)	255,846	-	(153,755)	-	102,091
Closing assets (a + b + c)		46,239	700	494,088	59,541	600,568

9. Insurance and reinsurance contracts (continued)

9.1 Movement in insurance and reinsurance contract balances (continued)

(iii) Non-proportional reinsurance contracts - Analysis by remaining coverage and incurred claims

Group and Company in RM'000	Note	Assets for remaining coverage		Assets for incurred claims		Total
		Excluding Loss- recovery component	Loss- recovery component	Estimates of present value of future cash flows	Risk adjustment for non- financial risk	
2024						
Opening assets	(a)	(58,796)	4	82,247	12,711	36,166
Changes in the statement of profit or loss and OCI						
Allocation of reinsurance premiums paid		(55,780)	-	-	-	(55,780)
Amount recoverable from reinsurers						
Recoveries of incurred claims and other insurance service expenses		-	(6)	487	2,325	2,806
Recoveries and reversals of recoveries of losses on onerous underlying contracts		-	9	-	-	9
Adjustments to assets for incurred claims		-	-	(29,750)	(8,636)	(38,386)
		-	3	(29,263)	(6,311)	(35,571)
Effect of changes in non-performance risk of reinsurers		-	-	165	-	165
Net expenses from reinsurance contracts	17	(55,780)	3	(29,098)	(6,311)	(91,186)
Net finance income from reinsurance contracts		-	2	1,938	344	2,284
Total changes in the statement of profit or loss and OCI	(b)	(55,780)	5	(27,160)	(5,967)	(88,902)
Cash flows						
Premium paid		62,484	-	-	-	62,484
Amounts received		-	-	(27,126)	-	(27,126)
Total cash flows	(c)	62,484	-	(27,126)	-	35,358
Closing assets		(1,393)	9	2,684	1,340	2,640
Closing liabilities		(50,699)	-	25,277	5,404	(20,018)
Net closing balance (a + b + c)		(52,092)	9	27,961	6,744	(17,378)

9. Insurance and reinsurance contracts (continued)

9.1 Movement in insurance and reinsurance contract balances (continued)

(iii) Non-proportional reinsurance contracts - Analysis by remaining coverage and incurred claims (continued)

Group and Company in RM'000	Note	Assets for remaining coverage		Assets for incurred claims		Total
		Excluding Loss- recovery component	Loss- recovery component	Estimates of present value of future cash flows	Risk adjustment for non- financial risk	
2023						
Opening assets	(a)	(50,722)	(1)	166,790	17,393	133,460
Changes in the statement of profit or loss and OCI						
Allocation of reinsurance premiums paid		(58,156)	-	-	-	(58,156)
Amount recoverable from reinsurers						
Recoveries of incurred claims and other insurance service expenses		-	(3)	6,638	2,311	8,946
Recoveries and reversals of recoveries of losses on onerous underlying contracts		-	8	-	-	8
Adjustments to assets for incurred claims		-	-	(6,630)	(7,381)	(14,011)
		-	5	8	(5,070)	(5,057)
Effect of changes in non-performance risk of reinsurers		-	-	1,831	-	1,831
Net expenses from reinsurance contracts	17	(58,156)	5	1,839	(5,070)	(61,382)
Net finance income from reinsurance contracts		-	-	2,707	388	3,095
Total changes in the statement of profit or loss and OCI	(b)	(58,156)	5	4,546	(4,682)	(58,287)
Cash flows						
Premium paid		50,082	-	-	-	50,082
Amount received		-	-	(89,089)	-	(89,089)
Total cash flows	(c)	50,082	-	(89,089)	-	(39,007)
Closing (liabilities)/assets (a + b + c)		(58,796)	4	82,247	12,711	36,166

9. Insurance and reinsurance contracts (continued)

9.2 Material accounting policy information

(i) Definition and classification

Insurance contracts are contracts under which the Group and the Company accept significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Group and the Company use judgement to assess whether a contract transfers insurance risk (that is, if there is a scenario with commercial substance in which the Group and the Company have the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant.

In the normal course of business, the Group and the Company use reinsurance to mitigate its risk exposures. A reinsurance contract transfers significant risk if it transfers substantially all the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss.

(ii) Separating components from insurance and reinsurance contracts

At inception, the Group and Company separate the following components from an insurance or reinsurance contract and accounts for them as if they were stand-alone financial instruments:

- derivatives embedded in the contract whose economic characteristics and risks are not closely related to those of the host contract, and whose terms would not meet the definition of an insurance or reinsurance contract as a stand-alone instrument.
- distinct investment components which are investment components that are not highly inter-related with the insurance components and for which contracts with equivalent terms are sold, or could be sold, separately in the same market or the same jurisdiction; and
- distinct non-investment service components.

(iii) Aggregation and recognition of insurance and reinsurance contracts

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 (i.e. by inception year) and each annual cohort into three groups based on the profitability of contracts:

- any contracts that are onerous on initial recognition;
- any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- any remaining contracts in the annual cohort.

9. Insurance and reinsurance contracts (continued)

9.2 Material accounting policy information (continued)

(iii) Aggregation and recognition of insurance and reinsurance contracts (continued)

Insurance contracts (continued)

An insurance contract issued by the Group and the Company are recognised from the earliest of:

- the beginning of its coverage period (i.e. the period during which the Group and the Company provide services in respect of any premiums within the boundary of the contract);
- when the first payment from the policyholder becomes due or, if there is no contractual due date, when it is received from the policyholder; and
- when facts and circumstances indicate that the contract is onerous. An insurance contract acquired in a transfer of contracts or a business combination is recognised on the date of acquisition.

When the contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts are added. Groups of contracts are established on initial recognition and their composition is not revised once all contracts have been added to the group.

Reinsurance contracts

A group of reinsurance contracts is recognised on the following date:

- Reinsurance contracts initiated by the Group and the Company that provide proportionate coverage, the date on which any underlying insurance contract is initially recognised. This applies to the Group's quota share reinsurance contracts.
- Other reinsurance contracts initiated by the Group and the Company (including non proportionate coverage), the beginning of the coverage period of the group of reinsurance contracts is the date recognised. However, if the Group and the Company recognise an onerous group of underlying insurance contracts on an earlier date and the related reinsurance contract was entered into before that earlier date, then the group of reinsurance contracts is recognised on that earlier date.

(iv) Contract boundaries

The measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group.

Insurance contracts

For insurance contracts, cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the policyholder is obligated to pay the premiums or in which the Group and the Company have a substantive obligation to provide the policyholder with the insurance contract services.

A substantive obligation to provide insurance contract services ends when:

- the Group and the Company have 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

9. Insurance and reinsurance contracts (continued)

9.2 Material accounting policy information (continued)

(iv) Contract boundaries (continued)

Insurance contracts (continued)

- the Group and the Company have the practical ability to reassess the risks of the portfolio of insurance contracts that contains 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.

Reinsurance contracts

For reinsurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group and the Company are obligated to pay amount to the reinsurers or has a substantive right to receive services from the reinsurer.

A substantive right to receive services from the reinsurer ends when the reinsurer:

- has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or
- has a substantive right to terminate the coverage.

(v) Insurance acquisition cash flows

Insurance acquisition cash flows are allocated to groups of insurance contracts using a systematic and rational method and considering, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort.

If insurance acquisition cash flows are directly attributable to a group of contracts, then they are allocated to that group and to the groups that will include renewals of those contracts.

If insurance acquisition cash flows are directly attributable to a portfolio but not to a group of contracts, then they are allocated to groups in the portfolio using a systematic and rational method.

Insurance acquisition cash flows arising before the recognition of the related group of contracts are recognised as an asset. Insurance acquisition cash flows arise when they are paid or when a liability is required to be recognised under a standard other than MFRS 17. Such an asset is recognised for each group of contracts to which the insurance acquisition cash flows are allocated. The asset is derecognised, fully or partially, when the insurance acquisition cash flows are included in the measurement of the group of contracts.

(vi) Measurement

The Group and the Company apply the Premium Allocation Approach ("PAA") to simplify the measurement of groups of contract when the following criteria are met at inception.

- Insurance contracts and loss-occurring reinsurance contracts* – The coverage period of each contract in the Group and the Company are one year or less;
- Longer term insurance contract and risk-attaching reinsurance contract* – The Group and the Company reasonably expect that the resulting measurement of the liability/asset of the remaining coverage would not differ materially from the results of applying the requirements for the General Measurement Model.

9. Insurance and reinsurance contracts (continued)

9.2 Material accounting policy information (continued)

(vi) Measurement (continued)

On initial recognition of each group of contracts, the carrying amount of the liability for remaining coverage is measured at the premium received on initial recognition minus any insurance acquisition cash flows at that date. The Group and the Company defer insurance acquisition cash flows by allocating to groups of contracts using systematic and rational methods.

Subsequently, the carrying amount of the liability for remaining coverage is increased by any premium received less insurance acquisition cash flows, increased by the amounts relating to the amortisation of insurance acquisition cash flows recognised as an expense in the reporting period and decreased by the amount recognised as insurance revenue for services provided.

If at any time before and during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Group and the Company recognise a loss in profit and loss and increase the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flows that relate to remaining coverage exceed the carrying amount of the liability for remaining coverage. The fulfilment cash flows will be discounted (at current rates) if the liability for incurred claims is also discounted.

The Group and the Company recognise the liability for incurred claims of a group of contract at the amount of the fulfilment cash flows relating to incurred claims. The future cash flows will be discounted (at current rate) unless they are expected to be paid in one year or less from the date the claims are incurred.

