

MNRB HOLDINGS BERHAD

197201001795 (13487-A)

UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE QUARTER AND SIX MONTHS ENDED
30 SEPTEMBER 2024

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

	Current quarter		Cumulative quarters	
	Three months ended	Three months ended	Six months ended	Six months ended
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Insurance/takaful revenue	862,350	871,285	1,693,225	1,718,666
Insurance/takaful service expenses	(771,454)	(794,345)	(1,491,085)	(1,609,389)
Insurance/takaful service result before reinsurance/retakaful contracts held	90,896	76,940	202,140	109,277
Allocation of reinsurance/retakaful premiums/contributions	(155,425)	(111,420)	(335,281)	(217,445)
Amounts recoverable from reinsurers/retakaful operators for incurred claims	180,201	74,650	301,745	140,658
Net income/(expense) from reinsurance/retakaful contracts/certificates held	24,776	(36,770)	(33,536)	(76,787)
Insurance/takaful service result	115,672	40,170	168,604	32,490
Investment income on financial assets	110,265	103,657	219,646	200,184
Net realised gains/(losses)	7,022	(531)	10,395	(12,793)
Net fair value gains/(losses)	44,907	(40,667)	68,125	13,892
Net foreign exchange (losses)/gains	(161,967)	(16,173)	(162,557)	33,680
Investment results	227	46,286	135,609	234,963
Net insurance/takaful profit/finance income/(expenses) from insurance/takaful contracts/certificates issued	27,879	(55,123)	(36,156)	(150,007)
Net reinsurance/retakaful profit/finance (expenses)/income from reinsurance/retakaful contracts/certificates held	(13,278)	1,489	(9,181)	6,047
Unallocated deficit attributable to participants	21,456	21,239	26,163	14,937
Net insurance/takaful financial result	36,057	(32,395)	(19,174)	(129,023)
Fees and other operating income	4,901	20,160	9,541	37,394
Management and other operating expenses	(39,278)	(4,860)	(65,212)	(16,771)
Finance cost	(7,969)	(6,873)	(15,931)	(13,733)
Net other operating income and expenses	(42,346)	8,427	(71,602)	6,890
Share of results of associates	7,938	(2,664)	16,558	4,257
Profit before zakat and taxation	117,548	59,824	229,995	149,577
Tax attributable to the participants	(9,568)	(7,399)	(17,597)	(13,652)
Profit before zakat and taxation attributable to equity holders of the Holding Company	107,980	52,425	212,398	135,925
Zakat	(371)	(649)	(724)	(1,034)
Taxation	(14,869)	(10,209)	(26,730)	(23,786)
Net profit for the period attributable to equity holders of the Holding Company	92,740	41,567	184,944	111,105

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 SEPTEMBER 2024**

	Current quarter		Cumulative quarters	
	Three months ended	Three months ended	Six months ended	Six months ended
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Net profit for the period attributable to equity holders of the Holding Company	92,740	41,567	184,944	111,105
Other comprehensive income/(losses), 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	15,936	(4,986)	14,961	437
Net realised gains/(losses) transferred to profit or loss	1,056	(507)	3,648	(994)
Effects of post acquisition foreign exchange translation reserve on investment in associate	(7,684)	(1,000)	(7,437)	5,082
Effects of foreign exchange translation reserve on investment in subsidiary	(1,775)	(233)	(1,698)	514
Tax effects thereon	(1,409)	529	(1,487)	1,619
Other comprehensive losses/(income) attributable to participants	(3,823)	655	(3,737)	(118)
	<u>2,301</u>	<u>(5,542)</u>	<u>4,251</u>	<u>6,540</u>
Items that will not be reclassified subsequently to profit or loss				
Net fair value gains/(losses) on equity investments at FVOCI	(3,146)	(1,754)	(89)	186
Revaluation (loss)/surplus of land and buildings	616	556	1,141	1,111
Tax effects thereon	945	840	(91)	304
Other comprehensive losses/(income) attributable to participants	(829)	(511)	(1,050)	(1,022)
	<u>(2,414)</u>	<u>(869)</u>	<u>(89)</u>	<u>579</u>
Total other comprehensive (losses)/income for the period, net of tax	(113)	(6,411)	4,162	7,119
Total comprehensive income for the period, net of tax	92,627	35,156	189,106	118,224
Total comprehensive income for the period attributable to owners of the Company	92,627	35,156	189,106	118,224
Basic earnings per share attributable to equity holders of the Company (sen)	11.84	5.31	23.62	14.19

