

**MNRB HOLDINGS BERHAD**

197201001795 (13487-A)

UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE QUARTER AND THREE MONTHS ENDED  
30 JUNE 2024

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

	<b>Current quarter</b>	
	<b>Three months ended</b>	
	<b>30.06.2024</b>	<b>30.06.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Insurance/takaful revenue	830,875	847,381
Insurance/takaful service expenses	(719,631)	(815,044)
<b>Insurance/takaful service result before reinsurance/retakaful contracts held</b>	<b>111,244</b>	<b>32,337</b>
Allocation of reinsurance/retakaful premiums/contributions	(179,856)	(106,025)
Amounts recoverable from reinsurers/retakaful operators for incurred claims	121,544	66,008
<b>Net expense from reinsurance/retakaful contracts/certificates held</b>	<b>(58,312)</b>	<b>(40,017)</b>
<b>Insurance/takaful service result</b>	<b>52,932</b>	<b>(7,680)</b>
Investment income on financial assets	109,381	96,527
Net realised gains/(losses)	3,373	(12,262)
Net fair value gains	23,218	54,559
Net foreign exchange (losses)/gains	(590)	49,853
<b>Investment results</b>	<b>135,382</b>	<b>188,677</b>
Net insurance/takaful finance expenses from insurance/takaful contracts/certificates issued	(64,035)	(94,884)
Net reinsurance/retakaful profit/finance income from reinsurance/retakaful contracts/certificates held	4,097	4,558
Unallocated deficit/(surplus) attributable to participants	4,707	(6,302)
<b>Net insurance/takaful financial result</b>	<b>(55,231)</b>	<b>(96,628)</b>
Fees and other operating income	530	17,234
Management and other operating expenses	(21,824)	(11,911)
Finance cost	(7,962)	(6,860)
<b>Net other operating income and expenses</b>	<b>(29,256)</b>	<b>(1,537)</b>
Share of results of associates	8,620	6,921
<b>Profit before zakat and taxation</b>	<b>112,447</b>	<b>89,753</b>
Tax attributable to the participants	(8,029)	(6,253)
<b>Profit before zakat and taxation attributable to equity holders of the Holding Company</b>	<b>104,418</b>	<b>83,500</b>
Zakat	(353)	(385)
Taxation	(11,861)	(13,577)
<b>Net profit for the period attributable to equity holders of the Holding Company</b>	<b>92,204</b>	<b>69,538</b>

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

	Current quarter	
	Three months ended	
	30.06.2024	30.06.2023
	RM'000	RM'000
<b>Net profit for the period attributable to equity holders of the Holding Company</b>	<b>92,204</b>	<b>69,538</b>
<b>Other comprehensive (loss)/income, net of tax</b>		
<b>Items that are or may be reclassified subsequently to profit or loss</b>		
Net (losses)/gains on investments in debt securities measured at FVOCI	(974)	5,423
Net realised gains/(losses) transferred to profit or loss	2,592	(487)
Effects of post acquisition foreign exchange translation reserve on investment in associate	247	6,082
Effects of foreign exchange translation reserve on investment in subsidiary	77	747
Tax effects thereon	(78)	1,090
Other comprehensive losses/(income) attributable to participants	86	(773)
	<u>1,950</u>	<u>12,082</u>
<b>Items that will not be reclassified subsequently to profit or loss</b>		
Net fair value gains on equity investments at FVOCI	3,057	1,939
Revaluation surplus of land and buildings	525	555
Tax effects thereon	(1,036)	(536)
Other comprehensive income attributable to participants	(221)	(511)
	<u>2,325</u>	<u>1,447</u>
<b>Total other comprehensive income for the period, net of tax</b>	<b>4,275</b>	<b>13,529</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>96,479</b>	<b>83,067</b>
<b>Total comprehensive income for the period attributable to owners of the Company</b>	<b>96,479</b>	<b>83,067</b>
<b>Basic earnings per share attributable to equity holders of the Company (sen)</b>	<b>11.77</b>	<b>8.88</b>

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2024**

	<b>30.06.2024</b>	<b>31.03.2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Assets</b>		
Property, plant and equipment	234,778	234,972
Intangible assets	116,498	117,118
Right-of-use assets	1,781	2,827
Investments in associates	183,578	174,911
Financial and other assets	11,487,781	11,275,697
Deferred tax assets	53,917	47,391
Insurance/takaful contract assets	53,254	66,334
Reinsurance/retakaful contract assets	684,757	511,081
Tax recoverable	26,953	26,698
Cash and bank balances	118,637	115,604
<b>Total assets</b>	<b>12,961,934</b>	<b>12,572,633</b>
<b>Liabilities</b>		
Insurance/takaful contract liabilities	8,742,531	8,493,145
Reinsurance/retakaful contract liabilities	11,134	31,938
Borrowings	620,000	620,000
Lease liabilities	1,976	3,016
Other payables	313,216	233,530
Deferred tax liabilities	33,497	37,212
Tax payable	17,194	27,499
Provision for zakat	2,275	2,661
<b>Total liabilities</b>	<b>9,741,823</b>	<b>9,449,001</b>
<b>Equity</b>		
Share capital	738,502	738,502
Reserves	2,481,609	2,385,130
<b>Total equity attributable to owners of the Company</b>	<b>3,220,111</b>	<b>3,123,632</b>
<b>Total liabilities and equity</b>	<b>12,961,934</b>	<b>12,572,633</b>
<b>Net assets per share (RM)</b>	<b>4.11</b>	<b>3.99</b>

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**



	Share capital RM'000	Foreign exchange translation reserve RM'000	Fair value reserve RM'000	Revaluation reserve RM'000	Retained profits RM'000	Total RM'000
<b>At 1 April 2024</b>	<b>738,502</b>	<b>17,443</b>	<b>36,653</b>	<b>53,911</b>	<b>2,277,123</b>	<b>3,123,632</b>
Net profit for the period	-	-	-	-	92,204	92,204
Total other comprehensive income/(losses) for the period	-	324	4,683	(732)	-	4,275
Total comprehensive income/(losses) for the period	-	324	4,683	(732)	92,204	96,479
<b>At 30 June 2024</b>	<b>738,502</b>	<b>17,767</b>	<b>41,336</b>	<b>53,179</b>	<b>2,369,327</b>	<b>3,220,111</b>
<b>At 1 April 2023</b>	<b>738,502</b>	<b>33,268</b>	<b>36,045</b>	<b>50,375</b>	<b>1,878,431</b>	<b>2,736,621</b>
Net profit for the period	-	-	-	-	69,538	69,538
Total other comprehensive (loss)/income for the period	-	6,829	5,216	1,484	-	13,529
Total comprehensive (loss)/income for the period	-	6,829	5,216	1,484	69,538	83,067
<b>At 30 June 2023</b>	<b>738,502</b>	<b>40,097</b>	<b>41,261</b>	<b>51,859</b>	<b>1,947,969</b>	<b>2,819,688</b>

