

ALLIANZ MALAYSIA BERHAD (197201000819)

**UNAUDITED QUARTERLY RESULTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

ALLIANZ MALAYSIA BERHAD (197201000819)

**Condensed consolidated statement of financial position
as at 30 September 2024 - unaudited**

	30 September 2024 RM'000	← Audited → 31 December 2023 RM'000
Assets		
Property, plant and equipment	114,337	116,959
Right-of-use assets	41,077	43,670
Intangible assets	419,960	425,639
Deferred tax assets	106	-
Investments	25,185,702	23,052,458
Derivative financial assets	20,627	17,028
Reinsurance contract assets	576,087	542,263
Current tax assets	47,111	36,323
Other assets	162,855	125,973
Cash and cash equivalents	1,363,269	1,561,635
Total assets	27,931,131	25,921,948

ALLIANZ MALAYSIA BERHAD (197201000819)**Condensed consolidated statement of financial position
as at 30 September 2024 - unaudited (continued)**

	30 September 2024 RM'000	← Audited → 31 December 2023 RM'000
Equity		
Share capital:		
Ordinary Shares	241,125	236,037
Irredeemable Convertible Preference Shares ("ICPS")	529,904	534,992
Reserves	4,844,340	4,369,591
Total equity attributable to owners of the Company	5,615,369	5,140,620
Liabilities		
Deferred tax liabilities	647,949	539,242
Insurance contract liabilities	20,903,792	19,315,930
Reinsurance contract liabilities	151,026	69,777
Derivative financial liabilities	-	4,875
Lease liabilities	20,666	25,304
Other liabilities	571,779	803,793
Current tax liabilities	20,550	22,407
Total liabilities	22,315,762	20,781,328
Total equity and liabilities	27,931,131	25,921,948
Net asset per ordinary share (RM)	31.27	28.88
Diluted net asset per ordinary share (RM)	16.22	14.85

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

**Condensed consolidated statement of profit or loss
For the period ended 30 September 2024 - unaudited**

	Note (Part B)	Individual period Three months ended 30 September		Cumulative period Nine months ended 30 September	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Insurance revenue		1,440,496	1,306,084	4,148,513	3,632,135
Insurance service expenses		(1,172,003)	(1,034,625)	(3,413,686)	(2,793,227)
Net expenses from reinsurance contracts held		(93,281)	(62,079)	(143,325)	(199,966)
Insurance service result		175,212	209,380	591,502	638,942
Interest revenue on financial assets not measured at fair value through profit or loss ("FVTPL")		127,021	106,320	402,602	387,701
Net losses on investments in debt securities measured at fair value through other comprehensive income ("FVOCI") reclassified to profit or loss on disposal		(1,161)	(566)	(923)	(484)
Net gains on FVTPL investments		127,714	140,829	730,073	264,047
Dividend income		49,960	57,136	122,761	123,458
Net credit impairment gains/(losses) on financial assets		268	256	190	(27)
Net investment income	4	303,802	303,975	1,254,703	774,695
Finance expenses from insurance contracts issued		(123,360)	(229,997)	(953,275)	(607,534)
Finance income from reinsurance contracts held		2,927	1,928	11,409	11,931
Net insurance finance expenses		(120,433)	(228,069)	(941,866)	(595,603)
Net insurance and investment results		358,581	285,286	904,339	818,034
Other operating income		1,651	281	2,196	856
Other operating expenses		(115,138)	(23,207)	(185,674)	(101,365)
Profit before tax	5	245,094	262,360	720,861	717,525
Tax expense	6	(61,917)	(64,503)	(180,838)	(180,308)
Profit for the period		183,177	197,857	540,023	537,217
Profit for the period attributable to: Owners of the Company		183,177	197,857	540,023	537,217
Basic earnings per ordinary share (sen)	10(a)	102.86	111.17	272.78	266.13
Diluted earnings per ordinary share (sen)	10(b)	53.14	57.15	156.53	155.17

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

ALLIANZ MALAYSIA BERHAD (197201000819)
**Condensed consolidated statement of profit or loss and other comprehensive income
For the period ended 30 September 2024 - unaudited**

	Note (Part B)	Individual period Three months ended 30 September		Cumulative period Nine months ended 30 September	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit for the period attributable to owners of the Company		183,177	197,857	540,023	537,217
Other comprehensive income, net of tax					
Items that are or may be reclassified subsequently to profit or loss					
Net gains/(losses) on investments in debt securities measured at FVOCI		60,517	(55,490)	82,053	150,048
Net realised losses transferred to profit or loss		1,161	566	923	484
Tax effects thereon		(7,507)	6,141	(10,390)	(17,794)
Fair value gains/(losses) on cash flow hedge		11,816	(733)	9,425	(5,770)
Tax effects thereon		(945)	59	(754)	462
Changes in expected credit losses		(277)	(232)	(192)	55
Tax effects thereon		67	30	44	(24)
Finance (expenses)/income from insurance contract issued		(31,410)	4,753	(104,081)	(57,463)
Tax effects thereon		3,746	(1,156)	10,822	8,030
Finance (expenses)/income from reinsurance contract held		(882)	(1,818)	226	2,230
Tax effects thereon		212	436	(54)	(535)
Items that will not be reclassified subsequently to profit or loss					
Net (losses)/gains on investments in equity instruments measured at FVOCI		(5,991)	28,517	51,484	(12,400)
Tax effects thereon		479	(2,281)	(4,119)	992
Total other comprehensive income/(losses) for the period, net of tax	1.7	30,986	(21,208)	35,387	68,315
Total comprehensive income for the period, net of tax		214,163	176,649	575,410	605,532
Total comprehensive income for the period attributable to: Owners of the Company		214,163	176,649	575,410	605,532

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

ALLIANZ MALAYSIA BERHAD (197201000819)
Condensed consolidated statement of changes in equity for the period ended 30 September 2024 - unaudited

	←————— Attributable to owners of the Company —————→								
	←————— Non-distributable —————→					————— Distributable —————→			
	Ordinary shares RM'000	Irredeemable Convertible Preference Shares RM'000	FVOCI reserves RM'000	Insurance finance reserves RM'000	Other reserves RM'000	Total reserves RM'000	Retained earnings Life fund ¹ RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2023	236,037	534,992	(79,210)	(19,890)	48,870	(50,230)	1,692,021	2,264,334	4,677,154
Net gains on investments in debt securities measured at FVOCI	-	-	132,254	-	-	132,254	-	-	132,254
Net realised losses transferred to profit or loss	-	-	484	-	-	484	-	-	484
Fair value losses on cash flow hedge	-	-	(5,308)	-	-	(5,308)	-	-	(5,308)
Finance expense from insurance contract issued	-	-	-	(49,433)	-	(49,433)	-	-	(49,433)
Finance income from reinsurance contract held	-	-	-	1,695	-	1,695	-	-	1,695
Changes in expected credit losses	-	-	31	-	-	31	-	-	31
Net losses on investments in equity instruments measured at FVOCI	-	-	(11,408)	-	-	(11,408)	-	-	(11,408)
Total other comprehensive income/(losses) for the period	-	-	116,053	(47,738)	-	68,315	-	-	68,315
Profit for the period	-	-	-	-	-	-	235,762	301,455	537,217
Total comprehensive income/(losses) for the period	-	-	116,053	(47,738)	-	68,315	235,762	301,455	605,532
Contributions by and distributions to owners of the Company									
Dividends to owners of the Company	-	-	-	-	-	-	-	(119,654)	(119,654)
Total transactions with owners of the Company	-	-	-	-	-	-	-	(119,654)	(119,654)
At 30 September 2023	236,037	534,992	36,843	(67,628)	48,870	18,085	1,927,783	2,446,135	5,163,032

