LIBERTY GENERAL INSURANCE BERHAD

(FORMERLY KNOWN AS AMGENERAL INSURANCE BERHAD)
197801007153
(Incorporated in Malaysia)

Directors' Report and Audited Financial Statements
31 December 2023

Company No: 197801007153

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DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Company for the financial period from 1 April 2023 to 31 December 2023.

PRINCIPAL ACTIVITY

The Company is engaged principally in the underwriting of all classes of general insurance business.

There have been no significant changes in the nature of the principal activity of the Company during the financial period.

With effect from 4 September 2023, the name of the Company was changed from AmGeneral Insurance Berhad to Liberty General Insurance Berhad. The financial year-end of the Company was changed from 31 March to 31 December so as to coincide with financial year-end of the holding and ultimate holding companies.

RESULTS

	RM'000
Net profit for the period	133,906

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

In the opinion of the Directors, the results of operations of the Company during the financial period were not substantially affected by any item, transaction or event of a material and unusual nature, other than those arising from the adoption of MFRS 17 *Insurance Contracts* , as disclosed in Note 2.3.

DIVIDENDS

The amount of dividends paid by the Company since 31 March 2023 were as follows:

	RM'000
In respect of financial year ended 31 March 2023:	
Irredeemable non-cumulative convertible preference shares ("INCPS"):	
Dividend of 5.5% per INCPS on 6,100,000 INCPS based on issue price of RM10.00 each declared on 7 June 2023 and paid on 7 September 2023	3,355
Ordinary shares:	
Final single tier dividend of 22.02 sen per ordinary share on 1,394,196,000 ordinary shares declared on 7 June 2023 and paid on 7 September 2023	307,000
	310,355

SHARE OPTIONS

There were no options granted during the financial period by the Company to any parties to take up unissued shares of the Company.

No shares have been issued during the financial period by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial period, there were no unissued shares of the Company under options.

DIRECTORS

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

Dato' Haji Kamil Khalid Ariff (Chairman)
(Non-Independent, Non-Executive Director)
Phoon Soon Keong
(Independent, Non-Executive Director)
Elsie Kok Yin Mei
(Independent, Non-Executive Director)
Saime Defne Turkes
(Non-Independent, Executive Director)
Dato' Lim Heen Peok
(Independent, Non-Executive Director)
Jamie Ling Fou-Tsong (Appointed on 6 February 2024)
(Non-Independent, Non-Executive Director)
Tan Chong Liong (Appointed on 9 February 2024)
(Independent, Non-Executive Director)
Dato' Sulaiman Bin Mohd Tahir (Resigned on 2 February 2024)
(Non-independent, Non-Executive Director)
Keong Choon Keat (Resigned on 9 February 2024)
(Independent, Non-Executive Director)

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CORPORATE GOVERNANCE

The Company has complied with the prescriptive requirements of, and adopted management practices that are consistent with the principles prescribed under Bank Negara Malaysia ("BNM") Policy Document on Corporate Governance.

Directors' Profiles

The following are the profiles of Directors of the Company:

DATO' HAJI KAMIL KHALID ARIFF (Chairman)
Non-Independent Non-Executive Director

Dato' Haji Kamil Khalid Ariff, aged 69, is a Malaysian citizen and was appointed as a Non-Independent Non-Executive Director and Chairman of the Company on 22 February 2023.

Dato' Khalid graduated with a Bachelor of Science in Management from Syracuse University in New York. He also holds a Diploma in Public Administration from ITM and an MBA in International Business from Central Michigan University, United States of America.

Dato' Khalid is currently Chairman of Putrajaya Holdings Sdn Bhd, Public Islamic Bank Berhad, and FWD Insurance Berhad. He also sits on the Board of several private companies.

Throughout his renowned career spanning over 44 years, Dato' Khalid served in numerous Management and Board positions in several large corporate entities which among others include, The New Straits Times, Kumpulan Perangsang Selangor Berhad, Kumpulan Guthrie Berhad, Idris Hydraulic Berhad and Mahkota Technologies Sdn Bhd.

Dato Khalid was also an Independent Director of Liberty Insurance Berhad (now known as Liberty Global Holdings Sdn Bhd), Bank Muamalat Malaysia Berhad, Indah Water Konsortium Sdn Bhd and FWD Insurance Berhad.

CORPORATE GOVERNANCE (CONT'D.)

Directors' Profiles (Cont'd.)

PHOON SOON KEONG
Independent Non-Executive Director

Mr. Phoon Soon Keong, a Malaysian, aged 68, was appointed Director on 15 August 2017. He is a Member of the Audit Committee, Risk Management Committee and Nomination Committee.

He is a qualified Certified Public Accountant, Malaysia ("CPA") and is a member of the Malaysian Institute of Accountants. He started his career with Price Waterhouse [currently known as PricewaterhouseCoopers ("PwC")] in 1975 and obtained his CPA qualification in 1979. He left PwC to start his own practice in 1980 and was a partner in P.C Chan & Partners from 1981 to 1986. He re-joined PwC Audit Practice as a Senior Manager in December 1986 and was Executive Director in the Firm from 1994 to 2010. During his tenure in PwC, he was the Director-in-charge of the Valuation & Strategy Practice of PricewaterhouseCoopers Consulting Sdn Bhd.

He has extensive experience in audit, business recovery, turnaround management, corporate and debt restructuring, corporate finance, mergers and acquisitions and share valuation.

He was the Acting Chief Executive Officer of PanGlobal Insurance Berhad from January 2007 to April 2009. He was appointed as the Appointed Person of Tahan Insurance (Malaysia) Berhad ("Tahan") by Bank Negara Malaysia ("BNM") under Section 59(4)(a) of the Insurance Act 1996 to assume control of the whole of Tahan's property, business and affairs and carry on its business and affairs on behalf of BNM from May 2009 to December 2010.

He was a Director of Assisi Palliative Care Berhad from 2015 to January 2022. He also served on the Board of Assunta Hospital from 2005 to 2012 and was Chairman of the Assunta Board from June 2011 to December 2012. He was a Director of Good Shepherd Services, a charitable organisation from 2015 to May 2021 and Chairman of AmGeneral Insurance Berhad from August 2017 to February 2023. He was also an Independent Non-Executive Director of AmMetLife Insurance Berhad and AmMetLife Takaful Berhad.

Currently, he is a Director of Kiwanis Down Syndrome Foundation, a not-for-profit organisation.

CORPORATE GOVERNANCE (CONT'D.)

Directors' Profiles (Cont'd.)

ELSIE KOK YIN MEI
Independent Non-Executive Director

Mdm. Elsie Kok Yin Mei, aged 63, is a Malaysian citizen and is an Independent Non-Executive Director of the Company. She was appointed as a Director on 22 February 2023. She is also the Chairman of the Risk Management Committee, and a member of the Remuneration Committee and Nomination Committee.

She obtained her Bachelor of Jurisprudence and LL.B. from Monash University, Melbourne, Australia. Mdm. Elsie was called to the Malaysian Bar in 1987 and practised as an Advocate & Solicitor until 1992 when she joined the HSBC Group in Malaysia as a legal adviser. She was their Head of Legal, General Counsel from 2003 to 2016.

Mdm. Elsie was a Director in Liberty Insurance Berhad (now known as Liberty Global Holdings Sdn Bhd) from 2017 to 2023 and currently she holds directorships in Maybulk Berhad (formerly known as Malaysian Bulk Carriers Berhad) and Kuchai Development Berhad.

SAIME DEFNE TURKES
Non-Independent Executive Director

Ms. Saime Defne Turkes, aged 48, a Turkish citizen, was appointed as a Director and a member of the Investment Committee of the Board of the Company on 28 July 2022. She is a Chartered Accountant and holds a Bachelor of Arts Degree in Management from Bogazici University, Turkey.

In April 2024, Ms. Defne Turkes was appointed as Chief Operating Officer of Liberty International Insurance where she plays a key role in building Liberty Mutual’s global operations.

Prior to her new role, Ms. Defne Turkes was President for Asia Retail Markets ("ARM") of Liberty Mutual Insurance from September 2022 in which she led four markets at ARM (previously GRM East), which includes China, India and Malaysia, as well as Asia Multi-Country Market ("AMCM") that comprises Thailand, Vietnam, Singapore and Hong Kong.

Ms. Defne Turkes joined Liberty in 2006 as Chief Financial Officer of Liberty Sigorta (Turkey), then ascended to Turkish Market President and later moved to Asia to become Malaysia Market President. In 2020, she became the President of AMCM when it was formed and was also the Chief Executive Officer of Liberty Singapore.

Ms. Defne Turkes is a director of several other Liberty’s subsidiary companies.

CORPORATE GOVERNANCE (CONT'D.)

Directors' Profiles (Cont'd.)

DATO' LIM HEEN PEOK
Independent Non-Executive Director

Dato' Lim Heen Peok, aged 75, is a Malaysian citizen and is an Independent Non-Executive Director of the Company. He was appointed as a Director on 22 February 2023. He is also the Chairman of the Nomination Committee and the Remuneration Committee, and a member of the Risk Management Committee and Audit Committee.

He obtained his BSc. Mechanical Engineering (First Class Honors) from the University of Strathclyde, United Kingdom.

He was a Director in Liberty Insurance Berhad (now known as Liberty Global Holdings Sdn Bhd). Currently he is the Chairman of Furniweb Holdings Limited (Hong Kong) and Unitedstar Corporation Sdn Bhd and a board member of Assunta Hospital. He also sits on the Board of Governors of The Japanese Chamber of Trade & Industry, Malaysia ("JACTIM") Foundation.

JAMIE LING FOU-TSONG (Appointed on 6 February 2024)
Non-Independent Non-Executive Director

Mr Jamie Ling Fou-Tsong ("Mr Jamie Ling"), aged 55, was appointed to the Board of the Company on 6 February 2024. Mr Jamie Ling is also a member of the Nomination Committee, Remuneration Committee and Investment Committee of the Company.

Mr Jamie Ling is Chief Executive Officer ("CEO") of AMMB Holdings Berhad ("AMMB") and Chief Executive Officer ("CEO") of AmBank (M) Berhad ("AmBank"), effective 23 November 2023. As AMMB CEO, he assumes the responsibility to lead the Management Team, oversee all lines of businesses and operations, and orchestrate alignment with the AMMB strategic direction. As a steward of AMMB, driving long-term value creation activities and ensuring that all endeavours are consistent with AMMB's purpose and core values are primary objectives.

He joined AMMB in 2017 as the Chief Financial Officer and was named 'Best CFO for Investor Relations' mid-cap category for 2021 by Malaysian Investor Relations Association Berhad ("MIRA").

Prior to joining AMMB, Mr Jamie Ling has over two decades of regional and international banking experience across Asia and Europe. His in-depth commercial and financial experience covers roles held in treasury, finance, risk management and sales.

CORPORATE GOVERNANCE (CONT'D.)

Directors' Profiles (Cont'd.)

JAMIE LING FOU-TSONG (Appointed on 6 February 2024) (Cont'd.)
Non-Independent Non-Executive Director (Cont'd.)

He held senior leadership positions in Malaysia, the United Kingdom, and Northeast Asia. He was the Regional Chief Financial Officer of Standard Chartered Bank for Greater China and Northeast Asia, covering Hong Kong, Taiwan, China, South Korea and Japan. He was also a board member of Standard Chartered (Hong Kong) Limited and Hong Kong Note Printing Limited.

Mr Jamie Ling sits on the Board of several other subsidiaries and joint ventures of AMMB, namely AmMetLife Insurance Berhad, AmMetLife Takaful Berhad, AmGeneral Holdings Berhad and AMAB Holdings Sdn Bhd.

Mr Jamie Ling holds a B.A. (Hons) in Economics and Accounting from the University of Newcastle Upon Tyne in United Kingdom. He is a Fellow, Institute of Chartered Accountants in England and Wales and also a Member, Association of Chartered Certified Accountants. He is an Alumni, Executive Management Programmes of Templeton College, Oxford University and INSEAD.

TAN CHONG LIONG (Appointed on 9 February 2024)
Independent Non-Executive Director

Mr. Tan Chong Liong, aged 58, is a Malaysian citizen and is an Independent Non-Executive Director of the Company. He was appointed as a Director and Chairman of the Audit Committee on 9 February 2024.

Mr. Tan holds a Bachelor's degree in Accounting from the University of Malaya and a Master's Degree in Business Administration in International Management from the Royal Melbourne Institute of Technology, Australia. He is also a member of the Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants.

He is a highly experienced and certified financial professional with over 30 years of experience in financial and strategic management across a range of sectors, including reinsurance, insurance, investment, fund management, telecommunications, broadcasting, films and TV content distribution, property, power and digital technologies.

Throughout his career, Mr Tan held various leadership positions and directorships in multiple organisations. He was a Director of the Board and Chairman of Investment Committee at Berjaya Sompo Insurance Berhad. He was a co-founder and Director of a digital investment management platform, Akru, which is licensed by the Securities Commission of Malaysia. He currently also serves as a Director of a venture financing company focuses on nurturing startups in Fintech, eCommerce, Internet of Things (IoT) and space tech.

CORPORATE GOVERNANCE (CONT'D.)

Directors' Profiles (Cont'd.)

DATO' SULAIMAN BIN MOHD TAHIR (Resigned on 2 February 2024)
Non-Independent Non-Executive Director

Dato' Sulaiman Bin Mohd Tahir, a Malaysian, aged 61, was appointed as a Director on 1 November 2016. He was a Member of the Nomination Committee, Remuneration Committee and Investment Committee of the Company.

He holds a Bachelor of Business in Accountancy from the Royal Melbourne Institute of Technology (RMIT University) in Australia and a Chartered Banker from Asian Institute of Chartered Bankers.

Dato' Sulaiman was AMMB Chief Executive Officer and Chief Executive Officer of AmBank (M) Berhad until his retirement on 22 November 2023. He has a wealth of experience backed by more than three decades of managing and spearheading growth in the Malaysian banking industry.

Prior to joining AmBank Group, Dato' Sulaiman held many prominent positions in CIMB Group including as Chief Executive Officer/Executive Director of CIMB Bank. During his tenure in AmBank Group, he served on the boards of several subsidiaries and joint ventures of AMMB, as well as Financial Industry Collective Outreach (FINCO) and Payments Network Malaysia Sdn Bhd (PayNet).

Dato' Sulaiman was also the Director of Liberty Insurance Berhad (now known as Liberty Global Holdings Sdn Bhd) from July 2022 until completion of its legal merger with AmGeneral Insurance Berhad (now known as Liberty General Insurance Berhad) on 31 March 2023.

KEONG CHOON KEAT (Resigned on 9 February 2024)
Independent Non-Executive Director

Mr. Keong Choon Keat, aged 79, is a Malaysian citizen and is an Independent Non-Executive Director of the Company. He was appointed as a Director on 22 February 2023 and was also the Chairman of the Audit Committee.

He obtained his ACA from Institute of Chartered Accountants, England & Wales, United Kingdom, CA from Malaysian Institute of Accountants, Malaysia, MICPA from Malaysian Institute of CPA, Malaysia and FCA from Institute of Chartered Accountants, England & Wales, United Kingdom.

He was previously an Independent Director of Chin Teck Plantations Bhd, Negri Sembilan Oil Palms Bhd and Liberty Insurance Berhad (now known as Liberty Global Holdings Sdn Bhd).

CORPORATE GOVERNANCE (CONT'D.)

Directors' Training

The Board of Directors (the "Board") recognises the importance of ensuring that Directors are continuously being developed to acquire or enhance their knowledge and skills in discharging their duties effectively.

All new Directors appointed to the Board attended formal induction programme to familiarise themselves with the Company's strategy and operating structure, financial highlights, product and marketing strategies, risk management strategy, legal and regulatory compliance requirements, people initiatives presented by the Chief Executive Officer with various Head of Departments and organised by the Company Secretarial Department.

Apart from the Financial Institutions Directors' Education ("FIDE") Programme accredited by Asia School of Business, all Directors appointed to the Board have also attended other relevant training programmes and seminars organised by the regulatory authorities and professional bodies to further enhance their business acumen and professionalism associated with their duties to the Company. The Directors also attend Strategy Meeting to have an in-depth understanding and continuous engagement with Management pertaining to the Company's strategic direction and information relating to the Company's development, or industry development through discussion at Board meetings with the Senior Management team.

Board Responsibilities

The Board remains fully committed in ensuring that the principles and best practices in corporate governance are observed by the Company. The Board supervises the management of the Company in business policies and affairs with the goal of enhancing shareholder's value and promotes sustainability through appropriate environmental, social and governance considerations in the Company's business strategies.

Board meetings are scheduled at least six (6) times per year where the Board addresses key matters concerning strategy, finance, organisation structure, business development, human resource, and establishes guidelines for overall business, risk and control policies, capital allocation as well as approves all key business developments.

Board Activities

As at reporting date, the Board comprises seven (7) members with wide-ranging skills and experience. The Board is represented by two (2) Non-Independent, Non-Executive Directors, one (1) Non-Independent, Executive Director and four (4) Independent, Non-Executive Directors of calibre, and with necessary skills and diverse corporate experience to ensure that strategies proposed by the Management are fully discussed and examined, as well as to take into account the long term interests of various stakeholders. During the financial period, the Board has met eight (8) times.

CORPORATE GOVERNANCE (CONT'D.)

Board Activities (Cont'd.)

All Directors review the Board reports prior to the Board meetings. The reports are issued with sufficient time to enable the Directors to obtain further explanations, where necessary, before the meetings.

In addition, the Board decides on matters reserved specifically for its decision, including the approval of corporate and business plans and budgets, acquisitions and disposals of assets that are material to the Company, major investments, changes to the management and control structure of the Company, including key policies, procedures and authority limits.

The Board has also adopted a policy for induction and education of Directors. The program is to provide essential and comprehensive information to a new director in order for him to be familiar with relevant insurance industry regulatory requirements and the Company's nature of business. The Directors may also request independent professional advice, at the Company's expense. The Company Secretary, to whom the Directors have independent access, assists the Board and keeps it abreast of relevant laws and regulations.

Membership and board meetings for the period from 1 April 2023 to 31 December 2023

Members	Number of Meetings (Attended/Held)
Dato' Haji Kamil Khalid Ariff (Chairman)	8/8
Phoon Soon Keong	8/8
Saime Defne Turkes	8/8
Elsie Kok Yin Mei	8/8
Dato' Lim Heen Peok	8/8
Dato' Sulaiman Bin Mohd Tahir (Resigned on 2 February 2024)	6/8
Keong Choon Keat (Resigned on 9 February 2024)	8/8

Board Committees

The Board delegates certain responsibilities to the Board Committees which were set up to assist the Board in certain areas of deliberation are as follows:

(1) Nomination Committee
(2) Remuneration Committee
(3) Risk Management Committee
(4) Audit Committee

CORPORATE GOVERNANCE (CONT'D.)

Nomination Committee

As at reporting date, the Committee comprises three (3) Independent, Non-Executive Directors, one (1) Non-Independent, Non-Executive Director and one (1) Non-Independent, Executive Director. The Chairman of the Committee is an Independent, Non-Executive Director.

The Nomination Committee ("NC") is mandated by the Board of Directors ("the Board") primarily to:

(a) oversee the appointment of Directors, Chief Executive Officer ('CEO'), direct reports of the CEO ('Senior Management Team members') and Company Secretary;

(b) reviewing and assess the effectiveness of each Director, the CEO, Senior Management Team members and Company Secretary; and

(c) review and assess the balance and effectiveness of the Board as a whole.

The NC also assists the Board in ensuring that the Company practices good corporate governance in a fair and thorough manner as required by the relevant Bank Negara Malaysia guidelines/policy.

Membership and meetings of the Nomination Committee from 1 April 2023 to 31 December 2023

Members	Number of Meetings (Attended/Held)
Dato' Lim Heen Peok (Chairman)	5/5
Dato' Sulaiman Bin Mohd Tahir (Resigned on 2 February 2024)	3/5
Saime Defne Turkes	5/5
Elsie Kok Yin Mei	5/5
Phoon Soon Keong	5/5

CORPORATE GOVERNANCE (CONT'D.)

Remuneration Committee

As at reporting date, the Committee comprises two (2) Independent, Non-Executive Directors and one (1) Non-Independent, Non-Executive Director. The Chairman of the Committee is an Independent, Non-Executive Director.

The Remuneration Committee ("RC") is mandated by the Board primarily to support the Board in actively overseeing the design and operation of the Company's remuneration system and policy. The RC shall periodically review the remuneration of:

(a) the Chief Executive Officer, Company Secretary and direct reports of the Chief Executive Officer (collectively 'Senior Management Team'); and

(b) Directors on the Board.

to ensure that remuneration remains appropriate to each of their contribution, taking into account the level of expertise, commitment and responsibilities undertaken.

The RC also assists the Board in ensuring that the Company practices good corporate governance in a fair and thorough manner as required by the relevant Bank Negara Malaysia guidelines/policy.

Membership and meetings of the Remuneration Committee from 1 April 2023 to 31 December 2023

Members	Number of Meetings (Attended/Held)
Dato' Lim Heen Peok (Chairman)	6/6
Elsie Kok Yin Mei	6/6
Dato' Sulaiman Bin Mohd Tahir (Resigned on 2 February 2024)	3/6

Risk Management Committee

As at reporting date, the Committee comprises three (3) Independent, Non-Executive Directors. The Chairman of the Committee is an Independent, Non-Executive Director. The primary objective of the Risk Management Committee is to oversee Senior Management's activities in managing the key risk areas of the Company and to determine that the risk management process is in place and functioning effectively.

The Risk Management Committee ("RMC") is mandated by the Board primarily to establish a documented, formal and transparent procedure to ensure that the Company's corporate objectives are supported by a sound risk management strategy and an effective risk management framework that is appropriate to the nature, scale and complexity of its activities.

CORPORATE GOVERNANCE (CONT'D.)

Risk Management Committee (Cont'd.)

The RMC also assists the Board in overseeing and reviewing the Company’s Enterprise Risk Management (“ERM”) Framework, including its policies and procedures for identifying, assessing, managing and monitoring risks, to ensure that they are aligned with the Company’s corporate objectives and risk appetite.

The Company shall be seen to practice good corporate governance in a fair and thorough manner as required by:

(a) BNM/RH/GL 013-5 Risk Governance
(b) BNM/RH/PD 029-9 Corporate Governance

Membership and meetings of the Risk Management Committee from 1 April 2023 to 31 December 2023

Members	Number of Meetings (Attended/Held)
Elsie Kok Yin Mei (Chairman)	5/5
Phoon Soon Keong	5/5
Dato' Lim Heen Peok	5/5

Internal Control Framework

The Internal Control Framework is guided by the principles documented within the Board approved Enterprise Risk Management ("ERM") Framework in managing all relevant sources of risk faced by the Company by defining the standards and expectations consistent with the views of the Board of Directors, regulatory requirements, industry guidelines and risk management best practices.

The ERM Framework enables the Board of Directors and the Management to maintain and manage a comprehensive view of the risk profiles of all facets of the Company through transparency, reporting and escalation of risk matters.

CORPORATE GOVERNANCE (CONT'D.)