The Group and the Company apply same accounting policies to measure a group of reinsurance contracts, adapted where necessary to reflect features that differ from those of insurance contracts.

(vii) Significant judgements and estimates

Estimates of future cash flows

In estimating future cash flows, the Group and the Company incorporate, 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.

When estimating future cash flows, the Group and the Company take into account current expectations of future events that might affect those cash flows. However, expectations of future changes in legislation that would change or discharge a present obligation or create new obligations under existing contracts are not taken into account until the change in legislation is substantially enacted.

Cash flows within the boundary of a contract relate directly to the fulfilment of the contract, including those for which the Group and the Company have discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts.

9. Insurance and reinsurance contracts (continued)

9.2 Material accounting policy information (continued)

(vii) Significant judgements and estimates (continued)

Estimates of future cash flows (continued)

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. Other costs that are incurred in fulfilling the contracts include claims handling, maintenance and administration costs, and recurring commissions payable on instalment premiums receivable within the contract boundary.

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 based a detailed expense study. Cash flows attributable to acquisition and other fulfilment activities are allocated to groups of contracts using methods that are systematic and rational and are consistently applied to all costs that have similar characteristics. The Group and the Company use gross written premium as the appropriate cost driver for the purpose of allocation to insurance portfolios. Other costs are recognised in profit or loss as they are incurred.

If facts and circumstances indicate that an asset for insurance acquisition cash flows may be impaired at each reporting date, an impairment amount should be recognised in the profit or loss. The Group and the Company can reverse any impairment losses in profit or loss and increases the carrying amount of the asset to the extent that the impairment conditions have improved. The Group and the Company have to use their own judgements in determining the facts and circumstances.

The Group and the Company estimate the ultimate cost of settling claims incurred but unpaid at the reporting date and the value of salvage and other expected recoveries by reviewing individual claims reported and making allowance for claims incurred but not yet reported. The ultimate cost of settling claims is estimated using a range of standard actuarial projection techniques e.g. the chain ladder and Bornhuetter-Ferguson methods. These techniques assume that the Group's and the Company's own claims experience is indicative of future claims development patterns and therefore ultimate claims cost. The ultimate cost of settling claims is estimated separately for each business lines and claims type. Large claims are usually separately addressed, either by being reserved at the face value of loss adjustor estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historic claims development data on which the projections are based.

Additional qualitative judgment is used to assess the extent to which past trends may not apply in the future, (for example, to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

The assumptions used, including loss ratios and future claims inflation, are implicitly derived from the historical claims development date on which the projections are based, although judgement is applied to assess the extent to which past trends might not apply in the future and future trends are expected to emerge.

9. Insurance and reinsurance contracts (continued)

9.2 Material accounting policy information (continued)

(vii) Significant judgements and estimates (continued)

Contract boundaries

The assessment of the contract boundary, which defines which future cash flows are included in the measurement of a contract, requires judgement and consideration of the Group's and the Company's substantive rights and obligations under the contract.

i. Insurance contracts

The Group and the Company determine that the cash flows related to future renewal of contracts to be outside the contract boundary. This is because the premium charged for each year reflects the Group's and the Company's expectation of its exposure to risk for that year and, on renewal, the Group and the Company can reprice the premium to reflect the reassessed risk for the next year based on claims experience and expectations for the respective portfolio. Any renewal of the contract is treated as a new contract and is recognised separately from the initial contract, when the recognition criteria are met.

ii. Reinsurance contracts

Each of the Group's and the Company's reinsurance contracts has an annual term.

For risk attaching contracts, on initial recognition, the cash flows within the reinsurance contract boundary are determined to be those arising from underlying contracts that the Group and the Company expect to issue and cede under the reinsurance contract within the term. Subsequently, expected cash flows beyond the end of this initial notice period are considered cash flows of new reinsurance contracts and are recognised, separately from the initial contract, as they fall outside the annual term.

Discount rates

All cash flows are discounted using risk-free yield curve adjusted to reflect the characteristics of the cash flows of the insurance contracts. The Group and the Company generally determine the risk-free rates using Government bond risk-free yield curve. As the general insurance contracts offered by the Group and the Company are considered to be highly liquid, no further illiquidity adjustment is made to the risk-free yield curve.

Risk adjustments for non-financial risk

Risk adjustments for non-financial risk are determined to reflect the compensation that the individual issuing entity would require for bearing non-financial risk, and are allocated to groups of contracts based on an analysis of the risk profiles of the groups. Risk adjustments for non-financial risk reflect the diversification benefits from contracts issued by the entity, in a way that is consistent with the compensation that it would require and that reflects its degree of risk aversion, and the effects of the diversification benefits are determined using a range of techniques including bootstrapping.

The Group's and the Company's risk adjustments for non-financial risk is determined using a confidence level technique.

9. Insurance and reinsurance contracts (continued)

9.2 Material accounting policy information (continued)

(vii) Significant judgements and estimates (continued)

Risk adjustments for non-financial risk (continued)

Applying a confidence level technique, the Group and the Company estimate the probability distribution of the expected present value of the future cash flows from insurance contracts at each reporting date and calculates the risk adjustment for non-financial risk as the excess of the value at risk at the 75th percentile (the target confidence level) over the expected present value of the future cash flows.

To determine the risk adjustments for non-financial risk for reinsurance contracts, the Group and the Company apply the technique both gross and net of reinsurance and derives the amount of risk being transferred to the reinsurer as the difference between the two results.

(viii) Derecognition and contract modification

The Group and the Company derecognise a contract when it is extinguished – i.e. when the specified obligations in the contract expire or are discharged or cancelled.

The Group and the Company also derecognise a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognised. If a contract modification does not result in derecognition, then the Group and the Company treat the changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows.

(ix) Insurance revenue and insurance service expenses

Insurance revenue is recognised based on the passage of time over the coverage period of a group of contracts.

Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred. They exclude repayments of investment components and comprise the following items:

- Incurred claims and other insurance service expenses
- Amortisation of insurance acquisition cash flows; The Group and the Company amortise insurance acquisition cash flows on a straight-line basis over the coverage period of the group of contracts.
- Losses on onerous contracts and reversals of such losses.
- Adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein.
- Impairment losses on assets for insurance acquisition cash flows and reversals of such impairment losses.

9. Insurance and reinsurance contracts (continued)

9.2 Material accounting policy information (continued)

(ix) Insurance revenue and insurance service expenses (continued)

Investment components will not be included in insurance revenue and insurance service expenses under MFRS 17. As a result, the Group and the Company expect a reduction in the total amounts of revenue and expenses from contracts with investment components compared with those recognised under the current practice. The Group and the Company will identify the investment component of a contract by determining the amount that it would be required to repay the policyholder in all scenarios with commercial substance. These include circumstances in which an insured event occurs or the contract matures or is terminated without an insured event occurring.

Net expenses from reinsurance contracts comprise an allocation of reinsurance premiums paid less amounts recovered from reinsurers.

The Group and the Company recognise an allocation of reinsurance premiums paid in profit or loss as it receives services under groups of reinsurance contracts.

The allocation of reinsurance premiums paid for each period is the amount of expected premium payments for receiving services in the period.

For a group of reinsurance contracts covering onerous underlying contracts, the Group and the Company establish a loss-recovery component of the asset for remaining coverage to depict the recovery of losses recognised:

- on recognition of onerous underlying contracts, if the reinsurance contract covering those contracts is entered into before or at the same time as those contracts are recognised; and
- for changes in fulfilment cash flows of the group of reinsurance contracts relating to future services that result from changes in fulfilment cash flows of the onerous underlying contracts.

The loss-recovery component determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid. It is adjusted to reflect changes in the loss component of the onerous group of underlying contracts, but it cannot exceed the portion of the loss component of the onerous group of underlying contracts that the Group and the Company expect to recover from the reinsurance contracts.

(x) Insurance finance income and expenses

Insurance finance income and expenses comprise changes in the carrying amounts of groups of contracts arising from the effects of the time value of money, financial risk and changes therein are generally presented as insurance finance income or expenses.

The Group and the Company choose to disaggregate insurance finance income or expenses between profit or loss and OCI. The amount included in profit or loss is determined by a systematic allocation of the expected total insurance finance income or expenses over the duration of the group of contracts.

Amounts presented in OCI are accumulated in the insurance finance reserve. If the Group and the Company derecognise a contract as a result of a transfer to a third party or a contract modification, then any remaining amounts of accumulated OCI for the contract are reclassified to profit or loss as a reclassification adjustment.

10. Receivables

	Group		Company	
	2024 RM'000	2023 RM'000 Restated	2024 RM'000	2023 RM'000 Restated
Other receivables, deposits and prepayments	60,478	102,428	58,159	63,114
Income due and accrued	31,686	21,305	20,242	21,305
	92,164	123,733	78,401	84,419
Less: Impairment allowance	(3)	(7)	(3)	(7)
	92,161	123,726	78,398	84,412

11. Cash and cash equivalents

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Fixed and call deposits with licensed banks in Malaysia	207,457	136,518	127,932	120,218
Cash and bank balances	104,693	141,572	67,184	106,340
	312,150	278,090	195,116	226,558

The carrying amounts approximate their fair values due to the relatively short-term nature of these financial instruments.

12. Share capital

	2024		2023	
	Amount RM'000	Number of shares '000	Amount RM'000	Number of shares '000
Group and Company				
Issued and fully paid:				
Ordinary shares	1,511,546	333,143	1,511,546	333,143

13. Reserves

13.1 Insurance finance reserve

The insurance finance reserve comprises the cumulative insurance finance income and expenses recognised in OCI.