ALLIANZ MALAYSIA BERHAD (197201000819)
Condensed consolidated statement of changes in equity for the period ended 30 September 2024 - unaudited (continued)

	←————— Attributable to owners of the Company —————→								
	←————— Non-distributable —————→					————— Distributable —————→			
	Ordinary shares RM'000	Irredeemable Convertible Preference Shares RM'000	FVOCI reserves RM'000	Insurance finance reserves RM'000	Other reserves RM'000	Total reserves RM'000	Retained earnings Life fund ¹ RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2024	236,037	534,992	136,525	(125,261)	52,816	64,080	1,839,772	2,465,739	5,140,620
Net gains on investments in debt securities measured at FVOCI	-	-	71,663	-	-	71,663	-	-	71,663
Net realised losses transferred to profit or loss	-	-	923	-	-	923	-	-	923
Fair value gains on cash flow hedge	-	-	8,671	-	-	8,671	-	-	8,671
Finance expense from insurance contract issued	-	-	-	(93,259)	-	(93,259)	-	-	(93,259)
Finance income from reinsurance contract held	-	-	-	172	-	172	-	-	172
Changes in expected credit losses	-	-	(148)	-	-	(148)	-	-	(148)
Net gains on investments in equity instruments measured at FVOCI	-	-	47,365	-	-	47,365	-	-	47,365
Total other comprehensive income/(losses) for the period	-	-	128,474	(93,087)	-	35,387	-	-	35,387
Profit for the period	-	-	-	-	-	-	250,017	290,006	540,023
Total comprehensive income/(losses) for the period	-	-	128,474	(93,087)	-	35,387	250,017	290,006	575,410
Contributions by and distributions to owners of the Company									
Conversion of ICPS to ordinary shares	5,088	(5,088)	-	-	-	-	-	-	-
Dividends to owners of the Company	-	-	-	-	-	-	-	(100,661)	(100,661)
Total transactions with owners of the Company	5,088	(5,088)	-	-	-	-	-	(100,661)	(100,661)
At 30 September 2024	241,125	529,904	264,999	(218,348)	52,816	99,467	2,089,789	2,655,084	5,615,369

¹ Non-distributable retained earnings comprise Life fund surplus (which includes Participating and Non-Participating funds), net of deferred tax, which is wholly attributable to the shareholders. This amount is only distributable upon the actual transfer of surplus from the Life fund to the Shareholder's fund as recommended by the Appointed Actuary and approved by the Board of Directors of the life insurance subsidiary.

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

The condensed consolidated statement of changes in equity should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2023.

**Condensed consolidated statement of cash flows
For the period ended 30 September 2024 - unaudited**

	Nine months ended 30 September 2024 RM'000	Nine months ended 30 September 2023 RM'000
Cash flows from operating activities		
Profit before tax	720,861	717,525
Purchase of financial assets at FVOCI	(4,725,955)	(5,525,820)
Maturity of financial assets at FVOCI	2,600,997	2,147,227
Proceeds from sale of financial assets at FVOCI	1,194,971	2,615,545
Purchase of financial assets at FVTPL	(2,447,876)	(2,059,359)
Maturity of financial assets at FVTPL	269,000	99,667
Proceeds from sale of financial assets at FVTPL	1,573,854	705,362
Non-cash items:		
Investment income	(760,675)	(728,239)
Realised gains recorded in profit or loss	(203,721)	(3,334)
Interest on lease liabilities	913	481
Fair value gains on investments recorded in profit or loss	(323,756)	(78,055)
Unrealised foreign exchange losses/(gains)	72,018	(27,620)
Depreciation of property, plant and equipment	10,750	11,516
Depreciation of right-of-use assets	16,258	16,930
Amortisation of intangible assets	22,077	19,265
(Reversal of)/Allowance for expected credit losses	(190)	27
Losses/(Gains) on disposal of property, plant and equipment	271	(10)
Property, plant and equipment written off	1,095	215
Allowance for impairment loss on LRC receivables	1,816	2,671
Bad debts recovered on LRC receivables	-	(10)
Net gains on financial investments and derivatives	(62,696)	(7,824)
Changes in working capital:		
Increase in other assets	(36,882)	(41,225)
Increase in insurance contract liabilities	1,539,843	678,203
Increase in reinsurance contract liabilities	48,176	43,221
Increase in other liabilities	84,185	174,330
Cash used in operations	(404,666)	(1,239,311)

Condensed consolidated statement of cash flows
For the period ended 30 September 2024 - unaudited (continued)

	Nine months ended 30 September 2024 RM'000	Nine months ended 30 September 2023 RM'000
Cash flows from operating activities (continued)		
Tax paid	(147,711)	(154,432)
Dividends received	122,761	123,458
Interest income received	639,119	583,647
Interest paid on lease liabilities	(913)	(481)
Net cash generated from/(used in) operating activities	208,590	(687,119)
Investing activities		
Proceeds from disposal of property, plant and equipment	1	12
Acquisition of property, plant and equipment	(12,050)	(20,165)
Acquisition of intangible assets	(13,844)	(18,002)
Net cash used in investing activities	(25,893)	(38,155)
Financing activities		
Dividends paid to owners of the Company	(362,760)	(381,753)
Repayment of lease liabilities	(18,303)	(17,529)
Net cash used in financing activities	(381,063)	(399,282)
Net decrease in cash and cash equivalents	(198,366)	(1,124,556)
Cash and cash equivalents at 1 January	1,561,635	2,258,940
Cash and cash equivalents at 30 September	1,363,269	1,134,384
Cash and cash equivalents comprise:		
Fixed deposits with licensed banks (with maturity of less than three months)	885,197	1,052,464
Cash and bank balances	478,072	81,920
	1,363,269	1,134,384

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

Part A: Explanatory notes to the condensed consolidated financial statements

1. Basis of preparation

These condensed consolidated interim financial statements ("the Report") of Allianz Malaysia Berhad ("AMB" or "the Company") and its subsidiaries (AMB and its subsidiaries are collectively referred to as "the Group") as at and for the financial period ended 30 September 2024 have been prepared in accordance with:

- (a) The requirements of Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting and International Accounting Standard ("IAS") 34: Interim Financial Reporting; and
- (b) Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Report does not include all information required for disclosure in the annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the financial year ended 31 December 2023.

The preparation of the condensed consolidated interim financial statements/condensed consolidated quarterly financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities as at the date of the condensed consolidated interim financial statements, and the reported amount of income and expenses during the period. Actual results may differ from these estimates.

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

2. Statement of compliance

The accounting policies and presentation adopted by the Group for the Report are consistent with those adopted in the Group's consolidated audited financial statements for the financial year ended 31 December 2023, except for the adoption of the following:

MFRSs/ Amendments/ Interpretation	Effective date
Amendments to MFRS 101, <i>Presentation of Financial Statements - Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-Current</i>	1 January 2024
Amendments to MFRS 16, <i>Leases - Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 107, <i>Statement of Cash Flows</i> and MFRS 7, <i>Financial Instruments: Disclosures - Supplier Finance Arrangements</i>	1 January 2024

The adoption of the above did not have any significant effects on the interim report upon their initial application, and it is not likely to affect future periods.

Part A: Explanatory notes to the condensed consolidated financial statements (continued)

3. Items of an unusual nature

The results of the Group for the financial period under review were not substantially affected by any item, transaction or event of a material and unusual nature.

4. Changes in estimates

There were no material changes in estimates of amounts reported in the prior financial period that have a material effect in the current period.

5. Seasonal or cyclical factors

The operations of the Group for the financial period under review were not significantly affected by seasonality or cyclical factors.

6. Property, plant and equipment

The Group's property, plant and equipment are stated at cost/valuation less accumulated depreciation and accumulated impairment losses, if any. There were no changes in the valuation of property, plant and equipment that were brought forward from the Group's audited financial statements for the financial year ended 31 December 2023.