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 SEPTEMBER 2024**

	30.09.2024	31.03.2024
	RM'000	RM'000
Assets		
Property, plant and equipment	231,892	234,972
Intangible assets	117,403	117,118
Right-of-use assets	1,349	2,827
Investments in associates	176,945	174,911
Financial and other assets	11,509,629	11,275,697
Deferred tax assets	31,799	47,391
Insurance/takaful contract assets	53,254	66,334
Reinsurance/retakaful contract assets	870,772	511,081
Tax recoverable	28,430	26,698
Cash and bank balances	206,314	115,604
Non-current assets held for sale	758	-
Total assets	13,228,545	12,572,633
Liabilities		
Insurance/takaful contract liabilities	8,980,718	8,493,145
Reinsurance/retakaful contract liabilities	11,134	31,938
Borrowings	620,000	620,000
Lease liabilities	1,553	3,016
Other payables	251,161	233,530
Deferred tax liabilities	30,239	37,212
Tax payable	18,236	27,499
Provision for zakat	2,766	2,661
Total liabilities	9,915,807	9,449,001
Equity		
Share capital	738,502	738,502
Reserves	2,574,236	2,385,130
Total equity attributable to owners of the Company	3,312,738	3,123,632
Total liabilities and equity	13,228,545	12,572,633
Net assets per share (RM)	4.23	3.99

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 SEPTEMBER 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
At 1 April 2024	738,502	17,443	36,653	53,911	2,277,123	3,123,632
Net profit for the period	-	-	-	-	184,944	184,944
Total other comprehensive (losses)/income for the period	-	(9,135)	13,297	-	-	4,162
Total comprehensive (losses)/income for the period	-	(9,135)	13,297	-	184,944	189,106
At 30 September 2024	738,502	8,308	49,950	53,911	2,462,067	3,312,738
At 1 April 2023	738,502	47,332	34,810	50,375	1,731,388	2,602,407
Net profit for the period	-	-	-	-	111,105	111,105
Total other comprehensive income for the period	-	5,596	412	1,111	-	7,119
Total comprehensive income for the period	-	5,596	412	1,111	111,105	118,224
At 30 September 2023	738,502	52,928	35,222	51,486	1,842,493	2,720,631

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 SEPTEMBER 2024

	30.09.2024	30.09.2023
	RM '000	RM '000
Cash flows from operating activities		
Profit before zakat and taxation	212,398	135,925
Adjustments for:		
Depreciation of:		
- property, plant and equipment	4,437	3,799
- right-of-use assets	2,096	1,392
Amortisation of intangible assets	5,052	10,743
Finance costs	18,007	13,733
Gain from disposal of:		
- property, plant and equipment	(725)	-
- intangible assets	-	(2,187)
Realised (gains)/losses on disposal of investments	(7,549)	44,663
Net amortisation of premiums on investments	1,228	2,848
Interest/profit income	(212,736)	(197,406)
Dividend income	(18,917)	(5,645)
Rental income	(2,474)	(1,956)
Share of results of associates	(16,558)	(4,257)
Net foreign exchange gains	(162,557)	(33,680)
Net fair value gains on financial assets at FVTPL	(86,117)	(13,892)
Allowance for impairment of other receivables	902	28
Writeback of impairment of financial assets at FVOCI	2	-
Tax attributable to the participants	17,597	13,652
Operating cash flows before working capital changes	<u>(245,914)</u>	<u>(32,240)</u>
Changes in working capital:		
Net proceeds/(purchase) of financial assets	(259,012)	(498,561)
(Increase)/decrease in staff financing	(125)	435
Decrease in net takaful certificate assets	151,146	667,976
Increase in net retakaful certificate assets	(337,484)	(232,747)
Decrease/(Increase) in financial assets	356,891	(45,633)
Decrease in tax, zakat, other payables and lease liabilities	266,193	25,972
Interest/profit income received	193,772	181,520
Dividend income received	11,890	7,788
Rental received	1,925	3,523
Income tax and zakat paid	(33,892)	(19,977)
Net cash generated from operating activities	<u>105,390</u>	<u>58,056</u>

MNRB HOLDINGS BERHAD
197201001795 (13487-A)

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

	30.09.2024	30.09.2023
	RM '000	RM '000
Net cash generated from operating activities	105,390	58,056
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,097)	(4,548)
Purchase of intangible assets	(5,689)	(3,610)
Proceed from disposal of property, plant and equipment	5,155	-
Dividend received from subsidiaries and associates	7,087	400
Net cash generated/(used in) from investing activities	<u>3,456</u>	<u>(7,758)</u>
Cash flows from financing activities		
Payment of lease liabilities	(2,301)	(2,737)
Interest/profit paid	(15,835)	(13,544)
Net cash used in financing activities	<u>(18,136)</u>	<u>(16,281)</u>
Cash and bank balances		
Net increase during the year	90,710	34,017
Cash and cash equivalents at beginning of year	115,604	205,462
Cash and cash equivalents at end of year	<u>206,314</u>	<u>239,479</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 STATEMENTS

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 September 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:

Description	Effective for annual periods beginning on or after
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 MFRS 7 <i>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 MFRS 128 <i>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 September 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 September 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 second quarter ended 30 September 2024.