Internal Control Framework (Cont'd.)

a) The Company adopts the three lines of defense model in implementing an effective ERM model across the Company as illustrated below:

Line of Defense	Functions	Roles and Responsibilities
First Line of Defense	Business Units	● Own and manage all risk identified in their business unit ● Ensure risk management policies are implemented in their respective areas ● Be fully aware of the risk factors that should be considered in every decision and action ● Consider Environmental, Social and Governance impact and risks to their respective strategy and business objectives ● Responsible to establish a risk and control environment as part of day-to-day operations
Second Line of Defense	Risk Management	● Drives the implementation of an effective risk management framework ● Monitor and support the implementation of effective risk management practices through the development of risk governance guidance and tools ● Assist the risk owners in the reporting and escalation of risk ● Provide guidance and direction on implementing policies and procedures that support effective risk management ● Provide the framework to identify and assess ESG related risk and its potential impacts ● Provides assurance oversight to the Board

CORPORATE GOVERNANCE (CONT'D.)

Internal Control Framework (Cont'd.)

a) The Company adopts the three lines of defense model in implementing an effective ERM model across the Company as illustrated below (Cont'd.):

Line of Defense	Functions	Roles and Responsibilities
Second Line of Defense (Cont'd)	Compliance	● Oversees the implementation of Compliance Policy ● Designs and implements the compliance annual plan and strategy and defines compliance objectives across the Company ● Designs and implements compliance policies and frameworks, including but not limited to the relevant policies pertaining to prevention of money laundering, terrorism financing, bribery and corruption ● Reviews, facilitates and reports compliance issues to the Board in a timely manner ● Reviews, assesses and deliberates corrective measures to address compliance risk concerns as highlighted by the Compliance function, internal audit and regulatory authorities, where relevant ● Evaluates the effectiveness of the Company's overall management of compliance risk annually
Third Line of Defense	Internal Audit	● Provide independent assurance on the effectiveness of the organisation's risk management and internal controls ● Provide assurance on the effectiveness of the first and second lines of defense ● Report regularly to the Board and senior management on the effectiveness and adequacy of the risk management and compliance functions, and whether the internal controls in the organisation are working effectively

CORPORATE GOVERNANCE (CONT'D.)

Internal Control Framework (Cont'd.)

b) Key Policies and Frameworks of the internal control framework are reviewed periodically, to reflect the latest changes from the political, economic, social, technological, legal/regulatory, and environmental landscape:

- The Enterprise Risk Management Framework sets out a formal documented framework of how risks in the Company should be managed, using the International Standard for Risk Management ISO31000 standards as the foundation.

- The Internal Capital Adequacy Assessment Process (ICAAP) Policy is to ensure that the Company maintains an appropriate and effective ICAAP which is aligned to its Risk Appetite Statement, Capital Management Plan and Stress Testing Policy.

- The Operational Risk Management Framework determines the extent of the Company's operational risk exposure, to understand what drives it, to allocate capital against it, to identify internal and external risks that would help in developing effective controls to mitigate the risks.

- The Technology Risk Management Framework determines the extent of Company's technology risk exposure, to understand what drives it, to allocate capital against it, and to identify internal and external risks that would help in developing effective controls to mitigate the risks.

- The Cyber Resilience Framework codifies the core governing principles, objectives and high-level approach for cyber resilience, in order to continuously identify, protect, detect, respond and recover from internal as well as external cyberattacks and threats.

- The Business Continuity Management Framework outlines the principles and specific requirements regarding the formulation of Crisis Management Plan, Business Continuity Plan (BCP) and Disaster Recovery Plan, implementation, testing and maintenance of these plans.

- The Outsourcing Risk Management Framework outlines the basis and approach for identifying outsourcing risk, and the essential components in managing outsourcing risk.

- The Credit Risk Management Policy articulates the Company's governance for managing credit risks and to ensure that credit risk management practices of the Company remain effective moving forward.

- The Anti-Fraud Policy documents the Company's standards with regards to principles for the effective management of fraud risk, roles and responsibilities of all stakeholders involved in the management of fraud risks, and fraud risk management process.

CORPORATE GOVERNANCE (CONT'D.)

Internal Control Framework (Cont'd.)

c) For the Compliance function, the Key Policies/Frameworks and Guidelines include:

- Liberty Mutual Code of Business Ethics and Conduct lays the foundation for ethical behavior across the Company. It comprises 4 areas, namely, Speak Up, Avoid Conflict of Interest, Protect Information and Comply with the Law.

- The Compliance Policy aims to protect the Company from regulatory, financial or reputational risks that could arise from noncompliant or unethical conduct, assist to prevent, detect and remediate compliance failures or risks, and seek to ensure that the Company and its employees are in compliance with all applicable laws and regulations.

- The Regulatory Relationship Guideline provides the basis on which relationships between the Company and the Regulators are managed. It sets out clear guidance on the roles and responsibilities of stakeholders to ensure that the Company manages the relationships with Regulators holistically across the Company.

- The Liberty Mutual Insurance Global Anti-Money Laundering Policy aims to provide all employees with an understanding of the facts and circumstances that can give rise to suspicion of potential criminal activity in the course of Liberty’s business and what to do when an employee becomes aware of or suspects such activity.

- The Liberty Mutual Insurance International Economic & Trade Sanctions Policy provides guidance to employees in complying with local and international sanctions obligations.

- The Liberty Mutual Insurance Anti-Corruption Policy aims to help Company employees to recognise, detect and avoid potential violations of anti-corruption laws.

- The Whistleblower Protection Policy provides the framework, guidance and channel for all employees and external parties to disclose any improper conduct committed or about to be committed by those in authority.

CORPORATE GOVERNANCE (CONT'D.)

Sustainability Framework

At Liberty General Insurance Berhad ("LGIB"), we continue to integrate the various components of sustainability into every facet of our business. As a combined entity from the merger of Liberty Insurance and AmGeneral Insurance, we evolved and further strengthened these efforts, guided by our Board-approved Sustainability Framework.

This Sustainability Framework outlines the governance structure we have established, our purpose, goals, and the strategic pillars, namely Increase Customer Resilience, Enable Sustainable Growth, Improve Lives and Communities, and Advance Diversity, Equity, and Inclusion. These pillars guide our corporate strategies and initiatives ensuring that we meet regulatory requirements as well as exceed stakeholder expectations, while driving meaningful and positive change. Our purpose to help people embrace today and confidently pursue tomorrow serves as the cornerstone of our commitment to creating positive impacts on the lives of our stakeholders.

We have continuously strengthened our commitment to comply with the climate change disclosure standards set by Bank Negara Malaysia ("BNM"). This includes the Climate Risk Management and Scenario Analysis ("CRMSA"), Climate Change and Principle-based Taxonomy (“CCPT”), along with the Application Guide for Task Force on Climate-related Financial Disclosures ("TCFD"). In 2023, LGIB placed a strategic emphasis on CRMSA as one of the core components of our sustainability commitment. Facilitating close collaboration across all departments, we ensure seamless integration of Environmental, Social and Governance ("ESG") considerations into our operations. Beyond compliance, we leverage on the CRMSA requirements as a catalyst for enhanced climate resilience and sustainable growth.

Looking ahead, we are excited to announce our upcoming partnership with the United Nations Global Compact Malaysia and Brunei ("UNGCMYB"). This collaboration signifies our commitment to sustainability on a more meaningful scale. Through this partnership, we aim to raise the awareness among our workforce, empower them with the skills needed to spearhead sustainability initiatives, and collaborate with SMEs to drive positive changes across our value chain.

CORPORATE GOVERNANCE (CONT'D.)

Audit Committee

As at reporting date, the Audit Committee ("AC") comprises three (3) Independent, Non-Executive Directors. The Chairman of the Committee is an Independent, Non-Executive Director. The Board has appointed the AC to assist in discharging its duties of maintaining a sound system of internal control to safeguard the Company's assets and shareholder's investments.

The AC is mandated by the Board primarily to assist the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process, the corporate governance process and the Company's process for monitoring compliance with relevant laws and regulations.

The Company shall be seen to practice good corporate governance in a fair and thorough manner as required by:

(a) BNM/RH/GL 013-4 *Guidelines on Internal Audit Function of Licensed Institutions*
(b) BNM/RH/GL 013-5 *Risk Governance*
(c) BNM/RH/PD 029-9 *Corporate Governance*
(d) Financial Services Act (FSA) 2013
  i) Section 62 - Notice of Cessation from Office
  ii) Section 143 - Submission of Document or Information to Bank

Membership and meetings of the Audit Committee from 1 April 2023 to 31 December 2023

Members	Number of Meetings (Attended/Held)
Keong Choon Keat (Chairman) (Resigned on 9 February 2024)	4/4
Dato' Lim Heen Peok	4/4
Phoon Soon Keong	4/4

CORPORATE GOVERNANCE (CONT'D.)

Remuneration Framework

Qualitative Disclosures

The Company Remuneration Objectives

The Company’s remuneration practice, which is applicable to all divisions within the Company, seeks to ensure that we are able to attracting, developing and retaining employees and motivating these employees to succeed and to demonstrate good corporate governance, compliance with all relevant local legislation and minimise risky behaviour.

The Company seeks to ensure that performance goals are clearly designed and communicated to employees of the organisation through a robust and transparent performance management process. Performance goals are aligned with the long term strategy of the business and the requirements of each individual employees.

The Company's remuneration policy is based on the Liberty Mutual Insurance Group’s (“LMIG”) compensation philosophy outlined below:

(a) Be competitive to market

(b) Pay for performance

- Pay above market for people who perform well
- Pay significantly above market for exceptional performance

(c) Provide pay growth through promotional opportunities

CORPORATE GOVERNANCE (CONT'D.)

Remuneration Framework (Cont'd.)

Qualitative Disclosures (Cont'd.)

The Company’s Approach to Remuneration

The Company’s remuneration is made up of three (3) components; Fixed Remuneration, Variable Pay and Benefits & Perquisites.

Components	Form	Purpose	Application
Fixed Remuneration	a) Base Salary b) Allowances	Predominantly base salary, although it may also include fixed allowances which are typical market practice	● Aligned to the local market ● Reviewed on an annual basis during the Salary Review process ● Assessed due to a promotion, transfer or other change of role throughout the year
Variable Pay	a) Short-Term Incentive (Performance Bonus) b) Liberty Mutual Group’s long-term incentive scheme	Pay for Performance ● Focus on achievement of individual and business objectives which are aligned to growth of the organisation over the short and long term	● Employees are eligible for a Short-Term Incentive scheme with a performance period of one year ● Senior employees, may also be eligible to participate in Liberty Mutual Group’s long-term incentive scheme
Benefits & Perquisites		● Offer a competitive package to employees	● Reviewed regularly to ensure they are market relevant and legally compliant

CORPORATE GOVERNANCE (CONT'D.)

Remuneration Framework (Cont'd.)

Qualitative Disclosures (Cont'd.)

The Company's Approach to Remuneration (Cont'd.)

Determination of Variable pay plans

Variable pay plans are designed to reward both short and long term performance. Rewards are calculated by reference to individual targets which may differ depending on individual roles and market practice. However, awards from variable pay schemes are discretionary. Based on the plan rules, payments can be restricted or not paid at all.

Short-term performance is measured by achievement of individual (personal) objectives and business objectives measured over an annual timeframe. Employees in control functions will only be measured on individual performance.

Individual and Business Unit/Company performance is measured against targets that are established annually. Typical business measures of performance include, but are not limited to, Return on Equity ("ROE"), Pre-Tax Operating Income ("PTOI"), Gross Written Premium ("GWP") and Net Written Premium ("NWP").

Determination of Deferred Compensation

For members of the senior management team who are material risk takers and/or other material risk takers as identified by the Company, a portion of their variable remuneration will be deferred over a period of time as determined by the Company. Leaders in control functions (i.e. Compliance, Risk, and Internal Audit) will not have deferred compensation.

Quantitative Disclosure

The breakdown of the total amount of remuneration awards for sixteen (16) Material Risk Takers including CEO for financial period ended 31 December 2023 are disclosed in the table below:

Total value of remuneration award for the financial period	Unrestricted (RM)	Deferred (RM)
Fixed remuneration		
● Cash-based	9,246,599	-
● Shares and share-linked instruments	-	-
● Other	-	-
Variable remuneration		
● Cash-based	4,657,431	1,690,134
● Shares and share-linked instruments	687,764	458,545
● Other	2,811,207	-

CORPORATE GOVERNANCE (CONT'D.)

DIRECTORS' BENEFITS

Neither at the end of the financial period, nor at any time during that period, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other corporate body.

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than the benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown below) by reason of a contract made by the Company or a related corporation with any director or with a firm in which he is a member, or with a company in which he has a substantial financial interest, except for the related party transactions as shown in Note 27 to the financial statements.

The directors' benefits paid to or receivable by Directors in respect of the financial period ended 31 December 2023 are as follows:

	RM'000
Fees	971
Other remunerations	192
	1,163

INDEMNIFICATION OF DIRECTORS

The Company through its immediate holding company, Liberty Global Holdings Sdn Bhd ("LGHSB") has maintained a Directors’ and Officers’ Liability Insurance on a group basis up to an aggregate limit of USD25 million against any legal liability incurred by the Directors and Officers in the discharge of their duties while holding office in the Company. The Directors and Officers shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them.

CORPORATE GOVERNANCE (CONT'D.)

MANAGEMENT INFORMATION

The Directors review Board papers and reports prior to the Board meetings. Information and materials relating to the operations of the Company that are important to the Directors' understanding of the items in the agenda and related topics, are distributed in advance of the meeting. The Board reports include among others, minutes of meetings of all Committees of the Board, monthly performance of the Company, review of business strategy, credit risk management, asset liability and market risk management and industry benchmarking as well as prevailing regulatory developments and the economic and business environment.

These reports are issued timely to enable the Directors to obtain further explanations, where necessary, in order to be briefed properly before the meeting. The Board provides input on Company policies.

OTHER STATUTORY INFORMATION

(a) Before the statement of financial position, income statement and statement of comprehensive income of the Company were made out, the Directors took reasonable steps:

   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowances for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowances had been made for doubtful debts; and

   (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances which would render:

   (i) the amount written off for bad debts or the amount of allowances for doubtful debts in the financial statements of the Company inadequate to any substantial extent; and

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

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

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

OTHER STATUTORY INFORMATION (CONT'D.)

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

(i) any charge on the assets of the Company which has arisen since the end of the financial period which secures the liabilities of any other person; or

(ii) any contingent liability of the Company which has arisen since the end of the financial period.

(f) In the opinion of the Directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which will or may affect the ability of the Company to meet its obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which is likely to affect substantially the results of the operations of the Company for the financial period in which this report is made.

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

(g) Before the statement of financial position, income statement and statement of comprehensive income of the Company were made out, the Directors took reasonable steps to ascertain that there was adequate provision for its insurance liabilities in accordance with the requirements of MFRS 17 *Insurance Contracts* issued by the Malaysian Accounting Standards Board.

SIGNIFICANT AND SUBSEQUENT EVENTS

The significant and subsequent events during the financial period are disclosed in Note 35 to the financial statements.

IMMEDIATE AND ULTIMATE HOLDING COMPANIES

The immediate holding company is LGHSB and ultimate holding company is Liberty Mutual Holding Company Inc., a company incorporated in Massachusetts, United States of America.

Company No: 197801007153

LIBERTY GENERAL INSURANCE BERHAD
(Formerly Known As AmGeneral Insurance Berhad)
(Incorporated in Malaysia)

AUDITORS

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

The auditors' remuneration of the Company during the financial period ended 31 December 2023 is RM2,527,000.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 16 May 2024.

Dato' Haji Kamil Khalid Ariff

Tan Chong Liong

Kuala Lumpur, Malaysia

Company No: 197801007153

LIBERTY GENERAL INSURANCE BERHAD
(Formerly Known As AmGeneral Insurance Berhad)
(Incorporated in Malaysia)

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

We, Dato' Haji Kamil Khalid Ariff and Tan Chong Liong, being two of the directors of Liberty General Insurance Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 32 to 168 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2023 and of its financial performance and cash flows for the financial period then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 16 May 2024.

Dato' Haji Kamil Khalid Ariff

Tan Chong Liong

Kuala Lumpur, Malaysia

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

I, Suppiah A/L Poongavanam, being the officer primarily responsible for the financial management of Liberty General Insurance Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 32 to 168 are in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named Suppiah A/L Poongavanam at Kuala Lumpur in Wilayah Persekutuan on 16 May 2024.

Suppiah A/L Poongavanam

Before me,

PESURUHJAYA SUMPAH
No. W 1006
MOHAMAD ZULISWANDI BIN MOHAMED
1.12.2022 - 31.12.2024
MALAYSIA

Level 25, Menara Hong Leong,
No. 6, Jalan Damanlela Bukit Damansara,
50490 Kuala Lumpur.

Building a better working world

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
SST ID: W10-2002-32000062
Chartered Accountants
Level 23A Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur, Malaysia

Tel: +603 7495 8000
Fax: +603 2095 5332 (General line)
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+603 2095 9078
ey.com

Company No: 197801007153

Independent auditors' report to the member of
Liberty General Insurance Berhad
(Formerly Known As AmGeneral Insurance Berhad)
(Incorporated in Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Liberty General Insurance Berhad ("the Company"), which comprise the statement of financial position as at 31 December 2023, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 32 to 168.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and cash flows for the period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for opinion

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

Independence and other ethical responsibilities

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

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report (including the Corporate Governance disclosures), but does not include the financial statements of the Company and our auditors' report thereon.

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

Company No: 197801007153

Independent auditors' report to the member of
Liberty General Insurance Berhad
(Formerly Known As AmGeneral Insurance Berhad) (cont'd.)
(Incorporated in Malaysia)

Information other than the financial statements and auditors' report thereon (cont'd.)

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

Company No: 197801007153

**Independent auditors' report to the member of
Liberty General Insurance Berhad
(Formerly Known As AmGeneral Insurance Berhad) (cont'd.)
(Incorporated in Malaysia)**

Auditors' responsibilities for the audit of the financial statements (cont'd.)

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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Company No: 197801007153

Independent auditors' report to the member of
Liberty General Insurance Berhad
(Formerly Known As AmGeneral Insurance Berhad) (cont'd.)
(Incorporated in Malaysia)

Auditors' responsibilities for the audit of the financial statements (cont'd.)

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

Other matters

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

Ernst + Young PLT

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Kuala Lumpur, Malaysia
16 May 2024

Kannan A/L Rajagopal
No. 03490/03/2026 J
Chartered Accountant

Company No: 197801007153

LIBERTY GENERAL INSURANCE BERHAD
(Formerly Known As AmGeneral Insurance Berhad)
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	31.12.2023 RM'000	Restated 31.3.2023 RM'000	Restated 1.4.2022 RM'000
Assets				
Property and equipment	3	80,855	64,954	12,681
Investment properties	11	31,196	32,656	-
Right-of-use assets	4	34,351	11,808	13,748
Intangible assets	5	30,098	35,634	37,608
Investments	6	5,056,044	5,135,010	3,673,727
Reinsurance contract assets	14	459,790	540,414	451,528
Other receivables	7	103,553	148,000	84,240
Deferred tax assets	8	29,829	17,230	40,172
Cash and cash equivalents	9	198,497	267,592	203,288
Non-current assets held for sale	10	-	3,612	1,562
Total assets		6,024,213	6,256,910	4,518,554
Equity				
Share capital	12	2,967,070	2,967,070	1,061,000
Merger reserves	13	(1,027,042)	(1,027,042)	-
Asset revaluation reserve		582	-	-
FVOCI reserve		944	-	-
Retained earnings		434,406	612,042	566,113
Total equity		2,375,960	2,552,070	1,627,113
Liabilities				
Insurance contract liabilities	14	3,223,791	3,393,693	2,611,382
Other liabilities	15	5,482	3,081	3,098
Lease liabilities	4	37,059	12,349	14,489
Provision for taxation		35,277	19,346	38,592
Other payables	16	327,719	257,969	206,485
Provision for retirement benefits	17	18,925	18,402	17,395
Total liabilities		3,648,253	3,704,840	2,891,441
Total equity and liabilities		6,024,213	6,256,910	4,518,554

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

Company No: 197801007153

LIBERTY GENERAL INSURANCE BERHAD
(Formerly Known As AmGeneral Insurance Berhad)
(Incorporated in Malaysia)

INCOME STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2023

	Note	1.4.2023 to 31.12.2023 RM'000	Restated 1.4.2022 to 31.3.2023 RM'000
Insurance revenue	14,21	1,659,072	1,553,283
Insurance service expense	14,22	(1,386,725)	(1,233,865)
Net expense from reinsurance contracts held	14	(140,587)	(128,942)
Insurance service result		131,760	190,476
Investment income	18	108,665	132,327
Realised gains/(losses)	19	1,168	(2,452)
Fair value gains/(losses)	20	67,919	(4,406)
Net investment return		177,752	125,469
Insurance finance expenses for insurance contract issued	14	(92,567)	(84,378)
Reinsurance finance income for reinsurance contract held	14	13,861	13,746
Net insurance financial result		(78,706)	(70,632)
Other income		6,261	7,612
Other expenses	22	(81,401)	(19,300)
Finance costs	4	(1,255)	(532)
Profit before taxation		154,411	233,093
Taxation	23	(20,505)	(23,668)
Net profit for the period/year		133,906	209,425

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

Company No: 197801007153

LIBERTY GENERAL INSURANCE BERHAD
(Formerly Known As AmGeneral Insurance Berhad)
(Incorporated in Malaysia)

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2023

	Note	1.4.2023 to 31.12.2023 RM'000	Restated 1.4.2022 to 31.3.2023 RM'000
Net profit for the period/year		133,906	209,425
Other comprehensive income/(loss):			
<u>Other comprehensive income/(loss) to be reclassified to the income statement in subsequent periods:</u>			
Fair value through other comprehensive income ("FVOCI"):			
Gains on fair value changes of FVOCI financial assets	6.5	1,235	-
Allowance for expected credit loss		7	-
Tax effects thereon		(298)	-
Net other comprehensive income to be reclassified to the income statement in subsequent periods		944	-
<u>Other comprehensive (loss)/income not to be reclassified to the income statement in subsequent periods:</u>			
Re-measurement losses on defined benefit plans	17.3	(1,562)	(1,501)
Tax effects thereon	17.3	375	360
Revaluation surplus on self-occupied properties	3	766	-
Tax effects thereon		(184)	-
Net other comprehensive losses not to be reclassified to the income statement in subsequent periods		(605)	(1,141)
Total other comprehensive income/(loss) for the period/year, net of taxation		339	(1,141)
Total comprehensive income for the period/year		134,245	208,284
Earnings per share (sen)			
Basic	24.1	10	35
Diluted	24.2	10	34

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

Company No: 197801007153

LIBERTY GENERAL INSURANCE BERHAD
(Formerly Known As AmGeneral Insurance Berhad)
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2023

		<-------------------- Non-distributable			*--------------------->*	*Distributable*	
	Note	**Share capital RM'000 (Note 12)**	**Merger reserves RM'000 (Note 13)**	**Asset revaluation reserve RM'000**	**FVOCI reserve RM'000**	**Retained earnings RM'000**	**Total equity RM'000**
At 1 April 2022, as previously reported		1,061,000	-	-	-	553,155	1,614,155
Impact of initial application of MFRS 17		-	-	-	-	12,958	12,958
Restated balance as at 1 April 2022		1,061,000	-	-	-	566,113	1,627,113
Net profit for the year		-	-	-	-	209,425	209,425
Other comprehensive loss		-	-	-	-	(1,141)	(1,141)
Total comprehensive income for the year		-	-	-	-	208,284	208,284
Dividends on INCPS	25	-	-	-	-	(3,355)	(3,355)
Dividends on ordinary shares	25	-	-	-	-	(159,000)	(159,000)
Created during the year	13, 36	1,906,070	(1,027,042)	-	-	-	879,028
Restated balance as at 31 March 2023		2,967,070	(1,027,042)	-	-	612,042	2,552,070
Balance as at 1 April 2023		2,967,070	(1,027,042)	-	-	612,042	2,552,070
Net profit for the period		-	-	-	-	133,906	133,906
Other comprehensive income/(loss)		-	-	582	944	(1,187)	339
Total comprehensive income for the period		-	-	582	944	132,719	134,245
Dividends on INCPS	25	-	-	-	-	(3,355)	(3,355)
Dividends on ordinary shares	25	-	-	-	-	(307,000)	(307,000)
Balance as at 31 December 2023		2,967,070	(1,027,042)	582	944	434,406	2,375,960

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

Company No: 197801007153

LIBERTY GENERAL INSURANCE BERHAD
(Formerly Known As AmGeneral Insurance Berhad)
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2023

	Note	1.4.2023 to 31.12.2023 RM'000	Restated 1.4.2022 to 31.3.2023 RM'000
Operating activities			
Profit before taxation		154,411	233,093
Adjustments for:			
Investment income	18	(108,665)	(132,327)
Realised (gains)/losses	19	(1,168)	2,452
Fair value (gains)/losses	20	(67,919)	4,406
Depreciation of property and equipment	3,22	6,850	3,612
Intangible assets written-off	5,22	48	-
Property and equipment written-off	3,22	4,776	26
Depreciation of right-of-use assets	4,22	14,500	11,903
Impairment loss on investment properties	11,22	1,460	-
Impairment loss on property and equipment	3,22	6,547	-
Amortisation of intangible assets	5,22	12,047	14,007
Impairment loss on FVOCI financial assets	22	7	-
Reversal of allowance for impairment losses on reinsurance assets		(290)	(517)
Allowance/(reversal of allowance) for impairment losses on insurance receivables		615	(1,799)
Recovery of bad debts written-off	22	(12)	(66)
Retirement benefits expense	17.2, 22.1	607	726
Property and equipment charged to income statement	3	85	-
Covid-19 related rent concessions	4	-	(2)
Finance costs on lease liabilities	4	1,255	532
Total adjustments		(129,257)	(97,047)
Changes in working capital:			
Purchase of AC financial assets	6.5	(145,000)	(1,644)
Purchase of FVTPL financial assets	6.5	(4,392)	(338,000)
Purchase of FVOCI financial assets	6.4	(53,818)	-
Proceeds from sale of FVTPL financial assets	6.5	298,898	215,877
Proceeds from maturities of AC financial assets	6.5	1,888	84
Proceeds from maturities of FVOCI financial assets	6.5	50,000	-
Decrease in reinsurance contract assets		80,914	64,898
Decrease/(increase) in other receivables		55,084	(4,815)
Decrease in insurance contract liabilities		(170,505)	(42,549)
Increase/(decrease) in other liabilities		2,401	(17)
Increase/(decrease) in other payables		69,750	(748)
Net increase/(decrease) in working capital		185,220	(106,914)

Company No: 197801007153

LIBERTY GENERAL INSURANCE BERHAD
(Formerly Known As AmGeneral Insurance Berhad)
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2023 (CONT'D.)