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

	<b>30.06.2024</b>	<b>30.06.2023</b>
	<b>RM '000</b>	<b>RM '000</b>
<b>Cash flows from operating activities</b>		
Profit before zakat and taxation	104,418	83,500
Adjustments for:		
Depreciation of:		
- property, plant and equipment	2,169	928
- right-of-use assets	977	911
Amortisation of intangible assets	2,487	5,427
Finance costs	7,962	6,860
Realised losses/(gains) on disposal of investments	(3,373)	12,262
Net amortisation of premiums on investments	372	1,232
Interest/profit income	(106,468)	(96,285)
Dividend income	(2,981)	(1,876)
Rental income	973	(178)
Share of results of associates	(8,620)	(6,921)
Net fair value gains on financial assets at FVTPL	(23,218)	(54,559)
Write-off of intangible assets	-	(369)
Allowance for impairment of other receivables	1,529	-
Writeback of impairment of financial assets at FVOCI	8	-
Tax attributable to the participants	8,029	6,253
Operating cash flows before working capital changes	<u>(15,736)</u>	<u>(42,815)</u>
Changes in working capital:		
Net (purchase of)/proceeds of financial assets	(191,829)	(444,052)
Decrease in staff financing	4	826
Increase in net takaful certificate assets	189,127	131,065
Increase in net retakaful certificate assets	(63,442)	136,959
(Increase)/decrease in financial assets	8,549	(14,887)
Increase in tax, zakat, other payables and lease liabilities	21,830	37,386
Interest/profit income received	84,230	142,575
Dividend income received	2,857	5,406
Rental received	1,138	4,164
Income tax and zakat paid	(23,144)	(38,430)
<b>Net cash generated/(used in) from operating activities</b>	<b><u>13,584</u></b>	<b><u>(81,802)</u></b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

	<b>2024</b>	<b>2023</b>
	<b>RM '000</b>	<b>RM '000</b>
<b>Net cash generated/(used in) from operating activities</b>	13,584	(81,802)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,706)	(1,540)
Purchase of intangible assets	(2,972)	(22)
Proceed from disposal of property, plant and equipment	404	-
<b>Net cash used in from investing activities</b>	<u><b>(4,274)</b></u>	<u><b>(1,562)</b></u>
<b>Cash flows from financing activities</b>		
Payment of lease liabilities	(1,067)	(1,283)
Interest/profit paid	(5,210)	(5,210)
<b>Net cash used in financing activities</b>	<u><b>(6,277)</b></u>	<u><b>(6,493)</b></u>
<b>Cash and bank balances</b>		
Net increase/(decrease) during the year	<b>3,033</b>	<b>(89,858)</b>
Cash and cash equivalents at beginning of year	115,604	205,462
<b>Cash and cash equivalents at end of year</b>	<u><b>118,637</b></u>	<u><b>115,604</b></u>

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

## PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STAT

### A1. Basis of preparation

These condensed consolidated interim financial statements of MNRB Holdings Berhad ("MNRB" or "the Company") and its subsidiaries (MNRB and its subsidiaries are collectively referred to as "the Group") as at and for the financial period ended 30 June 2024 have been prepared in accordance with MFRS 134: *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB"), the International Accounting Standard ("IAS") 134 *Interim Financial Reporting*, paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and Guidelines/Circulars issued by Bank Negara Malaysia ("BNM") and Shariah rulings and precepts.

The condensed consolidated interim financial statements should be read in conjunction with the Group's most recent audited consolidated financial statements for the financial year ended 31 March 2024.

The significant accounting policies and methods of computation adopted in condensed consolidated interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 March 2024 except for the adoption of the following accounting standards, Interpretations Committee ("IC") Interpretations and amendments/improvements to Malaysian Financial Reporting Standards ("MFRSs") issued by the Malaysian Accounting Standards Board ("MASB") that are effective for the Group's financial year beginning 1 April 2024:

- Amendments to MFRS 101 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101 Presentation of Financial Statements – Non-Current Liabilities with Covenants
- Amendments to MFRS 16 Leases - Lease Liability in a Sale and Leaseback
- Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements

The adoption of the above accounting standards and amendments to MFRSs did not have any material impact on the financial statements of the Group.

### Standards issued but not yet effective

The Amendments to Standards that have been issued but not yet effective up to the date of issuance of the Group's condensed consolidated interim financial statements are disclosed below. The Group intend to adopt these Amendments to Standards, if applicable, when they become effective:

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to MFRS 121 <i>The Effects of Changes in Foreign Exchange Rates</i> - Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and <i>MFRS 7 Financial Instruments</i> : Disclosures - Classification and Measurement of Financial Instruments	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 10 <i>Consolidated Financial Statements</i> and <i>MFRS 128 Investments in Associates and Joint Ventures</i> - Sale or Distribution of Assets between an Investor and its Associate or Joint Venture	to be determined by MASB

The adoption of the above amendments to MFRSs is not expected to have any material impact on the Group condensed consolidated interim financial statements .



**PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D.)**

**A2. Auditors' Report on preceding annual financial statements**

The auditors' report on the audited financial statements for the financial year ended 31 March 2024 was not subject to any qualification.

**A3. Seasonal or cyclical factors**

During the financial period ended 30 June 2024, the operations of the Group were not materially affected by any seasonal factors. With regard to cyclical factors, the performance of the Group is directly correlated with the industry cycle and the economic performance of the countries in which the Group has business dealings with.

**A4. Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the financial period ended 30 June 2024.

**A5. Changes in estimates**

There were no material changes in estimates used in the preparation of these condensed consolidated interim financial statements.

**A6. Issuances, cancellations, repurchase, resale and repayments of debt and equity securities**

There was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities during the first quarter ended 30 June 2024.