A7. Dividend paid

No dividend was paid during the second quarter ended 30 September 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 statements for the financial period ended 30 September 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. 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.)**A11. Capital commitments**

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

	RM'000
Authorised and contracted for:	
Property, plant and equipment	1,721
Software development	19,477
	<u>21,198</u>
Authorised but not contracted for:	
Property, plant and equipment	15,255
Software development	31,435
	<u>46,690</u>

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

A12. 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
30 September 2024							
<u>Revenue</u>							
Insurance/takaful revenue	916,812	28,999	410,231	346,455	-	(9,271)	1,693,225
Investment income	112,370	3,636	24,018	89,418	297	(10,093)	219,646
Fee income	-	-	-	-	37,504	(34,985)	2,519
Total revenue	<u>1,029,182</u>	<u>32,635</u>	<u>434,249</u>	<u>435,873</u>	<u>37,801</u>	<u>(54,350)</u>	<u>1,915,390</u>
Profit/(loss) before zakat and taxation	<u>161,495</u>	<u>(204)</u>	<u>40,302</u>	<u>7,308</u>	<u>(3,330)</u>	<u>6,828</u>	<u>212,398</u>
Profit/(loss) after zakat and taxation	<u>140,776</u>	<u>(194)</u>	<u>30,276</u>	<u>5,417</u>	<u>(5,544)</u>	<u>14,214</u>	<u>184,944</u>
30 September 2023							
<u>Revenue</u>							
Insurance/takaful revenue	973,490	37,731	356,118	358,681	-	(7,354)	1,718,666
Investment income	83,610	3,453	20,638	90,968	3,038	(1,523)	200,184
Fee income	-	-	-	-	32,210	(28,195)	4,015
Total revenue	<u>1,057,100</u>	<u>41,184</u>	<u>376,756</u>	<u>449,649</u>	<u>35,248</u>	<u>(37,072)</u>	<u>1,922,865</u>
Profit/(loss) before zakat and taxation	<u>92,163</u>	<u>5,387</u>	<u>36,840</u>	<u>11,505</u>	<u>(7,515)</u>	<u>(2,455)</u>	<u>135,925</u>
Profit/(loss) after zakat and taxation	<u>84,790</u>	<u>4,925</u>	<u>26,544</u>	<u>8,041</u>	<u>(10,740)</u>	<u>(2,455)</u>	<u>111,105</u>

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

A13. 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 September 2024

	Reinsurance RM'000	Retakaful RM'000	General takaful RM'000	Family takaful RM'000	Others RM'000	Group RM'000
Insurance/takaful revenue	916,812	28,999	410,231	346,455	(9,271)	1,693,225
Insurance/takaful service expenses	(770,336)	(37,037)	(328,682)	(373,828)	18,797	(1,491,085)
Insurance/takaful service result before reinsurance/retakaful contracts held	146,476	(8,038)	81,549	(27,373)	9,526	202,140
Allocation of reinsurance/retakaful premiums/contributions	(155,415)	(869)	(119,889)	(68,380)	9,272	(335,281)
Amounts recoverable from reinsurers/retakaful operators for incurred claims	142,434	21,285	86,439	53,683	(2,096)	301,745
Net expense from reinsurance/retakaful contracts/certificates held	(12,981)	20,416	(33,450)	(14,697)	7,176	(33,536)
Insurance/takaful service result	133,495	12,378	48,099	(42,070)	16,702	168,604
Investment income on financial assets	112,370	3,636	24,018	89,418	(9,796)	219,646
Net realised (losses)/gains	(104)	-	(2,953)	10,604	2,848	10,395
Net fair value gains/(losses)	39,811	303	2,791	42,811	(17,591)	68,125
Net foreign exchange losses	(162,557)	-	-	-	-	(162,557)
Investment results	(10,480)	3,939	23,856	142,833	(24,539)	135,609
Net insurance/takaful finance income/(expenses) from insurance/takaful contracts/ certificates issued	106,152	-	(10,109)	(131,911)	(288)	(36,156)
Net reinsurance/retakaful profit/finance (expenses)/income from reinsurance/retakaful contracts/certificates held	(12,739)	-	3,270	-	288	(9,181)
Unallocated (surplus)/deficit attributable to participants	-	(8,502)	(18,700)	53,365	-	26,163
Net insurance/takaful financial result	93,413	(8,502)	(25,539)	(78,546)	-	(19,174)
Fees and other operating income	4,625	64	2,344	2,753	(245)	9,541
Management and other operating expenses	(53,217)	(7,320)	(2,330)	(6,803)	4,458	(65,212)
Finance cost	(6,341)	-	(153)	-	(9,437)	(15,931)
Net other operating income and expenses	(54,933)	(7,256)	(139)	(4,050)	(5,224)	(71,602)
Share of results of associates	-	-	-	-	16,558	16,558
Profit before zakat and taxation	161,495	559	46,277	18,167	3,497	229,995
Tax attributable to the participants	-	(763)	(5,975)	(10,859)	-	(17,597)
Profit before zakat and taxation attributable to equity holders of the Holding Company	161,495	(204)	40,302	7,308	3,497	212,398
Zakat	-	-	(692)	(32)	-	(724)
Taxation	(20,719)	10	(9,334)	(1,859)	5,172	(26,730)
Profit/(loss) after zakat and taxation	140,776	(194)	30,276	5,417	8,669	184,944