7. Changes in group composition

There were no changes in the composition of the Group during the financial period under review.

8. Capital commitments

	Transactions value Nine months ended 30 September	
	2024	2023
	RM'000	RM'000
Property, plant and equipment:		
Contracted but not provided for	1,769	3,815
Software development:		
Contracted but not provided for	7,626	3,096

9. Related party transactions

Significant related party transactions are as follows:

	Transactions value Nine months ended 30 September	
	2024	2023
	RM'000	RM'000
Related companies*		
Payment of reinsurance premium ceded, net of commission income	(224,498)	(244,401)

* Related companies are companies within the Allianz SE Group.

Part A: Explanatory notes to the condensed consolidated financial statements (continued)

10. Changes in contingent liabilities

On 10 August 2016, the Malaysia Competition Commission ("MyCC") commenced an investigation into an alleged infringement by Persatuan Insurans Am Malaysia ("PIAM") and all 22 general insurers including the Company's general insurance subsidiary, Allianz General Insurance Company (Malaysia) Berhad ("AGIC"), of Section 4(2)(a) of the Competition Act 2010 ("CA"). The alleged infringement is in relation to the agreement reached between PIAM and the Federation Of Automobile Workshop Owners' Association Of Malaysia ("FAWOAM") in relation to trade discount rates on the parts for certain vehicle makes and labour hourly rates for PIAM Approved Repairers Scheme workshops. These rates were applied by AGIC pursuant to a members' circular issued by PIAM, which arose from Bank Negara Malaysia ("BNM")'s directive to PIAM to engage FAWOAM to resolve the issues of parts trade discounts and labour hourly rate.

On 22 February 2017, AGIC received MyCC's notice of its proposed decision ("Proposed Decision") that AGIC and all the other 21 general insurers who are PIAM members had infringed one of the prohibitions under Part II of the CA. The Proposed Decision included a proposed financial penalty of RM213,454,814 on all the 22 general insurers. AGIC had a share of RM27,480,883 of the proposed penalty.

Following the parties' submission of their respective written representations and the Hearing of the oral representations, on 25 September 2020, AGIC's solicitors received MyCC's Decision that parties had infringed the prohibition under section 4 of the CA and imposed financial penalties for the said infringement on each of the 22 general insurers ("MyCC's Decision").

In view of the impact of the Covid-19 pandemic, MyCC had granted a reduction of 25% of the said financial penalties imposed and a moratorium period of up to 6 months for the payment of the financial penalties to be made by 6 equal monthly instalments. The financial penalty imposed on AGIC, taking into account the 25% reduction amounts to RM18,549,595.97.

Appeal filed with the Competition Appeal Tribunal ("CAT")

On 13 October 2020, AGIC filed a Notice of Appeal against MyCC's Decision ("Appeal") with the Competition Appeal Tribunal ("CAT") and a formal Notice of Application was filed to the stay MyCC's Decision on 12 November 2020 ("Stay Application").

In response to AGIC's Notice of Appeal, MyCC filed a Statement in Reply ("SIR") and AGIC filed its Reply to the SIR on 11 December 2020.

Upon conclusion of the hearing of the respective parties' submissions, on 23 March 2021, the CAT allowed the Stay Application, pending the disposal of the Appeal.

As for the appeal proceedings before the CAT, MyCC as well as several other insurers presented their oral submissions on hearing dates in March and April 2022. AGIC presented its submissions in reply on 21 April 2022 and 22 April 2022 whereupon all parties' submissions concluded.

On 2 September 2022, the CAT unanimously allowed AGIC's appeal along with the appeals of PIAM and the other 21 general insurers ("CAT's Decision") thereby setting aside MyCC's Decision.

AGIC's application for leave for Judicial Review filed at the High Court of Malaya

Separately, on 26 April 2021 the High Court of Malaya granted AGIC leave to apply for Judicial Review of MyCC's Decision and an interim stay of MyCC's Decision until the hearing of any objection or application by MyCC to set it aside. AGIC filed its Notice of Hearing of Application for Judicial Review at the High Court on 9 May 2021 ("AGIC's JR Proceedings") and MyCC then filed an application against the orders granting AGIC leave to apply for judicial review and interim stay ("MyCC's Setting Aside Application").

On conclusion of the parties' submissions, the High Court decided on 20 October 2021 to allow MyCC's Setting Aside Application. On its solicitors' recommendation, AGIC filed a Notice of Appeal against the said decision on 18 November 2021 ("AGIC's Appeal"). The matter was then fixed for further case management on 8 September 2022.

In light of the CAT's Decision, AGIC through its solicitors withdrew AGIC's Appeal since the same was superseded by the CAT's Decision. The case management on 8 September 2022 was vacated thereby bringing AGIC's JR Proceedings to an end.

Part A: Explanatory notes to the condensed consolidated financial statements (continued)

10. Changes in contingent liabilities (continued)

MyCC's application for leave for Judicial Review filed at the High Court of Malaya

On 1 December 2022, MyCC filed an application at the High Court of Malaya seeking leave to apply for Judicial Review against CAT's Decision ("MyCC's Leave Application") and AGIC's solicitors filed an affidavit on AGIC's behalf to object to the said application.

MyCC in turn filed a further affidavit on 17 April 2023 and in response thereto, on 2 May 2023, AGIC's solicitors filed a further affidavit on behalf of AGIC.

MyCC's Leave Application initially fixed for Hearing on 8 May 2023 was converted into a case management at which the Court fixed a further case management for 16 May 2023 for parties to fix a new Hearing date for MyCC's Leave Application. At the case management on 16 May 2023, the Court fixed the Hearing for MyCC's Leave Application for 30 November 2023.

At the Hearing on 30 November 2023, the parties' solicitors made their respective oral submissions to the Court which then fixed 16 January 2024 to deliver its decision.

On 16 January 2024, the Court dismissed MyCC's Leave Application with the cost of RM10,000.00 to each insurer (including AGIC) and PIAM.

On 15 February 2024, MyCC filed an appeal at the Court of Appeal against the High Court's decision in dismissing MyCC's Leave Application. The Court of Appeal had fixed the case management on 15 May 2024. In the said case management, the Court of Appeal fixed the hearing for MyCC's Leave Appeal on 22 May 2025.

11. Debt and equity securities

Save for the issuance of 1,600,000 ordinary shares pursuant to the conversion of the ICPS, there were no other issuances of shares, shares buy-backs and repayment of debt and equity securities by the Group during the financial period under review.

12. Subsequent event

There were no significant events subsequent to the end of the financial period under review that have not been reported in the Report.

13. Dividend paid

(a) A second single tier interim dividend of 69.0 sen per ordinary share and a second single tier interim dividend of 82.8 sen per ICPS for the financial year ended 31 December 2023 were paid on 8 February 2024 to the entitled ordinary shareholders and ICPS holders of the Company respectively.

(b) A first single tier interim dividend of 26.5 sen per ordinary share and a first single tier interim dividend of 31.8 sen per ICPS for the financial year ending 31 December 2024 were paid on 12 June 2024 to the entitled ordinary shareholders and ICPS holders of the Company respectively.