**A7. Dividend paid**

No dividend was paid during the first quarter ended 30 June 2024.

**A8. Carrying amount of revalued properties**

The valuation of property, plant and equipment and investment properties have been brought forward, without any change, from the financial statement for the financial year ended 31 March 2024.

**A9. Significant events**

The Board of Directors of Malaysian Re (Dubai) Ltd ("MRDL") has, on 29 March 2024, passed a director resolution for voluntary liquidation of MRDL. A request of license withdrawal to Dubai Financial Service Authority ("DFSA") was submitted by MRDL, which subsequently approved and the license was withdrawn effective 10 July 2024. MRDL has thereon appointed a company based in United Arab Emirates to act as the liquidator.

**A10. Subsequent events**

There were no subsequent event of the Group during the financial period ended 30 June 2024.

**A11. Changes in the composition of the Group**

There was no change in the composition of the Group for the current financial quarter under review.

**PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D.)**

**A12. Capital commitments**

The amount of capital commitments of the Group as at 30 June 2024 were as follows:

	<b>RM'000</b>
Authorised and contracted for:	
Property, plant and equipment	9,728
Software development	10,118
	<u>19,846</u>
Authorised but not contracted for:	
Property, plant and equipment	9,642
Software development	27,083
	<u>36,725</u>

**PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D.)**

**A13. Segmental reporting**

The Group has five business segments as follows:

Segments

Investment holding and others	Investment holding and non-insurance/takaful subsidiaries
Reinsurance	Underwriting of all classes of general reinsurance business
Retakaful	Management of family and general retakaful businesses
General takaful	Management of general takaful business
Family takaful	Management of family and investment-linked takaful businesses

	Reinsurance RM'000	Retakaful RM'000	General takaful RM'000	Family takaful RM'000	Investment holding and others RM'000	Adjustments and eliminations RM'000	Group RM'000
<b>30 June 2024</b>							
<u>Revenue</u>							
Insurance/takaful revenue	477,547	12,048	188,020	162,534	-	(9,274)	830,875
Investment income	48,255	1,698	10,571	45,448	4,171	(762)	109,381
Fee income	-	-	-	-	21,757	(20,963)	794
Total revenue	<u>525,802</u>	<u>13,746</u>	<u>198,591</u>	<u>207,982</u>	<u>25,928</u>	<u>(30,999)</u>	<u>941,050</u>
Profit/(loss) before zakat and taxation	<u>92,311</u>	<u>319</u>	<u>16,511</u>	<u>5,719</u>	<u>(1,373)</u>	<u>(9,069)</u>	<u>104,418</u>
Profit/(loss) after zakat and taxation	<u>85,791</u>	<u>294</u>	<u>12,263</u>	<u>4,473</u>	<u>(1,548)</u>	<u>(9,069)</u>	<u>92,204</u>
<b>30 June 2023</b>							
<u>Revenue</u>							
Insurance/takaful revenue	474,131	20,864	166,311	190,641	-	(4,566)	847,381
Investment income	39,311	1,699	10,012	44,697	1,566	(758)	96,527
Fee income	-	-	-	-	13,255	(11,817)	1,438
Total revenue	<u>513,442</u>	<u>22,563</u>	<u>176,323</u>	<u>235,338</u>	<u>14,821</u>	<u>(17,141)</u>	<u>945,346</u>
Profit/(loss) before zakat and taxation	<u>64,567</u>	<u>2,907</u>	<u>10,703</u>	<u>7,420</u>	<u>(4,698)</u>	<u>2,601</u>	<u>83,500</u>
Profit/(loss) after zakat and taxation	<u>59,755</u>	<u>2,525</u>	<u>7,275</u>	<u>4,708</u>	<u>(7,326)</u>	<u>2,601</u>	<u>69,538</u>

**PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D.)**

**A14. Unaudited condensed consolidated statement of profit or loss and consolidated statement of financial position of Reinsurance, Retakaful and Takaful business**

Pursuant to Paragraph 11.4(f) of Bank Negara Malaysia's Financial Reporting Policy document issued on 29 April 2022, the breakdown of Unaudited Statement of Profit or Loss and Statements of Financial Position of Reinsurance Business, Retakaful Business, Family Takaful Business, General Takaful Business are disclosed as follows:

**(a) Unaudited condensed consolidated statement of profit or loss for financial year ended 30 June 2024**

	<b>Reinsurance RM'000</b>	<b>Retakaful RM'000</b>	<b>General takaful RM'000</b>	<b>Family takaful RM'000</b>	<b>Others RM'000</b>	<b>Group RM'000</b>
Insurance/takaful revenue	477,547	12,048	188,020	162,534	(9,274)	830,875
Insurance/takaful service expenses	(451,064)	33,335	(147,675)	(169,085)	14,858	(719,631)
<b>Insurance/takaful service result before reinsurance/retakaful contracts held</b>	<b>26,483</b>	<b>45,383</b>	<b>40,345</b>	<b>(6,551)</b>	<b>5,584</b>	<b>111,244</b>
Allocation of reinsurance/retakaful premiums/contributions	(94,529)	1,116	(63,087)	(32,629)	9,273	(179,856)
Amounts recoverable from reinsurers/retakaful operators for incurred claims	98,808	(34,777)	38,789	20,820	(2,096)	121,544
<b>Net expense from reinsurance/retakaful contracts/certificates held</b>	<b>4,279</b>	<b>(33,661)</b>	<b>(24,298)</b>	<b>(11,809)</b>	<b>7,177</b>	<b>(58,312)</b>
<b>Insurance/takaful service result</b>	<b>30,762</b>	<b>11,722</b>	<b>16,047</b>	<b>(18,360)</b>	<b>12,761</b>	<b>52,932</b>
Investment income on financial assets	48,255	1,698	10,571	45,448	3,409	109,381
Net realised gains/(losses)	1,378	-	212	1,787	(4)	3,373
Net fair value gains/(losses)	14,094	88	(353)	27,223	(17,834)	23,218
Net foreign exchange losses	(590)	-	-	-	-	(590)
<b>Investment results</b>	<b>63,137</b>	<b>1,786</b>	<b>10,430</b>	<b>74,458</b>	<b>(14,429)</b>	<b>135,382</b>
Net insurance/takaful finance expenses from insurance/takaful contracts/certificates issued	4,865	-	(5,993)	(62,618)	(289)	(64,035)
Net reinsurance/retakaful profit/finance income from reinsurance/retakaful contracts/ certificates held	1,753	-	2,055	-	289	4,097
Unallocated (surplus)/deficit attributable to participants	-	(10,995)	(4,202)	19,904	-	4,707
<b>Net insurance/takaful financial result</b>	<b>6,618</b>	<b>(10,995)</b>	<b>(8,140)</b>	<b>(42,714)</b>	<b>-</b>	<b>(55,231)</b>
Fees and other operating income	2,439	94	987	1,175	(4,165)	530
Management and other operating expenses	(7,489)	(1,319)	(1,432)	(3,080)	(8,504)	(21,824)
Finance cost	(3,156)	-	(78)	(3)	(4,725)	(7,962)
<b>Net other operating income and expenses</b>	<b>(8,206)</b>	<b>(1,225)</b>	<b>(523)</b>	<b>(1,908)</b>	<b>(17,394)</b>	<b>(29,256)</b>
Share of results of associates	-	-	-	-	8,620	8,620
<b>Profit/(loss) before zakat and taxation</b>	<b>92,311</b>	<b>1,288</b>	<b>17,814</b>	<b>11,476</b>	<b>(10,442)</b>	<b>112,447</b>
Tax attributable to the participants	-	(969)	(1,303)	(5,757)	-	(8,029)
<b>Profit/(loss) before zakat and taxation attributable to equity holders of the Holding Company</b>	<b>92,311</b>	<b>319</b>	<b>16,511</b>	<b>5,719</b>	<b>(10,442)</b>	<b>104,418</b>
Zakat	-	-	(293)	(60)	-	(353)
Taxation	(6,520)	(25)	(3,955)	(1,186)	(175)	(11,861)
<b>Profit/(loss) after zakat and taxation</b>	<b>85,791</b>	<b>294</b>	<b>12,263</b>	<b>4,473</b>	<b>(10,617)</b>	<b>92,204</b>

**PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D.)**

**A14. Unaudited condensed consolidated statement of profit or loss and consolidated statement of financial position of Reinsurance, Retakaful and Takaful business (cont'd.)**

**(b) Unaudited condensed consolidated statement of profit or loss for financial year ended 30 June 2023**

	Reinsurance RM'000	Retakaful RM'000	General takaful RM'000	Family takaful RM'000	Others RM'000	Group RM'000
Insurance/takaful revenue	474,131	20,864	166,311	190,641	(4,566)	847,381
Insurance/takaful service expenses	(498,831)	(13,436)	(125,888)	(178,277)	1,388	(815,044)
<b>Insurance/takaful service result before reinsurance/retakaful contracts held</b>	<b>(24,700)</b>	<b>7,428</b>	<b>40,423</b>	<b>12,364</b>	<b>(3,178)</b>	<b>32,337</b>
Allocation of reinsurance/retakaful premiums/contributions	(24,445)	(6,349)	(53,651)	(23,472)	1,892	(106,025)
Amounts recoverable from reinsurers/retakaful operators for incurred claims	24,155	(1,585)	29,254	15,572	(1,388)	66,008
<b>Net expense from reinsurance/retakaful contracts/certificates held</b>	<b>(290)</b>	<b>(7,933)</b>	<b>(24,397)</b>	<b>(7,900)</b>	<b>503</b>	<b>(40,017)</b>
<b>Insurance/takaful service result</b>	<b>(24,990)</b>	<b>(505)</b>	<b>16,026</b>	<b>4,464</b>	<b>(2,675)</b>	<b>(7,680)</b>
Investment income on financial assets	39,311	1,699	10,012	44,697	808	96,527
Net realised (losses)/gains	(11,532)	-	(1,076)	346	-	(12,262)
Net fair value gains/(losses)	6,430	(3)	881	44,911	2,340	54,559
Net foreign exchange gains	49,853	-	-	-	-	49,853
<b>Investment results</b>	<b>84,062</b>	<b>1,696</b>	<b>9,817</b>	<b>89,954</b>	<b>3,148</b>	<b>188,677</b>
Net insurance/takaful finance expenses from insurance/takaful contracts/certificates issued	(11,251)	-	(3,443)	(80,190)	-	(94,884)
Net reinsurance/retakaful profit/finance income from reinsurance/retakaful contracts/ certificates held	2,488	-	1,462	608	-	4,558
Unallocated surplus attributable to participants	-	9	(7,107)	935	(139)	(6,302)
<b>Net insurance/takaful financial result</b>	<b>(8,763)</b>	<b>9</b>	<b>(9,088)</b>	<b>(78,647)</b>	<b>(139)</b>	<b>(96,628)</b>
Fees and other operating income	17,661	2,580	-	-	(3,007)	17,234
Management and other operating expenses	(247)	(882)	(6,205)	(1,862)	(2,715)	(11,911)
Finance cost	(3,156)	-	(75)	-	(3,629)	(6,860)
<b>Net other operating income and expenses</b>	<b>14,258</b>	<b>1,699</b>	<b>(6,280)</b>	<b>(1,862)</b>	<b>(9,352)</b>	<b>(1,537)</b>
Share of results of associates	-	-	-	-	6,921	6,921
<b>Profit/(loss) before zakat and taxation</b>	<b>64,567</b>	<b>2,899</b>	<b>10,475</b>	<b>13,909</b>	<b>(2,097)</b>	<b>89,753</b>
Tax attributable to the participants	-	8	228	(6,489)	-	(6,253)
<b>Profit/(loss) before zakat and taxation attributable to equity holders of the Holding Company</b>	<b>64,567</b>	<b>2,907</b>	<b>10,703</b>	<b>7,420</b>	<b>(2,097)</b>	<b>83,500</b>
Zakat	-	-	(253)	(132)	-	(385)
Taxation	(4,812)	(381)	(3,175)	(2,580)	(2,629)	(13,577)
<b>Profit/(loss) after zakat and taxation</b>	<b>59,755</b>	<b>2,525</b>	<b>7,275</b>	<b>4,708</b>	<b>(4,725)</b>	<b>69,538</b>

**PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D.)**

**A14. Unaudited condensed consolidated statement of profit or loss and consolidated statement of financial position of Reinsurance, Retakaful and Takaful business (cont'd.)**