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

A13. 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 September 2023

	Reinsurance RM'000	Retakaful RM'000	General takaful RM'000	Family takaful RM'000	Others RM'000	Group RM'000
Insurance/takaful revenue	973,490	37,731	356,118	358,681	(7,354)	1,718,666
Insurance/takaful service expenses	(894,874)	(38,250)	(298,993)	(379,496)	2,224	(1,609,389)
Insurance/takaful service result before reinsurance/retakaful contracts held	78,616	(520)	57,126	(20,815)	(5,130)	109,277
Allocation of reinsurance/retakaful premiums/contributions	(75,242)	167	(95,023)	(52,489)	5,142	(217,445)
Amounts recoverable from reinsurers/retakaful operators for incurred claims	9,787	8,444	82,175	42,474	(2,223)	140,658
Net expense from reinsurance/retakaful contracts/certificates held	(65,455)	8,611	(12,848)	(10,015)	2,920	(76,787)
Insurance/takaful service result	13,161	8,091	44,278	(30,830)	(2,210)	32,490
Investment income on financial assets	83,610	3,453	20,638	90,968	1,514	200,184
Net realised (losses)/gains	(13,840)	-	(1,393)	2,440	-	(12,793)
Net fair value gains/(losses)	1,874	(6)	2,260	8,896	868	13,892
Net foreign exchange gains	33,680	-	-	-	-	33,680
Investment results	105,324	3,447	21,505	102,304	2,382	234,963
Net insurance/takaful finance expenses from insurance/takaful contracts/certificates issued	(58,583)	-	(7,204)	(84,219)	(1)	(150,007)
Net reinsurance/retakaful profit/finance income from reinsurance/retakaful contracts/ certificates held	3,325	-	2,722	-	-	6,047
Unallocated surplus attributable to participants	-	-	(19,620)	35,200	(643)	14,937
Net insurance/takaful financial result	(55,258)	-	(24,102)	(49,019)	(644)	(129,023)
Fees and other operating income	35,894	140	3,539	1,114	(3,294)	37,394
Management and other operating expenses	(611)	(5,890)	(1,899)	(5,136)	(3,234)	(16,771)
Finance cost	(6,347)	-	(158)	-	(7,228)	(13,733)
Net other operating income and expenses	28,936	(5,750)	1,482	(4,022)	(13,756)	6,890
Share of results of associates	-	-	-	-	4,257	4,257
Profit/(loss) before zakat and taxation	92,163	5,788	43,163	18,433	(9,971)	149,577
Tax attributable to the participants	-	(401)	(6,323)	(6,928)	-	(13,652)
Profit/(loss) before zakat and taxation attributable to equity holders of the Holding Company	92,163	5,387	36,840	11,505	(9,971)	135,925
Zakat	-	-	(703)	(331)	-	(1,034)
Taxation	(7,373)	(462)	(9,593)	(3,133)	(3,225)	(23,786)
Profit/(loss) after zakat and taxation	84,790	4,925	26,544	8,041	(13,196)	111,105

Subsequent to the disclosure made in financial year ended 31 March 2024, the comparative consolidated financial statement has been revised primarily to refine the presentation and disclosures.

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

A13. 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 September 2024

	Reinsurance RM'000	Retakaful RM'000	General takaful RM'000	Family takaful RM'000	Others RM'000	Group RM'000
Assets						
Property, plant and equipment	137,457	1	599	85,285	8,550	231,892
Intangible assets	7,117	-	49,620	53,879	6,787	117,403
Right-of-use assets	-	-	5,498	372	(4,521)	1,349
Investments in associates	158,427	-	-	-	18,518	176,945
Financial and other assets	4,937,955	193,240	1,333,067	4,811,164	234,203	11,509,629
Deferred tax assets	-	78	28,616	-	3,105	31,799
Insurance/takaful contract assets	-	-	-	53,254	-	53,254
Reinsurance/retakaful contract assets	298,827	152,349	397,689	34,020	(12,113)	870,772
Tax recoverable	-	330	1,904	11,477	14,719	28,430
Cash and bank balances	160,809	2,492	11,582	20,428	11,003	206,314
Non-current assets held for sale	-	-	-	-	758	758
Total assets	5,700,592	348,490	1,828,575	5,069,879	281,009	13,228,545
Liabilities						
Insurance/takaful contract liabilities	2,954,122	268,007	1,319,762	4,450,940	(12,113)	8,980,718
Reinsurance/retakaful contract liabilities	-	-	-	11,134	-	11,134
Borrowings	251,000	-	-	-	369,000	620,000
Lease liabilities	-	-	5,868	377	(4,692)	1,553
Other payables	21,171	27,379	122,679	66,607	13,325	251,161
Deferred tax liabilities	22,701	(479)	-	15,403	(7,386)	30,239
Tax payable	10,738	3,204	2,557	1,545	192	18,236
Provision for zakat	-	-	2,441	325	-	2,766
Total liabilities	3,259,732	298,111	1,453,307	4,546,331	358,326	9,915,807
Equity						
Share capital	663,106	-	230,000	405,000	(559,604)	738,502
Reserves	1,777,753	50,379	145,268	118,548	482,288	2,574,236
Total equity attributable to owners of the Company	2,440,859	50,379	375,268	523,548	(77,316)	3,312,738
Total liabilities and equity	5,700,592	348,490	1,828,575	5,069,879	281,009	13,228,545