Part A: Explanatory notes to the condensed consolidated financial statements (continued)

14. Operating segments

The Group has three reportable segments, as described below, which are the Group's strategic business units. For each of the strategic business units, the Chief Executive Officer of the Company reviews internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

Reportable segments	Principal activities
Investment holding	Investment holding
General insurance	Underwriting of all classes of general insurance business
Life insurance	Underwriting of all classes of life insurance and investment-linked business

**Information about reportable segments
For the period ended 30 September 2024 - unaudited**

	Investment holding		General insurance		Life insurance		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment insurance revenue	-	-	2,361,633	2,034,263	1,786,880	1,597,872	4,148,513	3,632,135
Segment results	(8,408)	(7,455)	388,061	404,985	341,208	319,995	720,861	717,525
Segment assets	125,337	440,395	7,997,377	7,241,464	19,808,417	17,460,661	27,931,131	25,142,520
Segment liabilities	26,117	18,902	5,023,640	4,416,675	17,266,005	15,543,911	22,315,762	19,979,488

Part B: Explanatory notes pursuant to the Main Market Listing Requirements of Bursa Securities

1. Review of results

Table 1: Financial review for current quarter and financial period to date

RM'million	Individual Period Three months ended 30 September		Changes		Cumulative period Nine months ended 30 September		Changes	
	2024	2023	Amount	%	2024	2023	Amount	%
Insurance revenue	1,440.5	1,306.0	134.5	10.3%	4,148.5	3,632.1	516.4	14.2%
Profit before tax	245.1	262.3	(17.2)	(6.6%)	720.9	717.5	3.4	0.5%
Profit after tax	183.2	197.9	(14.7)	(7.4%)	540.0	537.2	2.8	0.5%
Profit for the period attributable to owners of the Company	183.2	197.9	(14.7)	(7.4%)	540.0	537.2	2.8	0.5%
RM'million	Individual Period Three months ended 30 September		Changes		Cumulative period Nine months ended 30 September		Changes	
	2024	2023	Amount	%	2024	2023	Amount	%
Insurance revenue by segments								
General insurance	826.9	706.9	120.0	17.0%	2,361.6	2,034.3	327.3	16.1%
Life insurance	613.6	599.1	14.5	2.4%	1,786.9	1,597.8	189.1	11.8%
Total insurance revenue	1,440.5	1,306.0	134.5	10.3%	4,148.5	3,632.1	516.4	14.2%

Part B: Explanatory notes pursuant to the Main Market Listing Requirements of Bursa Securities (continued)

1. Review of results (continued)

1.1 Insurance revenue of the current year quarter against preceding year corresponding quarter (Third Quarter 2024 versus Third Quarter 2023)

For the third quarter ended 30 September 2024, the Group recorded an insurance revenue of RM1.44 billion, an increase of 10.3% or RM134.5 million as compared to the preceding year quarter ended 30 September 2023 of RM1.31 billion due mainly to higher insurance revenue from both insurance segments.

For the quarter under review, the general insurance segment recorded an insurance revenue of RM826.9 million, an increase of 17.0% or RM120.0 million as compared to the preceding year quarter ended 30 September 2023 of RM706.9 million due mainly to increase in gross earned premiums from motor business.

For the quarter under review, the life insurance segment registered an insurance revenue of RM613.6 million, an increase of 2.4% or RM14.5 million as compared to the preceding year quarter ended 30 September 2023 of RM599.1 million. This increase was mainly attributed to higher insurance revenue from investment-linked protection and employee benefit business.

1.2 Insurance revenue of the current year-to-date ("YTD") against preceding YTD

The Group recorded an insurance revenue of RM4.15 billion for the financial period ended 30 September 2024, an increase of 14.2% or RM516.4 million as compared to the preceding financial period ended 30 September 2023 of RM3.63 billion due mainly to higher insurance revenue from both insurance segments.

The general insurance segment recorded an insurance revenue of RM2.36 billion for the financial period ended 30 September 2024, an increase of 16.1% or RM327.3 million as compared to the preceding financial period ended 30 September 2023 of RM2.03 billion due mainly to increase in gross earned premiums from motor business.

The life insurance segment recorded an insurance revenue of RM1.79 billion for the financial period ended 30 September 2024, an increase of 11.8% or RM189.1 million as compared to the preceding financial period ended 30 September 2023 of RM1.60 billion. This increase was mainly attributed to higher insurance revenue from investment-linked protection and employee benefit business.

Part B: Explanatory notes pursuant to the Main Market Listing Requirements of Bursa Securities (continued)

1. Review of results (continued)

Table 1: Financial review for current quarter and financial period to date (continued)

RM'million	Individual Period Three months ended 30 September		Changes		Cumulative period Nine months ended 30 September		Changes	
	2024	2023	Amount	%	2024	2023	Amount	%
Profit before tax by segments								
General insurance	139.6	141.2	(1.6)	(1.1%)	388.1	405.0	(16.9)	(4.2%)
Life insurance	112.3	124.8	(12.5)	(10.0%)	341.7	320.0	21.7	6.8%
Investment holding	(6.8)	(3.7)	(3.1)	(83.8%)	(8.9)	(7.5)	(1.4)	(18.7%)
Total profit before tax	245.1	262.3	(17.2)	(6.6%)	720.9	717.5	3.4	0.5%
General Insurance								
Gross written premium	885.2	789.0	96.2	12.2%	2,570.2	2,251.1	319.1	14.2%
Reinsurance ratio	9.1%	9.7%	N/A	(0.6 pts)	4.4%	11.3%	N/A	(6.9 pts)
Claims ratio	55.6%	49.1%	N/A	6.5 pts	59.9%	48.1%	N/A	11.8 pts
Expense ratio	24.6%	27.4%	N/A	(2.8 pts)	24.4%	26.3%	N/A	(1.9 pts)
Combined ratio *	89.3%	86.2%	N/A	3.1 pts	88.7%	85.7%	N/A	3.0 pts
Life Insurance								
Annualised new premium ("ANP")	197.1	231.6	(34.5)	(14.9%)	643.0	552.8	90.2	16.4%
Expense ratio #	9.4%	11.7%	N/A	(2.3 pts)	10.8%	11.2%	N/A	(0.4 pts)
Gross written premium	1,023.5	941.7	81.8	8.7%	2,944.3	2,696.8	247.5	9.2%
Block persistency ratio	97.0%	84.9%	N/A	12.1 pts	87.5%	85.2%	N/A	2.3 pts

* Combined ratio for General insurance segment is defined as the sum of insurance service expenses, the reinsurance result and non-directly attributable expenses, divided by insurance revenue.

Expense ratio for Life insurance segment weighted for 10% of Single Premium.

pts - percentage points
N/A - Not Applicable

Part B: Explanatory notes pursuant to the Main Market Listing Requirements of Bursa Securities (continued)
1. Review of results (continued)

Table 2: Statement of profit or loss by segments for current quarter and financial period to date

	Investment holding Individual Period Three months ended 30 September		General insurance Individual Period Three months ended 30 September		Life insurance Individual Period Three months ended 30 September		Consolidated Individual Period Three months ended 30 September	
	2024	2023	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Insurance revenue	-	-	826,973	706,859	613,523	599,225	1,440,496	1,306,084
Claims and benefits	(302)	(328)	(460,258)	(383,450)	(368,796)	(324,936)	(829,356)	(708,714)
Acquisition and administrative expenses (net)	-	-	(189,696)	(180,209)	(154,693)	(181,406)	(344,389)	(361,615)
Reversal of losses/(Losses) on onerous contracts	-	-	122	36,606	1,620	(902)	1,742	35,704
Insurance service expenses	(302)	(328)	(649,832)	(527,053)	(521,869)	(507,244)	(1,172,003)	(1,034,625)
Net (expenses)/income from reinsurance contracts held	-	-	(74,846)	(68,699)	(18,435)	6,620	(93,281)	(62,079)
Insurance service result	(302)	(328)	102,295	111,107	73,219	98,601	175,212	209,380
Net investment income	2,721	3,268	63,261	53,482	237,820	247,225	303,802	303,975
Net (re-)insurance finance expenses	-	-	(9,617)	(7,297)	(110,816)	(220,772)	(120,433)	(228,069)
Net insurance and investment results	2,419	2,940	155,939	157,292	200,223	125,054	358,581	285,286
Other operating income	5	4	1,630	259	16	18	1,651	281
Other operating expenses	(9,131)	(6,583)	(18,057)	(16,357)	(87,950)	(267)	(115,138)	(23,207)
(Loss)/Profit before tax	(6,707)	(3,639)	139,512	141,194	112,289	124,805	245,094	262,360