**(c) Unaudited condensed consolidated statement of statement of financial position as at 30 June 2024**

	Reinsurance RM'000	Retakaful RM'000	General takaful RM'000	Family takaful RM'000	Others RM'000	Group RM'000
<b>Assets</b>						
Property, plant and equipment	137,061	1	643	85,321	11,752	234,778
Intangible assets	7,192	-	49,143	53,365	6,798	116,498
Right-of-use assets	-	-	6,053	457	(4,729)	1,781
Investments in associates	172,584	-	-	-	10,994	183,578
Financial and other assets	5,034,094	164,464	1,277,328	4,779,758	232,137	11,487,781
Deferred tax assets	-	-	44,496	3,625	5,796	53,917
Insurance/takaful contract assets	-	-	-	53,254	-	53,254
Reinsurance/retakaful contract assets	193,579	100,737	380,700	33,416	(23,675)	684,757
Tax recoverable	-	-	1,904	11,477	13,572	26,953
Cash and bank balances	80,742	713	7,558	22,511	7,113	118,637
<b>Total assets</b>	<b>5,625,252</b>	<b>265,915</b>	<b>1,767,825</b>	<b>5,043,184</b>	<b>259,758</b>	<b>12,961,934</b>
<b>Liabilities</b>						
Insurance/takaful contract liabilities	2,908,878	207,700	1,227,841	4,421,788	(23,676)	8,742,531
Reinsurance/retakaful contract liabilities	-	-	-	11,134	-	11,134
Borrowings	251,000	-	-	-	369,000	620,000
Lease liabilities	-	-	6,413	463	(4,900)	1,976
Other payables	61,333	4,815	167,215	70,126	9,728	313,216
Deferred tax liabilities	19,937	(568)	-	14,128	-	33,497
Tax payable	3,649	3,113	8,261	1,984	187	17,194
Provision for zakat	-	3	1,920	352	-	2,275
<b>Total liabilities</b>	<b>3,244,797</b>	<b>215,063</b>	<b>1,411,650</b>	<b>4,519,975</b>	<b>350,339</b>	<b>9,741,823</b>
<b>Equity</b>						
Share capital	663,106	-	230,000	405,000	(559,604)	738,502
Reserves	1,717,350	50,852	126,175	118,209	469,023	2,481,609
<b>Total equity attributable to owners of the Company</b>	<b>2,380,455</b>	<b>50,852</b>	<b>356,175</b>	<b>523,209</b>	<b>(90,581)</b>	<b>3,220,111</b>
<b>Total liabilities and equity</b>	<b>5,625,252</b>	<b>265,915</b>	<b>1,767,825</b>	<b>5,043,184</b>	<b>259,758</b>	<b>12,961,934</b>

**PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D.)**

**A14. Unaudited condensed consolidated statement of profit or loss and consolidated statement of financial position of Reinsurance, Retakaful and Takaful business (cont'd.)**

**(d) Unaudited condensed consolidated statement of statement of financial position as at 31 March 2024**

	Reinsurance RM'000	Retakaful RM'000	General takaful RM'000	Family takaful RM'000	Others RM'000	Group RM'000
<b>Assets</b>						
Property, plant and equipment	137,244	1	672	85,439	11,616	234,972
Intangible assets	5,432	-	50,432	54,620	6,634	117,118
Right-of-use assets	-	-	6,608	543	(4,324)	2,827
Investments in associates	155,318	-	-	-	19,593	174,911
Financial and other assets	4,930,119	117,997	1,230,645	4,752,457	244,479	11,275,697
Deferred tax assets	-	-	37,096	-	10,295	47,391
Insurance/takaful contract assets	7,488	-	-	58,846	-	66,334
Reinsurance/retakaful contract assets	140,375	22,369	317,862	42,306	(11,831)	511,081
Tax recoverable	-	-	1,904	11,285	13,509	26,698
Cash and bank balances	75,424	9,048	12,300	11,615	7,217	115,604
<b>Total assets</b>	<b>5,451,400</b>	<b>149,415</b>	<b>1,657,519</b>	<b>5,017,111</b>	<b>297,188</b>	<b>12,572,633</b>
<b>Liabilities</b>						
Insurance/takaful contract liabilities	2,808,062	124,526	1,198,380	4,374,006	(11,829)	8,493,145
Reinsurance/retakaful contract liabilities	5,681	-	-	26,257	-	31,938
Borrowings	251,000	-	-	-	369,000	620,000
Lease liabilities	-	-	6,955	547	(4,486)	3,016
Other payables	44,936	(5,083)	91,488	81,868	20,321	233,530
Deferred tax liabilities	19,404	(220)	-	13,140	4,888	37,212
Tax payable	7,879	-	15,093	4,346	181	27,499
Provision for zakat	-	3	2,365	293	-	2,661
<b>Total liabilities</b>	<b>3,136,962</b>	<b>119,226</b>	<b>1,314,281</b>	<b>4,500,457</b>	<b>378,075</b>	<b>9,449,001</b>
<b>Equity</b>						
Share capital	663,106	-	230,000	405,000	(559,604)	738,502
Reserves	1,651,332	30,189	113,238	111,654	478,717	2,385,130
<b>Total equity attributable to owners of the Company</b>	<b>2,314,438</b>	<b>30,189</b>	<b>343,238</b>	<b>516,654</b>	<b>(80,887)</b>	<b>3,123,632</b>
<b>Total liabilities and equity</b>	<b>5,451,400</b>	<b>149,415</b>	<b>1,657,519</b>	<b>5,017,111</b>	<b>297,188</b>	<b>12,572,633</b>

## PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D.)

### A15. Fair value information

MFRS 7 Financial Instruments: Disclosures ("MFRS 7") requires the classification of financial instruments measured at fair value according to a hierarchy that reflects the significance of inputs used in making the measurements, in particular, whether the inputs used are observable or unobservable. MFRS 13 Fair Value Measurement requires similar disclosure requirements as MFRS 7, but extends to include all assets and liabilities measured at fair value and/or for which fair values are disclosed. The following levels of hierarchy are used for determining and disclosing the fair value of the Group's assets:

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

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

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

The fair values of the Group's assets are determined as follows:

- (i) The carrying amounts of financial assets, such as loans and receivables and cash and bank balances, are reasonable approximation of their fair values due to the relatively short term maturity of these balances;
- (ii) The fair values of quoted equities are based on quoted market prices as at the reporting date;
- (iii) The fair values of Malaysian government securities, government investment issues and unquoted corporate debt securities are based on indicative market prices from the Bond Pricing Agency of Malaysia ("BPAM");
- (iv) Over-the-counter derivatives comprised of foreign exchange forward contracts are revalued at each reporting date, based on valuations provided by the respective counterparties in accordance with market conventions;
- (v) The fair values of investments in mutual funds, unit trust funds and real estate investment trusts are valued based on the net asset values of the underlying funds as at the reporting date;
- (vi) Freehold land and buildings and investment property have been revalued based on valuations performed by accredited independent valuers having appropriate recognised professional qualification. The valuations are based on the income and comparison approaches. In arriving at the fair value of the assets, the valuers had also taken into consideration the future developments in terms of infrastructure in the vicinity of the properties; and
- (vii) Fair value of unquoted shares in Malaysia are derived using the net assets of the invested companies.



**PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D.)**

**A15. Fair value information (cont'd.)**

**Description of significant unobservable inputs:**

	<b>Valuation technique</b>	<b>Significant Observable inputs</b>	<b>Range</b>
<b>30 June 2024/31 March 2024</b>			
<u>Property, plant and equipment</u>			
Freehold land and office building of Malaysian Reinsurance Berhad ("MRE")	Income approach	Yield Rental per square feet	6.25% RM4.50
Office buildings of Takaful Ikhlas Family Berhad ("TIFB")	Income approach	Yield Rental per square feet	4.70% to 6.00% RM5.50 to RM6.05
<u>Unquoted shares in Malaysia</u>	Net assets	Net assets	Not applicable

A significant increase or decrease in the unobservable inputs used in the valuation would result in a correspondingly higher or lower fair value.

There has been no transfer between Level 1 and Level 2 of the fair value hierarchy during the financial period.

**PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D.)**

**A15. Fair value information (cont'd.)**

Financial instruments that are measured at fair value disclosed under Levels 1, 2 and 3 of the fair value hierarchy as at 30 June 2024:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>Financial assets</b>				
<b>a) Property, plant and equipment</b>				
Freehold land	-	-	36,800	36,800
Building	-	-	173,184	173,184
	<u>-</u>	<u>-</u>	<u>209,984</u>	<u>209,984</u>
<b>b) Financial assets at FVTPL</b>				
<u>Designated upon initial recognition</u>				
Government investment issues	-	1,535,792	-	1,535,792
Unquoted islamic private debt securities	-	1,311,046	-	1,311,046
Malaysian government securities				-
<u>Mandatorily measured</u>				
Quoted shares in Malaysia:				
Shariah approved equities	254,873	-	-	254,873
Others	210,184	-	-	210,184
Unquoted perpetual bond in Malaysia	-	-	-	-
Unquoted corporate debt securities	-	387,963	-	387,963
Shariah approved unit trust funds	757,996	-	-	757,996
Real estate investment trusts	24,126	-	-	24,126
Government investment issues		-		-
Malaysian government securities	-	3,234,801	-	3,234,801
	<u>1,247,178</u>	<u>6,469,602</u>	<u>-</u>	<u>7,716,780</u>
<b>c) Financial assets at FVOCI</b>				
Malaysian government securities	-	958,032	-	958,032
Government investment issues	-		87,910	87,910
Unquoted corporate debt securities	-	202,350	-	202,350
Unquoted Islamic private debt securities	-	2,219,001	-	2,219,001
Golf club memberships	-	-	233	233
	<u>-</u>	<u>3,379,449</u>	<u>88,143</u>	<u>3,467,591</u>

**PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D.)**

**A15. Fair value information (cont'd.)**

Financial instruments that are measured at fair value disclosed under Levels 1, 2 and 3 of the fair value hierarchy as at 31 March 2024:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>Financial assets</b>				
<b>a) Property, plant and equipment</b>				
Freehold land	-	-	36,800	36,800
Building	-	-	174,376	174,376
	-	-	<b>211,176</b>	<b>211,176</b>
<b>b) Financial assets at FVTPL</b>				
<u>Designated upon initial recognition</u>				
Government investment issues	-	1,532,331	-	1,532,331
Unquoted islamic private debt securities	-	1,386,861	-	1,386,861
Malaysian government securities	-	301,812	-	301,812
<u>Mandatorily measured</u>				
Government investment issues	-	379,665	-	379,665
Quoted shares in Malaysia:				
Shariah approved equities	221,166	-	-	221,166
Others	12,237	-	-	12,237
Unquoted perpetual bond in Malaysia	-	4,964	-	4,964
Unquoted corporate debt securities	-	740,218	-	740,218
Shariah approved unit trust funds	356,830	-	-	356,830
Real estate investment trusts				
Shariah approved	14,665	-	-	14,665
Others	9,050	-	-	9,050
Derivatives <sup>(i)</sup>	-	(320)	-	(320)
	<b>613,948</b>	<b>4,345,531</b>	-	<b>4,959,479</b>
<b>c) Financial assets at FVOCI</b>				
Government investment issues	-	249,969	-	249,969
Unquoted shares in Malaysia	-	-	87,666	87,666
Unquoted Islamic private debt securities	-	288,371	-	288,371
Golf club memberships	-	-	233	233
	-	<b>538,340</b>	<b>87,899</b>	<b>626,239</b>

**PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D.)**

**A15. Fair value information (cont'd.)**

(i) Derivatives

Derivative financial instruments are measured at fair value together with their corresponding contract/notional amounts:

	<----- 30.06.2024 ----->			<----- 31.03.2024 ----->		
	Notional Amount	Asset	Liability	Notional Amount	Asset	Liability
<b>Trading derivative</b>						
Forward foreign exchange contracts, less than 3 years	-	-	-	68,838	-	(320)

Derivative financial instruments are initially recognised at fair value, which is normally zero or negligible at inception and subsequently remeasured at their fair value. All derivatives are carried as assets when fair value is positive/net gain position and as liabilities when fair value is negative/net loss position. Changes in the fair value of any derivatives that do not qualify for hedge accounting are recognised immediately in profit or loss.

The notional amount recorded at gross is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the end of the financial year and are neither indicative of the market risk nor the credit risk.