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

A13. 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
Assets						
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
Total assets	5,451,400	149,415	1,657,519	5,017,111	297,188	12,572,633
Liabilities						
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
Total liabilities	3,136,962	119,226	1,314,281	4,500,457	378,075	9,449,001
Equity						
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
Total equity attributable to owners of the Company	2,314,438	30,189	343,238	516,654	(80,887)	3,123,632
Total liabilities and equity	5,451,400	149,415	1,657,519	5,017,111	297,188	12,572,633

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

A14. 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;

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.)

A14. Fair value information (cont'd.)

Description of significant unobservable inputs:

	Valuation technique	Significant Observable inputs	Range
30 September 2024/31 March 2024			
<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.)

A14. 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 September 2024:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets				
a) Property, plant and equipment				
Freehold land	-	-	36,800	36,800
Building	-	-	168,962	168,962
	<u>-</u>	<u>-</u>	<u>205,762</u>	<u>205,762</u>
b) Financial assets at FVTPL				
<u>Designated upon initial recognition</u>				
Unquoted islamic private debt securities	-	2,354,215	-	2,354,215
Malaysian government securities	-	1,418,973	-	1,418,973
<u>Mandatorily measured</u>				
Quoted shares in Malaysia:				
Shariah approved equities	296,535	-	-	296,535
Others	234,764	-	-	234,764
Unquoted corporate debt securities	-	747,525	-	747,525
Shariah approved unit trust funds	354,531	-	-	354,531
Real estate investment trusts	29,228	-	-	29,228
Government investment issues	7,365	-	-	7,365
Malaysian government securities	13,238	-	-	13,238
	<u>935,661</u>	<u>4,520,713</u>	<u>-</u>	<u>5,456,374</u>
c) Financial assets at FVOCI				
Malaysian government securities	-	269,035	-	269,035
Government investment issues	-	892,419	-	892,419
Unquoted corporate debt securities	28,710	966,555	-	995,265
Unquoted shares in Malaysia	-	87,577	-	87,577
Unquoted Islamic private debt securities	-	234,076	-	234,076
Golf club memberships	50	65	118	233
	<u>28,760</u>	<u>2,449,727</u>	<u>118</u>	<u>2,478,605</u>

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

A14. 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
Financial assets				
a) Property, plant and equipment				
Freehold land	-	-	36,800	36,800
Building	-	-	174,376	174,376
	-	-	211,176	211,176
b) Financial assets at FVTPL				
<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 ⁽ⁱ⁾	-	(320)	-	(320)
	613,948	4,345,530	-	4,959,478
c) Financial assets at FVOCI				
Government investment issues	-	249,969	-	249,969
Unquoted shares in Malaysia	-	-	87,666	87,666
Unquoted Islamic private debt securities	-	288,371	-	288,371
Golf club memberships	-	-	233	233
	-	538,340	87,899	626,239

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

A14. Fair value information (cont'd.)

(i) Derivatives

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

	<----- 30.09.2024 ----->			<----- 31.03.2024 ----->		
	Notional Amount	Asset	Liability	Notional Amount	Asset	Liability
Trading derivative						
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 September 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

	30.09.2024			31.03.2024		
	Remaining coverage RM'000	Incurred claims RM'000	Total RM'000	Remaining coverage RM'000	Incurred claims RM'000	Total RM'000
Assets						
Insurance/takaful contract	51,094	2,160	53,254	71,311	(4,977)	66,334
Reinsurance/retakaful contract	335,900	534,872	870,772	(85,996)	597,077	511,081
	386,994	537,031	924,026	(14,685)	592,100	577,415
Liabilities						
Insurance/takaful contract	4,523,960	4,456,758	8,980,718	3,826,344	4,666,801	8,493,145
Reinsurance/retakaful contract	16,424	(5,290)	11,134	44,427	(12,489)	31,938
	4,540,384	4,451,468	8,991,852	3,870,771	4,654,312	8,525,083