Part B: Explanatory notes pursuant to the Main Market Listing Requirements of Bursa Securities (continued)
1. Review of results (continued)

Table 2: Statement of profit or loss by segments for current quarter and financial period to date (continued)

	Investment holding Cumulative period Nine months ended 30 September		General insurance Cumulative period Nine months ended 30 September		Life insurance Cumulative period Nine months ended 30 September		Consolidated Cumulative period Nine months ended 30 September	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Insurance revenue	-	-	2,361,633	2,034,263	1,786,880	1,597,872	4,148,513	3,632,135
Claims and benefits	(302)	(343)	(1,411,674)	(1,010,005)	(1,000,348)	(888,810)	(2,412,324)	(1,899,158)
Acquisition and administrative expenses (net)	-	-	(544,837)	(492,730)	(453,987)	(427,292)	(998,824)	(920,022)
(Losses)/Reversal of losses on onerous contracts	-	-	(3,417)	31,106	879	(5,153)	(2,538)	25,953
Insurance service expenses	(302)	(343)	(1,959,928)	(1,471,629)	(1,453,456)	(1,321,255)	(3,413,686)	(2,793,227)
Net (expenses)/income from reinsurance contracts held	-	-	(103,295)	(230,288)	(40,030)	30,322	(143,325)	(199,966)
Insurance service result	(302)	(343)	298,410	332,346	293,394	306,939	591,502	638,942
Net investment income	10,617	9,916	183,762	162,067	1,060,324	602,712	1,254,703	774,695
Net (re-)insurance finance expenses	-	-	(53,041)	(41,905)	(888,825)	(553,698)	(941,866)	(595,603)
Net insurance and investment results	10,315	9,573	429,131	452,508	464,893	355,953	904,339	818,034
Other operating income	10	14	2,136	786	50	56	2,196	856
Other operating expenses	(19,217)	(17,042)	(43,206)	(48,309)	(123,251)	(36,014)	(185,674)	(101,365)
(Loss)/Profit before tax	(8,892)	(7,455)	388,061	404,985	341,692	319,995	720,861	717,525

Part B: Explanatory notes pursuant to the Main Market Listing Requirements of Bursa Securities (continued)

1. Review of results (continued)

1.3 Profit before tax of the current year quarter against preceding year corresponding quarter (Third Quarter 2024 versus Third Quarter 2023)

For the third quarter ended 30 September 2024, the Group recorded a profit before tax of RM245.1 million, a decrease of 6.6% or RM17.2 million as compared to the preceding year quarter ended 30 September 2023 of RM262.3 million.

For the quarter under review, the general insurance segment recorded a lower profit before tax of RM139.6 million, a decrease of 1.1% or RM1.6 million as compared to a profit before tax of the preceding year quarter ended 30 September 2023 of RM141.2 million. The lower profit before tax was mainly contributed by lower investment result for the current quarter under review.

For the quarter under review, the life insurance segment recorded a lower profit before tax of RM112.3 million, a decrease of 10.0% or RM12.5 million as compared to a profit before tax of the preceding year quarter ended 30 September 2023 of RM124.8 million due mainly to higher claim experience from investment-linked protection business. Preceding year quarter higher profit before tax was contributed by higher contractual service margin ("CSM") release due to non-financial assumption updates.

For the quarter under review, the investment holding segment registered a loss before tax of RM6.8 million as compared to a loss before tax of the preceding year quarter ended 30 September 2023 of RM3.7 million due mainly to higher expenses in the current quarter.

1.4 Profit before tax of the current YTD against preceding YTD

The Group recorded a profit before tax of RM720.9 million for the nine months ended 30 September 2024, an increase of 0.5% or RM3.4 million as compared to the preceding nine months ended 30 September 2023 of RM717.5 million due mainly to higher profit contribution from life insurance segment.

The general insurance segment delivered a profit before tax of RM388.1 million for the nine months ended 30 September 2024, a decrease of 4.2% or RM16.9 million as compared to the preceding nine months ended 30 September 2023 of RM405.0 million. The lower profit before tax was mainly driven by higher claims from Fire and Engineering large losses.

The life insurance segment recorded a higher profit before tax of RM341.7 million for the nine months ended 30 September 2024, an increase of 6.8% or RM21.7 million as compared to the preceding nine months ended 30 September 2023 of RM320.0 million due mainly to higher CSM release for the period and higher net investment results.

The investment holding segment registered a loss before tax of RM8.9 million for the nine months ended 30 September 2024 as compared to a loss before tax of RM7.5 million for the preceding nine months ended 30 September 2023 due mainly to higher cost.

Part B: Explanatory notes pursuant to the Main Market Listing Requirements of Bursa Securities (continued)

1. Review of results (continued)

Table 3: Financial review for current quarter as compared with immediate preceding quarter

RM'million	Investment holding		General insurance		Life insurance		Consolidated	
	Current Year Quarter 30 September 2024	Immediate Preceding Quarter 30 June 2024	Current Year Quarter 30 September 2024	Immediate Preceding Quarter 30 June 2024	Current Year Quarter 30 September 2024	Immediate Preceding Quarter 30 June 2024	Current Year Quarter 30 September 2024	Immediate Preceding Quarter 30 June 2024
Insurance revenue	-	-	826.9	779.9	613.6	591.2	1,440.5	1,371.1
Insurance service expenses	(0.3)	-	(649.8)	(719.0)	(521.9)	(515.0)	(1,172.0)	(1,234.0)
Net (expenses)/income from reinsurance contracts held	-	-	(74.8)	31.1	(18.5)	(6.2)	(93.3)	24.9
Insurance service result	(0.3)	-	102.3	92.0	73.2	70.0	175.2	162.0
Net investment income	2.7	4.3	63.3	60.7	237.8	361.6	303.8	426.6
Net insurance and investment results	2.4	4.3	156.0	130.8	200.2	130.6	358.6	265.7
Net other operating income and expense	(9.2)	(2.8)	(16.4)	(14.6)	(87.9)	(23.5)	(113.5)	(40.9)
(Loss)/Profit before tax	(6.8)	1.5	139.6	116.2	112.3	107.1	245.1	224.8
(Loss)/Profit for the period attributable to owners of the Company	(7.5)	1.3	107.0	87.2	83.7	78.5	183.2	167.0

Part B: Explanatory notes pursuant to the Main Market Listing Requirements of Bursa Securities (continued)

1. Review of results (continued)

1.5 Insurance revenue of the current quarter against the preceding quarter (Third Quarter 2024 versus Second Quarter 2024)

The Group recorded an insurance revenue of RM1.44 billion for the quarter under review, an increase of 5.1% or RM69.4 million as compared to the preceding quarter ended 30 June 2024 of RM1.37 billion.

The general insurance segment recorded an insurance revenue of RM826.9 million for the quarter under review, an increase of 6.0% or RM47.0 million as compared to the preceding quarter ended 30 June 2024 of RM779.9 million due mainly to higher gross earned premiums from motor business for the quarter under review.

The life insurance segment registered an insurance revenue of RM613.6 million for the quarter under review, a marginal increase of 3.8% or RM22.4 million as compared to the preceding quarter ended 30 June 2024 of RM591.2 million due mainly to higher insurance revenue from investment-linked protection and employee benefit business.

1.6 Profit before tax of the current quarter against the preceding quarter (Third Quarter 2024 versus Second Quarter 2024)

The Group recorded a profit before tax of RM245.1 million for the quarter under review, an increase of 9.0% or RM20.3 million as compared to the preceding quarter ended 30 June 2024 of RM224.8 million.