The Group's derivatives are subject to credit risk, market risk and liquidity risk as follow:

**Credit Risk**

Credit risk is the risk of financial loss resulting from the failure of the Group's counterparties to fulfil their contractual obligations to repay their commitments. As at 30 June 2024, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was nil (31 March 2024: RM nil).

**Market Risk**

Market risk on derivatives is the potential loss to the value of these contracts due to changes in foreign exchange rates. The notional or contractual amounts provide only the volume of transactions outstanding at the reporting date and do not represent the amount at risk. Exposure to market risk may be reduced through offsetting items from on and off-balance sheet positions.

**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.

**PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D.)**

**A16. Insurance/takaful contract assets/liabilities and reinsurance/retakaful contract assets/liabilities**

	Remaining coverage RM'000	30.06.2024 Incurred claims RM'000	Total RM'000	Remaining coverage RM'000	31.03.2024 Incurred claims RM'000	Total RM'000
<b>Assets</b>						
Insurance/takaful contract	51,094	2,160	53,254	71,311	(4,977)	66,334
Reinsurance/retakaful contract	136,673	548,084	684,757	(85,996)	597,077	511,081
	<b>187,767</b>	<b>550,244</b>	<b>738,011</b>	<b>(14,685)</b>	<b>592,100</b>	<b>577,415</b>
<b>Liabilities</b>						
Insurance/takaful contract	4,388,034	4,354,497	8,742,531	3,826,344	4,666,801	8,493,145
Reinsurance/retakaful contract	16,424	(5,290)	11,134	44,427	(12,489)	31,938
	<b>4,404,458</b>	<b>4,349,207</b>	<b>8,753,665</b>	<b>3,870,771</b>	<b>4,654,312</b>	<b>8,525,083</b>

## **PART B: EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES**

### **B1. Review of current quarter performance against corresponding quarter in prior year**

#### **The Group**

For the period ended 30 June 2024, the Group recorded RM941.1 million total revenue, 0.5% decrease from RM945.3 million in corresponding quarter. The decrease was attributed by the drop in insurance revenue from family takaful business, offset by growth in general takaful and reinsurance businesses.

The Group recorded a significantly higher profit before tax ("PBT") for the financial period ended 30 June 2024 by RM20.9 million from RM83.5 million to RM104.4 million. The increase was mainly due to the higher insurance service result driven by improved claims experience compared to corresponding period, offset by lower investment results attributed to the foreign exchange losses and unfavorable fair value movements.

#### **Reinsurance Business**

The total revenue of this segment increased by RM12.4 million or 2.4% mainly due to growth in insurance revenue by RM3.5 million contributed by growth in the international business from Specialty portfolio and the local voluntary cession as well as investment income by RM8.9 million.

PBT of this segment increased by RM27.7 million from RM64.6 million to RM92.3 million. The increase was primarily driven by better insurance service result due to improved claims experience in current period as compared to corresponding period.

#### **Retakaful Business**

Retakaful business recorded deterioration in the total revenue and the PBT by RM8.8 million and RM2.6 million respectively, predominantly due to drop in takaful service revenue as result of rebalancing of the portfolios.

#### **General Takaful Business**

General takaful business registered a total revenue of RM198.6 million, representing an increase of RM22.3 million or 12.6% primarily due to growth in takaful revenue by RM21.7 million. The increase in takaful revenue was mainly due to higher takaful revenue earned from motor and fire businesses.

This segment has recorded an increase of RM5.8 million PBT from RM10.7 million to RM16.5 million. This was primarily due to higher wakalah fee in tandem with growth in takaful service revenue.

**PART B: EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D.)**

**B1. Review of current quarter performance against corresponding quarter in prior year (Cont'd.)**

**Family Takaful Business**

The total revenue of this segment recorded RM208.0 million, representing a decrease of RM27.3 million mainly due to lower takaful service revenue results following the reduction in banca takaful business.

Family takaful business showed a slight decrease in the PBT of RM1.7 million from RM7.4 million to RM5.7 million due to lower takaful service results offset by higher net investment returns.

**B2. Review of current quarter profitability against immediate preceding quarter**

	Reinsurance RM'000	Retakaful RM'000	General takaful RM'000	Family takaful RM'000	Others RM'000	Group i RM'000
<b>Profit before zakat and taxation, 3 months ended,</b>						
30 June 2024	92,311	319	16,511	5,719	(9,069)	104,418
31 March 2024	259,521	(4,632)	27,147	2,709	(12,278)	272,467

**The Group**

The Group PBT in the current quarter recorded RM104.4 million, significantly lower by RM 168.1 million as compared to immediate preceding quarter ended 31 March 2024 of RM272.5 million. This was mainly due to the following:-

- lower insurance/takaful service results of RM367.7 million predominantly driven by higher claims experience in current quarter;
  - lower share of results of associates by RM27.0 million; and
  - lower investment results by RM57.2 million attributable to decrease in foreign exchange gain and fair value movements;
- However, the decrease was offset by higher net insurance finance income and expenses due to interest accretion recognition.

**PART B: EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D.)**

**B2. Review of current quarter profitability against immediate preceding quarter (Cont'd.)**

**Reinsurance Business**

PBT of this segment decreased by RM167.2 million from RM259.5 million in quarter ended March 2024 to RM92.3 million in current quarter. The decrease was primarily driven by higher claims reserving following the deterioration in claims experience apart from decrease in foreign exchange gain that resulted from strengthening of Malaysia Ringgit.

**Retakaful Business**

The PBT of this segment in current quarter is higher than quarter ended March 2024 was due to growth in family business.

**General Takaful Business**

PBT of this segment decreased by RM10.6 million from RM27.1 million in quarter ended March 2024 to RM16.5 million in current quarter. The decrease was due to unfavourable fair value movements and lower brokerage fee income.

**Family Takaful Business**

In the current period, this segment recorded higher PBT by RM3.0 million as compared to RM2.7 million in immediate preceding quarter mainly due to better takaful service results, offset by lower investment returns.

**B3. Current year prospect**

Malaysia's economy expects stable growth, anchored by sustained domestic demand expansion and strategic investment momentum. Domestic demand remains a cornerstone of economic growth, supported by robust household spending, an improving labor market, and government assistance programs. Additionally, the progress of multi-year projects in the private and public sectors fuels investment momentum, while advancements in catalytic initiatives under national master plans will further enhance investment prospects. Potential inflationary pressures exerted by the implementation of fuel subsidy rationalization remain a residual risk to both the Malaysian economy in general and the insurance / takaful industry in particular. Malaysia's insurance / takaful industry is expected to be driven by economic recovery, increased penetration, and growing demand for digital services. While lingering challenges, including inflationary pressure, elevated household debt, and a weakening Ringgit persist, the domestic insurance / takaful industry is poised for a modest and sustained growth.