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

B1. Review of 3 months current quarter profitability against 3 months current quarter in prior year

	Reinsurance RM'000	Retakaful RM'000	General takaful RM'000	Family takaful RM'000	Others RM'000	Group RM'000
30 September 2024						
<u>Revenue</u>						
Insurance/takaful revenue	439,265	16,951	222,211	183,922	-	862,350
Investment income	64,115	1,938	13,447	43,970	(13,205)	110,265
Fee income	-	-	-	-	1,725	1,725
Total revenue	<u>503,380</u>	<u>18,889</u>	<u>235,658</u>	<u>227,892</u>	<u>(11,480)</u>	<u>974,340</u>
Profit/(loss) before zakat and taxation	<u>69,185</u>	<u>(521)</u>	<u>23,791</u>	<u>1,588</u>	<u>13,938</u>	<u>107,980</u>
30 September 2023						
<u>Revenue</u>						
Insurance/takaful revenue	499,359	16,866	189,807	168,040	(2,787)	871,285
Investment income	44,299	1,755	10,626	46,271	707	103,657
Fee income	-	-	-	-	2,577	2,577
Total revenue	<u>543,658</u>	<u>18,621</u>	<u>200,433</u>	<u>214,311</u>	<u>497</u>	<u>977,519</u>
Profit/(loss) before zakat and taxation	<u>27,596</u>	<u>2,480</u>	<u>26,137</u>	<u>4,085</u>	<u>(7,873)</u>	<u>52,425</u>

The Group

For the period ended 30 September 2024, the Group recorded RM974.3 million total revenue, 0.3% decrease from RM977.5 million in corresponding period. The decrease was attributed to the drop in insurance revenue from reinsurance business that was offset by growth in general takaful revenue earned from motor and fire businesses as well as family takaful.

The Group recorded higher profit before tax ("PBT") for the quarter ended 30 September 2024 by RM55.6 million from RM52.4 million to RM108.0 million. The increase was mainly due to the higher insurance service result by RM85.0 million driven by improved claims experience, accretion of interest rates and foreign exchange rates movements by RM68.4 million and higher share of result of an associate by RM10.6 million as compared to corresponding period. However, the increase was offset by lower investment results by RM46.0 million and other operating income by RM60.3 million primarily attributed to unrealised foreign exchange losses on the foreign assets.

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

B1. Review of 3 months current quarter profitability against 3 months current quarter in prior year (Cont'd.)

Reinsurance Business

The insurance revenue of this segment decreased by RM60.1 million or 11.0% mainly due to lower liability for remaining coverage of RM65.4 million, offset by increase in investment income by RM19.8 million.

PBT of this segment increased by RM41.6 million from RM27.6 million to RM69.2 million. The increase was primarily driven by better insurance service result due to improved claims experience and higher investment income in current period as compared to corresponding period.

Retakaful Business

Retakaful business recorded loss before taxation of RM0.5 million for the quarter ended 30 September 2024, reduction of RM3.0 million as compared corresponding period. The decrease was predominantly due to the deterioration of the claims experience.

General Takaful Business

General takaful business registered a total revenue of RM235.6 million, representing an increase of RM35.2 million or 17.6% primarily due to growth in takaful revenue by RM32.4 million. The increase in takaful revenue was mainly due to higher takaful revenue earned from motor and fire businesses.

This segment reported a PBT of RM23.8 million for the quarter ended 30 September 2024, RM2.3 million lower than the corresponding quarter in prior year due to higher acquisition cost in line with growth in takaful revenue.

Family Takaful Business

The total revenue of this segment recorded RM227.9 million, representing an increase of RM13.6 million mainly due to higher takaful service revenue results driven by higher takaful revenue of RM15.9 million.

Family takaful business recorded a decrease in the PBT of RM2.5 million from RM4.1 million to RM1.6 million due to higher management expenses of RM2.3 million.

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

B2. Review of current year to date performance against corresponding year to date

The Group

For the period ended 30 September 2024, the Group recorded RM1,915.4 million revenue, 0.4% decrease from RM1,922.9 million in corresponding quarter. The decrease was due to the drop in reinsurance business and family takaful business, offset by growth in general takaful business.

The Group recorded a significant increase in the PBT for the period ended 30 September 2024 by RM76.5 million from RM135.9 million to RM212.4 million. The increase was mainly due to the increase in insurance/takaful service result by RM136.1 million contributed by reinsurance and general takaful segment as mentioned above. Further, there was an increase in share of results of associates by RM12.3 million from RM4.3 million in prior period to RM16.6 million in current period.

The increase was moderated by lower investment results due to unrealised foreign exchange losses of RM196.2 million as compared to unrealised foreign exchange gains of RM33.7 million in prior period.