	Note	1.4.2023 to 31.12.2023 RM'000	Restated 1.4.2022 to 31.3.2023 RM'000
Operating activities (Cont'd.)			
Dividend income received		64,655	137,901
Interest income received		31,222	4,465
Retirement benefits paid	17.1	(1,646)	(1,220)
Income tax paid		(17,280)	(42,344)
Payment of interest portion of lease liabilities	4	(1,255)	(532)
Net cash generated from operating activities		286,070	127,402
Investing activities			
Proceeds from disposal of properties	10	3,950	-
Proceeds from disposal of equipment		8	28
Purchase of property and equipment	3	(33,398)	(1,753)
Purchase of intangible assets	5	(6,559)	(7,875)
Net cash used in investing activities		(35,999)	(9,600)
Financing activities			
Payment of principal portion of lease liabilities		(8,811)	(12,129)
Dividend paid on INCPS	25	(3,355)	(3,355)
Dividend paid on ordinary shares	25	(307,000)	(159,000)
Cash and cash equivalents from immediate holding company	36	-	120,986
Net cash used in financing activities		(319,166)	(53,498)
Net (decrease)/increase in cash and cash equivalents		(69,095)	64,304
Cash and cash equivalents at beginning of period/year		267,592	203,288
Cash and cash equivalents at end of period/year		198,497	267,592
Cash and cash equivalents comprise:			
Cash at banks and on hand	9	68,807	166,693
Short-term deposits (with original maturity of less than three months) with licensed banks	9	129,690	100,899
Cash and cash equivalents		198,497	267,592

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

1. CORPORATE INFORMATION

The Company is a public limited company, incorporated and domiciled in Malaysia. The registered office and principal place of business of the Company is located at Level 13A, Liberty Insurance Tower, CT9, Pavilion Damansara Heights, 3, Jalan Damanlela, Pusat Bandar Damansara, Kuala Lumpur, Wilayah Persekutuan.

The immediate holding company is Liberty Global Holdings Sdn Bhd ("LGHSB"), a company incorporated in Malaysia, and ultimate holding company is Liberty Mutual Holding Company Inc., a company incorporated in Massachusetts, United States of America.

The Company is engaged principally in the underwriting of all classes of general insurance business. There have been no significant changes in the nature of the principal activity of the Company during the financial period.

The Company has changed its financial year-end from 31 March to 31 December to align with the financial year-end of its immediate holding company. Accordingly, the current financial period covers nine months from 1 April 2023 to 31 December 2023. Therefore, the comparative amounts for the income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows, and the related notes to the financial statements are not comparable.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 16 May 2024.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

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

At the beginning of the current financial period, the Company had fully adopted the Revised Conceptual Framework and amendments to MFRSs as described fully in Note 2.3.

The financial statements of the Company have been prepared under the historical cost convention, unless otherwise stated in the accounting policies.

As at the reporting date, the Company has met the minimum capital requirements as prescribed by the Risk-based Capital ("RBC") Framework issued by Bank Negara Malaysia ("BNM").

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.1 Basis of preparation (Cont'd.)

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

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except where otherwise indicated.

2.2 Summary of material accounting policies

(a) Investments in subsidiaries and basis of non-consolidation

Subsidiaries are those entities over which the Company has all the following:

(i) Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries, which relate to investments in collective investment schemes, are carried at fair value.

On disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is recognised as gain or loss on disposal in the income statement.

The Company is exempted from presenting consolidated financial statements based on the criteria set out in paragraph 4 of MFRS 10 *Consolidated Financial Statements* ("MFRS 10").

The immediate holding company, LGHSB prepares consolidated financial statements in accordance with MFRS in Malaysia, which are available for inspection at the registered office of the immediate holding company.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(b) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

All items of property and equipment are initially recorded at cost. Subsequent cost is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be reliably measured. All other repairs and maintenance are charged to the income statement during the period in which they are incurred.

Land and buildings, which are substantially occupied by the Company for their operations, are classified under property and equipment.

Land and buildings are initially stated at cost and are subsequently revalued by independent registered valuers based on the highest and best use of the properties to reflect the fair value of the properties. These properties are revalued at regular intervals of at least once in every three years and with additional valuation in the intervening years to ensure that the carrying amount does not differ materially from the fair value of the properties at the end of financial reporting date.

When the land and buildings are revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated as the revalued amount of the asset.

The surplus arising from revaluation of these properties is credited to an asset revaluation reserve account except for surplus, to the extent that such surplus is related to and not greater than a deficit arising on revaluation previously recorded as an expense, is credited to the profit or loss. A deficit arising from revaluation of these properties is recognised as an expense except that, a deficit, to the extent that such a deficit is related to a surplus which was previously recorded as a credit to the asset revaluation reserve account and which has not been subsequently reversed or utilised, it is charged directly to that account.

Freehold land is not depreciated as it has infinite life. No depreciation is provided for work-in-progress as it is not ready for active use. Other property and equipment are depreciated on the straight line basis to write off the cost of the assets, to their residual values over their estimated useful lives, summarised in the following page:

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(b) Property and equipment (Cont'd.)

Freehold buildings	50 years
Leasehold buildings	50 years
Motor vehicles	5 years
Furniture and fittings	5 to 10 years
Office equipment (include air conditioner, handphone)	3 to 10 years
Office improvements	5 to 10 years
Computer equipment	5 years

The residual values and useful lives of property and equipment are reviewed, and adjusted as appropriate, at each date of the statement of financial position.

At each date of the statement of financial position, the Company assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 2.2 (d) for the accounting policy on impairment of non-financial assets).

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with the carrying amounts and are recognised in the income statement. On disposal of revalued assets, the amounts in the asset revaluation reserve relating to the assets are transferred to retained earnings.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(c) Intangible assets

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement as the expense category that is consistent with the function of the intangible assets.

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

Computer application software work-in-progress is not amortised until the asset is fully completed and brought in use.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

Intangible assets which comprise computer application software are amortised over their estimated finite useful lives of 5 to 7 years.

The policy for the recognition and measurement of impairment losses is in accordance with Note 2.2(d).

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(d) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

An asset’s recoverable amount is the higher of an asset’s or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss is recognised in the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods. A reversal of impairment loss for an asset other than goodwill is recognised in the income statement, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(e) Investments and other financial assets

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

(i) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost ("AC"), fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL").

For debt instruments, the classification of financial assets at initial recognition depends on the financial assets' contractual cash flow characteristics and the Company’s business model for managing them. For equity instruments, equity security that is not held for trading may be designated and measured at FVOCI. This election is irrevocable and made on an investment-by-investment basis at inception of the trade. With the exception of insurance receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Insurance receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under MFRS 15.

For debt instruments, in order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are ‘solely payments of principal and interest' ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(e) Investments and other financial assets (Cont'd.)

Financial instruments – initial recognition and subsequent measurement (Cont'd.)

Financial assets (Cont'd.)

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortised cost ("AC")
- Financial assets at fair value through profit or loss ("FVTPL")
- Financial assets at fair value through other comprehensive income ("FVOCI")

Financial assets at AC (debt instruments)

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or impaired.

The Company’s financial assets at amortised cost includes other receivables and cash and cash equivalents.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(e) Investments and other financial assets (Cont'd.)

Financial instruments – initial recognition and subsequent measurement (Cont'd.)

Financial assets (Cont'd.)

(ii) Subsequent measurement (Cont'd.)

Financial assets at FVTPL

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. For debt instruments, financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the income statement.

This category includes listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as investment income in the income statement when the right of payment has been established.

Financial assets at FVOCI

Financial assets at FVOCI are non-derivative financial assets that are not classified as FVTPL or at amortised cost. Financial assets at FVOCI are initially recognised at fair value. The Company measures debt instruments at FVOCI if both of the following conditions are met:

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(e) Investments and other financial assets (Cont'd.)

Financial instruments – initial recognition and subsequent measurement (Cont'd.)

Financial assets (Cont'd.)

(ii) Subsequent measurement (Cont'd.)

Financial assets at FVOCI (Cont'd.)

(a) The financial asset is held within a business model with the objective to achieve both collecting contractual cash flows and selling of the debt instruments; and

(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at FVOCI, interest income and impairment losses or reversals are recognised in the income statement and computed in the same manner as financial assets measured at amortised cost. The remaining fair value changes are recognised in statement of comprehensive income. Upon derecognition, the cumulative fair value change recognises in statement of comprehensive income is recycled to income statement.

For equity instruments at FVOCI, upon initial recognition, the Company can elect to classify irrevocably its equity instruments designated at FVOCI when they meet the definition of equity under MFRS 132 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses from equity instruments at FVOCI are never recycled to profit or loss. Dividends are recognised as investment income in the income statement when the right of payment has been established, except when the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in statement of comprehensive income. Equity instruments at FVOCI are not subject to impairment assessment.

The Company have made an irrevocable election under MFRS 9 to classify the unquoted equities as FVOCI, with no recycling allowed.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(f) Derecognition of financial assets

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either:

  (a) the Company has transferred substantially all the risks and rewards of the asset; or

  (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(g) Fair value measurement

The Company measures certain financial instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

- Level 2 - Valuation techniques for which all input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(g) Fair value measurement (Cont'd.)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the reporting date.

Fair value of unquoted equity instruments are based on expected recoverable value. These equity instruments represent ordinary shares in companies that are not quoted on any market. In addition, the variability in the range of reasonable fair value estimates derived from valuation techniques is significant.

For investments in unit and property trust funds and collective investment schemes, fair value is determined by reference to published net asset values.

(h) Impairment of financial assets

The Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there have not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(h) Impairment of financial assets (Cont'd.)

For insurance/reinsurance receivables and other receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account. The gross carrying amount of the financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company makes an assessment with respect to the timing and amount of the write-off based on whether there is reasonable expectation of recovery. The Company expects no significant recovery from the amount written off.

(i) Equity instruments

Share capital and share issuance expenses

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend on ordinary share capital

Dividends on ordinary shares are recognised in equity in the period in which they are declared.

Irredeemable Non-cumulative Convertible Preference Shares ("INCPS")

INCPS is classified as equity as they are non-redeemable and are redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity. The terms of the INCPS are disclosed in Note 12.

(j) Business combination involving entities under common control

Entities under common control are entities which are ultimately controlled by the same parties and that control is not transitory. Control exists when the same parties have, as a result of contractual agreements, ultimate collective power to govern the financial and operating policies of each of the subsidiaries so as to obtain benefits from their activities, and that ultimate collective power is not transitory. The consolidated financial statements of the commonly controlled entities are included in the consolidated financial statements from the day that control commences until the date that control ceases.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(j) Business combination involving entities under common control (Cont'd.)

Business combinations involving businesses or entities under common control are accounted for by applying the pooling-of-interests method which involves the following:

- The carrying amounts of the assets acquired and liabilities assumed are based on the carrying amounts recognised by the transferred business (e.g., those reported in the financial statements of the acquiree). No adjustments are made to reflect fair values, or recognise any new assets or liabilities, at the date of the combination.
- No ‘new’ goodwill is recognised as a result of the combination.
- Any difference between the consideration transferred or paid and the acquired net assets is reflected within equity as merger reserves.

In applying the pooling of interests method, the Company choose to not restate the periods prior to the business combination. The receiving entity accounts for the combination prospectively, beginning with the date it occurred.

(k) Insurance and reinsurance contracts classification

The Company issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur.

The Company issues all classes of general insurance to individuals and businesses. General insurance products offer protection of policyholder’s assets and indemnification of other parties that have suffered damage as a result of a policyholder’s accident.

The Company also issues reinsurance contracts in the normal course of business to compensate other entities for claims arising from one or more insurance contracts issued by those entities.

The Company does not issue any contracts with direct participating features.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(l) Insurance and reinsurance contracts accounting treatment

(i) Separating components from insurance and reinsurance contracts

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

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

The investment components of reinsurance contracts held are represented by profit commission and sliding scale commission. The profit commission sliding scale commission are closely related to the reinsurance contracts held and is not separated. However, for presentation purposes, it is shown on a separate line in the roll-forward. Receipts and payments related to the investment component will be excluded from the allocation of reinsurance premiums and the amounts recoverable from reinsurers for incurred claims.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(l) Insurance and reinsurance contracts accounting treatment (Cont'd.)

(ii) Level of aggregation

MFRS 17 requires an entity to determine the level of aggregation for applying its requirements. The level of aggregation for the Company is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together. Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant risk of becoming onerous, and the remainder. This means that, for determining the level of aggregation, the Company identifies a contract as the smallest 'unit', i.e., the lowest common denominator. However, the Company makes an evaluation of whether a series of contracts can be treated together in making the profitability assessment based on reasonable and supportable information, or whether a single contract contains components that need to be separated and treated as if they were stand-alone contracts. As such, what is treated as a contract for accounting purposes may differ from what is considered as a contract for other purposes (i.e., legal or management). MFRS 17 also notes that no group for level of aggregation purposes may contain contracts issued more than one year apart.

The Company has defined portfolios of insurance and reinsurance contracts issued based on its product lines due to the fact that the products are subject to similar risks and managed together. A working assumption has been applied where each product line is managed as a single pool and is exposed to similar risk events.

The portfolios are further divided by year of issue and profitability for recognition and measurement purposes. Hence, within each year of issue, portfolio of contracts are divided into three groups, as follows:

- A group of contracts that are onerous at initial recognition, if any;
- A group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently, if any; and
- A group of the remaining contracts in the portfolio, if any.

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business.

The Company assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(l) Insurance and reinsurance contracts accounting treatment (Cont'd.)

(ii) Level of aggregation (Cont'd.)

The Company generally avoids entering into agreements that are potentially onerous from the outset. This is due to the belief that the competitive nature of the insurance industry prevents the setting of premiums at a level high enough to yield a substantial profit margin, thereby eliminating any risk of contracts becoming onerous. Consequently, no contracts will be classified under the category of having no significant possibility of becoming onerous.

This leads to the establishment of only two categories for contract grouping, as follows:

- A group of contracts that are onerous at initial recognition; and
- A group of the remaining contracts in the portfolio.

The reinsurance contracts held portfolios are further divided into:

- A group of contracts on which there is a net gain on initial recognition, if any;
- A group of contracts that have no significant possibility of a net gain arising subsequent to initial recognition, if any; and
- A group of the remaining contracts in the portfolio, if any.

(iii) Recognition

The Company recognises groups of insurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts;
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date; and
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(l) Insurance and reinsurance contracts accounting treatment (Cont'd.)

(iii) Recognition (Cont'd.)

The Company recognises a group of reinsurance contracts held it has entered into from the earlier of the following:

- The beginning of the coverage period of the group of reinsurance contracts held. However, the Company delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held.

And

- The date the Company recognises an onerous group of underlying insurance contracts if the Company entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date.

(iv) Contract boundary

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

- The Company has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks.

Or

- Both of the following criteria are satisfied:

    - The Company has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and

    - The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(l) Insurance and reinsurance contracts accounting treatment (Cont'd.)

(iv) Contract boundary (Cont'd.)

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

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

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

- has a substantive right to terminate the coverage.

Cash flows that are not directly attributable to a portfolio of insurance contracts are recognised in other operating expenses as incurred.

The contract boundary is reassessed at each reporting date to include the effect of changes in circumstances on the Company’s substantive rights and obligations and, therefore, may change over time.

(v) Measurement - Premium Allocation Approach

(a) Premium Allocation Approach (“PAA”) Eligibility

The coverage period for most insurance contracts is one year or less, which automatically qualifies them for the PAA. Some insurance contracts have coverage periods greater than one year. However, as there is no material difference in measuring the liability for remaining coverage between the PAA and the general model, these contracts also qualify for the PAA.

(b) Insurance acquisition cash flows for insurance contracts issued

Insurance acquisition cash flows are allocated to related groups of insurance contracts and amortised over the coverage period of the related group or straight-line method.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(l) Insurance and reinsurance contracts accounting treatment (Cont'd.)

(v) Measurement - Premium Allocation Approach (Cont'd.)

(c) Liability for Remaining Coverage ("LFRC"), adjusted for financial risk and time value of money

The LFRC for loss component is adjusted to reflect the effect of the time value of money and changes in the time value of money. No allowance is made for the accretion of interest on the LFRC, as the premiums are received within one year of the coverage period.

(d) Liability for Incurred Claims ("LFIC") adjusted for time value of money

The LFIC is adjusted to reflect the time value of money and the effect of financial risk regardless of whether the cash flows are expected to be paid or received in one year or less from the date the claims are incurred.

(e) Insurance finance income and expense

The change in LFIC as a result of changes in discount rates will be captured within the income statement.

(vi) Insurance contracts - initial measurement

The Company applies PAA to all the insurance contracts that it issues and reinsurance contracts that it holds, as:

- The coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary.

Or

- For contracts longer than one year, the Company has modelled possible future scenarios and reasonably expects that the measurement of the LFRC for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Company has also considered qualitative factors such as the nature of the risk and types of its lines of business.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(l) Insurance and reinsurance contracts accounting treatment (Cont'd.)

(vi) Insurance contracts - initial measurement (Cont'd.)

The Company does not apply the PAA if, at the inception of the group of contracts, it expects significant variability in the fulfilment cash flows ("FCF") that would affect the measurement of the liability for the remaining coverage or asset for the remaining coverage during the period before a claim is incurred. Variability in the fulfilment cash flows increases with, for example the length of the coverage period of the group of contracts.

For a group of contracts that is not onerous at initial recognition, the Company measures the liability for remaining coverage as:

- The premiums, if any, received at initial recognition;
- Minus any insurance acquisition cash flows at that date;
- Plus or minus any amount arising from the derecognition at that date of the asset recognised for insurance acquisition cash flows; and
- Any other asset or liability previously recognised for cash flows related to the group of contracts that the Company pays or receives before the group of insurance contracts is recognised.

Where facts and circumstances indicate that contracts are onerous at initial recognition, the Company performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and the Company recognises a loss in the income statement for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Company for the liability for remaining coverage for such onerous group depicting the losses recognised.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(l) Insurance and reinsurance contracts accounting treatment (Cont'd.)

(vii) Insurance contracts - subsequent measurement

The Company measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

- Plus premiums received in the period
- Minus insurance acquisition cash flows
- Plus any amounts relating to the amortisation of the insurance acquisition cash flows recognised as an expense in the reporting period for the group
- Minus the amount recognised as insurance revenue for the services provided in the period
- Minus any investment component paid or transferred to the liability for incurred claims

The Company estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Company, and include an explicit adjustment for non-financial risk (the risk adjustment).

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(l) Insurance and reinsurance contracts accounting treatment (Cont'd.)

(viii) Insurance contracts - derecognition and modification

The Company derecognises insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired).

Or

- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Company derecognises the initial contract and recognises the modified contract as a new contract.

When a modification is not treated as a derecognition, the Company recognises amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

(ix) Reinsurance contracts held - initial measurement

The Company measures its reinsurance contract assets for a group of reinsurance contracts that it holds on the same basis as insurance contracts that it issues. However, they are adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued, for example the generation of expenses or reduction in expenses rather than revenue.

On initial recognition of a group of reinsurance contracts held, the Company measures the asset for the remaining coverage ("AFRC") at the amount of ceding premiums paid on initial recognition minus commission income received.

Where the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Company establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(l) Insurance and reinsurance contracts accounting treatment (Cont'd.)

(ix) Reinsurance contracts held - initial measurement (Cont'd.)

The Company calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the ratio of expected reinsurance receivable to expected outgo arising from the underlying insurance contracts. The Company uses a systematic and rational method to determine the portion of losses recognised on the group to insurance contracts covered by the group of reinsurance contracts held where some contracts in the underlying group are not covered by the group of reinsurance contracts held.

The loss-recovery component adjusts the carrying amount of the AFRC.

(x) Reinsurance contracts held - subsequent measurement

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held.

Where the Company has established a loss-recovery component, the Company subsequently reduces the loss recovery component to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

The Company measures the carrying value of the asset for incurred claims ("AFIC") at the end of each reporting period. The Company recognises the AFIC for a group of reinsurance contracts held at the amount of the fulfilment cash flows relating to the claims recoverable. The FCF are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(l) Insurance and reinsurance contracts accounting treatment (Cont'd.)

(xi) Insurance acquisition cash flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs. The Company uses a systematic and rational method to allocate:

(a) Insurance acquisition cash flows that are directly attributable to a group of insurance contracts

  (i) to that group; and

  (ii) to groups that include insurance contracts that are expected to arise from the renewals of the insurance contracts in that group.