13.2 Retained earnings

The Company may distribute single tier exempt dividends to its shareholders out of its retained earnings. Pursuant to section 51(1) of the Financial Services Act, 2013, the Company is required to obtain Bank Negara Malaysia's written approval prior to declaring or paying any dividend.

Pursuant to the RBC Framework for Insurers, the Company shall not pay dividends if its Capital Adequacy Ratio is less than its internal target or if the payment of dividend would impair its Capital Adequacy Ratio to below its internal target.

14. Lease liabilities

Leases as lessee

	Group and Company	
	2024	2023
	RM'000	RM'000
Lease liabilities are payable as follows:		
- Within next 12 months	7,156	8,606
- After next 12 months	34,270	5,862
	41,426	14,468

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

	Group and Company	
	2024	2023
	RM'000	RM'000
At 1 January	14,468	31,548
Net changes from financing cash flows	(10,701)	(9,195)
Acquisition of new lease	38,000	1,300
Interest on lease liabilities	1,083	1,590
Remeasurement of lease liabilities	(1,424)	(10,775)
At 31 December	41,426	14,468

14. Lease liabilities (continued)

14.2 Amount recognised in statement of cash flows

	Group and Company	
	2024	2023
	RM'000	RM'000
Included in net cash from operating activities:		
Payment relating to short-term leases	(484)	(587)
Included in net cash from financing activities:		
Payment of lease liabilities	(10,701)	(9,195)
Total cash outflows for leases	(11,185)	(9,782)

14.3 Material accounting policy information

(i) Recognition and initial measurement

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 Group's and the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group and the Company are reasonably certain to exercise;
- lease payments in an optional renewal period if the Group and the Company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease unless the Group and the Company are reasonably certain not to terminate early.

The Group and the Company exclude variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

(ii) Subsequent measurement

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the amount expected to be payable under a residual value guarantee, or if the Group and the Company change its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

15. Other payables

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Other payables	55,212	61,589	50,845	60,762
Accrued expenses	67,365	44,750	67,365	44,750
Provision	16,080	16,080	16,080	16,080
Amount due to other unitholders*	117,811	91,778	-	-
	256,468	214,197	134,290	121,592

The carrying amounts disclosed above approximate their fair values at the end of the reporting period.

- * Amount due to other unitholders is the non-controlling interest investment in AmBond Select 2. For the year ended 31 December 2024, the profit and total comprehensive income attributable to these non-controlling interests amounted to RM4,294,000 (2023: RM4,853,000).

16. Insurance revenue and insurance service expenses

Group and Company 2024	Fire RM'000	Motor RM'000	Marine RM'000	Others RM'000	Total RM'000
Insurance revenue					
Insurance revenue from contracts measured under the PAA	486,505	730,966	103,886	390,097	1,711,454
Total insurance revenue	486,505	730,966	103,886	390,097	1,711,454
Insurance service expenses					
Incurred claims and other directly attributable expenses	(214,802)	(568,472)	(41,781)	(250,403)	(1,075,458)
Changes that relate to past service – adjustments to LIC	119,539	74,241	13,034	70,726	277,540
Losses on onerous contracts and reversal of those losses	-	(44,714)	-	(12,547)	(57,261)
Insurance acquisition cash flows amortisation	(91,510)	(112,280)	(17,670)	(87,602)	(309,062)
Total insurance service expenses	(186,773)	(651,225)	(46,417)	(279,826)	(1,164,241)
2023					
Insurance revenue					
Insurance revenue from contracts measured under the PAA	456,372	729,424	100,636	373,914	1,660,346
Total insurance revenue	456,372	729,424	100,636	373,914	1,660,346
Insurance service expenses					
Incurred claims and other directly attributable expenses	(150,445)	(561,993)	(40,903)	(277,651)	(1,030,992)
Changes that relate to past service – adjustments to LIC	118,649	59,664	8,538	113,666	300,517
Losses on onerous contracts and reversal of those losses	-	(23,378)	-	(6,443)	(29,821)
Insurance acquisition cash flows amortisation	(92,048)	(117,667)	(17,367)	(77,093)	(304,175)
Total insurance service expenses	(123,844)	(643,374)	(49,732)	(247,521)	(1,064,471)

17. Net expenses from reinsurance contracts

Group and Company	Proportional RM'000	Non proportional RM'000	Total RM'000
2024			
Allocation of reinsurance premium paid	(274,867)	(55,780)	(330,647)
Changes that relate to past service – adjustments to incurred claims	(100,745)	(38,386)	(139,131)
Recoveries of incurred claims and other insurance service expenses	166,374	2,806	169,180
Recoveries and reversals of recoveries of losses on onerous underlying contracts	1,250	9	1,259
Effect of changes in the risk of reinsurers non-performance	1,350	165	1,515
Net expenses from reinsurance contracts held	(206,638)	(91,186)	(297,824)
2023			
Allocation of reinsurance premium paid	(253,375)	(58,156)	(311,531)
Changes that relate to past service – adjustments to incurred claims	(170,589)	(14,011)	(184,600)
Recoveries of incurred claims and other insurance service expenses	145,057	8,946	154,003
Recoveries and reversals of recoveries of losses on onerous underlying contracts	675	8	683
Effect of changes in the risk of reinsurers non-performance	80	1,831	1,911
Net expenses from reinsurance contracts held	(278,152)	(61,382)	(339,534)

18. Investment income

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Financial assets measured at FVTPL				
- Equity securities quoted in Malaysia	9,487	7,883	9,487	7,883
- Unquoted equity securities in Malaysia	43	85	43	85
- Unit trusts	23,608	14,668	23,608	14,668
- Controlled structured entities	-	-	60,113	52,415
- Corporate and government bonds	55,908	52,672	-	-
- Collective investment scheme	3,023	3,272	-	-
Financial assets measured at amortised cost and cash and cash equivalents				
Interest/profit income	50,922	50,042	48,133	45,689
Interest of staff housing loan	-	3	-	3
	142,991	128,625	141,384	120,743

19. Realised gains and losses

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Realised gains/(losses) for:				
Financial assets measured at FVTPL				
- Equity securities quoted in Malaysia	30,195	(3,578)	30,195	(3,578)
- Unit trust and controlled structured entities	-	-	-	(4,448)
- Corporate and government bonds	3,280	(9,467)	-	-
- Collective investment scheme	5,667	(2,613)	-	-
	39,142	(15,658)	30,195	(8,026)

20. Fair value gains and losses

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Fair value gains and losses for:				
Financial assets measured at FVTPL				
- Equity securities quoted in Malaysia	17,994	2,334	17,994	2,334
- Unquoted equity securities in Malaysia	2,341	-	2,341	-
- Unit trusts	9,843	4,006	9,843	4,006
- Controlled structured entities	-	-	(2,156)	48,444
- Corporate and government bonds	2,170	53,187	-	-
- Collective investment scheme	(8,390)	2,382	-	-
	23,958	61,909	28,022	54,784

21. Insurance finance expenses

The following table analyses the Group and Company's net finance expenses from insurance contract and net finance income from reinsurance contracts in profit or loss and OCI.

Group and Company <i>in RM'000</i>	Fire	Motor	Marine	Others	Total
2024					
Net finance expenses from insurance contracts					
Interest accreted	(10,573)	(30,971)	(1,883)	(13,214)	(56,641)
Effect of changes in interest rates and other financial assumptions	(2,225)	(2,203)	(112)	(1,235)	(5,775)
Total net finance expenses from insurance contracts	(12,798)	(33,174)	(1,995)	(14,449)	(62,416)
Net finance income from reinsurance contracts					
Interest accreted	8,239	835	649	5,448	15,171
Effect of changes in interest rates and other financial assumptions	2,119	59	68	877	3,123
Total net finance income from reinsurance contracts	10,358	894	717	6,325	18,294
Total changes in the statement of profit or loss and OCI	(2,440)	(32,280)	(1,278)	(8,124)	(44,122)
Amounts recognised in profit or loss	(2,334)	(30,136)	(1,234)	(7,766)	(41,470)
Amounts recognised in OCI	(106)	(2,144)	(44)	(358)	(2,652)
Total net finance expenses	(2,440)	(32,280)	(1,278)	(8,124)	(44,122)

21. Insurance finance expenses (continued)

Group and Company in RM'000	Fire	Motor	Marine	Others	Total
2023					
Net finance expenses from insurance contracts					
Interest accreted	(14,027)	(33,960)	(1,819)	(12,766)	(62,572)
Effect of changes in interest rates and other financial assumptions	(1,032)	(2,676)	(53)	(1,479)	(5,240)
Total net finance expenses from insurance contracts	(15,059)	(36,636)	(1,872)	(14,245)	(67,812)
Net finance income from reinsurance contracts					
Interest accreted	11,497	872	587	5,530	18,486
Effect of changes in interest rates and other financial assumptions	833	55	12	1,041	1,941
Total net finance income from reinsurance contracts	12,330	927	599	6,571	20,427
Total changes in the statement of profit or loss and OCI	(2,729)	(35,709)	(1,273)	(7,674)	(47,385)
Amounts recognised in profit or loss	(2,530)	(33,088)	(1,232)	(7,236)	(44,086)
Amounts recognised in OCI	(199)	(2,621)	(41)	(438)	(3,299)
Total net finance expenses	(2,729)	(35,709)	(1,273)	(7,674)	(47,385)

21.1 Material accounting policy information

Insurance finance income and expenses comprise changes in the carrying amounts of groups of contracts arising from the effects of the time value of money, financial risk and changes therein are generally presented as insurance finance income or expenses.