Reinsurance Business

Reinsurance segment recorded a slight decrease in total revenue by 2.6% compared to RM1.1 billion in prior period due to lower insurance revenue by RM56.7 million resulted by higher recognition of the loss component. However, the decrease was offset by an improvement in investment income by RM28.7 million driven by higher dividend income.

PBT for reinsurance segment of RM161.5 million grew significantly by RM69.3 million as compared to prior period driven by better insurance service results contributed by higher retrocession recoveries and better claims experience due to unrealised foreign exchange gains following the strengthening of MYR in current period.

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

B2. Review of current year to date performance against corresponding year to date (Cont'd.)

Retakaful Business

Retakaful segment recorded deterioration in revenue by RM8.5 million and PBT by RM5.6 million respectively from prior period mainly due to lower retakaful revenue by RM8.7 million result of actual premium recorded being lower than expected.

General Takaful Business

This segment recorded revenue of RM 434.2 million, representing an increase of RM57.5 million or 15.3%, predominantly due to growth in takaful revenue by RM54.1 million as well as higher profit income from deposits placements. The increase in takaful revenue was mainly due to growth in motor and fire classes.

General takaful segment reported PBT of RM40.3 million, higher by 9.4% or RM3.5 million as compared to prior period mainly due to higher revenue as mentioned above offset by higher acquisition costs and management expenses.

Family Takaful Business

Revenue for family takaful segment was lower than prior period by 3.1% from RM449.6 million to RM435.9 million mainly attributed by lower takaful revenue earned from single contribution products.

Family takaful segment recorded a decrease in PBT by RM4.2 million from RM11.5 million in prior period due to variances in Wakalah fee carried forward due to pipeline contribution booked in prior year and timing differences in payment cycle. However, it was offset with increase in Investment Performance Fee income ("IPF") due to better Participant Investment Account ("PIA") investment performance.

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

B3. 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 RM'000
Profit before zakat and taxation,						
3 months ended,						
30 September 2024	69,185	(521)	23,791	1,588	13,938	107,980
30 June 2024	92,310	317	16,511	5,720	(10,440)	104,418

The Group

The Group PBT in the current quarter recorded RM108.0 million, higher by RM 3.6 million as compared to immediate preceding quarter ended 30 June 2024 of RM104.4 million. This was mainly due to the following:-

- Higher investments returns from the fixed deposits as well as from higher fair value gains from the equity and bond investments;
 - Better claims experience which had further improved by higher foreign exchange gain following the strengthening of MYR;
- However, the increase was offset by foreign translation loss in the foreign assets.

Reinsurance Business

PBT of this segment decreased by RM23.1 million from RM92.3 million in quarter ended June 2024 to RM69.2 million in current quarter. The decrease was mainly due to the impact of MYR strengthening to the assets (i.e.: foreign deposits, oversea's equity investments and other assets held at foreign currency). However, this was mitigated by higher investments income, fair value gains and better claims experience which had further improved by the foreign exchange gains.

Retakaful Business

The PBT of this segment in current quarter was lower than immediate preceding quarter as mentioned above in B2 above.

General Takaful Business

PBT of this segment for current quarter was higher by RM 7.3 million compared to quarter ended 30 June 2024 of RM16.5 million. The increase was due to continuous business growth driven by Banca and Agency segments.

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

B3. Review of current quarter profitability against immediate preceding quarter (Cont'd.)

Family Takaful Business

In the current period, this segment recorded lower PBT by RM4.1 million as compared to RM5.7 million in immediate preceding quarter due to unfavourable fair value movement of investments that was offset by higher investment realised gains.

B4. 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 and elevated household debt, the domestic insurance / takaful industry is poised for a modest and sustained growth.

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. Recent global catastrophes, such as escalating climate disasters and geopolitical tensions introduced unpredictable risks. As these events increase in intensity and complexity, the Group maintains a disciplined underwriting approach, emphasising the efficient use of capital and implementing appropriate retrocession protection program to remain resilient.

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.

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

B4. Current year prospect (Cont'd.)

The Group remains cautiously optimistic as it enters the final quarter of the calendar year. In September, the Federal Reserve began its rate-cutting cycle with a larger-than-expected 50bps reduction, with further cuts likely to follow. This has spurred increased fund flows into emerging markets, benefiting Malaysia through a stronger Ringgit and higher inflows into the local equity and bond markets. However, uncertainties persist due to ongoing geopolitical tensions in the Middle East and the upcoming U.S. Presidential election, which could affect policies and market sentiment.

Domestically, the focus is on the recently presented Budget 2025 and the government's commitment to subsidy and fiscal reforms, which will be the key in setting the economic tone moving forward. With the Overnight Policy Rate expected to remain at 3.0% for the rest of the year and stable domestic growth on the horizon, the Group will continue to prioritise a prudent and diversified investment strategy. By focusing on high-quality assets and capital preservation, the Group ensures it is well-positioned to navigate risks and capture growth opportunities as the economic environment evolves.