(b) Insurance acquisition cash flows directly attributable to a portfolio of insurance contracts that are not directly attributable to a group of contracts, to groups in the portfolio.

For insurance contract issued, the Company chooses to defer and recognise any insurance acquisition cash flows over the coverage period of contracts in a group.

Where insurance acquisition cash flows have been paid or incurred before the related group of insurance contracts is recognised in the statement of financial position, a separate asset for insurance acquisition cash flows may be recognised for each related group. The asset for insurance acquisition cash flow is derecognised from the statement of financial position when the insurance acquisition cash flows are included in the initial measurement of the related group of insurance contracts.

The Company does not generally pay or incur insurance acquisition cash flows before a related group of insurance contracts is recognised in the statement of financial position. No asset for insurance acquisition cash flows has therefore been recognised.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(l) Insurance and reinsurance contracts accounting treatment (Cont'd.)

(xii) Risk adjustment for non-financial risk

An explicit risk adjustment for non-financial risk is estimated separately from the discounted FCF. For contracts measured under the PAA, unless contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the LFIC and AFIC. The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows. It reflects the compensation the Company requires for bearing uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfils its obligations under the insurance contracts. For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Company to the reinsurer.

(xiii) Presentation

The carrying amount of portfolios of insurance contracts issued that are assets, portfolios of insurance contracts issued that are liabilities, portfolios of reinsurance contracts held that are assets and portfolios of reinsurance contracts held that are liabilities are presented separately in the statement of financial position.

The Company disaggregates the total amount recognised in the income statement into an insurance service result, comprising insurance revenue and insurance service expense, and insurance finance income or expenses.

The Company does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result.

Income or expenses from reinsurance contracts held are presented separately from the expenses or income on insurance contracts issued.

Insurance revenue and insurance service expenses exclude any non-distinct investment components.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(l) Insurance and reinsurance contracts accounting treatment (Cont'd.)

(xiii) Presentation (Cont'd.)

(i) Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts (excluding any investment component) allocated to the period. The Company allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. But if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred insurance service expenses.

The Company changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate.

For the current periods presented, all revenue has been recognised on the basis of the passage of time.

The amount of insurance revenue recognised in the period reflects the provision of services and the consideration the Company expects to be entitled to in exchange for those services.

(ii) Insurance service expense

Insurance service expenses arising from insurance contracts are recognised as they are incurred. They exclude the repayment of investment components and comprise the following items:

- incurred claims;

- adjustments to the liabilities for incurred claims (including the risk adjustment) that do not arise from the effects of the time value of money, financial risk and changes therein;

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(l) Insurance and reinsurance contracts accounting treatment (Cont'd.)

(xiii) Presentation (Cont'd.)

(ii) Insurance service expense (Cont'd.)

- amortisation of insurance acquisition cash flows;
- other directly attributable insurance service expenses, including an allocation of fixed and variable overhead costs; and
- losses on onerous contracts and the reversal of such losses.

Expenses not meeting the above criteria are included in other expenses in the income statement.

(iii) Net income or expenses from reinsurance contracts held

Net income or expenses from reinsurance contracts comprise an allocation of reinsurance premiums paid less amounts expected to be recovered from reinsurers.

The allocation of reinsurance premiums under each group of reinsurance contracts held is the amount of expected premium payments net of commission income receivable. Expected premium payments exclude any investment components.

The Company recognises the allocation of reinsurance premium based on the passage of time over the relevant coverage period.

Amounts expected to be recovered from reinsurers are recognised as they are incurred. The Company uses consistent assumptions to measure the estimates of the future cash flows for a group of reinsurance contracts held with the underlying group of insurance contracts issued. Reinsurance cash flows that are contingent on claims incurred by the underlying insurance contracts issued are therefore included as part of the cash flows that are expected to be reimbursed under the reinsurance contract held.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(l) Insurance and reinsurance contracts accounting treatment (Cont'd.)

(xiii) Presentation (Cont'd.)

(iii) Net income and expenses from reinsurance contracts (Cont'd.)

The amounts expected to be recovered from reinsurers include the effect of any risk of non-performance by the issuer of the reinsurance contract.

For a group of reinsurance contracts held covering onerous underlying insurance contracts issued, the loss recovery component and the reversal of such loss recovery components are included as amounts recoverable from the reinsurer.

(iv) Loss component

The Company assumes that no contracts are onerous at initial recognition unless facts and circumstances indicate otherwise. Where this is not the case, and if at any time during the coverage period, the facts and circumstances indicate that a group of insurance contracts is onerous, the Company establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining coverage of the group over the carrying amount of the liability for remaining coverage of the group. Accordingly, by the end of the coverage period of the group of contracts the loss component will be zero.

(v) Loss recovery component

Where the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts, or when further onerous underlying insurance contracts are added to a group, the Company establishes a loss recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the expected recovery of the losses.

A loss recovery component is subsequently reduced to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(l) Insurance and reinsurance contracts accounting treatment (Cont'd.)

(xiii) Presentation (Cont'd.)

(vi) Insurance finance income or expense from insurance contracts issued and reinsurance contracts held

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts issued or reinsurance contracts held arising from the effect of the time value of money, financial risk and changes therein. These include:

- unwind of the initial discount i.e., interest accreted on the LFIC or AFIC and loss component and loss recovery component; and
- the effect of changes in interest rate assumptions.

The Company has elected to include insurance finance income and expenses in profit and loss and does not disaggregate these between profit and loss and other comprehensive income.

(vii) Non-distinct investment components

The Company identifies the non-distinct investment component of a contract by determining the amount that it would be required to repay to a policyholder in all circumstances, regardless of whether an insured event occurs. The receipt of this deposit component and the subsequent repayment do not relate to insurance services. Non-distinct investment components are therefore excluded from insurance revenue and insurance service expenses and are considered as a settlement of an insurance contract liability.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(m) Other revenue recognition

Rental income

Rental income is recognised on a straight line basis over the lease term in accordance with the substance of the relevant agreements.

Interest income

Interest income is recognised in the financial statements on an accrual basis using the effective interest rate method except for interest on loans which are considered non-performing, i.e., where repayments are in arrears for more than six months, in which case recognition of such interest is suspended. Subsequent to suspension, interest income is recognised on the receipt basis until all arrears have been paid.

Dividend income

Dividend income represents gross dividends from quoted and unquoted investments and is recognised when the right to receive payment is established.

Realised gains and losses on investments

Realised gains and losses recorded in the income statement on investments include gains and losses on financial assets. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the carrying value and are recorded on occurrence of the sale transaction.

(n) Taxation

Income tax on the income statement for the year/period comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the period and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(n) Taxation (Cont'd.)

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised as income or an expense and included in the income statement for the year/period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity.

(o) Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(p) Employee benefits

Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by employees. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years/periods. Such contributions are recognised as an expense in the income statement as incurred. As required by law, the Company makes such contributions to the Employees Provident Fund (“EPF”).

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(p) Employee benefits (Cont'd.)

Defined benefit plans

The calculation of defined benefit obligations is performed annually by qualified actuaries using the projected unit credit method.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in the statement of comprehensive income in the period in which they occur and recorded in defined benefit reserve. Remeasurements are not reclassified to the income statement in subsequent periods.

Past service costs are recognised in the income statement on the earlier of:

- The date of the plan amendment or curtailment; or

- The date that the Company recognises restructuring-related costs.

Net interest and other expenses relating to defined benefit plans are calculated by applying the discount rate to the net defined benefit liability or asset and recognised in the income statement.

Share-based compensation

AMMB, operates an equity-settled share-based compensation scheme wherein shares or options to subscribe for shares of AMMB are granted to eligible directors or employees of the AMMB Group of Companies ("AMMB Group") based on the financial and performance criteria and such conditions as it may deem fit.

The cost of this equity–settled share-based compensation for the Company (being the fair value at grant date) is recognised in the income statement as "Employee benefits expenses", together with a corresponding increase in prepayment to the ultimate holding company, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (“the vesting date”).

The estimated number of grants to be ultimately vested and its financial impact are reviewed quarterly and adjustments made accordingly to the income statement to reflect changes in the non-market vesting conditions.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(p) Employee benefits (Cont'd.)

Share-based compensation (Cont'd.)

Upon vesting, any losses arising from the differences between the fair value of vested shares or options at vesting date and the fair value of vested shares or options at grant date is payable to AMMB with the corresponding amount recognised directly in retained earnings.

(q) Foreign currencies

(i) Functional and presentation currency

The financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

(ii) Foreign currency transactions

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currencies are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in the income statement for the year/period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(r) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

All financial liabilities of the Company, comprising insurance payables and other payables, except for those covered under MFRS 17 and MFRS 119, are classified as other financial liabilities.

Insurance payables and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method.

For other financial liabilities, gains and losses are recognised in the income statement when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

(s) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and at banks, and deposits held at call with financial institutions with original maturities of three months or less. It excludes deposits which are held for investment purposes.

The statement of cash flows is prepared using the indirect method.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(t) Leases

The determination of whether an arrangement is, or contains, a lease is based on whether the arrangement conveys a right to control the use the asset, even if that right is not explicitly specified in an arrangement.

(i) The Company as a lessee

Leases are recognised as a right-of-use ("ROU") asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(t) Leases (Cont'd.)

(i) The Company as a lessee (Cont'd.)

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the underlying asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. If the Company is reasonably certain to obtain ownership of the underlying asset at the end of the lease term, the right-of-use asset is depreciated over the underlying asset's useful life. Right-of-use assets are assessed for impairment whenever there is an indication that the right-of-use assets may be impaired.

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(t) Leases (Cont'd.)

(i) The Company as a lessee (Cont'd.)

For changes that do not meet the above conditions, the requirements under MFRS 16 *Leases* stipulate that a change in lease payments (including rent concession), other than those arising from a change in amounts expected to be payable under residual value guarantees or in an index or rate used to determine lease payments, is accounted for as a lease modification if it is not part of the original terms and conditions of the lease.

If a rent concession results from a lease modification, the Company accounts for the rent concession as either a new lease or as a remeasurement of an existing lease liability, depending on the criteria set in MFRS 16.

If a rent concession does not result from a lease modification, the Company accounts for the rent concession as a variable lease payment in the period(s) in which the event or condition that triggers the reduced payment occurs.

(ii) The Company as a lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Rental income is recognised over the term of the lease on a straight-line basis. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(u) Non-current assets held for sale

Non-current assets are classified as asset held for sale and stated at the lower of carrying amount and fair value less cost to sell if their carrying amounts are recovered principally through a sale transaction rather than through continuing use.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

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

(v) Investment properties

Investment properties, comprising principally of land and buildings, are held for long term rental yields or for capital appreciation or both, and are not occupied by the Company.

Investment properties are initially stated at cost including related and incidental expenditure incurred, and are subsequently carried at fair value, representing open-market value determined by independent accredited valuer. Fair value is based on active market prices, adjusted if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Company uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. The fair values of investment properties are revalued at regular intervals of at least once in every three years and with additional valuation in the intervening years to ensure that the carrying amount does not differ materially from the fair value of the properties at the financial period/year end reporting date. Changes in fair values are recorded in the profit or loss in the year in which they arise.

On disposal of an investment property, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it shall be derecognised. The difference between the net disposal proceeds and the carrying amount is recognised in the profit or loss in the year of the retirement or disposal.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.3 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amendments to MFRS:

On 1 April 2023, the Company adopted the following:

- MFRS 17 *Insurance Contracts*
- Amendments to MFRS 17 *Insurance Contracts*
- *Initial Application of MFRS 17 and MFRS 9 – Comparative Information* (Amendment to MFRS 17 *Insurance Contracts*)
- *Classification of Liabilities as Current or Non-Current* (Amendments to MFRS 101)
- *Disclosure of Accounting Policies* (Amendments to MFRS 101)
- *Definition of Accounting Estimates* (Amendments to MFRS 108)
- *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (Amendments to MFRS 112)
- *Extension of the temporary exemption from applying MFRS 9* (Amendments to MFRS 4)

The adoption of the above pronouncements other than MFRS 17 *Insurance Contracts* did not have a significant impact on the financial statements of the Company.

MFRS 17 *Insurance Contracts*

MFRS 17 replaces MFRS 4 Insurance Contracts for annual periods on or after 1 January 2023. The Company has restated comparative information for financial year ended 31 March 2023 applying the transitional provisions in Appendix C to MFRS 17. The nature of the changes in accounting policies can be summarised, as follows:

Changes to classification and measurement

The adoption of MFRS 17 did not change the classification of the Company’s insurance contracts. The Company was previously permitted under MFRS 4 to continue accounting using its previous accounting policies. However, MFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Company.

In accordance with MFRS 17, the Company is eligible to apply the PAA for all insurance contracts issued and reinsurance contracts held. The PAA simplifies the measurement of insurance contracts in comparison with the General Measurement Model ("GMM") in MFRS 17. The measurement principles of the PAA differ from the ‘earned premium approach’ used by the Company under MFRS 4 in the following key areas:

- The liability for remaining coverage reflects premiums received less deferred insurance acquisition cash flows and less amounts recognised in revenue for insurance services provided

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.3 Changes in accounting policies (Cont'd.)

MFRS 17 *Insurance Contracts* (Cont'd.)

Changes to classification and measurement (Cont'd.)

- Measurement of the liability for remaining coverage involves an explicit evaluation of risk adjustment for non-financial risk when a group of contracts is onerous in order to calculate a loss component (previously these may have formed part of the unexpired risk reserve provision).

- Measurement of the liability for incurred claims (previously claims outstanding and incurred-but-not reported (IBNR) claims) is determined on a discounted probability-weighted expected value basis, and includes an explicit risk adjustment for non-financial risk. The liability includes the Company's obligation to pay other incurred insurance expenses.

- Measurement of the asset for remaining coverage (reflecting reinsurance premiums paid for reinsurance contracts held) is adjusted to include a loss-recovery component to reflect the expected recovery of onerous contract losses where such contracts reinsure onerous insurance contracts.

Changes to presentation and disclosure

For presentation in the statement of financial position, the Company aggregates insurance and reinsurance contracts issued and reinsurance contracts held, respectively and presents separately:

- Portfolios of insurance contracts issued that are assets
- Portfolios of insurance contracts issued that are liabilities
- Portfolios of reinsurance contracts held that are assets
- Portfolios of reinsurance contracts held that are liabilities

The portfolios referred to above are those established at initial recognition in accordance with the MFRS 17 requirements. Portfolios of insurance contracts issued include any assets for insurance acquisition cash flows.

The line item descriptions in the income statement have been changed significantly compared with last year. Previously, the Company reported the following line items:

- Gross earned premiums
- Net earned premiums
- Changes in contract liabilities
- Gross benefits and claims paid
- Net claims

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.3 Changes in accounting policies (Cont'd.)

MFRS 17 *Insurance Contracts* (Cont'd.)

Changes to presentation and disclosure (Cont'd.)

Instead, MFRS 17 requires separate presentation of:

- Insurance revenue
- Insurance service expenses
- Insurance finance income or expenses
- Income or expenses from reinsurance contracts held

The Company provides disaggregated qualitative and quantitative information about:

- Amounts recognised in its financial statements from insurance contracts
- Significant judgements, and changes in those judgements, when applying the standard

Transition

On transition date, 1 April 2022, the Company:

- Has identified, recognised and measured each group of insurance contracts as if MFRS 17 had always applied
- Derecognised any existing balances that would not exist had MFRS 17 always applied
- Recognised any resulting net difference in equity

Changes in accounting policies resulting from the adoption of MFRS 17 have been applied using a full retrospective approach to the extent practical. If, and only if, it is impractical to apply a full retrospective approach to a group of contracts, then the Company would apply modified retrospective approach.

<u>Full retrospective approach ("FRA")</u>

Upon the transition to MFRS 17, the Company has applied the FRA unless when deemed impracticable. Specifically, the FRA has been uniformly applied to all contracts issued on and after 1 April 2021.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.3 Changes in accounting policies (Cont'd.)

Transition (Cont'd.)

<u>Modified retrospective approach ("MRA")</u>

The objective of the MRA is to achieve the closest outcome to retrospective application possible using the reasonable and supportable information available without undue cost or effort.

The Company has opted for the MRA for an insignificant group of contracts issued before 1 April 2021, guided by the following considerations:

- Acknowledging the extensive timeframe and effort required for the FRA, the Company has prioritised an approach that balances practicality with accuracy; and

- Recognising that the same financial results can be achieved through the MRA without compromising the accuracy of the transition results as PAA is applied on all contracts.

Irrespective of the transition approach used, the following items have not been applied retrospectively. The consequential amendments of MFRS 3 *Business Combinations* introduced by MFRS 17, require the Company to classify contracts acquired as insurance contracts based on the contractual terms and other factors at the date of acquisition.

Accordingly, the Company has applied the transition relief from classifying the contracts acquired in their settlement period under business combinations as contracts existed at the date of initial recognition rather than at the acquisition date of the business combinations. This relief allows the Company to classify liabilities for insurance contracts acquired in their settlement period prior to the initial application date of 1 April 2023 as liability for incurred claims ("LFIC") rather than liability for remaining coverage ("LFRC").

The Company has applied the transition provisions in MFRS 17 and has not disclosed the impact of adopting MFRS 17 for the current period or for each prior period presented. This includes the disclosure of the adjustment amount for each affected financial statement line item and earnings per share. The effects of adopting MFRS 17 on the financial statements as at 1 April 2022 and 1 April 2023 are presented in the statement of changes in equity.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.4 Standards issued but not yet effective

The new Standards and Amendments to Standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new Standards and Amendments to Standards, if applicable, when they become effective.

Effective for financial periods beginning on or after 1 January 2024

- *Lease Liability in a Sale and Leaseback* (Amendments to MFRS 16)
- *Non-current Liabilities with Covenants* (Amendments to MFRS 101)
- *Supplier Finance Arrangements* (Amendments to MFRS 107 and MFRS 7)

Effective for financial periods beginning on or after 1 January 2025

- *Lack of Exchangeability* (Amendments to MFRS 121)

Deferred

- Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Management expects that the adoption of the above new Standards and Amendments to Standards issued by MASB, but not yet effective, will have no material impact on the financial statements in the period of initial application.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.5 Significant accounting judgements, estimates and assumptions

(a) Key sources of estimation uncertainty and assumptions

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. These are areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates, by definition, may cause material adjustments to the carrying amounts of assets and liabilities within the next financial year such as those discussed below:

(i) Deferred tax assets (Note 8)

Deferred tax assets are recognised for various allowances and provisions to the extent that it is probable that taxable profit will be available against which these allowances and provisions can be utilised. Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing of future taxable profits together with future tax planning strategies.

(ii) Income taxes (Note 23)

The Company is subject to income taxes in Malaysia. Significant judgement is required in determining the allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculation for which the ultimate tax determination is uncertain during the ordinary course of business.

(iii) Property and equipment (Note 3)

The Company is required to review the residual value and remaining useful life of an item of property and equipment at least at each financial period/year end.

Management estimates that the residual values and remaining useful lives of the Company's assets continue to be applicable for the current financial period.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.5 Significant accounting judgements, estimates and assumptions (Cont'd.)

(a) Key sources of estimation uncertainty and assumptions (Cont'd.)

(iv) Impairment of insurance/reinsurance receivable and other receivables (Note 2.2(h) and Note 7)

The Company uses a provision matrix to calculate ECLs for insurance/reinsurance receivable and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

For financial assets including insurance/reinsurance receivables, the Company apply a simplified approach in calculating ECLs. Therefore, the Company does not track significant changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company established a provision matrix that is based on its historical credit loss experience, adjusted with forward-looking information.

(v) Leases – renewal option (Note 2.2(t)(i) and Note 4)

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has the option, under some of its leases, to lease the assets for additional terms of one to three years. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy). The Company included the renewal period as part of the lease term for leases of premises due to the significance of these assets to its operations.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.5 Significant accounting judgements, estimates and assumptions (Cont'd.)

(a) Key sources of estimation uncertainty and assumptions (Cont'd.)

(vi) Insurance and reinsurance contracts (Note 2.2(l) and Note 14)

The Company applies the PAA to simplify the measurement of insurance contracts. When measuring liabilities for remaining coverage, the PAA is broadly similar to the Company's previous accounting treatment under MFRS 4. However, when measuring liabilities for incurred claims, the Company discounts cash flows that are expected to occur on which the claims are incurred and includes an explicit risk adjustment for non-financial risk.

(i) Liability for remaining coverage

Onerous groups

For groups of contracts that are onerous, the liability for remaining coverage is determined by the fulfilment cash flows. Any loss-recovery component is determined with reference to the loss component recognised on underlying contracts and the recovery expected on such claims from reinsurance contracts held.

(ii) Liability for incurred claims

For general insurance contracts, estimates have to be made for both the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred but not yet reported ("IBNR") at the reporting date.

It can take a significant period of time before the ultimate claims costs can be established with certainty and for some type of policies, IBNR claims form majority of the liability at the reporting date. The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as the Link Ratios, Chain Ladder and Bornhuetter-Ferguson methods.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.5 Significant accounting judgements, estimates and assumptions (Cont'd.)

(a) Key sources of estimation uncertainty and assumptions (Cont'd.)

(vi) Insurance and reinsurance contracts (Note 2.2(l) and Note 14) (Cont'd.)

(ii) Liability for incurred claims (Cont'd.)

The main assumption underlying these techniques is that the Company's past claims development experience can be used to project future claims development and hence, ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier periods and expected loss ratios. Historical claims development is mainly analysed by accident periods, but can also be further analysed by geographical areas, as well as by significant business lines and claims type. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. The Company uses discounting and in most cases, explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based.

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

The sensitivity of key assumptions applied in deriving the general insurance contract liabilities and the consequential impact to the income statement and equity is disclosed in Note 30.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.5 Significant accounting judgements, estimates and assumptions (Cont'd.)

(a) Key sources of estimation uncertainty and assumptions (Cont'd.)

(vi) Insurance and reinsurance contracts (Note 2.2(l) and Note 14) (Cont'd.)

(iii) Discount rates

Insurance contract liabilities and reinsurance contract assets are calculated by discounting expected future cash flows at a risk free rate, plus an illiquidity premium where applicable. Risk free rates are determined by reference to the zero-coupon spot yield curve of Malaysian Government Securities ("MGS"). The illiquidity premium is determined by referencing the yield spread between infrequently traded bonds and frequently traded bonds held by the Company.

Discount rates applied for discounting of future cash flows are disclosed in Note 30.3.3.

(iv) Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.

The Company has estimated the risk adjustment at 75% confidence level, which is based on the requirement by Bank Negara Malaysia under the Risk-Based Capital Framework. That is, the Company has assessed its indifference to uncertainty for all product lines (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the 75^{th} percentile confidence level less the mean of an estimated probability distribution of the future cash flows. The Company has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.5 Significant accounting judgements, estimates and assumptions (Cont'd.)

(a) Key sources of estimation uncertainty and assumptions (Cont'd.)

(vii) Fair value of assets determined using valuation techniques (Note 2.2(g) and Note 32)

Fair value, in the absence of an active market, is estimated by using valuation techniques, such as recent arm's length transactions, reference to the current market value of another instrument which is substantially the same, discounted cash flow analysis, valuation by third party experts and/or option pricing models. For reference to similar instruments, instruments must have similar credit ratings.

For discounted cash flow analysis, estimated future cash flows and discount rates are based on current market information and rates applicable to financial instruments with similar yields, credit quality and maturity characteristics. Estimated future cash flows are influenced by factors such as economic conditions (including country specific risks), concentrations in specific industries, types of instruments or currencies, market liquidity and financial conditions of counter-parties. Discount rates are influenced by risk-free interest rates and credit risk.