The Group and the Company choose to disaggregate insurance finance income or expenses between profit or loss and OCI. The amount included in profit or loss is determined by a systematic allocation of the expected total insurance finance income or expenses over the duration of the group of contracts.

22. Expenses

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

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Claims and benefits	651,344	584,713	651,344	584,713
Fees and commissions	198,147	202,103	198,147	202,103
Losses on onerous insurance contracts	57,261	29,821	57,261	29,821
Employee benefits expenses	119,309	119,514	119,309	119,514
Senior Management cash-based remuneration	5,953	5,903	5,953	5,903
- Fixed	2,054	2,251	2,054	2,251
- Variable				
Chief Executive Officer's remuneration	3,243	3,114	3,243	3,114
Non-Executive Directors' remuneration	897	797	897	797
Amortisation of intangible assets	1,885	2,048	1,885	2,048
Auditors' remuneration				
- Audit fees	650	650	650	650
- Non-audit fees	169	251	169	251
Depreciation of investment property	4	5	4	5
Depreciation of plant and equipment	4,106	4,241	4,106	4,241
Depreciation of right-of-use assets	8,750	8,357	8,750	8,357
Expenses arising from short-term leases*	484	587	484	587
Other expenses	138,618	117,080	136,421	114,558
	<u>1,192,874</u>	<u>1,081,435</u>	<u>1,190,677</u>	<u>1,078,913</u>
Amounts attributed to insurance acquisition cash flows incurred during the year	(325,416)	(307,497)	(325,416)	(307,497)
Amortisation of insurance acquisition cash flows	309,062	304,175	309,062	304,175
	<u>1,176,520</u>	<u>1,078,113</u>	<u>1,174,323</u>	<u>1,075,591</u>

* The Group and the Company leases properties with contract terms of 1 month to 9 years. Among those property leases, there are short-term leases that have lease term of 12 months or less in which the Group and the Company have elected not to recognise right-of-use assets and lease liabilities.

22. Expenses (continued)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Represented by:		1,164,241	1,064,471	1,164,241	1,064,471
Insurance service expenses	16	12,279	13,642	10,082	11,120
Other operating expenses	22				
		1,176,520	1,078,113	1,174,323	1,075,591

22.1 Employee benefits expenses

	Group and Company	
	2024 RM'000	2023 RM'000
Wages, salaries and others	101,908	102,913
Social security contributions	1,098	1,070
Contributions to Employees' Provident Fund	15,114	15,251
Contribution to retirement gratuities	1,189	280
	119,309	119,514

23. Key management personnel compensation

Details of the Directors' and Chief Executive Officer's remuneration (including benefits-in-kind) for the financial year 2024 are as follows:

2024 Group and Company	Fees RM'000	Salary RM'000	Bonus RM'000	EPF RM'000	Other RM'000	Total RM'000
Chief Executive Officer						
- Mr. Chua Seck Guan	-	1,882	914	447	-	3,243
Executive Director						
- Mr. Alan John Wilson ⁽¹⁾	-	-	-	-	-	-
- Mr. Clemens Philipp ⁽²⁾	-	-	-	-	-	-
Non-Executive Directors						
- Dato' Sri Muthanna bin Abdullah	110	-	-	-	114	224
- Ms. Pearl Chan Siew Cheng	88	-	-	-	101	189
- Mr. Lim Tiang Siew	88	-	-	-	70	158
- Mr. Kenichi Shoji*	88	-	-	-	65	153
- Ms. Gan Bee Lan	88	-	-	-	87	175
- Ms. Loh Guat Lan	-	-	-	-	-	-
Total Directors' Remuneration (including benefits-in-kind)	462	-	-	-	437	899
Total Chief Executive Officer and Directors' Remuneration (including benefits-in-kind)	462	1,882	914	447	437	4,142

* The Director's fee and meeting fee were paid to Toyota Tsusho (Malaysia) Sdn. Bhd.

⁽¹⁾ Retired as Executive Director effective 16 March 2024.

⁽²⁾ Appointed as Executive Director effective 16 March 2024.

23. Key management personnel compensation (continued)

Details of the Directors' and Chief Executive Officer's remuneration (including benefits-in-kind) for the financial year 2023 are as follows:

2023 Group and Company	Fees RM'000	Salary RM'000	Bonus RM'000	EPF RM'000	Other RM'000	Total RM'000
Chief Executive Officer						
- Mr. Chua Seck Guan	-	1,788	896	430	-	3,114
Executive Director						
- Mr. Alan John Wilson	-	-	-	-	-	-
Non-Executive Directors						
- Dato' Sri Muthanna bin Abdullah	100	-	-	-	99	199
- Ms. Pearl Chan Siew Cheng	80	-	-	-	94	174
- Mr. Lim Tiang Siew	80	-	-	-	58	138
- Mr. Kenichi Shoji*	80	-	-	-	57	137
- Ms. Gan Bee Lan	80	-	-	-	68	148
- Ms. Loh Guat Lan	-	-	-	-	-	-
Total Directors' Remuneration (including benefits-in-kind)	420	-	-	-	376	796
Total Chief Executive Officer and Directors' Remuneration (including benefits-in-kind)	420	1,788	896	430	376	3,910

* The Director's fee and meeting fee were paid to Toyota Tsusho (Malaysia) Sdn. Bhd.

24. Tax expense

	Group and Company	
	2023	2022
	RM'000	RM'000
Current tax expense		
Malaysian - current	69,357	62,135
- prior years	(243)	(1,268)
Real property gain tax recovery	(63)	-
	<u>69,051</u>	<u>60,867</u>
Deferred tax expense		
Malaysian - current	7,896	14,053
- prior years	(2,105)	(651)
	<u>5,791</u>	<u>13,402</u>
Total tax expense	<u>74,842</u>	<u>74,269</u>
Reconciliation of tax expense		
Profit for the year	324,867	295,858
Tax expense	74,842	74,269
Profit before taxation	<u>399,709</u>	<u>370,127</u>
Income tax using Malaysian tax rate of 24%	95,930	88,830
Non-deductible expenses	2,408	3,868
Tax exempt income	(20,962)	(16,964)
Other items	(186)	454
	<u>77,190</u>	<u>76,188</u>
Over provision in prior years		
- Current tax	(243)	(1,268)
- Deferred tax	(2,105)	(651)
Tax expense	<u>74,842</u>	<u>74,269</u>
Income tax recognised directly in equity		
Insurance finance reserve	<u>(637)</u>	<u>(791)</u>

25. Earnings per share

Basic earnings per share

The calculation of basic earnings per ordinary share is based on the profit attributable to ordinary shareholders of RM324,867,000 (2023: RM295,858,000) and the weighted average number of ordinary shares outstanding during the year of 333,143,000 (2023: 333,143,000).

26. Dividends

Dividends recognised by the Group and the Company are:

Group and Company	Sen per share net of tax	Total amount RM'000	Date of payment
2024			
Final 2023 - tax-exempt	89.00	296,497	3 Jul 2024
2023			
Final 2022 - tax-exempt	70.00	233,200	5 Jul 2023

The final ordinary dividend recommended by the Directors in respect of the financial year ended 31 December 2024 is 50 sen per ordinary share totalling RM166,571,429. These dividends will be accounted for in the shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2025 upon approval by Bank Negara Malaysia and the shareholders of the Company.

27. Capital expenditure commitments

	Group and Company	
	2024 RM'000	2023 RM'000
Plant and equipment		
Authorised but not contracted for	11,080	-
Contracted but not provided for	5,510	7,796

28. Significant related party disclosures

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

(i) Holding companies

The immediate holding and ultimate holding companies are Mitsui Sumitomo Insurance Co., Ltd. and MS&AD Insurance Group Holdings, Inc., respectively. Both companies are incorporated in Japan.

(ii) Fellow subsidiaries

These are entities which are under common control of the ultimate, penultimate and immediate holding companies.

28. Significant related party disclosures (continued)

(iii) Affiliated companies

Affiliated companies comprised of companies having equity interest of between 20% to 50% in the Group and the Company and including other corporations related to the first mentioned corporation.

(iv) Key management personnel

Key management personnel include the Company's Chief Executive Officer, Executive and Non-Executive Directors which are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The compensation for Company's Chief Executive Officer, Executive and Non-Executive Directors are disclosed in Note 23.

Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group and the Company, other than key management personnel remuneration are shown below.

	Group and Company	
	2024	2023
	RM'000	RM'000
Holding company		
Reinsurance premium paid to	63,206	64,202
Reinsurance commission received from	(10,372)	(9,911)
Claims recoveries received from	(23,715)	(51,993)
Claims settling fee received from	(523)	(441)
Recovery of expenses paid on behalf received from	(2,074)	(1,708)
Fellow subsidiary companies		
Reinsurance premium paid to	26,020	19,555
Reinsurance commission received from	(4,387)	(3,225)
Claims recoveries received from	(11,065)	(2,817)
Service fee paid to	5,239	4,918
Recovery of expenses paid on behalf received from	301	772
Affiliated companies		
Premium income received from	(127,820)	(117,974)
Commission expense paid to	14,827	13,994
Claims paid to	28,015	29,122
Claims settling fee paid to	413	471
Access fee paid to	18,941	18,814
Bank merchant fees paid to	2,531	2,646
Interest/Dividend income received from	(16,914)	(13,978)
Marketing expenses paid to	2,471	2,693
Surveying fee paid to	397	371
Service fee paid to	547	329

28. Significant related party disclosures (continued)

Significant related party transactions (continued)

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

	Group and Company	
	2024 RM'000	2023 RM'000
Outstanding balance due (to)/from		
Holding company	(9,913)	(3,675)
Fellow subsidiary companies	(6,664)	(9,752)
Affiliated companies	5,150	5,002

29. Risk Management Framework

The Company recognises the importance of effective risk management to realise the Company's corporate objectives and responsibilities to achieve financial soundness and capital efficiency.