The profit before tax of general insurance segment for the quarter under review of RM139.6 million, an increase of 20.1% or RM23.4 million as compared to the preceding quarter ended 30 June 2024 of RM116.2 million. The higher profit before tax was mainly contributed by higher investment results and higher insurance service results for the quarter under review. Preceding quarter insurance service results were lower due to higher claims from Fire and Engineering large losses.

The profit before tax of life insurance segment for the quarter under review of RM112.3 million, an increase of 4.9% or RM5.2 million as compared to the preceding quarter ended 30 June 2024 of RM107.1 million due mainly to higher insurance service results from investment-linked protection business.

The investment holding segment registered a loss before tax of RM6.8 million as compared to a profit before tax of RM1.5 million in the preceding quarter ended 30 June 2024 due to higher expenses in current quarter.

Part B: Explanatory notes pursuant to the Main Market Listing Requirements of Bursa Securities (continued)

1. Review of results (continued)

1.7 Review of other comprehensive income

Table 4: Other comprehensive income for current quarter and financial period to date

RM'million	Individual period		Cumulative period	
	Three months ended 30 September		Nine months ended 30 September	
	2024	2023	2024	2023
Other comprehensive income, net of tax				
Items that are or may be reclassified subsequently to profit or loss				
Net gains/(losses) on investments in debt securities measured at FVOCI	60.5	(55.5)	82.3	150.0
Net realised losses transferred to profit or loss	1.2	0.6	0.9	0.5
Tax effects thereon	(7.5)	6.1	(10.4)	(17.8)
Fair value gains/(losses) on cash flow hedge	11.8	(0.7)	9.4	(5.8)
Tax effects thereon	(0.9)	0.1	(0.8)	0.5
Changes in expected credit losses	(0.3)	(0.2)	(0.2)	0.1
Tax effects thereon	0.1	-	-	-
Finance (expenses)/income from insurance contract issued	(31.4)	4.8	(104.1)	(57.5)
Tax effects thereon	3.7	(1.2)	10.8	8.0
Finance (expenses)/income from reinsurance contract held	(0.9)	(1.8)	0.2	2.2
Tax effects thereon	0.2	0.4	(0.1)	(0.5)
Items that will not be reclassified subsequently to profit or loss				
Net (losses)/gains on investments in equity instruments measured at FVOCI	(6.0)	28.5	51.5	(12.4)
Tax effects thereon	0.5	(2.3)	(4.1)	1.0
Total other comprehensive income/(losses) for the period, net of tax	31.0	(21.2)	35.4	68.3

The Group recorded a total OCI of RM35.4 million for the period ended 30 September 2024, a decrease of RM32.9 million as compared to the total other comprehensive income of the preceding period ended 30 September 2023 of RM68.3 million due to fair value losses from Malaysian government securities, Malaysian government guaranteed bonds and unquoted corporate bonds for the financial period under review.

Part B: Explanatory notes pursuant to the Main Market Listing Requirements of Bursa Securities (continued)

1. Review of results (continued)

1.8 Review of Statement of Financial Position

Table 5: Review of assets and liabilities

RM'million	As at 30 September 2024	As at 31 December 2023	Changes Amount	%
Total assets	27,931.1	25,921.9	2,009.2	7.8%
Total liabilities	22,315.7	20,781.3	1,534.4	7.4%
- Contractual service margin ("CSM")	3,503.9	3,248.2	255.7	7.9%
Total equity	5,615.4	5,140.6	474.8	9.2%

Total assets

As at 30 September 2024, the Group's total assets increased by RM2.01 billion to RM27.93 billion from RM25.92 billion as at 31 December 2023, mainly attributable to increase in investments for the financial period under review.

Total liabilities

As at 30 September 2024, the Group's total liabilities increased by RM1.53 billion to RM22.32 billion from RM20.78 billion as at 31 December 2023 due mainly to increase in insurance contract liabilities. The increase in insurance contract liabilities was attributable to business growth.

As at 30 September 2024, CSM was at RM3.50 billion, an increase of RM255.7 million from the end of 2023. The growth in CSM is primary driven by impact of new business written in the first three quarters of the year and interest accretion.

Total equity

The Group's total equity as at 30 September 2024 increased by 9.2% or RM474.8 million to RM5.62 billion from RM5.14 billion as at 31 December 2023. This is mainly attributable to the net profit generated for the period ended 30 September 2024.

Part B: Explanatory notes pursuant to the Main Market Listing Requirements of Bursa Securities (continued)

2. Current year prospects

The Malaysian economy expanded by 5.3% in the third quarter of 2024 (2Q 2024: 5.9%), driven by strong investment activity and continued improvement in exports. Investment activity was underpinned by strong spending on structures and machinery and equipment, while household spending sustained its expansion amid positive labour market conditions and policy support. On a quarter-on-quarter, seasonally-adjusted basis, growth momentum moderated to 1.8% (2Q 2024: 2.9%). Overall, the Malaysian economy expanded by 5.2% in the first three quarters of 2024.

The Group achieved strong financial performance during the financial period ended 30 September 2024 amid stronger economic backdrop with a growth of 14.2% on insurance revenue, continuing the growth momentum in 2024 for both general and life insurance segments.

The general insurance segment recorded premium growth of 14.3% for the period ended 30 September 2024 which is higher than industry growth of 7.2%. Meanwhile the life insurance segment annualised new business increased by 16.4%, outperformed the industry growth of 10.9% for the period ended 30 September 2024 with the market share of 10.8%. General insurance segment growth is largely contributed from strong performance from its agency and franchise channels while life insurance segment growth is stemming from its bancassurance and employee benefit channels.

The Group continues to drive profitable top-line growth through distribution growth and product innovation. It will continue with its agency transformation journey to enlarge the distribution network via quality recruitment program and equipping our distribution force with the right digital tools to uplift productivity. The Group will continue to steer towards driving profitable product mix and maintain strict discipline in areas of underwriting and claims management. Additionally, the Group will continue to seek to improve customer experience and operational efficiency by investing in digital capabilities and transformation.

The Group remains focused on executing its strategic initiatives and delivering on financial targets to bring a strong closing for 2024 and generate value to all stakeholders.

3. Profit forecast

The Group did not issue any profit forecast or profit guarantee as at the date of the Report.

Part B: Explanatory notes pursuant to the Main Market Listing Requirements of Bursa Securities (continued)

4. Net investment income

	Individual period		Cumulative period	
	Three months ended		Nine months ended	
	30 September		30 September	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Investment income from financial assets not measured at FVTPL	125,860	105,754	401,679	387,217
Interest revenue on financial assets not measured at FVTPL	127,021	106,320	402,602	387,701
- Interest income	143,276	130,824	418,188	384,437
- Interest expense	(1,937)	(1,181)	(4,034)	(3,612)
- Other investment (expense)/income	(14,318)	(23,323)	(11,552)	6,876
Net losses on investments in debt securities measured at FVOCI reclassified to profit or loss on disposal	(1,161)	(566)	(923)	(484)
- Realised gains	1,064	629	2,835	9,635
- Realised losses	(2,225)	(1,195)	(3,758)	(10,119)
Net credit impairment gains/(losses) on financial assets	268	256	190	(27)
Net investment income - not measured at FVTPL	126,128	106,010	401,869	387,190
Net gains on FVTPL investments	127,714	140,829	730,073	264,047
- Interest income	68,179	61,990	199,489	180,260
- Realised gains	67,750	2,752	204,644	3,818
- Other investment income	523	684	2,184	1,914
- Fair value (losses)/gains	(8,738)	75,403	323,756	78,055
Net investment income - other investment	127,714	140,829	730,073	264,047
Dividend income	49,960	57,136	122,761	123,458
- Dividend income not measured at FVTPL	8,529	11,341	20,726	25,155
- Dividend income measured at FVTPL	41,431	45,795	102,035	98,303
Total net investment income	303,802	303,975	1,254,703	774,695