The valuation techniques described above are calibrated annually.

(viii) Pipeline premium

The Company has recognised gross pipeline premium for the current financial period. Estimation made by management is based on the actual pipeline trend during the past 2 years. As estimations are inherently uncertain, actual premiums may differ from the estimated premiums.

(ix) Amortisation of intangible assets (Note 5)

The Company recognises the costs of significant development of knowledge based software and computer applications as intangible assets with finite useful lives. Such software and applications are unique to the requirements of the insurance business and the Company establishes that these development costs will generate economic benefits beyond one period.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.5 Significant accounting judgements, estimates and assumptions (Cont'd.)

(a) Key sources of estimation uncertainty and assumptions (Cont'd.)

(ix) Amortisation of intangible assets (Note 5) (Cont'd.)

The Company estimates the useful lives of these software costs to be between 5 to 7 years.

The Company expects that amortisation on software under development will only commence after the software and computer applications are available to be used and generate future economic benefits.

(x) Defined benefits plans (Note 17)

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, expected rate of returns on investments, future salary increases, mortality rates, resignation rates and future increases. Due to the complexity of the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of high quality government bonds in their respective currencies and extrapolated maturity corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Future salary increases and pension increases are based on expected future inflation rates.

Further details about the assumptions used, including a sensitivity analysis, are given in Note 17.

3. PROPERTY AND EQUIPMENT

	Freehold land RM'000	Freehold building RM'000	*Long term leasehold land RM'000	Long term leasehold buildings RM'000	Office impro-vements RM'000	Furniture and fittings RM'000	Office equipment and computers RM'000	Motor vehicles RM'000	Work in progress RM'000	Total RM'000
Cost										
At 1 April 2022	-	240	-	-	15,664	17,859	81,827	1,406	85	117,081
Additions	-	-	-	-	-	324	861	561	7	1,753
Disposals	-	-	-	-	-	(9)	(93)	(14)	-	(116)
Written-off	-	-	-	-	-	-	(83)	(5)	-	(88)
Transferred from immediate	-	-	-							
holding company (Note 36)	1,216	2,791	19,260	23,099	1,659	532	5,469	121	30	54,177
At 31 March 2023	1,216	3,031	19,260	23,099	17,323	18,706	87,981	2,069	122	172,807
Additions	-	-	-	-	6,266	8,309	16,866	946	1,011	33,398
Disposals	-	-	-	-	-	-	(200)	(7)	-	(207)
Written-off	-	-	-	-	(16,239)	(9,683)	(36,315)	-	-	(62,237)
Reclassification	24	(24)	(160)	160	-	-	7	-	(7)	-
Charge to income statement	-	-	-	-	-	-	-	-	(85)	(85)
Reversal arising from revaluation surplus on properties	-	(150)	(316)	(105)	-	-	-	-	-	(571)
Revaluation surplus recorded in OCI	40	265	336	125	-	-	-	-	-	766
At 31 December 2023	1,280	3,122	19,120	23,279	7,350	17,332	68,339	3,008	1,041	143,871
Accumulated depreciation										
At 1 April 2022	-	44	-	-	14,898	11,402	77,060	869	-	104,273
Charge for the year (Note 22)	-	3	-	-	263	1,497	1,660	189	-	3,612
Disposals	-	-	-	-	-	-	(83)	(14)	-	(97)
Written-off	-	-	-	-	-	-	(57)	(5)	-	(62)
At 31 March 2023	-	47	-	-	15,161	12,899	78,580	1,039	-	107,726
Charge for the period (Note 22)	-	114	237	706	715	1,408	3,403	267	-	6,850
Disposals	-	-	-	-	-	-	(200)	(2)	-	(202)
Written-off	-	-	-	-	(15,517)	(7,915)	(34,029)	-	-	(57,461)
Reversal arising from revaluation surplus on properties	-	(150)	(316)	(105)	-	-	-	-	-	(571)
At 31 December 2023	-	11	(79)	601	359	6,392	47,754	1,304	-	56,342
Accumulated impairment										
At 1 April 2023/2022 and 31 March 2023	-	127	-	-	-	-	-	-	-	127
Impairment loss for the period (Note 22)	-	-	-	6,547	-	-	-	-	-	6,547
At 31 December 2023	-	127	-	6,547	-	-	-	-	-	6,674
Net carrying amount										
At 31 March 2023	1,216	2,857	19,260	23,099	2,162	5,807	9,401	1,030	122	64,954
At 31 December 2023	1,280	2,984	19,199	16,131	6,991	10,940	20,585	1,704	1,041	80,855

*Long-term leasehold land is an ROU asset in accordance with MFRS 16 (Note 4)

4. LEASES

The Company as lessee

The Company has entered into lease agreements for rental of office premises. Leases of office premises generally have lease terms between one to four years. The lease agreements include extension and termination options.

The Company also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Company applied the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period/year:

Right-of-use assets

	31.12.2023 RM'000	31.3.2023 RM'000
Cost		
At 1 April 2023/2022	38,858	49,581
Additions	35,741	170
Remeasurement	2,438	(18)
Modification to lease term	(567)	9,272
Derecognition of expired leases	(11,100)	(20,686)
Transferred from immediate holding company (Note 36)	-	539
At 31 December 2023/31 March 2023	65,370	38,858
Accumulated depreciation		
At 1 April 2023/2022	27,050	35,833
Charge for the period/year (Note 22)	14,500	11,903
Derecognition of expired leases	(10,531)	(20,686)
At 31 December 2023/31 March 2023	31,019	27,050
Carrying amount		
At 31 December 2023/31 March 2023	34,351	11,808

This note provides information for leases where the Company is a lessee.

Other assets recognised as ROU assets but not disclosed in this note are as follows:

	31.12.2023 RM'000	31.3.2023 RM'000
Leasehold land (Note 3)	19,199	19,260

4. LEASES (CONT'D.)

The Company as lessee (Cont'd.)

Set out below are the carrying amounts of lease liabilities and the movements during the period/year:

Lease liabilities

	31.12.2023 RM'000	31.3.2023 RM'000
At 1 April 2023/2022	12,349	14,489
Additions	35,438	170
Remeasurement	230	-
Lease finance costs	1,255	532
Payment	(10,066)	(12,661)
Covid-19 related rent concessions	-	(2)
Modification to lease term	(1,526)	9,272
Transferred from immediate holding company (Note 36)	-	549
Termination	(621)	-
At 31 December 2023/31 March 2023	37,059	12,349

The following are income/(expenses) recognised in income statement:

	Note	31.12.2023 RM'000	31.3.2023 RM'000
Depreciation of right-of-use assets	22	(14,500)	(11,903)
Lease finance costs		(1,255)	(532)
Lease expense of low-value assets	22	(42)	(180)
COVID-19-related rent concessions	22	-	2

During the financial period, the Company had total cash outflows for payment of lease liabilities of RM10,066,000 (31.3.2023: RM12,661,000). The Company also had non-cash additions and remeasurements to right-of-use assets of RM37,876,000 (31.3.2023: RM152,000).

5. INTANGIBLE ASSETS

	Computer application software - in use RM'000	Computer application software - work in progress RM'000	Total RM'000
Cost			
At 1 April 2022	132,711	7,361	140,072
Additions	6,988	887	7,875
Reclassification	7,032	(7,032)	-
Transferred from immediate holding company (Note 36)	4,158	-	4,158
At 31 March 2023	150,889	1,216	152,105
Additions	6,410	149	6,559
Written-off	(73,236)	-	(73,236)
Reclassification	1,141	(1,141)	-
At 31 December 2023	85,204	224	85,428
Accumulated amortisation			
At 1 April 2022	102,464	-	102,464
Amortisation for the year (Note 22)	14,007	-	14,007
At 31 March 2023	116,471	-	116,471
Amortisation for the period (Note 22)	12,047	-	12,047
Written-off	(73,188)	-	(73,188)
At 31 December 2023	55,330	-	55,330
Net carrying amount			
At 31 March 2023	34,418	1,216	35,634
At 31 December 2023	29,874	224	30,098

Intangible assets comprise computer application software which were developed or acquired to meet the specific requirements of the Company and computer application software under development which are not yet available for use.

6. INVESTMENTS

	Note	31.12.2023 RM'000	31.3.2023 RM'000
Malaysian government securities		433,864	485,359
Corporate bonds		296,972	241,779
Cagamas bonds		10,199	10,215
Equity securities		50,063	65,526
Unit and property trust funds		6,254	5,082
Loans		155	239
Fixed and call deposits		398,236	255,040
Collective investment schemes:			
Investments in subsidiaries	6.4	3,345,207	3,560,941
Investments in others		515,094	510,829
		3,860,301	4,071,770
		5,056,044	5,135,010

	Note	31.12.2023 RM'000	31.3.2023 RM'000
Fair value through profit or loss ("FVTPL")	6.1	3,916,618	4,142,378
Amortised cost ("AC")	6.2	398,391	255,279
Fair value through other comprehensive income ("FVOCI")	6.3	741,035	737,353
		5,056,044	5,135,010

6.1 FVTPL

	31.12.2023 RM'000	31.3.2023 RM'000
At fair value:		
Mandatory measured:		
Collective investment schemes quoted in Malaysia:		
Investment in subsidiaries (Note 6.4)	3,345,207	3,560,941
Investment in others	515,094	510,829
Quoted equities securities	50,063	65,526
Unit and property trust funds quoted in Malaysia	6,254	5,082
	3,916,618	4,142,378

6. INVESTMENTS (CONT'D.)

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

6.2 AC

	31.12.2023 RM'000	31.3.2023 RM'000
At amortised cost:		
Fixed and call deposits with licensed banks	398,236	255,040
Mortgage loans	225	309
Less: Provision for expected credit loss	(70)	(70)
	155	239
	398,391	255,279

Movement in the provision for expected credit loss

At 1 April 2023/2022 and 31 December 2023/31 March 2023	70	70

The carrying values of the fixed and call deposits with licensed banks approximate fair value due to the relatively short term maturities.

The carrying values of the mortgage loans and other loans are reasonable approximates of fair values due to the insignificant impact of discounting.

6.3 FVOCI

	31.12.2023 RM'000	31.3.2023 RM'000
At fair value:		
Malaysian government securities	433,864	485,359
Corporate bonds	296,972	241,779
Cagamas bonds	10,199	10,215
Unquoted equity securities in Malaysia*	-	-
	741,035	737,353

The fair value hierarchy of Malaysian government securities, Corporate bonds and Cagamas bonds are level 2. The three-level hierarchy is defined in Note 32.

*This denotes that the fair value of unquoted equities as at 31 December 2023 is RM1 (31 March 2023: RM1). The fair value hierarchy of unquoted equities are level 3.

6. INVESTMENTS (CONT'D.)

6.4 Collective investment schemes - investments in subsidiaries

	31.12.2023 RM'000	31.3.2023 RM'000
At fair value:		
FVTPL (Note 6.1)	3,345,207	3,560,941

Details of the Company's investments in subsidiaries - collective investment schemes in Malaysia are as follows:

Name of wholesale unit trust fund	Principal activities	% of ownership interest held by the Company 31.12.2023	 31.3.2023
AmIncome Institutional 1	Investment in debt securities and money market	100.00%	100.00%
AmIncome Institutional 3	Investment in debt securities and money market	100.00%	100.00%
AmCash Plus	Investment in government related securities and money market	100.00%	100.00%

6. INVESTMENTS (CONT'D.)

6.5 Carrying values of investments

	AC RM'000	FVTPL RM'000	FVOCI RM'000	Total RM'000
At 1 April 2023	255,279	4,142,378	737,353	5,135,010
Purchases	145,000	4,392	53,818	203,210
Maturities	(1,888)	-	(50,000)	(51,888)
Disposals	-	(298,898)	-	(298,898)
Recorded in income statement:				
Realised gains (Note 19)	-	827	-	827
Fair value gains (Note 20)	-	67,919	-	67,919
Fair value gains recorded in other comprehensive income	-	-	1,235	1,235
Net amortisation of premiums	-	-	(1,371)	(1,371)
At 31 December 2023	398,391	3,916,618	741,035	5,056,044
At 1 April 2022	20,419	3,653,308	-	3,673,727
Purchases	1,644	338,000	-	339,644
Maturities	(84)	-	-	(84)
Disposals	-	(215,877)	-	(215,877)
Recorded in income statement:				
Realised losses (Note 19)	-	(2,461)	-	(2,461)
Fair value losses (Note 20)	-	(4,406)	-	(4,406)
Transferred from immediate holding company (Note 36)	233,300	373,814	737,353	1,344,467
At 31 March 2023	255,279	4,142,378	737,353	5,135,010

7. OTHER RECEIVABLES

	31.12.2023 RM'000	Restated 31.3.2023 RM'000
Income due and accrued	24,117	10,735
Share of net assets held under Malaysian Motor Insurance Pool ("MMIP")*	38,223	80,969
Amounts owing by ultimate holding, holding and other related companies**	19,774	10,510
Sundry receivables	12,900	16,849
Current account with Custodian	8,805	29,203
	103,819	148,266
Allowance for impairment losses	(266)	(266)
	103,553	148,000

Movement in the provision for impairment losses (individually impaired) of other receivables:

	31.12.2023 RM'000	Restated 31.3.2023 RM'000
At 1 April 2023/2022	266	246
Provision for the period/year (Note 22)	-	20
At 31 December 2023/31 March 2023	266	266

The carrying amounts (other than share of net assets held under MMIP) disclosed in the previous page approximate fair value at the reporting date due to the relatively short-term maturity of these balances.

* As a participating member of MMIP, the Company shares a proportion of the Pool's net assets/liabilities. At each reporting date, the Company accounts for its share of the assets, liabilities and performance of the Pool. The net assets held under MMIP represents the Company's share of the Pool's net assets, of which includes LGHSB's (formerly known as Liberty Insurance Berhad) share of the Pool's net assets after transfer of business is RM40,197,000 as at 31 March 2023, before insurance contract liabilities. The Company's share of the Pool's insurance contract liabilities is disclosed in Note 14.

During the current financial period , the Company received cash settlement from MMIP for the portion of LGHSB's share of the Pool following the withdrawal of LGHSB from the Pool member. As a result, the portion of LGHSB's share of net assets held under MMIP was derecognised.

** The amounts owing by ultimate holding, holding and other related companies are unsecured, interest free and repayable on demand.

8. DEFERRED TAXATION

	31.12.2023 RM'000	Restated 31.3.2023 RM'000
At 1 April 2023/2022, as previously reported	17,230	44,264
Effect of MFRS 17 initial application	-	(4,092)
At 1 April 2023/2022 (as restated)	17,230	40,172
Recognised in:		
Income statement (Note 23)	12,706	(570)
Other comprehensive income	(107)	360
At 31 December/31 March 2023	29,829	39,962
Effect of MFRS 17 application (Note 36)	-	(22,732)
At 31 December/31 March 2023	29,829	17,230

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. Net deferred tax assets shown on the statement of financial position have been determined after considering appropriate offsetting on the following page:

	31.12.2023 RM'000	Restated 31.3.2023 RM'000
Deferred tax assets	71,281	51,119
Deferred tax liabilities	(41,452)	(33,889)
	29,829	17,230

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

Deferred tax assets:

	Others RM'000	Provisions RM'000	Total RM'000
At 1 April 2022	2,975	47,029	50,004
Recognised in:			
Income statement	590	(551)	39
Other comprehensive income	1,076	-	1,076
At 31 March 2023	4,641	46,478	51,119
At 1 April 2023	4,641	46,478	51,119
Recognised in:			
Income statement	(2,184)	22,346	20,162
At 31 December 2023	2,457	68,824	71,281

8. DEFERRED TAXATION (CONT'D.)

Deferred tax liabilities:

	Insurance and reinsurance contracts RM'000	Others RM'000	PPE and intangible assets RM'000	Total RM'000
At 1 April 2022	-	-	(5,740)	(5,740)
Effect of MFRS 17 initial application	(4,092)	-	-	(4,092)
At 1 April 2022 (Restated)	(4,092)	-	(5,740)	(9,832)
Recognised in:				
Income statement	(174)	(157)	(278)	(609)
Other comprehensive income	-	(716)	-	(716)
Effect of MFRS 17 initial application (Note 36)	(22,732)	-	-	(22,732)
At 31 March 2023 (Restated)	(26,998)	(873)	(6,018)	(33,889)
At 1 April 2023	(26,998)	(873)	(6,018)	(33,889)
Recognised in:				
Income statement	3,649	(11,629)	524	(7,456)
Other comprehensive income	-	77	(184)	(107)
At 31 December 2023	(23,349)	(12,425)	(5,678)	(41,452)

9. CASH AND CASH EQUIVALENTS

	31.12.2023 RM'000	31.3.2023 RM'000
Cash at banks and on hand	68,807	166,693
Short-term deposits (with original maturity of less than three months) with licensed banks	129,690	100,899
	198,497	267,592

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

10. NON-CURRENT ASSETS HELD FOR SALE

	31.12.2023 RM'000	31.3.2023 RM'000
At 1 April 2023/2022	3,612	1,562
Transferred from immediate holding company (Note 36)	-	2,050
Disposals	(3,612)	-
At 31 December/31 March 2023	-	3,612

During the financial period, the Company completed the disposals of the self-occupied property and the freehold land and building to third parties for a total cash consideration of RM3,950,000, recognising a gain thereon of RM338,000 as disclosed in Note 19.

11. INVESTMENT PROPERTIES

	Freehold land and building RM'000	Leasehold land and building RM'000	Total RM'000
Net carrying amount			
At 1 April 2023/2022	-	-	-
Transferred from immediate holding company (Note 36)	16,000	16,656	32,656
At 31 March 2023	16,000	16,656	32,656
Impairment loss for the period	-	(1,460)	(1,460)
At 31 December 2023	16,000	15,196	31,196

Recurring fair value measurements

Investment properties of the Company are classified within Level 3 of the fair value hierarchy. The fair values for all the properties have been derived using either the sales comparison approach or the income approach as allowed under MFRS 13 *Fair Value Measurement*. Sales prices of comparable land and buildings, rentals and yields of similar properties in close proximity are adjusted for differences in key attributes such as property size, location and quality of the building. The most significant input used in the sales comparison approach is price per square foot of comparable properties while the most significant inputs used in the income approach are yields and rental rates per square foot of comparable properties.

11. INVESTMENT PROPERTIES (CONT'D.)

Fair value hierarchy of Investment Properties

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3 of the fair value hierarchy):

2023 Description	Fair Value RM'000	Valuation technique	Unobservable input	Range of values
31.12.2023				
Leasehold land and building	15,196	Income approach	Rental p.s.f. per month	RM3.90 - RM9.00
			Discount rate	5.75% - 6.5%
Freehold land	16,000	Comparison approach	Estimated Value p.s.f.	RM108 - RM351
31.3.2023				
Leasehold land and building	16,656	Income approach	Rental p.s.f. per month	RM3.30 - RM9.00
			Discount rate	4.5% - 6.5%
Freehold land	16,000	Comparison approach	Estimated Value p.s.f.	RM105 - RM406

An increase or decrease in the unobservable inputs used in the valuation might result in a correspondingly higher or lower fair value measurement.

12. SHARE CAPITAL

	<------ No. of shares ------>		<--------- Amount ---------->	
	31.12.2023 ('000)	**31.3.2023 ('000)**	**31.12.2023 RM'000**	**31.3.2023 RM'000**
Ordinary shares (a)	1,394,196	1,394,196	2,906,070	2,906,070
INCPS (b)	6,100	6,100	61,000	61,000
	1,400,296	1,400,296	2,967,070	2,967,070

(a) Ordinary shares

	<--------- 31.12.2023 --------->		<--------- 31.3.2023 -------->	
	No. of shares ('000)	**Amount RM'000**	**No. of shares ('000)**	**Amount RM'000**
Issued and paid up:				
At 1 April 2023/2022	1,394,196	2,906,070	600,000	1,000,000
Created during the period/year	-	-	794,196	1,906,070
At 31 December/ March 2023	1,394,196	2,906,070	1,394,196	2,906,070

In the previous financial year, the Company increased its share capital from RM1,061,000,000 to RM2,967,070,400 by way of issuance of 794,196,000 new ordinary shares at RM1 per share. These shares were measured at fair value of RM2.40 per share. The issuance of these shares was done as consideration for the transfer of the general insurance business from the Company's immediate holding company, LGHSB, as detailed in Note 36 of the financial statements.

12. SHARE CAPITAL (CONT'D.)

(b) INCPS

	<--------- 31.12.2023 --------->		<--------- 31.3.2023 -------->	
	No. of shares ('000)	Amount RM'000	No. of shares ('000)	Amount RM'000
Issued and paid up:				
At 1 April 2023/2022 and at 31 December/March 2023	6,100	61,000	6,100	61,000

The salient features of the INCPS issued by the Company are as follows:

(i) Subject always to the prior approval of BNM and the discretion of the Board, the INCPS confer on the holders the right to a non-cumulative preferential dividend calculated at 5.5% per annum each year to be declared and paid within six months from the end of each financial year, calculated based on the issue price of the INCPS, in priority to any other classes of shares to the extent that there are profits available for the distribution and compliance with the capital adequacy requirements as stipulated by BNM.

(ii) The INCPS holders are entitled at any time to convert all or any of the INCPS held to ordinary shares in the Company, pari passu as between themselves, on the basis of one (1) INCPS for one (1) new ordinary share.

(iii) The INCPS shall not be transferable (in whole or in part) and shall not be redeemed by the Company.

13. MERGER RESERVES

	RM'000
At 31 March 2023, as previously reported	(1,099,025)
Effect of MFRS 17 application	71,983
At 31 December 2023/31 March 2023, as restated	(1,027,042)

The merger reserves of RM1,099,025,400 represent the difference between the fair value of the ordinary shares issued, amounting to RM1,906,070,400 (as detailed in Note 12), and the acquired net assets valued at RM807,045,000, as previously reported, in relation to the transfer of the general insurance business from the Company's immediate holding company, LGHSB.

During the financial period, the net assets of LGHSB were restated following the adoption of MFRS 17. Accordingly, the merger reserves are restated to reflect the change as disclosed in Note 36.

Company No: 197801007153

LIBERTY GENERAL INSURANCE BERHAD
(Formerly Known As AmGeneral Insurance Berhad)
(Incorporated in Malaysia)

14. INSURANCE AND REINSURANCE CONTRACTS

(a) Insurance contracts issued

The roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims, is disclosed in the table below:

		31.12.2023				
		Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Note	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
		RM'000	RM'000	RM'000	RM'000	RM'000
Insurance contract liabilities as at 1 April 2023		898,576	61,025	2,260,096	173,996	3,393,693
Insurance contract assets as at 1 April 2023		-	-	-	-	-
Net insurance contract liabilities as at 1 April 2023		898,576	61,025	2,260,096	173,996	3,393,693
Insurance revenue	21	(1,659,072)	-	-	-	(1,659,072)
Insurance service expense	22	338,232	(38,724)	1,096,332	(9,115)	1,386,725
Incurred claims and other expenses		-	-	1,227,338	61,697	1,289,035
Amortisation of insurance acquisition cash flows		338,232	-	-	-	338,232
Losses on onerous contracts and reversal of those losses		-	(38,724)	-	-	(38,724)
Changes to liabilities for incurred claims		-	-	(131,006)	(70,812)	(201,818)
Investment components		(8,499)	-	8,499	-	-
Insurance service result		(1,329,339)	(38,724)	1,104,831	(9,115)	(272,347)
Insurance finance expenses		(4)	22,049	70,522	-	92,567
Total changes in the income statement		(1,329,343)	(16,675)	1,175,353	(9,115)	(179,780)
Cash flows						
Premiums received		1,704,033	-	-	-	1,704,033
Claims and other expenses paid		-	-	(1,150,054)	-	(1,150,054)
Insurance acquisition cash flows		(240,549)	-	-	-	(240,549)
Total cash flows		1,463,484	-	(1,150,054)	-	313,430
Transfer to other items in the statement of financial position		(197,003)	-	(106,549)	-	(303,552)
Net insurance contract liabilities as at 31 December 2023		835,714	44,350	2,178,846	164,881	3,223,791
Insurance contract liabilities as at 31 December 2023		835,714	44,350	2,178,846	164,881	3,223,791
Insurance contract assets as at 31 December 2023		-	-	-	-	-
Net insurance contract liabilities as at 31 December 2023		835,714	44,350	2,178,846	164,881	3,223,791

Included in the LFRC and LFIC above are the Company's proportionate shares of LFRC and LFIC in MMIP, amounting to RM0.7 million and RM14.1 million, respectively (31 March 2023: LFRC of RM1.5 million and LFIC of RM25.9 million).

14. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)

(a) Insurance contracts issued (Cont'd.)

The roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims, is disclosed in the table below (Cont'd.):

	Note	31.3.2023 Liabilities for remaining coverage: Excluding loss component	Liabilities for remaining coverage: Loss component	Liabilities for incurred claims: Estimates of the present value of future cash flows	Liabilities for incurred claims: Risk adjustment	Total
		RM'000	RM'000	RM'000	RM'000	RM'000
Insurance contract liabilities as at 1 April 2022		627,505	79,399	1,759,797	144,681	2,611,382
Insurance contract assets as at 1 April 2022		-	-	-	-	-
Net insurance contract liabilities as at 1 April 2022		627,505	79,399	1,759,797	144,681	2,611,382
Insurance revenue	21	(1,553,283)	-	-	-	(1,553,283)
Insurance service expense	22	319,443	(41,966)	959,239	(2,851)	1,233,865
Incurred claims and other expenses		-	-	1,075,867	71,461	1,147,328
Amortisation of insurance acquisition cash flows		319,443	-	-	-	319,443
Losses on onerous contracts and reversal of those losses		-	(41,966)	-	-	(41,966)
Changes to liabilities for incurred claims		-	-	(116,628)	(74,312)	(190,940)
Investment components		(7,196)	-	7,196	-	-
Insurance service result		(1,241,036)	(41,966)	966,435	(2,851)	(319,418)
Insurance finance expenses		102	23,592	60,684	-	84,378
Total changes in the income statement		(1,240,934)	(18,374)	1,027,119	(2,851)	(235,040)
Cash flows						
Premiums received		1,696,673	-	-	-	1,696,673
Claims and other expenses paid		-	-	(942,379)	-	(942,379)
Insurance acquisition cash flows		(156,334)	-	-	-	(156,334)
Total cash flows		1,540,339	-	(942,379)	-	597,960
Transfer to other items in the statement of financial position		(266,645)	-	(140,689)	-	(407,334)
Transferred from immediate holding company	36	238,311	-	556,248	32,166	826,725
Net insurance contract liabilities as at 31 March 2023		898,576	61,025	2,260,096	173,996	3,393,693
Insurance contract liabilities as at 31 March 2023		898,576	61,025	2,260,096	173,996	3,393,693
Insurance contract assets as at 31 March 2023		-	-	-	-	-
Net insurance contract liabilities as at 31 March 2023		898,576	61,025	2,260,096	173,996	3,393,693

14. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)

(b) Reinsurance contracts held

The roll-forward of net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims, is disclosed in the table below:

	31.12.2023				
	Assets for remaining coverage		Amounts recoverable on incurred claims		Total
	Excluding loss-recovery component	Loss recovery component	Estimates of the present value of future cash flows	Risk adjustment	
	RM'000	RM'000	RM'000	RM'000	RM'000
Reinsurance contract assets as at 1 April 2023	17,313	1,254	483,323	38,524	540,414
Reinsurance contract liabilities as at 1 April 2023	-	-	-	-	-
Net reinsurance contract assets as at 1 April 2023	17,313	1,254	483,323	38,524	540,414
Allocation of reinsurance premiums	(172,364)	-	-	-	(172,364)
Amounts recoverable from reinsurers for incurred claims	-	(590)	41,102	(8,735)	31,777
Amounts recoverable for incurred claims and other expenses	-	-	126,082	7,222	133,304
Loss-recovery on onerous underlying contracts and adjustments	-	(590)	-	-	(590)
Changes to amounts recoverable for incurred claims	-	-	(84,980)	(15,957)	(100,937)
Reinsurance investment components	(31,801)	-	31,801	-	-
Net expenses from reinsurance contracts held	(204,165)	(590)	72,903	(8,735)	(140,587)
Interest accreted to reinsurance contracts using current financial assumptions	(3)	243	13,546	-	13,786
Effect of changes in non-performance risk of reinsurers	-	-	75	-	75
Reinsurance finance income	(3)	243	13,621	-	13,861
Total changes in the income statement	(204,168)	(347)	86,524	(8,735)	(126,726)
Cash flows					
Premiums paid	168,978	-	-	-	168,978
Amounts received	-	-	(121,744)	-	(121,744)
Total cash flows	168,978	-	(121,744)	-	47,234
Other movements	(1,132)	-	-	-	(1,132)
Net reinsurance contract assets as at 31 December 2023	(19,009)	907	448,103	29,789	459,790
Reinsurance contract assets as at 31 December 2023	(19,009)	907	448,103	29,789	459,790
Reinsurance contract liabilities as at 31 December 2023	-	-	-	-	-
Net reinsurance contract assets as at 31 December 2023	(19,009)	907	448,103	29,789	459,790

14. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)

(b) Reinsurance contracts held (Cont'd.)

The roll-forward of net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims, is disclosed in the table below (Cont'd.):

		31.3.2023				
		Assets for remaining coverage		Amounts recoverable on incurred claims		Total
	Note	Excluding loss-recovery component	Loss recovery component	Estimates of the present value of future cash flows	Risk adjustment	
		RM'000	RM'000	RM'000	RM'000	RM'000
Reinsurance contract assets as at 1 April 2022		(14,865)	1,448	428,148	36,797	451,528
Reinsurance contract liabilities as at 1 April 2023/2022		-	-	-	-	-
Net reinsurance contract assets as at 1 April 2022		(14,865)	1,448	428,148	36,797	451,528
Allocation of reinsurance premiums		(91,966)	-	-	-	(91,966)
Amounts recoverable from reinsurers for incurred claims		-	(861)	(29,874)	(6,241)	(36,976)
Amounts recoverable for incurred claims and other expenses		-	-	71,260	9,995	81,255
Loss-recovery on onerous underlying contracts and adjustments		-	(861)	-	-	(861)
Changes to amounts recoverable for incurred claims		-	-	(101,134)	(16,236)	(117,370)
Reinsurance investment components		(44,192)	-	44,192	-	-
Net expense from reinsurance contracts held		(136,158)	(861)	14,318	(6,241)	(128,942)
Interest accreted to reinsurance contracts using current financial assumptions		(22)	667	13,019	-	13,664
Effect of changes in non-performance risk of reinsurers		-	-	82	-	82
Reinsurance finance income		(22)	667	13,101	-	13,746
Total changes in the income statement		(136,180)	(194)	27,419	(6,241)	(115,196)
Cash flows						
Premiums paid		152,680	-	-	-	152,680
Amounts received		-	-	(102,634)	-	(102,634)
Total cash flows		152,680	-	(102,634)	-	50,046
Other movements		769	-	-	-	769
Transferred from immediate holding company	36	14,909	-	130,390	7,968	153,267
Net reinsurance contract assets as at 31 March 2023		17,313	1,254	483,323	38,524	540,414
Reinsurance contract assets as at 31 March 2023		17,313	1,254	483,323	38,524	540,414
Reinsurance contract liabilities as at 31 March 2023		-	-	-	-	-
Net reinsurance contract assets as at 31 March 2023		17,313	1,254	483,323	38,524	540,414

15. OTHER LIABILITIES

	31.12.2023 RM'000	Restated 31.3.2023 RM'000
Provision for restoration costs for leased properties	5,482	3,081
	5,482	3,081

16. OTHER PAYABLES

	31.12.2023 RM'000	Restated 31.3.2023 RM'000
Financial liabilities:		
Amount owing to other related companies *	6,356	7,098
Amount due to MMIP	611	603
Sales and Service Tax ("SST") and stamp duty payable	24,433	9,368
Sundry payables	48,543	64,458
	79,943	81,527
Non-financial liabilities:		
Accrued expenses and deposits	177,240	158,695
Other accruals	70,536	17,747
	247,776	176,442
	327,719	257,969

The carrying amounts disclosed above approximate fair values at the reporting date.

* The amounts owing to other related companies are unsecured, interest free and repayable on demand.

17. PROVISION FOR RETIREMENT BENEFITS

The Company operates a final salary defined retirement benefit scheme which is wholly unfunded. There is no minimum funding requirement under the current law. The employees are not required to contribute to the scheme.

Under the scheme, eligible employees who have completed a minimum of 10 years of service are entitled to retire at 56 years of age or optional retirement age of 50 years. Employees who leave before the attainment of the normal retirement age or optional retirement age, are not entitled to the benefit.

All new employees who are hired after 18 March 2011 are not entitled to the retirement benefit.

17.1 The movements in the present value of the defined benefit obligation recognised in the statement of financial position are as follows:

	Note	31.12.2023 RM'000	31.3.2023 RM'000
Defined benefit obligation at 1 April 2023/2022		18,402	17,395
Actuarial loss	17.3	1,562	1,501
Benefits paid		(1,646)	(1,220)
Interest cost	17.2	607	726
Defined benefit obligation at 31 December/March 2023		18,925	18,402
Present value of unfunded obligation		18,925	18,402
Recognised liability for defined benefit obligation		18,925	18,402

17.2 Expenses recognised in the income statement as retirement benefits cost:

	31.12.2023 RM'000	31.3.2023 RM'000
Interest cost	607	726

17. PROVISION FOR RETIREMENT BENEFITS (CONT'D.)

17.3 Actuarial gains and losses recognised directly in other comprehensive income:

	31.12.2023 RM'000	31.3.2023 RM'000
Amount accumulated in retained earnings at 1 April 2023/2022	2,265	3,406
Actuarial loss arising from:		
i) changes in financial and demographic assumptions	(582)	(936)
ii) experience adjustments	(980)	(565)
	(1,562)	(1,501)
Tax effects thereon	375	360
Amount accumulated in retained earnings at 31 December/March 2023	1,078	2,265

17.4 Actuarial assumptions

Principal actuarial assumptions used at the end of the reporting period/year:

	31.12.2023	31.3.2023
Discount rate at 31 December/March 2023 (per annum)	4.24%	4.60%
Fixed deposit rate (per annum)	2.90%	2.60%
Withdrawal rates (per annum)	5.60%	4.70%

The discount rate used is based on market yields at the end of the reporting year on high quality corporate bonds. The amount and terms of the corporate bonds are consistent with the current and estimated future post employment benefit obligation.

The assumption regarding future mortality is based on the experience of Malaysian insured lives between 1999 to 2003 with no allowance for improvement in mortality rate. The average expected future working lives has been estimated at 5.94 years (31.3.2023: 6.68 years).

Calculation of the unfunded defined retirement benefits involves the projection of the present value for unfunded obligations using certain principal actuarial assumptions such as the rate of interest at which to discount the future retirement benefits payments at the valuation date and the assumed rate of growth of liabilities, namely the rate of salary escalation. There are elements of significant uncertainty on the assumptions used and thus the projected future retirement benefits payable may be different from the actual retirement benefit paid.

17. PROVISION FOR RETIREMENT BENEFITS (CONT'D.)

17.4 Actuarial assumptions (Cont'd.)

The following table demonstrates the sensitivity of provision for retirement benefits to a reasonable change in the defined benefit obligation:

	31.12.2023 RM'000	31.3.2023 RM'000
Discount rate:		
Increase 100 basis points	(813)	(925)
Decrease 100 basis points	883	1,008
Fixed deposit rate:		
Increase 100 basis points	1,001	1,207
Decrease 100 basis points	(933)	(1,121)
Withdrawal rate:		
10% increase in the withdrawal rate	(318)	(371)
10% decrease in the withdrawal rate	327	383

18. INVESTMENT INCOME

	1.4.2023 to 31.12.2023 RM'000	Restated 1.4.2022 to 31.3.2023 RM'000
Financial assets at FVTPL:		
Dividend/distribution income:		
- Equity securities quoted in Malaysia	1,885	3,483
- Unit and property trust funds quoted in Malaysia	192	270
- Collective investment schemes quoted in Malaysia	73,672	123,346
Financial assets at AC:		
Interest income:		
- Mortgage and other loans	5	10
- Cash and short-term deposits	12,698	5,218
Financial assets at FVOCI:		
Interest income:		
- Malaysian government securities	13,362	-
- Corporate bonds and Cagamas bonds	7,843	-
Net amortisation of premiums	(1,371)	-
Rental income	379	-
	108,665	132,327

19. REALISED GAINS/(LOSSES)

	1.4.2023 to 31.12.2023 RM'000	1.4.2022 to 31.3.2023 RM'000
Property and equipment:		
Realised gains on disposal of property and equipment	3	9
Non-current assets held for sale:		
Realised gains on disposal of non-current assets held for sale (Note 10)	338	-
FVTPL financial assets:		
Mandatorily measured:		
Realised gains/(losses):		
- Collective investment schemes quoted in Malaysia	2,770	(1,426)
- Equity securities quoted in Malaysia	(1,943)	(1,035)
	827	(2,461)
Total realised gains/(losses)	1,168	(2,452)

20. FAIR VALUE GAINS/(LOSSES)

	1.4.2023 to 31.12.2023 RM'000	1.4.2022 to 31.3.2023 RM'000
FVTPL financial assets:		
Mandatorily measured:		
Unrealised gains/(losses):		
- Collective investment schemes quoted in Malaysia	65,179	330
- Equity securities quoted in Malaysia	2,951	(4,920)
- Unit and property trust funds quoted in Malaysia	(211)	184
	67,919	(4,406)

21. INSURANCE REVENUE

	1.4.2023 to 31.12.2023 RM'000	Restated 1.4.2022 to 31.3.2023 RM'000
Amounts recognised for insurance services provided	1,656,435	1,552,175
Reversal of impairment loss	731	662
Bad debts written back	1,684	-
Others	222	446
	1,659,072	1,553,283

22. EXPENSES

	Note	1.4.2023 to 31.12.2023 RM'000	Restated 1.4.2022 to 31.3.2023 RM'000
Claims and benefits		924,334	800,073
Fees and commissions		200,839	197,882
Reversal of losses on onerous insurance contracts	14	(38,724)	(41,966)
Employee benefits	22.1	235,205	170,274
Chief Executive Officer's remuneration	27(b)(i)	2,903	1,437
Executive and non-executive directors' fees and remuneration	27(b)(ii)	1,163	1,327
Auditors' remuneration:			
- Statutory audits		1,397	1,229
- Other assurance-related services		1,050	523
- Regulatory-related services		80	63
COVID-19-related rent concessions	4	-	(2)
Depreciation of property and equipment	3	6,850	3,612
Depreciation of right-of-use assets	4	14,500	11,903
Amortisation of intangible assets	5	12,047	14,007
Intangible assets written-off	5	48	-
Property and equipment written-off	3	4,776	26
Lease expense of low-value assets	4	42	180
Provision for impairment losses on other receivables	7	-	20
Recovery of bad debts written-off		(12)	(66)
Advertisement expenses		26,674	20,034
Bank charges		9,642	11,475
Electronic Data Processing expenses		22,923	18,883
Printing expenses		8,485	8,051
Office expenses		10,092	8,414
Reversal of expenses for professional fees		(1,700)	(310)
Share of group charges		10,428	14,916
Reversal of COVID-19 related expenses		-	(632)
Impairment loss on property and equipment	3	6,547	-
Impairment loss on investment properties	11	1,460	-
Impairment loss on FVOCI financial assets		7	-
Other expenses		35,203	23,259
		1,496,259	1,264,612

22. EXPENSES (CONT'D.)

	Note	1.4.2023 to 31.12.2023 RM'000	Restated 1.4.2022 to 31.3.2023 RM'000
Amounts attributed to insurance acquisition cash flows incurred during the year		(366,365)	(330,890)
Amortisation of insurance acquisition cash flows	14	338,232	319,443
		1,468,126	1,253,165
Represented by:			
Insurance service expenses	14	1,386,725	1,233,865
Other expenses		81,401	19,300
		1,468,126	1,253,165

22.1 Employee benefits

	Note	1.4.2023 to 31.12.2023 RM'000	Restated 1.4.2022 to 31.3.2023 RM'000
Wages and salaries		163,140	132,693
Social security contributions		1,272	1,222
Contribution to Employees' Provident Fund		25,880	20,508
Contribution to defined benefit plans	17.2	607	726
Other benefits		44,306	15,125
		235,205	170,274

23. TAXATION

	Note	1.4.2023 to 31.12.2023 RM'000	Restated 1.4.2022 to 31.3.2023 RM'000
Current tax:			
Malaysia - current		45,300	27,904
Malaysia - over provision in prior year		(12,089)	(4,806)
		33,211	23,098
Deferred tax:	8		
Origination and reversal of temporary differences		(10,783)	(97)
(Over)/under provision in prior year		(1,923)	667
		(12,706)	570
Total tax expense		20,505	23,668

Domestic income tax is calculated at the Malaysian statutory rate of 24% on the estimated assessable profit for the period.

	1.4.2023 to 31.12.2023 RM'000	Restated 1.4.2022 to 31.3.2023 RM'000
Profit before taxation	154,411	233,093
Taxation at Malaysian statutory tax rate of 24%	37,059	55,942
Expenses not deductible for tax purposes	15,829	2,339
Tax exempt income	(18,371)	(30,474)
Over provision of income tax in prior year	(12,089)	(4,806)
(Over)/under provision in prior year	(1,923)	667
	20,505	23,668

24. EARNINGS PER ORDINARY SHARE

24.1 Basic earnings per ordinary share

Basic earnings per ordinary share is calculated based on the net profit for the period ended 31 December 2023 of RM133,906,000 (1.4.2022-31.3.2023: RM209,425,000) divided by the weighted average number of ordinary shares in issue during the peiod/year, calculated as follows:

	1.4.2023 to 31.12.2023 RM'000	Restated 1.4.2022 to 31.3.2023 RM'000
Net profit attributable to equity holder of the Company	133,906	209,425

Weighted average number of ordinary shares:

	31.12.2023 '000	31.3.2023 '000
Issued ordinary shares	1,394,196	602,176

	1.4.2023 to 31.12.2023 Sen	Restated 1.4.2022 to 31.3.2023 Sen
Basic earnings per ordinary share	10	35

24.2 Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share for the period/year ended 31 December 2023 and 31 March 2023 were based on profit attributable to ordinary shareholder and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

Weighted average number of ordinary shares:

	31.12.2023 '000	31.3.2023 '000
Weighted average number of ordinary shares	1,394,196	602,176
Effect of assumed conversion of outstanding INCPS	6,100	6,100
Weighted average number of ordinary shares at 31 December2023/31 March 2023	1,400,296	608,276

24. EARNINGS PER ORDINARY SHARE (CONT'D.)

24.2 Diluted earnings per ordinary share (Cont'd.)

	1.4.2023 to 31.12.2023 Sen	Restated 1.4.2022 to 31.3.2023 Sen
Diluted earnings per ordinary share	10	34

25. DIVIDENDS

The amount of dividends paid by the Company since 31 March 2023 were as follows:

	31.12.2023 RM'000	31.3.2023 RM'000
In respect of financial year ended 31 March 2023/2022:		
INCPS:		
Dividend of 5.5% per INCPS on 6,100,000 INCPS based on issue price of RM10.00 each declared on 7 June 2023/21 April 2022 and paid on 7 September 2023/4 October 2022	3,355	3,355
Ordinary share:		
Final dividend of 22.02/26.50 sen per ordinary share on 1,394,196,000/600,000,000 ordinary shares declared on 7 June 2023/21 April 2022 and paid on 7 September 2023/4 October 2022	307,000	159,000
	310,355	162,355

26. CAPITAL COMMITMENTS

	31.12.2023 RM'000	31.3.2023 RM'000
Capital expenditure:		
Approved and contracted for:		
Renovation, furniture and fitting and office equipment	1,699	41
Computer hardware and software	2,778	4,982
	4,477	5,023
Approved but not contracted for:		
Computer hardware and software	3,930	6,673

27. SIGNIFICANT RELATED PARTIES DISCLOSURES

(a) Related parties

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

Name	Relationship
Liberty Mutual Holding Company Inc.	Ultimate holding company
Liberty Mutual Insurance Company, Boston	Penultimate holding company
Liberty Global Holdings Sdn Bhd (formerly known as Liberty Insurance Berhad) ("LGHSB")	Immediate holding company
AmGeneral Holdings Berhad	Corporate shareholder
AMMB Holdings Berhad	Other related company
Insurance Australia Limited[1]	Other related company
IAG Re Singapore Pte Ltd[1]	Other related company
AmBank (M) Berhad	Other related company
AmBank Islamic Berhad	Other related company
AmCard Services Berhad	Other related company

27. SIGNIFICANT RELATED PARTIES DISCLOSURES (CONT'D.)

(a) Related parties (Cont'd.)

Name	Relationship
AmCorp Borneo Sdn Bhd	Other related company
AmCorp Energy Services Sdn Bhd	Other related company
AmCorp Perting Hydro Sdn Bhd	Other related company
AmCorp Prima Realty Sdn Bhd	Other related company
AmCorp Properties Berhad	Other related company
AmCorp Realty Sdn Bhd	Other related company
AmCorp Services Sdn Bhd	Other related company
AmCorp Sibujaya Sdn Bhd	Other related company
AmCorp Group Berhad	Other related company
AmFunds Management Berhad	Other related company
AmInvestment Bank Berhad	Other related company
AmIslamic Funds Management Sdn Bhd	Other related company
AmMetLife Insurance Berhad	Other related company
AmMetLife Takaful Berhad	Other related company
AmMortgage One Berhad	Other related company
AmProperty Holdings Sdn Bhd	Other related company
AON Insurance Brokers (Malaysia) Sdn Bhd	Other related company
Harpers Travel (M) Sdn. Bhd.	Other related company
Liberty Insurance Pte Ltd, Singapore	Other related company
Liberty International Underwriters Pte Ltd, Labuan	Other related company

27. SIGNIFICANT RELATED PARTIES DISCLOSURES (CONT'D.)

(a) Related parties (Cont'd.)

Name	Relationship
Liberty Mutual Insurance Europe Limited (Foreign-Others)	Other related company
Liberty Mutual Insurance Europe Limited-Labuan Branch (Offshore)	Other related company
Liberty Specialty Markets Singapore Pte Limited, Labuan Branch	Other related company
AmCash Plus[2]	Subsidiary
AmIncome Institutional 1[2]	Subsidiary
AmIncome Institutional 3[2]	Subsidiary
IERP Sdn Bhd[3]	Company in which a director, has financial interests

1 With effective from 28 July 2022, Insurance Australia Limited, IAG and its related companies ceased to be related parties of the Company. Transactions with them are up to 28 July 2022.