In this regard, the Board has set out the overall risk management strategies, policies and framework for identifying, measuring, monitoring and controlling risks as well as the extent to which these are operating effectively.

The major areas of risk that the Company is exposed to are insurance risks, financial risks and operational risks.

The Company's risk management framework is as follows:

- A Board Compliance and Risk Management Committee ("BCRMC") is established at the Board Committee level to set the direction and to oversee the overall risk management framework as well as to ensure that resources, infrastructure and systems are in place for risk management activities. The BCRMC is supported by the Enterprise Risk Management Committee ("ERMC").
- The ERMC comprising of the Senior Management Team members, supports the BCRMC in the process of risk identification, risk assessment and risk mitigation as well as promoting risk management culture and governance across all levels of staff through an effective organisation structure, communication, training as well as clear policies and procedures.
- The Company has an Enterprise Risk Management ("ERM") Department and makes references to the risk management functions at the Head Office in Japan and Regional Office in Singapore for advice and guidance on risk management approach and best practices.
- The Risk Management Independent Assessment ("RMIA") focusing on the business units' risk management and governance is performed regularly.
- The Internal Audit function which is independent from the business operations provides support in identifying and highlighting key risk areas for improvement.
- The Company has in place an Enterprise Risk Management Policy, Regulations & Guidelines, and maintains a Company Risk Profile as well as Departmental Risk Registers to record details of the various risks faced by the Company.

29. Risk Management Framework (continued)

Stress Testing

The risk management framework also includes a Stress Testing Policy and Stress Testing Methodology. Stress Testing exercise is conducted at least once a year to identify potential threats due to exceptional but adverse plausible events and to evaluate the sustainability of the Company's capital to withstand the impact.

Internal Capital Adequacy Assessment Process ("ICAAP")

Bank Negara Malaysia ("BNM") issued a Guideline on ICAAP for Insurers on 24 February 2012 with effective date from 1 September 2012.

Among the key elements under ICAAP, insurers are required to put in place:

- (i) A Capital Management Framework which includes setting of risk appetite or risk tolerance level as well as determine Individual Target Capital Level ("ITCL") that commensurate with own risk profile and control environment through comprehensive Stress Testing. The Company has established a Risk Appetite Statement and performs the comprehensive Stress Testing for ITCL Review required under ICAAP annually; and
- (ii) To maintain a sound Capital Management to ensure insurers operate at a level above ITCL all the time.

The Company has drawn up ICAAP Policy to ensure sound governance and effective risk management over capital solvency. ICAAP is implemented as part of Enterprise Risk Management Framework to manage and maintain capital adequacy level that is commensurate with risk profile at all times.

The Company issues an ICAAP Report annually covering the following areas:

Risk Appetite

The Risk Appetite Framework has been established to address the major types of risks that the Company needs to manage in executing its business strategies through the Business Plan.

Individual Target Capital Level ("ITCL") Review

Under the RBC Framework, BNM has set a supervisory target capital level of 130% (Supervisory Capital Adequacy Ratio) and insurer should establish an ITCL which is higher against Supervisory Capital Adequacy Ratio.

The Company has performed a series of Scenario Stress Tests to review and determine appropriate ITCL from actuarial technical stand point which is required to be maintained by the Company in order to withstand the exceptional and adverse plausible events.

Capital Management Plan ("CMP")

The CMP has been established to be in line with the requirements set out in the RBC Framework and formed an integral part of ICAAP. The CMP sets out procedures to implement and maintain an appropriate level of capital which commensurate with risk profile at all times as required under regulatory requirements.

30. Insurance risk

The Group and the Company underwrite various classes of general insurance contracts, with a portfolio mix comprising mainly of Motor, Fire, Marine, Aviation and Miscellaneous policies.

The risk under insurance contracts is the possibility of occurrence of an insured event and uncertainty of the amount and timing of resulting claim. The principal risk the Group and the Company face under such contracts is that the actual claims exceed the carrying amount of insurance liabilities. This could occur due to any of the following:

- | | |
|------------------|--|
| Occurrence risk | - the possibility that the number of insured events will differ from those expected. |
| Severity risk | - the possibility that the cost of the events will differ from those expected. |
| Development risk | - the possibility that changes may occur in the amount of an insurer's obligation at the end of the contract period. |

The variability of risk events can be managed by writing a large, diversified portfolio of insurance contracts, because a more diversified portfolio is less likely to be affected across the board by changes in any subset of the portfolio. The variability of risk events can also be managed by careful selection of risks and implementation of underwriting strategy and guidelines as well as claims management and control systems.

The Group and the Company are also exposed to risks arising from climate changes, natural disasters, terrorism activities, regulatory changes such as the phased liberalisation of motor and fire tariff and pandemic.

The objective of the Group and of the Company are to control and manage insurance risk to reduce volatility of operating profits. The Group and the Company manage insurance risk through the following:

- The Group's and the Company's underwriting approach is governed by an underwriting policy and guidelines which sets out a control framework for risk acceptance and referrals, underwriting capacity and authority limits granted to the various operations.
- The Group's and the Company's claims philosophy which provides the framework for claims management, regular claims review and claims handling procedures with the objectives to minimise the uncertainty of claims development and inflationary costs as well as to mitigate dubious or fraudulent claims whilst ensuring fair claims settlement.
- Reinsurance is used to limit the Group's and the Company's exposure to large claims and catastrophes by placing risk with reinsurers providing high security.

The concentration of the Group's and the Company's insurance business by type of product based on insurance contract liabilities and reinsurance contract assets as disclosed in Note 9.

Key assumptions

The principal assumption underlying the estimation of the ultimate cost of settling claims incurred but unpaid at the reporting date is that the Group and the Company's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claims costs, claims handling cost and claims numbers for each accident year. Additional qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example isolated occurrence of large claims as well as internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgment is further used to assess the extent to which external factors may affect the estimates.

30. Insurance risk (continued)

Key assumptions (continued)

The claims cash flows are discounted using risk-free yield curved. No explicit inflation adjustment has been made to claim amounts payable in the future. However, implicit inflation is allowed for future claims to the extent evident in past claims development.

The Group and the Company apply the risk adjustment for non-financial risk to the present value of the estimated future cash flows. The risk adjustment reflects the compensation that the Group and the Company require for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group and the Company fulfil insurance contracts, at the 75th per cent confidence level.

Sensitivity analysis of insurance liabilities

Estimates of an insurance company's liabilities of incurred claims and liability of remaining coverage may be affected by future events, which cannot be predicted with any certainty. The assumptions made may well vary from actual experience such that the actual liability may vary considerably from the best estimates.

The Group and the Company re-run its valuation models on various bases. An analysis of sensitivity around various scenarios provides an indication of the adequacy of the Group's and of the Company's estimation process in respect of its insurance contracts. The analysis presented in page 130 demonstrates the sensitivity of insurance liability estimates to particular movements in assumptions used in the estimation process. Certain assumptions can be expected to impact the liabilities more than others, and consequently a greater degree of sensitivity to these variables may be expected.

The analysis below is performed to assess movements in key assumptions with all other assumptions held constant and ignores changes in values of the related assets. The correlation of assumptions will have a significant effect in determining the insurance liability, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis.

The key assumptions considered in the sensitivity analysis are as follows:

- Initial Expected Loss Ratio ("IELR") for accident year 2024
- Selected Ultimate Loss Ratio ("ULR") for accident year 2024
- Discount rates

The IELR is a parameter used in the Expected Claims Ratio and Bornhuetter-Ferguson methods. These methods are usually used by actuaries to estimate the claim liability for more recent accident periods where there is little credible data. The sensitivity test is performed by changing the IELR by -15% multiplicatively to +15% multiplicatively to derive the insurance liability and the net impact is disclosed in the following table.

The selected ULR is derived from the best estimation of claims reserve and is a major factor to determine the loss component of the liability for remaining coverage. A change in the expected ULR also affects the liability for incurred claims as it is a function of ultimate losses. To show the sensitivity of this assumption, the impact of changing ULR by -15% multiplicatively and +15% multiplicatively is shown in the table below. For liability for incurred claim, 2024 accident year ULRs were changed only. For liability for remaining coverage, the expected ULRs were changed.

The discount rates used to discount the estimated future cash flows to their present value are determined based on the Government bond risk-free yield curve. The sensitivity test considers a change of +50 basis points (bps) and -50 basis points on the discount rates to assess the potential impact on the insurance liability. The net effect of these changes is presented in the table below.