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

Malaysian government securities	58,276	53,209	173,985	155,787
Malaysian government guaranteed bonds	23,603	23,461	69,417	70,683
Unquoted bonds of corporations in Malaysia	43,558	41,270	127,388	120,598
Unquoted bonds of corporations outside Malaysia	820	920	2,680	2,826
Fixed deposits with licensed banks	13,714	8,742	36,475	25,327
Other investments	(14,111)	(21,848)	(8,266)	11,996
Investment income from financial assets not measured at FVTPL	125,860	105,754	401,679	387,217

Part B: Explanatory notes pursuant to the Main Market Listing Requirements of Bursa Securities (continued)

4. Net investment income (continued)

	Individual period		Cumulative period	
	Three months ended		Nine months ended	
	30 September		30 September	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Malaysian government securities	53,483	(1,771)	107,647	96,266
Malaysian government guaranteed bonds	16,978	1,554	40,546	54,271
Quoted equity securities of corporations in Malaysia	(9,851)	127,158	420,736	(18,795)
Quoted equity securities of corporations outside Malaysia	4,421	2,799	4,421	2,799
Quoted unit trusts in Malaysia	9,173	1,528	19,373	4,633
Unquoted unit trusts in Malaysia	1,181	(845)	2,628	10,521
Unquoted unit trusts outside Malaysia	22,867	(13,962)	37,461	(2,199)
Unquoted bonds of corporations in Malaysia	29,015	24,602	84,031	103,172
Fixed deposits with licensed banks	2,659	2,913	9,566	10,076
Other investments	(4,601)	(1,222)	1,396	2,208
Derivative financial assets/liabilities:				
Collateralised interest rate swap	1,984	(2,105)	1,570	538
Cross currency swap	405	180	698	557
Net gains on FVTPL investments	127,714	140,829	730,073	264,047
Quoted equity securities of corporations in Malaysia	8,529	11,341	20,726	25,155
Dividend income not measured at FVTPL	8,529	11,341	20,726	25,155
Quoted equity securities of corporations in Malaysia	34,401	36,570	82,147	77,766
Quoted equity securities of corporations outside Malaysia	1,495	3,044	4,491	7,041
Quoted unit trusts in Malaysia	2,065	1,825	5,362	4,838
Unquoted unit trusts in Malaysia	3,470	4,356	10,035	8,658
Dividend income measured at FVTPL	41,431	45,795	102,035	98,303
Malaysian government securities	184	(70)	147	(98)
Malaysian government guaranteed bonds	30	92	17	56
Unquoted bonds of corporations in Malaysia	96	120	74	66
Fixed deposits with licensed banks	(46)	35	(66)	(78)
Other investments	4	79	18	27
Net credit impairment gains/(losses) on financial assets	268	256	190	(27)
Total interest revenue and investment income	303,802	303,975	1,254,703	774,695

Part B: Explanatory notes pursuant to the Main Market Listing Requirements of Bursa Securities (continued)

5. Profit before tax

Profit before tax for the financial period under review is arrived at after charging/(crediting):

	Individual period Three months ended 30 September		Cumulative period Nine months ended 30 September	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Amortisation of intangible assets	7,976	6,962	22,077	19,265
Depreciation of property, plant and equipment	3,668	4,189	10,750	11,516
Depreciation of right-of-use assets	5,243	5,689	16,258	16,930
(Reversal of)/Allowance for impairment loss on LRC receivables	(155)	(305)	1,816	2,671
Bad debts recovered on LRC receivables	-	(4)	-	(10)
Interest on lease liabilities	255	240	913	481
Interest income	(211,455)	(192,814)	(617,677)	(564,697)
Interest expenses	1,937	1,181	4,034	3,612
Property, plant and equipment written off	222	9	1,095	215
Unrealised foreign exchange losses/(gains)	78,045	2,428	72,018	(27,620)

6. Tax expense

	Individual period Three months ended 30 September		Cumulative period Nine months ended 30 September	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit before tax	245,094	262,360	720,861	717,525
Tax expense				
Income tax	41,635	38,371	97,128	104,853
Deferred tax	20,282	26,132	83,710	75,455
Total tax expense	61,917	64,503	180,838	180,308
Effective tax rate	25%	25%	25%	25%

The Group's consolidated effective tax rate for the financial period under review is close to the statutory tax rate of 24% (2023: 24%).

7. Status of corporate proposal announced/implemented

As at the date of the Report, there are no corporate proposals announced by the Group.

8. Borrowings and debts securities

The Group has no outstanding borrowings and debts securities for the financial period under review.

Part B: Explanatory notes pursuant to the Main Market Listing Requirements of Bursa Securities (continued)

9. Changes in material litigation

There were no material litigation in the current quarter.

10. Earnings per ordinary share

(a) Basic earnings per ordinary share

Basic earnings per ordinary share of the Group are calculated by dividing the net profit attributable to shareholders adjusted for preference dividends by the weighted average number of ordinary shares in issue.

		Individual period		Cumulative period	
		Three months ended	Three months ended	Nine months ended	Nine months ended
		30 September	30 September	30 September	30 September
		2024	2023	2024	2023
Profit attributable to ordinary shareholders	(RM'000)	183,177	197,857	540,023	537,217
Adjustment:					
- Preference dividends declared	(RM'000)	-	-	(53,499)	(63,593)
Adjusted profit attributable to ordinary shareholders	(RM'000)	183,177	197,857	486,524	473,624
Weighted average number of ordinary shares in issue	('000)	178,086	177,969	178,357	177,969
Basic earnings per ordinary share	(sen)	102.86	111.17	272.78	266.13

(b) Diluted earnings per ordinary share

Diluted earnings per ordinary share of the Group are calculated by dividing the net diluted profit attributable to shareholders by the diluted weighted average number of ordinary shares in issue.

		Individual period		Cumulative period	
		Three months ended	Three months ended	Nine months ended	Nine months ended
		30 September	30 September	30 September	30 September
		2024	2023	2024	2023
Profit attributable to ordinary shareholders	(RM'000)	183,177	197,857	540,023	537,217
Weighted average number of ordinary shares in issue	('000)	178,086	177,969	178,357	177,969
Effect of conversion of ICPS	('000)	166,637	168,237	166,637	168,237
Diluted weighted average number of ordinary shares during the year	('000)	344,723	346,206	344,994	346,206
Diluted earnings per ordinary share	(sen)	53.14	57.15	156.53	155.17

Part B: Explanatory notes pursuant to the Main Market Listing Requirements of Bursa Securities (continued)

11. Dividend

The Board of Directors of the Company has declared the following first single tier interim dividends for the financial year ending 31 December 2024 which were paid on 12 June 2024 to the entitled shareholders and ICPS holders of the Company respectively whose names appeared on the Record of Depositors on 29 May 2024:

- (a) 26.5 sen per ordinary share; and
- (b) 31.8 sen per ICPS

12. Fair value information

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 3 fair value

-Level 3 fair value is valuations derived from valuation techniques in which one or more significant inputs are not based on observable market data.

Transfers between Level 1, Level 2 and Level 3 fair values

-There has been no transfer between Level 1, Level 2 and 3 fair value hierarchy during the current interim period ended 30 September 2024 (2023: no transfer in either direction).

The carrying amounts of mortgage loans, other secured loans and fixed deposits, approximate their fair values. Carrying amounts of cash and cash equivalents, other assets and deposits (current) and other liabilities (current) and accruals reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

Part B: Explanatory notes pursuant to the Main Market Listing Requirements of Bursa Securities (continued)

12. Fair value information (continued)

The table below analyses financial instruments carried at fair value.