## **PART B: EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D.)**

### **B3. Current year prospect (cont'd.)**

The takaful segment continues to grow, driven by various initiatives to increasing sales through Agency, Bancatakaful and Corporate distribution channels. The national economic plans announced by the government, including the National Energy Transition Roadmap (NETR), the New Industrial Master Plan 2030 (NIMP 2030), and the Madani Economy: Empowering the People framework is expected to enhance the positive trajectory. The Group's aim is to accelerate business growth and scale, while enhancing operational efficiency by leveraging on digitalisation measures to offer excellent customer experience and easy access to transactional online platforms.

In the reinsurance and retakaful sectors, despite the continued dominance in the domestic industry, the Group continues to take a proactive stance to risk diversification and pursuing profitable growth in the overseas markets and specialised business lines. With the increasing frequency and/or severity of climate-related disasters, the Group maintains a disciplined underwriting approach, emphasising the efficient use of capital and implementing appropriate retrocession protection program.

The global economic environment remains challenging, characterised by a delicate balance of factors. While inflationary pressures are showing signs of moderation, weak employment data in the United States have reignited concerns about a potential recession. This has intensified expectations for more aggressive rate cuts by the Federal Reserve, which could further suppress yields. Furthermore, geopolitical risks in the Middle East and Ukraine are also contributing to heightened market volatility as the year progresses into the second half.

Domestically, the Overnight Policy Rate is expected to remain stable for the remainder of the year. However, the expectation of Fed rate cuts will likely dictate market direction. Against this backdrop, the Group remains committed to maintaining a balance between capital preservation and enhancement through strategic asset allocation approach.

In the local equity market, the Group continues to see opportunities, bolstered by resilient economic growth. Key themes driving these opportunities include the development of the Johor-Singapore Special Economic Zone, investments in green energy and technology under the National Energy Transition Plan and the National Industrial Masterplan 2030, as well as the rollout of infrastructure projects.

**PART B: EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D.)**

**B3. Current year prospect (cont'd.)**

The Group remains committed to balancing performance with Environmental, Social, and Governance (ESG) considerations, with the ultimate goal of achieving Net Zero Carbon status by 2050. In the first quarter of the year, the Group continued to make meaningful progress on the action plans set forth in our Group Sustainability Roadmap. Key initiatives include prioritising climate risk management, strengthening governance frameworks, and embedding a culture of sustainability throughout our workforce. Our approach to sustainability is designed to ensure continued financial prosperity, while also promoting social and economic balance within our areas of operation. We are committed to ensuring steady and valuable progress towards our Sustainability Commitments.

**B4. Explanatory note for variance from profit forecast**

There was no profit forecast issued by the Group during the period ended 30 June 2024.

**B5. Status of corporate proposal**

There is no corporate proposal announced but not completed as at the date of this announcement.

**B6. Off balance sheet financial instruments**

There were no financial instruments with material off balance sheet risk as at the date of this report except as disclosed in A16.

**B7. Material litigation**

There was no pending material litigation as at the date of this announcement.

**PART B: EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D.)**

**B8. Investment result**

	<b>Current quarter</b>	
	<b>Three months ended</b>	
	<b>30.06.2024</b>	<b>30.06.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Investments income on financial assets</b>		
Interest/profit income	107,705	96,285
Dividend income	2,539	1,876
(Net amortisation of premiums)/accretion of discount on investments	(863)	(1,634)
	<u>109,381</u>	<u>96,527</u>
<b>Net realised gains and losses</b>		
Government investment issues	(7,167)	1,342
Unquoted islamic private debt securities	326	(120)
Quoted shares in Malaysia	10,330	(13,484)
Shariah approved unit trust funds	(116)	-
	<u>3,373</u>	<u>(12,262)</u>
<b>Net fair value gains and losses</b>		
Unquoted corporate debt securities	(18,376)	(1,817)
Government investment issues	(503)	(2)
Unquoted islamic private debt securities	(9,599)	-
Quoted shares in Malaysia	22,620	56,378
Shariah approved unit trust funds	29,076	-
	<u>23,218</u>	<u>54,559</u>
<b>Net foreign exchange gains</b>	(590)	49,853
<b>Total investments return</b>	<u>135,382</u>	<u>188,677</u>

**PART B: EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D.)**

**B9. Taxation**

	<b>Current quarter</b>	
	<b>Three months ended</b>	
	<b>30.06.2024</b>	<b>30.06.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit before zakat and taxation	112,447	89,753
Taxation:		
Current tax	(10,455)	(5,042)
Deferred tax	(1,406)	(8,535)
	<u>(11,861)</u>	<u>(13,577)</u>
Effective tax rate	<u>10.5%</u>	<u>15.1%</u>

The effective tax rate was lower than the statutory tax rate of 24% due to reinsurance/retakaful operating profit being taxed at 8%.

**B10. Borrowings and debt securities**

The Group borrowings were as follows:

	<b>30.06.2024</b>	<b>31.03.2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Unsecured long term borrowings:		
Sukuk Murabahah due on 22 March 2029	420,000	420,000
Subordinated Debt due on 26 October 2032	200,000	200,000
	<u><b>620,000</b></u>	<u><b>620,000</b></u>

**PART B: EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D.)**

**B11. Earnings per share**

	<b>Current quarter Three months ended</b>	
	<b>30.06.2024</b>	<b>30.06.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>(Restated)</b>
Net profit for the year (RM'000)	92,204	69,538
Number of ordinary shares in issue ('000)	783,088	783,088
Basic earnings/(loss) per share (sen)	<u>11.77</u>	<u>8.88</u>

**B12. Additional disclosures for the income statement**

	<b>Current quarter Three months ended</b>	
	<b>30.06.2024</b>	<b>30.06.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>(Restated)</b>
Fair value losses on derivative	<u>-</u>	<u>(3,925)</u>

**By Order of the Board**

**LENA BINTI ABD LATIF (LS 8766)**  
**Company Secretary**

**Kuala Lumpur**  
**Dated: 16 Aug 2024**