30. Insurance risk (continued)

Sensitivity analysis of insurance liabilities (continued)

The results of the sensitivity analysis (net of reinsurance) showing the impact on the insurance liabilities are as follows:

Group and Company	IELR		ULR		Discount rate	
	+15% RM'000	-15% RM'000	+15% RM'000	-15% RM'000	+50 bps RM'000	-50 bps RM'000
2024						
Liabilities for remaining coverage	-	-	62,404	(39,253)	(2,477)	2,504
Liabilities for incurred claims	11,563	(11,563)	126,880	(119,710)	(5,128)	5,181
Total	11,563	(11,563)	189,284	(158,963)	(7,605)	7,685
Impact on profit before tax	11,569	(11,569)	189,187	(158,583)	(7,605)	7,685
Impact on equity*	8,793	(8,793)	143,782	(120,523)	(5,780)	5,840
2023						
Liabilities for remaining coverage	-	-	56,900	(28,825)	(2,394)	2,420
Liabilities for incurred claims	10,153	(10,120)	119,599	(117,561)	(4,791)	4,839
Total	10,153	(10,120)	176,499	(146,386)	(7,185)	7,259
Impact on profit before tax	10,181	(10,149)	177,123	(146,801)	(7,211)	7,286
Impact on equity*	7,738	(7,713)	134,613	(111,568)	(5,481)	5,537

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

Claims Development Table

The following tables show the estimated cumulative incurred claims, including both claims notified and IBNR for each successive accident year at end of each reporting period, together with cumulative payments to date.

While the information in the tables provides a historical perspective on the adequacy of the unpaid claims estimate established in previous years, users are cautioned against extrapolating redundancies or deficiencies of the past on current unpaid loss balances.

30. Insurance risk (continued)

Gross general insurance contract liabilities for 2024:

Group and Company Accident year	Before 2017 RM'000	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	Total RM'000
At end of accident year		1,041,781	1,067,931	996,844	766,170	1,430,372	907,002	917,361	978,132	
One year later		952,318	935,844	899,592	684,190	1,396,807	830,868	886,001		
Two years later		915,036	912,711	863,027	662,558	1,284,904	779,817			
Three years later		921,686	896,182	865,212	662,994	1,227,427				
Four years later		906,751	899,215	861,789	647,545					
Five years later		911,202	896,915	858,344						
Six years later		881,378	871,848							
Seven years later		879,007								
Current estimate of cumulative claims incurred		879,007	871,848	858,344	647,545	1,227,427	779,817	886,001	978,132	
At end of accident year		446,741	458,071	452,758	302,270	290,595	336,681	381,732	409,359	
One year later		764,381	732,345	670,035	487,495	782,238	571,100	608,680		
Two years later		819,994	794,294	719,802	554,608	947,572	633,014			
Three years later		847,602	812,931	754,557	573,600	1,119,908				
Four years later		855,558	830,015	779,473	589,585					
Five years later		863,939	838,995	791,424						
Six years later		866,567	846,759							
Seven years later		869,959								
Cumulative payments to-date		869,959	846,759	791,424	589,585	1,119,908	633,014	608,680	409,359	

30. Insurance risk (continued)

Gross general insurance contract liabilities for 2024 (continued):

[illegible]

30. Insurance risk (continued)

Gross general insurance contract liabilities for 2023:

Group and Company Accident year	Before 2016 RM'000	2016 RM'000	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	Total RM'000
At end of accident year		1,017,482	1,041,781	1,067,931	996,844	766,170	1,430,372	907,002	917,361	
One year later		927,017	952,318	935,844	899,592	684,190	1,396,807	830,868		
Two years later		863,918	915,036	912,711	863,027	662,558	1,284,904			
Three years later		865,504	921,686	896,182	865,212	662,994				
Four years later		869,712	906,751	899,215	861,789					
Five years later		894,899	911,902	896,915						
Six years later		825,888	881,378							
Seven years later		827,249								
Current estimate of cumulative claims incurred		827,249	881,378	896,915	861,789	662,994	1,284,904	830,868	917,361	
At end of accident year		446,983	446,741	458,071	452,758	302,270	290,595	336,681	381,732	
One year later		724,731	764,381	732,345	670,035	487,495	782,238	571,100		
Two years later		778,128	819,994	794,294	719,802	554,608	947,572			
Three years later		805,614	847,602	812,931	754,557	573,600				
Four years later		813,486	855,558	830,015	779,473					
Five years later		817,921	863,939	838,995						
Six years later		819,886	866,567							
Seven years later		823,109								
Cumulative payments to-date		823,109	866,567	838,995	779,473	573,600	947,572	571,100	381,732	

30. Insurance risk (continued)

Gross general insurance contract liabilities for 2023 (continued):

	Before 2016	2016	2017	2018	2019	2020	2021	2022	2023	Total
Group and Company	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Gross liabilities for Incurred claims (direct, facultative and Treaty inward)	53,702	4,140	14,811	57,920	82,316	89,394	337,332	259,768	535,629	1,435,012
Claims handling expenses										40,606
Risk adjustment at 75% confidence level										131,299
Discounting credit										(49,164)
Other										(630)
Gross liabilities for incurred claims										1,557,123

30. Insurance risk (continued)

Net general insurance contract liabilities for 2024:

Group and Company Accident year	Before 2017 RM'000	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	Total RM'000
At end of accident year		792,408	853,349	798,559	597,561	601,299	756,620	773,042	812,468	
One year later		753,959	793,492	732,063	534,457	530,139	692,086	739,351		
Two years later		730,208	767,119	709,870	513,616	522,216	670,132			
Three years later		728,926	771,990	716,675	527,408	511,453				
Four years later		727,852	778,324	720,941	526,138					
Five years later		730,333	776,789	717,248						
Six years later		703,779	752,306							
Seven years later		701,961								
Current estimate of cumulative claims incurred		701,961	752,306	717,248	526,138	511,453	670,132	739,351	812,468	
At end of accident year		420,136	424,354	405,388	282,149	250,264	318,587	360,951	390,585	
One year later		621,758	646,438	575,984	411,254	398,589	515,242	564,096		
Two years later		661,529	686,605	613,701	444,515	438,326	556,717			
Three years later		678,555	702,541	640,002	464,969	455,972				
Four years later		685,796	718,539	658,814	479,888					
Five years later		690,872	726,591	668,506						
Six years later		692,827	732,792							
Seven years later		694,753								
Cumulative payments to-date		694,753	732,792	668,506	479,888	455,972	556,717	564,096	390,585	

30. Insurance risk (continued)

Net general insurance contract liabilities for 2024 (continued):

[illegible]

30. Insurance risk (continued)

Net general insurance contract liabilities for 2023:

Group and Company Accident year	Before 2016 RM'000	2016 RM'000	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	Total RM'000
At end of accident year		795,839	792,408	853,349	798,559	597,561	601,299	756,620	773,042	
One year later		730,627	753,959	793,492	732,063	534,457	530,139	692,086		
Two years later		701,786	730,208	767,119	709,870	513,616	522,216			
Three years later		701,734	728,926	771,990	716,675	527,408				
Four years later		703,567	727,852	778,324	720,941					
Five years later		703,265	730,333	776,789						
Six years later		675,856	703,779							
Seven years later		676,345								
Current estimate of cumulative claims incurred		676,345	703,779	776,789	720,941	527,408	522,216	692,086	773,042	
At end of accident year		399,332	420,136	424,354	405,388	282,149	250,264	318,587	360,951	
One year later		604,072	621,758	646,438	575,984	411,254	398,589	515,242		
Two years later		641,438	661,529	686,605	613,701	444,515	438,326			
Three years later		658,457	678,555	702,541	640,002	464,969				
Four years later		665,339	685,796	718,539	658,814					
Five years later		669,138	690,872	726,591						
Six years later		670,619	692,827							
Seven years later		672,751								
Cumulative payments to-date		672,751	692,827	726,591	658,814	464,969	438,326	515,242	360,951	

30. Insurance risk (continued)

Net general insurance contract liabilities for 2023 (continued):

[illegible]

31. Financial risks

In addition to insurance risks, the Group and the Company are also subjected to financial risks namely credit risk, liquidity risk, market risk (comprising currency risk, interest rate risk and price risk) as well as operational risk arising from its exposure in financial instruments.

In this regard, the Group and the Company are guided by a framework of policies and procedures governing credit control and investments as well as general risk management policies in order to mitigate such financial risks. The Group and the Company have established robust processes to monitor and address these risks on an ongoing basis.

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

Credit risk

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

The Group and the Company monitor and manage credit risk exposures with the objective to ensure that it is able to meet policyholder obligations when they are due and maintain adequate capital and solvency requirements.

The Group's and the Company's primary exposure to credit risk arises through its receivables from sales of insurance policies, obligations of reinsurers through reinsurance contracts and its investment in fixed income securities, deposits and bank balances. The Group and the Company have put in place a credit control policy and investment policy as part of its overall credit risk management framework.

The task of monitoring receivables arising from insurance and reinsurance contracts is undertaken by the Credit Control Division of the Finance Department with oversight from the Credit Control Committee to ensure adherence to the Group's and the Company's credit control policies and procedures. These policies and procedures entail approval requirements for credit period extension for overdue receivables and cancellation processes. The Group and the Company also have guidelines to evaluate intermediaries before their appointment.

The Group and the Company manage the credit risk of its reinsurers by monitoring the credit quality and financial conditions of its reinsurers on an ongoing basis and reviews its reinsurance arrangements periodically. The Group and the Company cede business to reinsurers that satisfy the minimum credit rating requirements of the Group and of the Company.

In relation to its credit risk exposure from fixed income securities, the Group and the Company evaluate and assess an issuer's credit risk by using the ratings assigned by external rating agencies. Proper monitoring and control of credit and concentration risks are carried out by the Investment Division of the Finance Department and regularly reviewed by the Investment Committee and Board of Directors. The Group and the Company manage individual exposures as well as concentration of credit risks in its fixed income portfolio through a prescribed framework of asset allocation, minimum credit rating, maximum duration as well as setting maximum permitted exposure to a single counterparty or group of counterparties.