As at 30 September 2024

	Fair value of financial instruments carried at fair value			Total RM'000	Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000			
Financial assets						
Malaysian government securities	-	9,415,036	-	9,415,036	9,415,036	9,415,036
Malaysian government guaranteed bonds	-	3,375,510	-	3,375,510	3,375,510	3,375,510
Quoted equity securities of corporations in Malaysia	3,852,761	-	-	3,852,761	3,852,761	3,852,761
Quoted equity securities of corporations outside Malaysia	47,973	-	-	47,973	47,973	47,973
Unquoted equity securities of corporations in Malaysia	-	-	13,722	13,722	13,722	13,722
Unquoted bonds of corporations in Malaysia	-	6,368,303	-	6,368,303	6,368,303	6,368,303
Unquoted bonds of corporations outside Malaysia	-	96,550	-	96,550	96,550	96,550
Quoted unit trusts in Malaysia	107,615	-	-	107,615	107,615	107,615
Unquoted unit trusts in Malaysia	-	436,217	-	436,217	436,217	436,217
Unquoted unit trusts outside Malaysia	-	425,994	-	425,994	425,994	425,994
Collateralised interest rate swap	-	15,147	-	15,147	15,147	15,147
Cross currency swap	-	5,480	-	5,480	5,480	5,480
Other investments	-	-	9,980	9,980	9,980	9,980
Fixed deposits with licensed banks	-	727,355	308,686	1,036,041	1,036,041	1,036,041
	<u>4,008,349</u>	<u>20,865,592</u>	<u>332,388</u>	<u>25,206,329</u>	<u>25,206,329</u>	<u>25,206,329</u>

Part B: Explanatory notes pursuant to the Main Market Listing Requirements of Bursa Securities (continued)

12. Fair value information (continued)

The table below analyses financial instruments carried at fair value. (continued)

As at 31 December 2023

	Fair value of financial instruments carried at fair value			Total RM'000	Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000			
Financial assets						
Malaysian government securities	-	8,922,906	-	8,922,906	8,922,906	8,922,906
Malaysian government guaranteed bonds	-	3,161,120	-	3,161,120	3,161,120	3,161,120
Quoted equity securities of corporations in Malaysia	3,129,958	-	-	3,129,958	3,129,958	3,129,958
Quoted equity securities of corporations outside Malaysia	88,998	-	-	88,998	88,998	88,998
Unquoted equity securities of corporations in Malaysia	-	-	14,511	14,511	14,511	14,511
Unquoted bonds of corporations in Malaysia	-	6,012,173	-	6,012,173	6,012,173	6,012,173
Unquoted bonds of corporations outside Malaysia	-	106,385	-	106,385	106,385	106,385
Quoted unit trusts in Malaysia	90,911	-	-	90,911	90,911	90,911
Unquoted unit trusts in Malaysia	-	479,451	-	479,451	479,451	479,451
Unquoted unit trusts outside Malaysia	-	305,435	-	305,435	305,435	305,435
Collateralised interest rate swap	-	16,857	-	16,857	16,857	16,857
Cross currency swap	-	171	-	171	171	171
Commercial paper	-	4,957	-	4,957	4,957	4,957
Other investments	-	-	14,772	14,772	14,772	14,772
Fixed deposits with licensed banks	-	368,775	352,106	720,881	720,881	720,881
	<u>3,309,867</u>	<u>19,378,230</u>	<u>381,389</u>	<u>23,069,486</u>	<u>23,069,486</u>	<u>23,069,486</u>
Financial liability						
Cross currency swap	-	4,875	-	4,875	4,875	4,875
	<u>-</u>	<u>4,875</u>	<u>-</u>	<u>4,875</u>	<u>4,875</u>	<u>4,875</u>

Part B: Explanatory notes pursuant to the Main Market Listing Requirements of Bursa Securities (continued)

13. Derivatives Financial Instruments

(i) Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts are as follows:

As at 30 September 2024

	Nominal value				Assets				Liabilities			
	< 1 year RM'000	1 - 3 years RM'000	>3 years RM'000	Total RM'000	< 1 year RM'000	1 - 3 years RM'000	>3 years RM'000	Total RM'000	< 1 year RM'000	1 - 3 years RM'000	>3 years RM'000	Total RM'000
Derivatives held for trading at FVTPL												
Collateralised interest rate swap	-	-	400,000	400,000	-	-	15,147	15,147	-	-	-	-
Cross currency swap	-	56,697	42,043	98,740	-	2,073	3,407	5,480	-	-	-	-
Total	-	56,697	442,043	498,740	-	2,073	18,554	20,627	-	-	-	-

As at 31 December 2023

	Nominal value				Assets				Liabilities			
	< 1 year RM'000	1 - 3 years RM'000	>3 years RM'000	Total RM'000	< 1 year RM'000	1 - 3 years RM'000	>3 years RM'000	Total RM'000	< 1 year RM'000	1 - 3 years RM'000	>3 years RM'000	Total RM'000
Derivatives held for trading at FVTPL												
Collateralised interest rate swap	-	-	400,000	400,000	-	-	16,857	16,857	-	-	-	-
Cross currency swap	-	56,697	42,043	98,740	-	171	-	171	-	3,912	963	4,875
Total	-	56,697	442,043	498,740	-	171	16,857	17,028	-	3,912	963	4,875

Part B: Explanatory notes pursuant to the Main Market Listing Requirements of Bursa Securities (continued)

13. Derivatives Financial Instruments (continued)

(i) Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts are as follows: (continued)

As at 30 September 2024, the Group has positions in the following types of derivative financial instruments:

Swaps

Swaps are contractual agreements between two parties to exchange exposures in foreign currency or interest rates.

(ii) The Group's derivative financial instruments are subject to market, credit and liquidity risk, as follows:

Market Risk

The Group takes positions in derivatives for hedging purposes based on certain assumptions, analysis, outlook and other factors into consideration to conclude how an investment will likely perform in future. Risk of losses or opportunity cost occurs when market parameters moves in different directions from positions taken.

Credit Risk

Credit risk is the risk of a financial loss if the counterparties to the derivative financial instruments fail to meet its contractual obligations. As at the reporting date, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM20,627,000 (2023: RM17,028,000). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices. The credit risk exposure will be partly mitigated by collateral posting.

Liquidity Risk

Liquidity risk on derivatives is the risk that the derivative position cannot be closed out promptly. Exposure to liquidity risk is reduced through contracting derivatives where the underlying items are widely traded.

(iii) Cash Requirements of the Derivatives

Cash requirements of the derivatives may arise from margin requirements to post or receive cash collateral with counterparties as the fair value moves beyond the agreed upon threshold limits in the counterparties' favour. As at the reporting date, the Group had received cash collateral of RM8,486,000 (2023: RM5,967,000) on the derivative contracts.

(iv) There have been no changes since the end of the previous financial period in respect of the following:

- the types of derivative financial contracts entered into and the rationale for entering into such contracts, as well as the expected benefits accruing from these contracts;
- the risk management policies in place for mitigating and controlling the risks associated with these financial derivative contracts; and
- the related accounting policies.

(v) Fair value changes of financial liabilities

Other than fair value changes arising from derivatives which are classified as liabilities when they are at fair value loss position as at the end of the reporting period, there were no gains or losses arising from fair value changes of other financial liabilities.

Part B: Explanatory notes pursuant to the Main Market Listing Requirements of Bursa Securities (continued)

14. Auditors' report on preceding annual financial statements

The auditors' report of the Group's audited financial statements for the financial year ended 31 December 2023 was not qualified.

BY ORDER OF THE BOARD

Ng Siew Gek
Company Secretary

Kuala Lumpur
22 November 2024