2 In accordance with MFRS 10, the investments are considered as subsidiaries of the Company.

3 With effective from 16 March 2023, IERP Sdn Bhd ceased to be related parties of the Company. Transactions are up to 16 March 2023, in view of resignation of the director.

In the normal course of business, the Company undertakes various transactions with subsidiaries and associated companies of its ultimate holding company, related companies of its corporate shareholder and other companies deemed related parties by virtue of common director's shareholdings. The Directors are of the opinion that the Company sold insurance policies to the related companies and related parties on terms and conditions no more favourable than those available in similar transactions with other customers or employees. Other related party transactions (other than dividends/distributions received from subsidiaries) were also carried out on terms and conditions no more favourable than those available on similar transactions with unrelated parties, unless otherwise stated.

27. SIGNIFICANT RELATED PARTIES DISCLOSURES (CONT'D.)

(a) Related parties (Cont'd.)

The Company's balances with related parties are as follows:

	31.12.2023 RM'000	31.3.2023 RM'000
Due from agents, brokers and co-insurers:		
AmBank (M) Berhad	19,344	12,094
AmCard Services Berhad	-	57
AON Insurance Brokers (Malaysia) Sdn Bhd	3,507	524
Liberty Insurance Pte Ltd, Singapore	10,092	1,711
Liberty Mutual Insurance Company, Boston	10,301	5,155
Liberty Specialty Markets Singapore Pte Limited, Labuan Branch	296	559
	43,540	20,100
Included in amount owing by ultimate holding, holding and other related companies (Note 7):		
Liberty International Underwriters Pte Ltd, Labuan	351	464
Liberty Mutual Insurance Company, Boston	19,423	10,046
	19,774	10,510
Included in income due and accrued (Note 7):		
AmBank (M) Berhad	11	1
	11	1
Included in cash and short-term deposits (Note 9):		
AmBank (M) Berhad	48,887	109,541
Due to agents, brokers and co-insurers:		
AmBank (M) Berhad	3,118	3,058
AmCard Services Berhad	165	159
AmInvestment Bank Berhad	163	158
AON Insurance Brokers (Malaysia) Sdn Bhd	981	978
Liberty Mutual Insurance Europe Limited-Labuan Branch (Offshore)	102	79
Liberty Mutual Insurance Europe Limited (Foreign-Others)	50	3
Liberty Insurance Pte Ltd, Singapore	-	15,980
Liberty Mutual Insurance Company, Boston	57	781
Liberty Specialty Markets Singapore Pte Limited, Labuan Branch	11,398	7,171
	16,034	28,367

27. SIGNIFICANT RELATED PARTIES DISCLOSURES (CONT'D.)

(a) Related parties (Cont'd.)

The Company's balances with related parties are as follows (Cont'd.):

	31.12.2023 RM'000	31.3.2023 RM'000
Included in amount owing to other related companies (Note 16):		
AmBank (M) Berhad	5,395	5,737
AMMB Holdings Berhad	961	1,361
	6,356	7,098
Included in accrued expenses and deposits (Note 16):		
AmBank (M) Berhad	556	3,858

The Company's significant transactions with related parties during the financial period/year are as follows :

	1.4.2023 to 31.12.2023 RM'000	1.4.2022 to 31.3.2023 RM'000
Interest and dividend income from:		
AmBank (M) Berhad	1,928	4,188
AmIncome Institutional 1	20,214	40,258
AmIncome Institutional 3	35,941	72,857
AmCash Plus	4,639	6,700
AmIslamic Funds Management Sdn Bhd	-	93
	62,722	124,096
Gross premium income from:		
AmBank (M) Berhad	1,847	5,010
AMMB Holdings Berhad	736	5,937
AmMetLife Insurance Berhad	212	199
AmInvestment Bank Berhad	68	63
AmBank Islamic Berhad	4	(186)
AmMetLife Takaful Berhad	-	2
AmCorp Properties Berhad	29	26

27. SIGNIFICANT RELATED PARTIES DISCLOSURES (CONT'D.)

(a) Related parties (Cont'd.)

The Company's significant transactions with related parties during the financial period/year are as follows (Cont'd.):

	1.4.2023 to 31.12.2023 RM'000	1.4.2022 to 31.3.2023 RM'000
Gross premium income from (Cont'd.):		
AmCorp Energy Services Sdn Bhd	1	1
AmCorp Perting Hydro Sdn Bhd	-	7
AmCorp Prima Realty Sdn Bhd	-	1
AmCorp Sibujaya Sdn Bhd	54	46
AmCorp Services Sdn Bhd	13	24
AmCorp Realty Sdn Bhd	11	12
AmCorp Borneo Sdn Bhd	1	1
AmFunds Management Bhd	27	109
AmIslamic Funds Management Sdn Bhd	5	5
AmProperty Holdings Sdn Bhd	103	117
AmMortgage One Berhad	1	1
AmCorp Group Berhad	1	-
	3,113	11,375
Commission income from:		
IAG Re Singapore Pte Ltd	-	32
Insurance Australia Limited	-	464
Liberty Mutual Insurance Company, Boston	3,405	184
Liberty Mutual Insurance Europe Limited-Labuan Branch (Offshore)	25	41
Liberty Mutual Insurance Europe Limited (Foreign-Others)	7	1
Liberty International Underwriters Pte Ltd, Labuan	5,059	-
Liberty Insurance Pte Ltd, Singapore	1,071	-
	9,567	722
Commission expenses to:		
AmBank (M) Berhad	(8,865)	(12,001)
AmInvestment Bank Berhad	(5)	(4)
AON Insurance Brokers (Malaysia) Sdn Bhd	(3,696)	(3,348)
	(12,566)	(15,353)
Administration and operating expenses to:		
AmBank (M) Berhad	(16,979)	(22,263)
AmFunds Management Berhad	(138)	(253)
AmMetLife Insurance Berhad	(4,522)	(3,950)
Insurance Australia Limited	-	186

27. SIGNIFICANT RELATED PARTIES DISCLOSURES (CONT'D.)

(a) Related parties (Cont'd.)

The Company's significant transactions with related parties during the financial period/year are as follows (Cont'd.):

	1.4.2023 to 31.12.2023 RM'000	1.4.2022 to 31.3.2023 RM'000
Administration and operating expenses to (Cont'd.):		
Harpers Travel (M) Sdn. Bhd.	(118)	(216)
IERP Sdn Bhd	-	(64)
Liberty Global Holdings Sdn Bhd	44	(992)
Liberty Specialty Markets Singapore Pte Limited, Labuan Branch	873	-
Liberty Mutual Insurance Company, Boston	(3,994)	-
	(24,834)	(27,552)
Other Operating Income:		
Liberty Mutual Insurance Company, Boston	453	-
	453	-
Reinsurance premiums ceded to:		
IAG Re Singapore Pte Ltd	-	(91)
Insurance Australia Limited	-	(524)
Liberty Mutual Insurance Company, Boston	(13,112)	(1,115)
Liberty Mutual Insurance Europe Limited, Labuan Branch (Offshore)	(153)	(194)
Liberty Mutual Insurance Europe Limited (Foreign-Others)	(63)	(11)
Liberty Global Holdings Sdn Bhd	-	15
Liberty Insurance Pte Ltd, Singapore	(9,887)	-
Liberty International Underwriters Pte Ltd, Labuan	(21,463)	-
	(44,678)	(1,920)
Claims recovery from:		
IAG Re Singapore Pte Ltd	-	162
Insurance Australia Limited	-	1,285
Liberty Mutual Insurance Company, Boston	16,130	3,835
Liberty Insurance Pte Ltd, Singapore	8,750	-
Liberty International Underwriters Pte Ltd, Labuan	270	-
	25,150	5,282
Dividends on INCPS and ordinary shares paid to:		
Liberty Global Holdings Sdn Bhd	(310,355)	(162,355)
	(310,355)	(162,355)

27. SIGNIFICANT RELATED PARTIES DISCLOSURES (CONT'D.)

(b) Compensation of Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly.

The key management personnel of the Company are the directors and the Chief Executive Officer.

(i) Chief Executive Officer's remuneration including benefits-in-kind

The details of remuneration received by the Chief Executive Officer during the period/year are as follows:

	1.4.2023 to 31.12.2023 RM'000	**1.4.2022 to 31.3.2023 RM'000**
Non-deferred:		
Fixed remuneration^:		
Salaries	1,272	1,089
Contribution to Employees' Provident Fund	193	-
	1,465	1,089
Variable remuneration:		
Bonus	1,009	302
Contribution to Employees' Provident Fund	161	-
Other benefits-in-kind	268	46
	1,438	348
Total monetary benefits	2,903	1,437
Non-monetary benefits	502	120
Total remuneration	3,405	1,557

^ Includes remuneration paid to the previous Chief Executive Officer who had resigned during the financial period.

27. SIGNIFICANT RELATED PARTIES DISCLOSURES (CONT'D.)

(b) Compensation of Key Management Personnel (Cont'd.)

(ii) Directors' fees and remuneration

The details of remuneration received by the executive and non-executive directors during the period/year are as follows:

	1.4.2023 to 31.12.2023 RM'000	1.4.2022 to 31.3.2023 RM'000
Fees	971	817
Allowances and other emoluments	192	510
	1,163	1,327

The total remuneration (including benefits-in-kind) of the directors of the Company are as follows:

	<--------------- Non-deferred	------------->	
	Fixed remuneration fees RM'000	Variable remuneration others RM'000	Total RM'000
1.4.2023 to 31.12.2023			
Executive director:			
Saime Defne Turkes	-	-	-
Non-executive directors:			
Dato' Haji Kamil Khalid Ariff	209	20	229
Phoon Soon Keong	154	38	192
Elsie Kok Yin Mei	154	41	195
Dato' Lim Heen Peok	173	47	220
Dato' Sulaiman Bin Mohd Tahir (Resigned on 2 February 2024)	150	23	173
Keong Choon Keat (Resigned on 9 February 2024)	131	23	154
	971	192	1,163
	971	192	1,163

27. SIGNIFICANT RELATED PARTIES DISCLOSURES (CONT'D.)

(b) Compensation of Key Management Personnel (Cont'd.)

(ii) Directors' fees and remuneration (Cont'd.)

The total remuneration (including benefits-in-kind) of the directors of the Company are as follows (Cont'd.):

	<--------------- Non-deferred	------------->	
	Fixed remuneration fees RM'000	**Variable remuneration others RM'000**	**Total RM'000**
1.4.2022 to 31.3.2023			
Executive director:			
Daniel Francis Coman (Resigned on 28 July 2022)	49	13	62
Non-executive directors:			
Dato' Haji Kamil Khalid Ariff (Appointed on 22 February 2023)	16	13	29
Dato' Sulaiman Bin Mohd Tahir	150	69	219
Phoon Soon Keong	150	110	260
Elsie Kok Yin Mei (Appointed on 22 February 2023)	16	12	28
Keong Choon Keat (Appointed on 22 February 2023)	16	5	21
Dato' Lim Heen Peok (Appointed on 22 February 2023)	16	15	31
Ramesh Pillai (Resigned on 16 March 2023)	144	97	241
Sathasivan Kunchamboo (Resigned on 10 February 2023)	130	88	218
Wong Teck Kat (Resigned on 10 February 2023)	130	88	218
	768	497	1,265
	817	510	1,327

The directors' fees are subject to the recommendation of the Remuneration Committee of the Board of Directors for endorsement and approval by the shareholder at the Annual General Meeting.

28. FINANCIAL INSTRUMENTS BY CATEGORY

31.12.2023	Note	AC RM'000	FVTPL RM'000	FVOCI RM'000	Sub-total RM'000	Assets not in scope of MFRS 9 RM'000	Total RM'000
Assets							
Property and equipment	3	-	-	-	-	80,855	80,855
Right-of-use assets	4	-	-	-	-	34,351	34,351
Intangible assets	5	-	-	-	-	30,098	30,098
Investments	6	398,391	3,916,618	741,035	5,056,044	-	5,056,044
Reinsurance contract assets	14	-	-	-	-	459,790	459,790
Other receivables	7	65,330	-	-	65,330	38,223	103,553
Deferred tax assets	8	-	-	-	-	29,829	29,829
Cash and short-term deposits	9	198,497	-	-	198,497	-	198,497
Investment properties	11	-	-	-	-	31,196	31,196
Total assets		662,218	3,916,618	741,035	5,319,871	704,342	6,024,213

	Note	Other financial liabilities RM'000	Sub-total RM'000	Liabilities not in scope of MFRS 9 RM'000	Total RM'000
Liabilities					
Insurance contract liabilities	14	-	-	3,223,791	3,223,791
Other liabilities	15	-	-	5,482	5,482
Lease liabilities	4	-	-	37,059	37,059
Provision for taxation		-	-	35,277	35,277
Other payables	16	79,943	79,943	247,776	327,719
Provision for retirement benefits	17	-	-	18,925	18,925
Total liabilities		79,943	79,943	3,568,310	3,648,253

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

31.3.2023	Note	AC RM'000	FVTPL RM'000	FVOCI RM'000	Sub-total RM'000	Assets not in scope of MFRS 9 RM'000	Total RM'000
Assets							
Property and equipment	3	-	-	-	-	64,954	64,954
Right-of-use assets	4	-	-	-	-	11,808	11,808
Intangible assets	5	-	-	-	-	35,634	35,634
Investments	6	255,279	4,142,378	737,353	5,135,010	-	5,135,010
Reinsurance contract assets	14	-	-	-	-	540,414	540,414
Other receivables	7	67,031	-	-	67,031	80,969	148,000
Deferred tax assets	8	-	-	-	-	17,230	17,230
Cash and short-term deposits	9	267,592	-	-	267,592	-	267,592
Non-current assets held for sale	10	-	-	-	-	3,612	3,612
Investment properties	11	-	-	-	-	32,656	32,656
Total assets		589,902	4,142,378	737,353	5,469,633	787,277	6,256,910

	Note	Other financial liabilities RM'000	Sub-total RM'000	Liabilities not in scope of MFRS 9 RM'000	Total RM'000
Liabilities					
Insurance contract liabilities	14	-	-	3,393,693	3,393,693
Other liabilities	15	-	-	3,081	3,081
Lease liabilities	4	-	-	12,349	12,349
Provision for taxation		-	-	19,346	19,346
Other payables	16	81,527	81,527	176,442	257,969
Provision for retirement benefits	17	-	-	18,402	18,402
Total liabilities		81,527	81,527	3,623,313	3,704,840

29. RISK MANAGEMENT FRAMEWORK

29.1 Risk Governance framework

The Company's Enterprise Risk Management ("ERM") Framework is focused on embedding effective risk mitigation mechanisms and risk disciplines within the Company to manage risks within the Board-approved tolerances and risk appetites while protecting it from uncertainties and threats, thus enabling the achievement of its business objectives.

The objectives of managing the risks are to:

- Create and protect values for the Company's shareholders

- Fulfil its obligations to the Company's customers and other stakeholders

- Prepare the Company's resilience to face expected and unexpected events

- Support the Company’s objectives and the achievement of its long term strategic intent

- Instil confidence in customers, shareholders and other stakeholders on the Company's financial strength, capability and reliability

The ERM is implemented through a Risk Governance structure which includes:

- Board of Directors & Board Committees: Responsible for ensuring the continued appropriateness and effectiveness of the ERM Framework, setting the risk appetite and risk tolerance thresholds, endorsing risk profiles and approving risk management policies;

- Risk and Compliance Management Committee: Includes the Chief Executive Officer and senior management; accountable for the implementation of the requirements of the ERM Framework and risk management strategies across the Company, including reporting and escalation of significant risk matters to the Board and Board Committees and the corresponding rectification or mitigation of those matters;

29. RISK MANAGEMENT FRAMEWORK (CONT'D.)

29.1 Risk Governance framework (Cont'd.)

The ERM is implemented through a Risk Governance structure which includes (Cont'd.):

- Risk Management Department: Assists the Board, Risk Management Committee and the Senior Management in developing and maintaining an effective ERM Framework in consultation with stakeholders, regulators and industry regulating bodies while remaining accountable for the reporting and escalation of significant risk matters to the Management and the Board and their subsequent resolution or rectification; and

- Business Units: Incorporates the requirements of the ERM Framework into the departmental guidelines and procedures and ensures the continued effectiveness of risk management practices across each department while continually escalating and reporting significant risks to the Management and Risk Management Department.

29.2 Capital management objectives, policies and approach

The Company's Capital Management Policy ("CMP") has been noted by the regulators and establishes a detailed capital management and response action plan to be taken by the Board and Management of the Company in the event of extreme events that may lead to the Capital Adequacy Ratio ("CAR") falling below the Management Target Capital Level ("MTCL"), Individual Target Capital Level ("ITCL") and the Supervisory Target Capital Level ("STCL"). MTCL is set at the first and highest CAR threshold which is above ITCL and STCL. The Company has always been operating with CAR above MTCL.

The CMP defines general and probable risk scenarios that could threaten the capital position of the Company and establishes appropriate remedial action plans to respond, taking into consideration the Company’s financial and business position. The CMP allows the Company to utilise capital more efficiently in a controlled and predictable manner to drive its strategic intent while ensuring that the Company operates above the MTCL, ITCL and STCL at all times.

29. RISK MANAGEMENT FRAMEWORK (CONT'D.)

29.2 Capital management objectives, policies and approach (Cont'd.)

The Company has established the following capital management objectives, policies and approach to the risks that affect its capital position.

The capital management objectives are:

- For the Company to remain resilient when faced with extreme or unexpected situations or scenarios, maintaining adequate capital to continue to support the business.

- For the Company to maintain adequate capital to support all risks in the business as well as to develop and use better risk management techniques including scenario modelling and stress testing methods in monitoring and managing risks.

- For the Company's Management and Board to develop and establish an internal capital adequacy assessment process through the use of stress testing and scenario modelling to establish capital targets that commensurate with its risk profiles and control environments.

- Maintenance of the available capital, expressed as a multiple of the statutory CAR within a range that supports the shareholder's objectives whilst suitably protecting the interests of the policyholders.

- For the setting of MTCL and ITCL which accurately reflects the risk profiles of the Company, taking into consideration the quality and effectiveness of the Company's ERM Framework and risk management strategies.

- For treatment of risks not fully captured under the Risk-Based Capital Framework ("RBC") and external risks to be taken up and considered within the Company's internal capital target management.

- For the Company to utilise an effective capital management strategy to create shareholder value whilst maintaining an appropriate level of capital to protect the policyholders' interests and satisfy regulatory requirements.

- For the continued payment of dividends on ordinary shares through the effective management of the Company's CAR positions at the point of payment and the avoidance of significant deterioration to the CAR after payments.

- Dynamic management of the Company's statement of financial position and capital mix.

29. RISK MANAGEMENT FRAMEWORK (CONT'D.)

29.2 Capital management objectives, policies and approach (Cont'd.)

Approach to capital management

With reference to the Bank Negara Malaysia's (BNM) Guidelines of Stress Testing for Insurers, the impact of adverse scenarios on the capital position of the Company is considered and incorporated into the CMP and the management of the Company's CAR positions. This is also consistent with the Company's Individual Capital Adequacy Assessment Process.

The CMP has been implemented for the Company to monitor and manage the CAR should there be adverse conditions developing that may threaten to lower the CAR below the MTCL, ITCL and STCL. The CMP also defines conditions and scenarios which may act as indicators of potential or impending adverse situations, allowing the Management to prepare and respond quickly before those adverse situations become a reality.

29.3 Regulatory framework

Through the RBC Framework, BNM is primarily concerned with protecting the interests of the policyholders and monitors insurers closely to ensure that the management of policyholders' interests remains at a satisfactory level. At the same time, BNM is also interested in ensuring that the Company maintains an appropriate capital position to meet the unforeseen liabilities arising from economic shocks or natural disasters.

29.4 Asset-Liability Management (“ALM”) framework

The Company manages asset and liability positions within the ALM framework that has been developed with the objectives of achieving sustainable and predictable medium to long-term investment returns while prudently preserving capital to meet the financial and contractual obligations of the Company. The ALM framework considers multiple drivers which include interest rate movements, changes in financial obligations, asset and liability classes, etc. to provide the Management and the Board with a transparent, accurate and dynamic ALM monitoring structure for effective oversight and decision making. Scenario modelling and stress testing methodologies are also extensively used to determine possible outcomes and impacts on the Company's ALM management in the event of unpredictable or extreme market and environmental situations. These methods allow for a comprehensive Sensitivity Assessment of the Company's ALM portfolio and removes uncertainties around impacts and outcomes. The Asset and Liability Committee (ALCO) maintains regular oversight, continually assessing the performance and condition of the Company's ALM portfolio while striving to achieve optimised returns on investments within the risk appetites and tolerances stipulated by the Risk Appetite Statements.

30. INSURANCE RISK

30.1 Nature of risk

The Company principally issues the following types of general insurance contracts: Motor, Household and Commercial Fire, Business Interruption, Personal Accident, Marine Cargo, Extended Warranty and other Miscellaneous commercial contracts. Risks under these contracts usually cover a twelve-month duration other than Contractors' All Risk & Engineering and Extended Warranty which may be extended for more than a year. For general insurance contracts, the most significant risk arises from the frequency and severity of the claims experience. These risks vary significantly in relation to the location of risk, type of risk insured and industry.

The Company may also be exposed to risks arising from climate changes, natural disasters, legislation changes and terrorism activities. For longer tail claims that take some years to settle, there is also inflation risk.

The above risks are mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The volatility of risks is mitigated by implementation of underwriting strategies and claims management policies which attempt to minimise risks while at the same time encouraging reduction in the time taken to settle claims.

The Company limits its exposure to risk via various reinsurance arrangements. Also, claims exposure is limited to individual contracts and loss events basis such as floods and fires, as well as accidents involving multiple insureds.

30.2 Concentration of insurance risk by type of contract

The table below sets out the concentration of insurance contract liabilities and reinsurance contract assets by types of contracts issued:

	Gross RM'000	**Reinsurance RM'000**	**Net RM'000**
31.12.2023			
Motor	2,501,478	(67,767)	2,433,711
Fire	331,881	(179,405)	152,476
Personal accident	29,600	(3,675)	25,925
Miscellaneous	360,832	(208,943)	151,889
	3,223,791	(459,790)	2,764,001

30. INSURANCE RISK (CONT'D.)

30.2 Concentration of insurance risk by type of contract (Cont'd.)

The table below sets out the concentration of insurance contract liabilities and reinsurance contract assets by types of contracts issued: (Cont'd.)

	Gross RM'000	Reinsurance RM'000	Net RM'000
Restated 31.3.2023			
Motor	2,604,784	(85,184)	2,519,600
Fire	378,808	(218,569)	160,239
Personal accident	36,559	(5,538)	31,021
Miscellaneous	373,542	(231,123)	142,419
	3,393,693	(540,414)	2,853,279

Included in motor insurance contract liabilities is the Company's proportionate share of LFRC and LFIC in MMIP of RM0.7 million and RM14.1 million, respectively (31.3.2023: LFRC of RM1.5 million and LFIC of RM25.9 million).

30.3 Insurance contract liabilities and reinsurance contract assets for general insurance

The insurance contract liabilities comprised of liabilities for remaining coverage and liabilities for incurred claims and are computed in accordance with sound actuarial principles and MFRS 17 standards. Similarly, the reinsurance contract assets comprised of assets for remaining coverage and assets for incurred claims and are also computed in accordance with sound actuarial principles and MFRS 17 standards.