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

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

31. Financial risks (continued)

Credit risk (continued)

Credit exposure

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

	2024 RM'000	2023 RM'000
Group		
Financial investments		
- deposits with financial institutions	1,107,189	1,190,027
- corporate and government bonds	1,348,816	1,306,984
Reinsurance contract assets	494,607	636,734
Receivables excluding prepayment	86,287	119,213
Cash and cash equivalents	312,150	278,090
	3,349,049	3,531,048
Company		
Financial investments		
- deposits with financial institutions	1,107,189	1,190,027
Reinsurance contract assets	494,607	636,734
Receivables excluding prepayment	72,524	79,899
Cash and cash equivalents	195,116	226,558
	1,869,436	2,133,218

31. Financial risks (continued)

Credit risk (continued)

Credit exposure by credit rating

The table below provides information regarding the credit risk exposure of the Group and of the Company by classifying assets according to the Rating Agency of Malaysia's, Malaysian Rating Corporation Berhad's, A.M. Best Company Rating Services' or Standard and Poor's Rating Services' (where applicable) credit ratings of counterparties. AAA is the highest possible rating.

Group	AAA RM'000	AA RM'000	A RM'000	BBB RM'000	BB RM'000	B RM'000	Not-rated RM'000	Total RM'000
2024								
Financial investments								
- deposits with financial institutions	605,677	357,000	144,512	-	-	-	-	1,107,189
- corporate and government bonds	312,791	1,003,805	17,568	-	-	-	14,652	1,348,816
Reinsurance contract assets	-	48,125	398,703	-	-	-	47,779	494,607
Receivables excluding prepayment	-	-	-	-	-	-	86,287	86,287
Cash and cash equivalents	304,886	6,532	706	-	-	-	26	312,150
	1,223,354	1,415,462	561,489	-	-	-	148,744	3,349,049
Company								
2024								
Financial investments								
- deposits with financial institutions	605,677	357,000	144,512	-	-	-	-	1,107,189
Reinsurance contract assets	-	48,125	398,703	-	-	-	47,779	494,607
Receivables excluding prepayment	-	-	-	-	-	-	72,524	72,524
Cash and cash equivalents	187,852	6,532	706	-	-	-	26	195,116
	793,529	411,657	543,921	-	-	-	120,329	1,869,436

31. Financial risks (continued)

Credit risk (continued)

Credit exposure by credit rating (continued)

Group	AAA RM'000	AA RM'000	A RM'000	BBB RM'000	BB RM'000	B RM'000	Not-rated RM'000	Total RM'000
2023								
Financial investments								
- deposits with financial institutions	533,522	562,000	94,505	-	-	-	-	1,190,027
- corporate and government bonds	300,635	991,781	-	-	-	-	14,568	1,306,984
Reinsurance contract assets	-	77,363	432,725	-	-	-	126,646	636,734
Receivables excluding prepayment	-	-	-	-	-	-	119,213	119,213
Cash and cash equivalents	252,588	24,031	1,443	-	-	-	28	278,090
	1,086,745	1,655,175	528,673	-	-	-	260,455	3,531,048

Company

2023

Financial investments								
- deposits with financial institutions	533,522	562,000	94,505	-	-	-	-	1,190,027
Reinsurance contract assets	-	77,363	432,725	-	-	-	126,646	636,734
Receivables excluding prepayment	-	-	-	-	-	-	79,899	79,899
Cash and cash equivalents	201,056	24,031	1,443	-	-	-	28	226,558
	734,578	663,394	528,673	-	-	-	206,573	2,133,218

31. Financial risks (continued)

Liquidity risk

Liquidity risk is the risk that the Group and the Company are unable to meet its obligations due to insufficient liquid resources, or would have to incur excessive cost in meeting the obligations. In respect of catastrophic events, there is also a liquidity risk associated with the timing differences between gross cash outflows and expected reinsurance recoveries.

The Group and the Company manage this risk by monitoring daily cash inflows and outflows and by ensuring that a reasonable amount of financial assets are kept in liquid instruments at all times. The Group and the Company also observe principles on asset-liability management and ensures that the average investment duration and maturity profiles match the Group's and the Company's liabilities.

The Group's and the Company's treaty reinsurance contracts contains a "cash call" clause which enables the Group and the Company to call for advance payment from reinsurers in the event of a large claim exceeding an agreed amount.

31. Financial risks (continued)

Maturity profiles

The table below summarises the maturity profile of the financial liabilities of the Group and the Company based on remaining undiscounted contractual obligations, including interest/profit payable.

For insurance contract liabilities, maturity profiles are determined based on the estimated timing of cash outflows from recognised insurance liabilities. Unearned premiums and the reinsurers' share of unearned premiums have been excluded from the analysis as they are not contractual obligations.

Group	Carrying value RM'000	Discount rate	Contractual cash flow RM'000	Up to a year RM'000	1 - 3 years RM'000	4 - 5 years RM'000	More than 5 years RM'000
2024							
Insurance contract liabilities							
- Liabilities for incurred claims	1,406,664		1,452,440	920,539	501,553	28,833	1,515
Lease liabilities	41,426	7.6% to 9.5%	49,659	9,688	17,019	16,742	6,210
Other payables	256,468		256,468	256,468	-	-	-
Total liabilities	1,704,558		1,758,567	1,186,695	518,572	45,575	7,725
Company							
2024							
Insurance contract liabilities							
- Liabilities for incurred claims	1,406,664		1,452,440	920,539	501,553	28,833	1,515
Lease liabilities	41,426	7.6% to 9.5%	49,659	9,688	17,019	16,742	6,210
Other payables	134,290		134,290	134,290	-	-	-
Total liabilities	1,582,380		1,636,389	1,064,517	518,572	45,575	7,725

31. Financial risks (continued)

Maturity profiles (continued)

Group	Carrying value RM'000	Discount rate	Contractual cash flow RM'000	Up to a year RM'000	1 - 3 years RM'000	4 - 5 years RM'000	More than 5 years RM'000
2023							
Insurance contract liabilities	1,557,123		1,606,286	1,046,894	532,984	25,049	1,359
- Liabilities for incurred claims	14,468	7.6% to 9.5%	15,637	9,187	4,228	1,975	247
Lease liabilities	214,197		214,197	214,197	-	-	-
Total liabilities	1,785,788		1,836,120	1,270,278	537,212	27,024	1,606
Company							
2023							
Insurance contract liabilities	1,557,123		1,606,286	1,046,894	532,984	25,049	1,359
- Liabilities for incurred claims	14,468	7.6% to 9.5%	15,637	9,187	4,228	1,975	247
Lease liabilities	121,592		121,592	121,592	-	-	-
Total liabilities	1,693,183		1,743,515	1,177,673	537,212	27,024	1,606

31. Financial risks (continued)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk, i.e. foreign exchange rates (currency risk), market interest rates/profit yields (interest rate/profit yield risk) and market prices (price risk).

The Group and the Company manage its market risk by setting policies on asset allocation, investment limits and diversification benchmarks. These policies have been set in line with the Group's and the Company's investment and risk management policies and in compliance with regulatory requirements in respect of maintenance of assets and solvency.

Investment in derivatives is prohibited, unless specifically approved.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

As the Group's and the Company's business is conducted primarily in Malaysia, the Group's and the Company's financial assets are also primarily maintained in Malaysia as required under the Financial Services Act, 2013 and denominated in the same currency as its insurance and investment contract liabilities.

The Group's and the Company's primary transactions are carried out in Ringgit Malaysia ("RM"), with no significant exposure to foreign currency risks.

Interest rate/profit yield risk

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

Floating rate instruments expose the Group and the Company to cash flow interest/profit risk, whereas fixed rates/yield instruments expose the Group and the Company to fair value interest/profit risk.

The Group's and the Company's exposure to interest rate risk arises primarily from investments in fixed income securities and deposits with licensed institutions.

The Group and the Company have no significant concentration of interest rate/profit yield risk.

As the Group and the Company mainly invest in fixed rate instruments, the impact on profit before tax arising from exposure to interest rate/profit yield risk is insignificant.

31. Financial risks (continued)

Exposure to interest rate risk

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

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Fixed rate instruments				
Fixed and call deposits	<u>1,235,121</u>	<u>1,310,245</u>	<u>1,235,121</u>	<u>1,310,245</u>

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account the fixed and cash deposits and lease liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss. The FVTPL financial assets are accounted at fair value through profit and loss. The effect of change in interest rates are disclosed in price risk disclosure (see page 148).

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices whether those changes are caused by factors specific to the individual financial instruments or its issuer or factors affecting similar financial instruments traded in the market.

The Group's and the Company's exposure to price risk arises from its investment in quoted equities traded on Bursa Malaysia, controlled structured entities and unit trusts.

The Group and the Company manage its exposure to price risk by setting policies and investment parameters governing asset allocation and investment limits as well as specific review by the Investment Committee for equity investments falling by 20% or RM0.5 million or more of its cost.

The Group and the Company have no significant concentration of price risk.

31. Financial risks (continued)

Price risk (continued)

The analysis below is performed for reasonable possible movements in equity market price or interest rate with all other variables held constant, showing the impact of statement of comprehensive income and equity (due to changes in fair value of FVTPL financial assets).