As announced in the Budget 2025 the Government has reaffirmed its commitment to the rationalisation of subsidies, reduction of national debt and the gradual improvement of the cost of living. The Hon Prime Minister committed to introduce measures to ensure subsidies reach their intended target groups and a prudent fiscal policy to reduce national debt. Various initiatives have been introduced to support Micro, Small, Medium Enterprises which form the backbone of the country's economy to drive the entrepreneurial spirit of Malaysians.

The proposed expansion of Services Tax scope could result in an increase in tax cost of the supply chain of the insurance industry that rely on commercial services as intermediaries. While the proposed dividend tax on individuals could potentially fuel demand for family takaful products and conventional life products as an alternative investment vehicle for high net worth individuals. The proposed incentives for Forest City could also open up the insurance and takaful market to more competition.

The Group remains firmly committed to balancing strong economic performance with robust Environmental, Social, and Governance (ESG) considerations, with the ultimate goal of achieving Net Zero Carbon status by 2050. In the second 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.

B5. Explanatory note for variance from profit forecast

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

B6. Status of corporate proposal

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

B7. 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 A14.

B8. Material litigation

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

B9. Dividend

The Company on 26 September 2024, had declared a final single-tier dividend ("final dividend") of 5.0 sen (2023:4.45 sen) per ordinary share and a final single-tier special dividend ("Special dividend") of 5.0 sen (2023:nil) per ordinary share in respect of the financial year ended 31 March 2024. The entitlement date for the dividend payment was on 11 October 2024, payable on 24 October 2024.

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

B10. Investment result

	Current quarter Three months ended		Current quarter Six months ended	
	30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
Investments income on financial assets				
Interest/profit income	95,677	101,120	203,382	197,406
Dividend income	15,635	3,770	18,174	5,645
Net amortisation of premiums on investments	(1,047)	(1,233)	(1,910)	(2,867)
	<u>110,265</u>	<u>103,657</u>	<u>219,646</u>	<u>200,184</u>
Net realised gains and losses				
Government investment issues	(754)	4,008	(7,921)	5,350
Unquoted islamic private debt securities	(962)	1,724	(636)	1,604
Quoted shares in Malaysia	8,200	(5,222)	18,530	(18,706)
Shariah approved unit trust funds	(2,308)	(1,041)	(2,424)	(1,041)
Property, plant and equipment	2,846	-	2,846	-
	<u>7,022</u>	<u>(531)</u>	<u>10,395</u>	<u>(12,793)</u>
Net fair value gains and losses				
Unquoted corporate debt securities	31,103	(13,609)	12,727	(15,426)
Government investment issues	15,853	(8,972)	15,350	(8,974)
Unquoted islamic private debt securities	8,218	(2,846)	(1,381)	(2,846)
Quoted shares in Malaysia	(5,045)	(15,240)	17,575	41,138
Shariah approved unit trust funds	(7,380)	-	21,696	-
Malaysian government securities	2,158	-	2,158	-
	<u>44,907</u>	<u>(40,667)</u>	<u>68,125</u>	<u>13,892</u>
Net foreign exchange (losses)/gains	<u>(161,967)</u>	<u>(16,173)</u>	<u>(162,557)</u>	<u>33,680</u>
Investment results	<u>227</u>	<u>46,286</u>	<u>135,609</u>	<u>234,963</u>

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

B11. Taxation

	Current quarter Three months ended		Current quarter Six months ended	
	30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
Profit before zakat and taxation	107,980	52,425	212,398	135,925
Taxation:				
Current tax	(20,083)	8,187	(30,538)	3,145
Deferred tax	5,214	(18,396)	3,808	(26,931)
	<u>(14,869)</u>	<u>(10,209)</u>	<u>(26,730)</u>	<u>(23,786)</u>
Effective tax rate	<u>13.8%</u>	<u>19.5%</u>	<u>12.6%</u>	<u>17.5%</u>

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

B12. Borrowings and debt securities

The Group borrowings were as follows:

	30.09.2024 RM'000	31.03.2024 RM'000
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>620,000</u>	<u>620,000</u>

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

B13. Earnings per share

	Current quarter Three months ended		Current quarter Six months ended	
	30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
Net profit for the year (RM'000)	92,740	41,567	184,944	111,105
Number of ordinary shares in issue ('000)	783,088	783,088	783,088	783,088
Basic earnings per share (sen)	11.84	5.31	23.62	14.19

B14. Additional disclosures for the income statement

	Current quarter Three months ended		Current quarter Six months ended	
	30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
Fair value losses on derivative	-	(4,775)	-	(8,700)
Depreciation and amortisation	(11,585)	(15,934)	(11,585)	(15,934)

By Order of the Board

LENA BINTI ABD LATIF (LS0008766)
Company Secretary

Kuala Lumpur
Dated: 23 October 2024