		2024		2023	
	Change in variables	Impact on profit before tax RM'000	Impact on equity* RM'000	Impact on profit before tax RM'000	Impact on equity* RM'000
Group					
Market price	+10%	29,490	22,412	22,173	16,851
Market price	-10%	(29,490)	(22,412)	(22,173)	(16,851)
Company					
Market price	+10%	29,490	22,412	22,173	16,851
Market price	-10%	(29,490)	(22,412)	(22,173)	(16,851)
		2024		2023	
	Change in variables	Impact on profit before tax RM'000	Impact on equity* RM'000	Impact on profit before tax RM'000	Impact on equity* RM'000
Group					
Interest rate	+25 basis points	(3,123)	(2,373)	(3,037)	(2,308)
Interest rate	-25 basis points	3,123	2,373	3,037	2,308
Company					
Interest rate	+25 basis points	(3,123)	(2,373)	(3,037)	(2,308)
Interest rate	-25 basis points	3,123	2,373	3,037	2,308

* Impact on equity reflects adjustments for tax effect, where applicable.

The method used for deriving sensitivity information and significant variables did not change from the previous period.

31. Financial risks (continued)

Operational risks

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

The Company cannot expect to eliminate all operational risks.

The Company mitigates operational risks by putting in place a framework for controls and procedures, which includes the establishment of a Company Risk Profile, an Internal Control Programme, as well as Business Process Management (“BPM”) documenting procedures as well as work instructions, encapsulating effective segregation of duties, access controls, authorisation and reconciliation procedures. Regional and internal audits also play a role in ensuring that operational risks are mitigated.

External events such as interruption of business operation due to disasters may disrupt working environment, facilities and personnel. The Company has developed a Business Continuity Management Framework (“BCM”) in line with Bank Negara Malaysia requirements with the objectives of protecting the business, customers and all stakeholders by addressing and minimising serious interruption to the business through a structured framework of business and systems recovery plans in the event of a disaster.

31. Financial risks (continued)

Fair value information

The carrying amount of fixed and call deposits with financial institution, cash and bank balances, short-term receivables and short-term payables reasonably approximate their fair value due to relatively short-term nature of these financial instruments.

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

Group	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2024								
Financial assets - FVTPL								
Equity securities in corporations:								
Quoted in Malaysia	294,903	-	-	-	-	-	294,903	294,903
Unquoted equity	-	2,943	-	-	-	-	2,943	2,943
Unit trust and collective investment scheme	93,106	860,142	-	-	-	-	953,248	953,248
Corporate and government bonds	-	1,348,816	-	-	-	-	1,348,816	1,348,816
	388,009	2,211,901	-	-	-	-	2,599,910	2,599,910
Company								
2024								
Financial assets - FVTPL								
Equity securities in corporations:								
Quoted in Malaysia	294,903	-	-	-	-	-	294,903	294,903
Unquoted equity	-	2,943	-	-	-	-	2,943	2,943
Unit trust and collective investment scheme	-	2,310,683	-	-	-	-	2,310,683	2,310,683
	294,903	2,313,626	-	-	-	-	2,608,529	2,608,529

31. Financial risks (continued)

Fair value information (continued)

Group	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	RM'000	RM'000
2023								
Financial assets - FVTPL								
Equity securities in corporations:								
Quoted in Malaysia	221,726	-	-	-	-	-	221,726	221,726
Unquoted equity	-	-	-	-	602	-	602	602
Unit trust and collective investment scheme	95,467	752,187	-	-	-	-	847,654	847,654
Corporate and government bonds	-	1,306,984	-	-	-	-	1,306,984	1,306,984
	317,193	2,059,171	-	-	602	-	2,376,966	2,376,966
Company								
2023								
Financial assets - FVTPL								
Equity securities in corporations:								
Quoted in Malaysia	221,726	-	-	-	-	-	221,726	221,726
Unquoted equity	-	-	-	-	602	-	602	602
Unit trust and collective investment scheme	-	2,152,879	-	-	-	-	2,152,879	2,152,879
	221,726	2,152,879	-	-	602	-	2,375,207	2,375,207

31. Financial risks (continued)

Fair value information (continued)

Policy on transfer between levels

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

Level 1 fair value

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

Level 2 fair value

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

Level 2 fair value of building have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

Transfers between Level 1 and Level 2 fair values

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

32. Regulatory capital requirements

The Company's Internal Capital Adequacy Assessment Process ("ICAAP") Framework is in place to manage and maintain capital adequacy level that commensurate with its risk profile at all times and to ensure that adequate capital resources are available to maintain Capital Adequacy Ratio ("CAR") above Individual Target Capital Level ("ITCL") and Supervisory Level.

The Company is required to comply with the regulatory capital requirement prescribed in the RBC Framework which is imposed by the Ministry of Finance. Under the RBC Framework guidelines issued by Bank Negara Malaysia, insurance companies are required to satisfy a minimum Capital Adequacy Ratio of 130%. As at year end, the Company has a Capital Adequacy Ratio in excess of the minimum requirement.

32. Regulatory capital requirements (continued)

The capital structure of the Company as at 31 December, as prescribed under the RBC Framework is provided below:

	Note	Company 2024 RM'000	2023 RM'000
Eligible Tier 1 Capital			
Share capital	12	1,511,546	1,511,546
Retained profits		1,733,274	1,711,107
		<u>3,244,820</u>	<u>3,222,653</u>
		-----	-----
Amount deducted from capital		(1,151,890)	(1,154,618)
Total capital available		<u>2,092,930</u>	<u>2,068,035</u>

The above balances are based on statistical returns prepared accordance with the provisions of section 65 of the Financial Services Act 2013 (Act) and the Guidance Notes for Submissions of Monthly/Quarterly/Annual Statistical Returns.

33. Financial penalty imposed by the Malaysia Competition Commission ("MyCC")

On 25 September 2020, MSIG Insurance (Malaysia) Bhd ("MSIG") has received a Notice of Finding of An Infringement ("Final Decision") by MyCC under Section 40 of the Competition Act 2010. In MyCC's Final Decision dated 14 September 2020, MyCC has concluded that MSIG together with 21 other members of PIAM have infringed Section 4 of the Competition Act 2010 by participating in an agreement which has, as its object, the prevention, restriction or distortion in relation to the market of motor spare parts trade and labour charges for PIAM Approved Repairers Scheme workshops from 1 January 2012 to 17 February 2017. MyCC has imposed a financial penalty of RM16,079,513 on MSIG for the alleged infringement.

MSIG's appointed solicitors, had on 14 October 2020 filed a Notice of Appeal with the Competition Appeal Tribunal ("CAT") against MyCC's Final Decision and filed a Stay Application with CAT for the grant of a stay of MyCC's Final Decision on 27 October 2020 in respect of the financial penalty of RM16,079,513 imposed on MSIG.

On 2 September 2022, the CAT unanimously allowed the appeals filed by PIAM and the insurers (including MSIG). MyCC's entire Final Decision dated 14 September 2020 is thus set aside and the CAT did not make any orders as to costs. On 6 December 2022, MyCC applied to the High Court to try to obtain leave to commence judicial review against the CAT's decision which set aside MyCC's Final Decision. On 16 January 2024, the High Court decided that MyCC's leave application to commence judicial review against the CAT's decision has been dismissed by the High Court. On 15 February 2024, MyCC has filed an appeal to the Court of Appeal against the High Court's decision in dismissing MyCC's leave application to judicially review the CAT's decision. The Court of Appeal held the first case management for MyCC's appeal on 15 May 2024. The physical hearing for MyCC's appeal is set for 22 May 2025.

As the case is still ongoing, MSIG has continued to maintain the provision made of RM16,079,513 in the earlier financial year ended 31 December 2020.

34. Comparative figures

Certain comparative information has been reclassified to conform with current year's presentation. In previous financial years, MMIP balance is classified in insurance contract liabilities.

	As previously stated RM'000	Reclassification RM'000	As restated RM'000
Group			
Statement of financial position			
Receivable	85,618	38,108	123,726
Insurance contract liabilities	2,190,389	38,108	2,228,497
Company			
Statement of financial position			
Receivable	46,304	38,108	84,412
Insurance contract liabilities	2,190,389	38,108	2,228,497
Group and Company			
Movement in insurance and reinsurance contract balance			
Liabilities for remaining coverage			
- Excluding loss component			
Opening liabilities	561,164	40,708	601,872
Closing liabilities	602,543	38,108	640,651
Cash flows			
Premium received	1,817,416	(2,600)	1,814,816

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

In the opinion of the Directors, the financial statements set out on pages 66 to 154 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2024 and of their financial performance and cash flows for the financial year then ended.

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

.....
Dato' Sri Muthanna bin Abdullah
Director

.....
Mr. Lim Tiang Siew
Director

Kuala Lumpur

Date: 19 March 2025

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

I, **Soh Lai Sim**, the Officer primarily responsible for the financial management of MSIG Insurance (Malaysia) Bhd, do solemnly and sincerely declare that the financial statements set out on pages 66 to 154 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Soh Lai Sim at Kuala Lumpur in the Federal Territory on 19 March 2025.

.....
Soh Lai Sim

Before me:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MSIG INSURANCE (MALAYSIA) BHD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MSIG Insurance (Malaysia) Bhd, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 66 to 154.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information obtained at the date of this auditors' report is the Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of the 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 financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in note 7.6 to the financial statements.

Other Matter

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

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

Petaling Jaya

Date: 19 March 2025

Mok Wan Kong
Approval Number: 02877/12/2026J
Chartered Accountant



MSIG Insurance (Malaysia) Bhd

197901002705 (46983-W)

Head Office: Customer Service Centre,
Level 15, Menara Hap Seng 2, Plaza Hap Seng,
No. 1, Jalan P. Ramlee,
50250 Kuala Lumpur.

Tel: +603 2050 8228, Fax: +603 2026 8086
Customer Service Hotline: 1-800-88-MSIG (6744)
Email: myMSIG@my.msig-asia.com
Website: www.msig.com.my



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