Liabilities for Incurred Claims

The estimate of liabilities for incurred claims are made up of the following

- The best estimate value of the outstanding claim payments associated with all claims that have been incurred as at the valuation date;
- An estimate for future claims handling expenses (“CHE”) associated with the outstanding claim payments;
- Other attributable non-acquisition related expenses that have not yet been paid; and
- The risk adjustment for non-financial risk

30 INSURANCE RISK (CONT'D.)

30.3 Insurance contract liabilities and reinsurance contract assets for general insurance (Cont'd.)

Liabilities for Remaining Coverage

The estimate of Liabilities for Remaining Coverage is made up of the following components:

- Premium received in the period;
- minus insurance acquisition cash flows;
- plus any amounts relating to the amortisation of insurance acquisition cash flows recognised as an expense in the reporting period;
- minus the amount recognised as insurance revenue for services provided in that period;
- minus any investment component paid or transferred to the liability for incurred claims; and
- plus loss component established for an onerous group.

Assets for Remaining Coverage

The estimates of Assets for Remaining Coverage are made up of the following components:

- Premium paid to reinsurers in the period;
- minus the amount recognised for services provided in that period;
- minus any investment component paid or transferred to the asset for incurred claims; and
- plus loss recovery component established for a direct onerous group reinsured.

30 INSURANCE RISK (CONT'D.)

30.3 Insurance contract liabilities and reinsurance contract assets for general insurance (Cont'd.)

Assets for Incurred Claims

The estimates of assets for incurred claims are made up of the following components:

- The best estimate value of the reinsurance recoverables associated with all claims that have been incurred as at the valuation date;

- An estimate for the non-performance risk ("NPR") of reinsurers associated with the reinsurance recoverables; and

- The risk adjustment for non-financial risk

30.3.1 Valuation methodology

The valuation methods employed are generally accepted actuarial methods. The following methods have been employed to analyse the experience and to derive the Best Estimate of Liabilities for incurred claims:

- Paid Chain Ladder ("PCL") or Incurred Chain Ladder (“ICL”);
- Bornhuetter-Ferguson (“BF”); and
- Expected Loss Ratio (“ELR”).

The method(s) employed for each valuation group take into account factors such as characteristics of the claims, recent trends in claims experience, size and stability of each valuation group.

30. INSURANCE RISK (CONT'D.)

30.3 Insurance contract liabilities and reinsurance contract assets for general insurance (Cont'd.)

30.3.2 Key assumptions

The principal assumption underlying the estimation of liabilities is that the Company's future claims development will follow a similar pattern to past claims development experience.

Additional qualitative judgements are used to assess the extent to which past trends may not apply in the future, for example, isolated occurrences, changes in the market factors such as public attitude to claiming, economic conditions, as well as internal factors, such as portfolio mix, policy conditions and claims handling procedures. Judgement is further used to assess the extent to which external factors, such as, judicial decisions and government legislation affect the estimates.

30.3.3 Discounting

The Company applies the bottom-up approach when deriving its discount rates for discounting the LFIC and AFIC as disclosed in Note 2.5(a)(vi)(iii).

The table below sets out the six-month, one, two and three year yield curves (risk-free rate plus illiquidity premium) used to discount the cash flows of insurance contracts issued and reinsurance contracts held by the Company :

		6 months	1 year	2 years	3 years
MYR	31.12.2023	3.36%	3.58%	3.72%	3.83%
MYR	31.03.2023	3.54%	3.87%	4.06%	4.25%

30.3.4 Sensitivities

The liabilities for incurred claims are sensitive to the key assumptions shown on the next page. It has not been possible to quantify the sensitivity of certain assumptions, such as, legislative changes or uncertainty in the estimation process.

The analysis on the next page is performed for reasonably possible movements in the key assumption with all other assumptions held constant, showing the impact on liabilities for incurred claims, amounts recoverable on incurred claims, profit before taxation and equity. The correlation of assumptions will have a significant effect in determining the ultimate claim liabilities, but to demonstrate the impact due to changes in assumption, the assumption had to be changed on an individual basis.

30. INSURANCE RISK (CONT'D.)

30.3 Insurance contract liabilities and reinsurance contract assets for general insurance (Cont'd.)

30.3.4 Sensitivities (Cont'd.)

		<----Increase/(decrease)----			
31.12.2023	**Change in assumption of attrition ultimate claims ratio**	**Impact on liabilities for incurred claims RM'000**	**Impact on amounts recoverable on incurred claims RM'000**	**Impact on profit before taxation RM'000**	**Impact on equity* RM'000**
Expected Loss	+7.8%	185,914	(34,010)	(151,904)	(115,447)
Change in percentile for Motor Act Risk Adjustment	+15th percentile	69,332	(4,605)	(64,726)	(49,192)
Interest Rate	-1.3%	34,720	(4,148)	(30,573)	(23,235)
Expected Loss	-7.8%	(185,914)	34,010	151,904	115,447
Change in percentile for Motor Act Risk Adjustment	-15th percentile	(45,233)	2,940	42,294	32,143
Interest Rate	+1.3%	(33,045)	4,004	29,041	22,071

30. INSURANCE RISK (CONT'D.)

30.3 Insurance contract liabilities and reinsurance contract assets for general insurance (Cont'd.)

30.3.4 Sensitivities (Cont'd.)

Restated 31.3.2023	Change in assumption of attrition ultimate claims ratio	<--Increase/(decrease)-- Impact on liabilities for incurred claims RM'000	Impact on amounts recoverable on incurred claims RM'000	Impact on profit before taxation RM'000	Impact on equity* RM'000
Expected Loss	+7.8%	179,770	(37,520)	(142,250)	(108,110)
Change in percentile for Motor Act Risk Adjustment	+15th percentile	78,300	(9,444)	(68,856)	(52,331)
Interest Rate	-1.3%	41,465	(5,905)	(35,560)	(27,026)
Expected Loss	-7.8%	(179,770)	37,520	142,250	108,110
Change in percentile for Motor Act Risk Adjustment	-15th percentile	(50,699)	6,097	44,602	33,898
Interest Rate	+1.3%	(39,395)	5,680	33,714	25,623

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

30. INSURANCE RISK (CONT'D.)

30.3 Insurance contract liabilities and reinsurance contract assets for general insurance (Cont'd.)

30.3.5 *Claims development table*

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

As required by MFRS 17, in setting provisions for claims, the Company gives consideration to the probability and magnitude of future claim experience being more adverse than assumed and exercises a degree of caution in setting the reserves when there is considerable uncertainty. In general, the uncertainty associated with the ultimate claims experience in an accident year is greatest when the accident year is at an early stage of development and the margin to provide necessary confidence in adequacy is relatively at its highest. As claims develop and the ultimate cost of claims becomes more certain, the relative level of margin maintained should decrease.

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

The management of the Company believes that the estimates of total claims outstanding as of the reporting date are adequate. However, due to the inherent uncertainties in the reserving process, it cannot be assured that such balances will ultimately prove to be adequate.

Claims development table for AmGeneral legacy and Liberty legacy books are disclosed separately in the following page.

30. INSURANCE RISK (CONT'D.)

30.3 Insurance contract liabilities and reinsurance contract assets for general insurance (Cont'd.)

30.3.5 Claims development table (Cont'd.)

Gross liabilities for incurred claims for 31.12.2023 - legacy AmGeneral Insurance:

Accident year	**Before 2017 RM'000**	**2018 RM'000**	**2019 RM'000**	**2020 RM'000**	**2021 RM'000**	**2022 RM'000**	**2023 RM'000**	**2024* RM'000**	**Sub total RM'000**	**Inward treaty and MMIP RM'000**	**Total RM'000**
At end of accident year	1,227,523	1,161,461	1,150,178	1,243,368	1,092,370	1,254,861	1,204,082	888,702			
One year later	1,149,853	1,084,565	1,096,000	1,186,034	1,009,946	1,050,842	1,120,395				
Two years later	1,098,274	1,021,983	1,044,485	1,124,666	875,887	996,757					
Three years later	1,032,314	970,496	986,296	1,120,250	855,547						
Four years later	964,732	948,225	986,471	1,083,540							
Five years later	953,382	967,392	974,135								
Six years later	958,143	954,985									
Seven years later	965,603										
Current estimate of cumulative claims incurred	965,603	954,985	974,135	1,083,540	855,547	996,757	1,120,395	888,702			
At end of accident year	(418,997)	(413,497)	(406,583)	(454,994)	(372,078)	(306,934)	(415,578)	(267,715)			
One year later	(728,720)	(697,415)	(689,370)	(714,911)	(579,927)	(560,591)	(651,184)				
Two years later	(841,972)	(812,808)	(796,663)	(818,530)	(674,633)	(660,169)					
Three years later	(891,723)	(867,295)	(854,377)	(890,746)	(723,689)						
Four years later	(916,406)	(901,221)	(895,981)	(942,076)							
Five years later	(925,811)	(918,504)	(922,332)								
Six years later	(933,931)	(932,531)									
Seven years later	(942,755)										
Cumulative payments to-date	(942,755)	(932,531)	(922,332)	(942,076)	(723,689)	(660,169)	(651,184)	(267,715)			
Gross general insurance claim liabilities (direct and facultative)	22,848	22,454	51,803	141,464	131,858	336,588	469,211	620,987	1,797,213	16,716	1,813,929
Effect of Discounting											(78,079)
Liability for incurred claims payable											17,548
Gross liability for incurred claims											1,753,398

** The diagonal is based on 9-month analysis as at 31 December 2023*

30. INSURANCE RISK (CONT'D.)

30.3 Insurance contract liabilities and reinsurance contract assets for general insurance (Cont'd.)

30.3.5 Claims development table (Cont'd.)

Gross liabilities for incurred claims for 31.12.2023 - legacy Liberty Insurance:

Accident year	Before 2016 RM'000	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	Sub total RM'000	Inward treaty RM'000	Total RM'000
At end of accident year	277,458	416,017	355,651	345,401	247,278	328,597	263,893	397,511			
One year later	341,571	488,653	426,975	396,734	294,003	413,233	348,724				
Two years later	373,436	499,767	441,510	416,137	301,810	448,063					
Three years later	377,144	499,761	446,927	423,995	301,830						
Four years later	370,606	497,602	443,272	426,511							
Five years later	371,251	495,946	438,718								
Six years later	360,779	487,764									
Seven years later	363,508										
Current estimate of cumulative claims incurred	363,508	487,764	438,718	426,511	301,830	448,063	348,724	397,511			
At end of accident year	(125,335)	(142,983)	(169,701)	(159,802)	(118,637)	(109,134)	(127,484)	(141,827)			
One year later	(252,157)	(376,487)	(318,179)	(281,493)	(200,682)	(239,141)	(220,175)				
Two years later	(322,874)	(452,367)	(369,445)	(336,449)	(245,221)	(327,042)					
Three years later	(344,956)	(468,500)	(396,874)	(367,538)	(267,351)						
Four years later	(350,387)	(473,427)	(411,715)	(388,758)							
Five years later	(354,579)	(477,740)	(416,633)								
Six years later	(356,882)	(480,693)									
Seven years later	(357,366)										
Cumulative payments to-date	(357,366)	(480,693)	(416,633)	(388,758)	(267,351)	(327,042)	(220,175)	(141,827)			
Gross general insurance claim liabilities (direct and facultative)	6,142	7,071	22,085	37,753	34,479	121,021	128,549	255,684	612,784	407	613,191
Effect of Discounting											(28,116)
Liability for incurred claims payable											5,253
Gross liability for incurred claims											590,328

30. INSURANCE RISK (CONT'D.)

30.3 Insurance contract liabilities and reinsurance contract assets for general insurance (Cont'd.)

30.3.5 Claims development table (Cont'd.)

Net liabilities for incurred claims for 31.12.2023 - legacy AmGeneral Insurance:

Accident year	Before 2,017 RM'000	2,018 RM'000	2,019 RM'000	2,020 RM'000	2,021 RM'000	2,022 RM'000	2,023 RM'000	2024* RM'000	Sub total RM'000	Inward treaty and MMIP RM'000	Total RM'000
At end of accident year	1,093,342	1,007,302	1,003,559	1,062,879	963,685	992,020	1,110,357	833,879			
One year later	1,058,099	977,750	973,556	1,032,528	897,503	816,550	1,035,860				
Two years later	1,008,222	931,761	935,655	982,494	784,196	773,634					
Three years later	947,314	875,023	890,549	979,934	767,056						
Four years later	886,015	862,102	899,637	948,573							
Five years later	876,170	881,033	883,847								
Six years later	881,881	869,642									
Seven years later	885,054										
Current estimate of cumulative claims incurred	885,054	869,642	883,847	948,573	767,056	773,634	1,035,860	833,879			
At end of accident year	(392,176)	(385,935)	(388,952)	(443,656)	(350,808)	(294,809)	(398,848)	(258,755)			
One year later	(672,310)	(644,402)	(637,658)	(665,818)	(527,676)	(483,905)	(620,422)				
Two years later	(776,164)	(747,218)	(729,367)	(763,630)	(607,911)	(554,163)					
Three years later	(823,773)	(797,115)	(782,500)	(830,522)	(652,021)						
Four years later	(845,560)	(822,107)	(822,265)	(878,040)							
Five years later	(854,303)	(839,523)	(843,480)								
Six years later	(861,642)	(849,664)									
Seven years later	(869,531)										
Cumulative payments to-date	(869,531)	(849,664)	(843,480)	(878,040)	(652,021)	(554,163)	(620,422)	(258,755)			
Net general insurance claim liabilities (direct and facultative), gross of impairment loss on reinsurance assets	15,523	19,978	40,367	70,533	115,035	219,471	415,438	575,124	1,471,469	16,716	1,488,185
Effect of Discounting											(69,749)
Asset for incurred claims receivable											(10,500)
Net liability for incurred claims											1,407,937

** The diagonal is based on 9-month analysis as at 31 December 2023*

30. INSURANCE RISK (CONT'D.)

30.3 Insurance contract liabilities and reinsurance contract assets for general insurance (Cont'd.)

30.3.5 Claims development table (Cont'd.)

Net liabilities for incurred claims for 31.12.2023 - legacy Liberty Insurance:

Accident year	Before 2016 RM'000	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	Sub total RM'000	Inward treaty RM'000	Total RM'000
At end of accident year	232,500	265,322	328,236	314,264	223,910	194,177	240,002	349,610			
One year later	286,465	343,077	395,645	363,821	267,322	233,734	314,839				
Two years later	308,648	354,528	408,625	381,696	277,423	257,706					
Three years later	310,294	355,300	414,099	389,520	278,086						
Four years later	305,150	352,300	410,547	389,203							
Five years later	305,248	350,609	407,231								
Six years later	297,571	343,497									
Seven years later	298,004										
Current estimate of cumulative claims incurred	298,004	343,497	407,231	389,203	278,086	257,706	314,839	349,610			
At end of accident year	(107,932)	(124,100)	(158,160)	(151,934)	(110,056)	(95,904)	(114,436)	(128,135)			
One year later	(212,820)	(254,800)	(294,783)	(256,899)	(184,381)	(168,330)	(198,045)				
Two years later	(268,042)	(313,651)	(343,455)	(307,011)	(225,523)	(195,847)					
Three years later	(285,479)	(327,731)	(367,584)	(336,726)	(246,499)						
Four years later	(289,729)	(331,418)	(381,425)	(354,689)							
Five years later	(292,479)	(334,982)	(386,489)								
Six years later	(294,343)	(337,393)									
Seven years later	(294,793)										
Cumulative payments to-date	(294,793)	(337,393)	(386,489)	(354,689)	(246,499)	(195,847)	(198,045)	(128,135)			
Net general insurance claim liabilities (direct and facultative), gross of impairment loss on reinsurance assets	3,211	6,104	20,742	34,514	31,587	61,859	116,794	221,475	496,286	407	496,693
Effect of Discounting											(24,436)
Asset for incurred claims receivable											(14,360)
Net liability for incurred claims											457,897

31. FINANCIAL RISK

31.1 Credit risk

Credit risk is defined as the risk of possible losses resulting from asset defaults; and related losses due to the inability or unwillingness of a counterparty to fully meet its contractual financial obligations.

The Company's significant credit exposures include:

- Investment credit risk – financial loss arising from default of the fixed income securities / debt securities issuer.

- Reinsurance counterparty risk – financial loss arising from a reinsurer’s default, or the deterioration of the reinsurer’s financial position.

- Insurance and other receivables credit risk - financial loss arising from default by insured, agents or other counterparties in the normal course of business; and staff loans and other receivables.

Reinsurance counterparty risk

The Company is exposed to the following reinsurance counterparty risk:

- as a result of debts arising from claims made by the Company but not yet paid by the reinsurer;

- from reinsurance premium payments made to the reinsurer in advance; and

The Company monitors the credit quality and financial conditions of its reinsurers on an ongoing basis and reviews its reinsurance arrangements periodically. The Company typically cedes businesses to regulated reinsurers that have a strong credit rating and concentration risks are avoided by adhering to internal policies and guidelines in respect of counterparties’ limit that have been set.

31. FINANCIAL RISK (CONT'D.)

31.1 Credit risk (Cont'd.)

Insurance and other receivables credit risk

The Company is exposed to insurance receivables credit risk arising from default by insured, agents or other counterparties. One of the credit events would be non-remittance of premium collected on behalf of insureds by the agents. In order to mitigate the insurance receivables credit risk, the Company will give due consideration to the credit quality of an agent before accepting him as an agent and constantly monitor receivable ageing.

The Company has policies to monitor credit risk from these receivables through meetings of the Credit Control Committee, Credit Control Department and Business Units to facilitate monitoring of the outstanding position. The Company also has guidelines to evaluate intermediaries before their appointment as well as setting credit limits to these appointees.

Loan credit risk

The Company is exposed to loan credit risk in several different areas, the most material of which is mortgage loans to employees of the Company.

At the reporting date, the Company's maximum exposure to credit risk is represented by the maximum amount of each class of financial assets/insurance contracts exposed to credit risk and recognised in the statement of financial position as shown in the table below:

	Note	31.12.2023 RM'000	31.3.2023 RM'000
AC financial assets:			
Fixed and call deposits	6.2	398,236	255,040
Loans	6.2	155	239
FVOCI financial assets:			
Malaysian government securities	6.3	433,864	485,359
Corporate bonds	6.3	296,972	241,779
Cagamas bonds	6.3	10,199	10,215
Reinsurance assets	14	459,790	540,414
Other receivables, excluding MMIP assets	7	65,330	67,031
Cash and short-term deposits	9	198,497	267,592
Total credit risk exposure		1,863,043	1,867,669

31. FINANCIAL RISK (CONT'D.)

31.1 Credit risk (Cont'd.)

31.1.1 Credit exposure by credit rating

The table below provides information regarding the credit risk exposure of the Company by classifying assets according to the Company's credit rating of counterparties:

31.12.2023	Investment grade RM'000	Non-investment grade/ unrated RM'000	Total RM'000
AC financial assets:			
Fixed and call deposits	398,236	-	398,236
Loans	-	155	155
FVOCI financial assets:			
Malaysian government securities	433,864	-	433,864
Corporate bonds	296,972	-	296,972
Cagamas bonds	10,199	-	10,199
Reinsurance contract assets	335,908	123,882	459,790
Other receivables, excluding MMIP assets	12,732	52,598	65,330
Cash and short-term deposits	198,448	49	198,497
Total credit risk exposure	1,686,359	176,684	1,863,043
31.3.2023			
AC financial assets:			
Fixed and call deposits	255,040	-	255,040
Loans	-	239	239
FVOCI financial assets:			
Malaysian government securities	485,359	-	485,359
Corporate bonds	241,779	-	241,779
Cagamas bonds	10,215	-	10,215
Reinsurance contract assets	478,827	61,587	540,414
Other receivables, excluding MMIP assets	10,444	56,587	67,031
Cash and short-term deposits	267,538	54	267,592
Total credit risk exposure	1,749,202	118,467	1,867,669

31. FINANCIAL RISK (CONT'D.)

31.1 Credit risk (Cont'd.)

31.1.1 Credit exposure by credit rating (Cont'd.)

The table below provides information regarding the credit risk exposure of the Company by classifying assets according to the Rating Agency of Malaysia's ("RAM"), S&P Global Rating, AmBest or Malaysian Rating Corporation Berhad ("MARC") credit ratings of counterparties. AAA is the highest possible rating.

	Government Guaranteed RM'000	AAA RM'000	AA RM'000	A RM'000	B RM'000	Non-rated RM'000	Total RM'000
31.12.2023							
AC financial assets:							
Fixed and call deposits	-	183,236	215,000	-	-	-	398,236
Loans	-	-	-	-	-	155	155
FVOCI financial assets:							
Malaysian government securities	433,864	-	-	-	-	-	433,864
Corporate bonds	120,955	154,965	21,052	-	-	-	296,972
Cagamas bonds	-	10,199	-	-	-	-	10,199
Reinsurance contract assets	-	100	68,507	266,856	445	123,882	459,790
Other receivables, excluding MMIP assets	4,422	3,854	4,456	-	-	52,598	65,330
Cash and short-term deposits	-	44,222	82,874	71,352	-	49	198,497
Total credit risk exposure	559,241	396,576	391,889	338,208	445	176,684	1,863,043

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31. FINANCIAL RISK (CONT'D.)

31.1 *Credit risk (Cont'd.)*

31.1.1 *Credit exposure by credit rating (Cont'd.)*

	Government Guaranteed RM'000	AAA RM'000	AA RM'000	A RM'000	B RM'000	Non-rated RM'000	Total RM'000
31.3.2023							
AC financial assets:							
Fixed and call deposits	-	135,040	120,000	-	-	-	255,040
Loans	-	-	-	-	-	239	239
FVOCI financial assets:							
Malaysian government securities	485,359	-	-	-	-	-	485,359
Corporate bonds	120,237	100,633	20,909	-	-	-	241,779
Cagamas bonds	-	10,215	-	-	-	-	10,215
Reinsurance contract assets	-	38	97,220	379,320	2,249	61,587	540,414
Other receivables, excluding MMIP assets	5,757	2,912	1,775	-	-	56,587	67,031
Cash and short-term deposits	-	121,939	119,570	26,029	-	54	267,592
Total credit risk exposure	611,353	370,777	359,474	405,349	2,249	118,467	1,867,669

31. FINANCIAL RISK (CONT'D.)

31.2 Liquidity risk

Liquidity risk is the risk that an entity will not have available sufficient cash resources to meet its payment obligations without incurring material additional costs.

The Company will meet its liquidity needs arising in a number of key areas:

- the ability to meet the Company’s payment obligations under normal and stressed operating environments without suffering any material loss
- efficient management of additions or withdrawals from the Company’s investment funds

Part of the Company's liquidity management strategy is to put in place the necessary framework capable of measuring and reporting on:

- daily cash flows
- minimum liquidity holdings
- cash flow forecasting, for a minimum of 2 months up to a maximum of 1 year
- the composition and market values of the Company’s investment portfolios, including liquid holdings
- insurance contract liabilities

For managing the liquidity of the insurance funds, it is appropriate to maintain a certain proportion of the General Insurance Fund in liquid assets which is derived from the investment mandate of the Company.

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31. FINANCIAL RISK (CONT'D.)

31.2 Liquidity risk (Cont'd.)

31.2.1 Maturity profiles

The table below summarises the maturity profile of the financial and insurance assets and liabilities of the Company based on the remaining undiscounted contractual obligations, including interest payable and receivable.

For insurance contract liabilities and reinsurance contract assets, maturity profiles are determined based on the estimated timing of net cash outflows from the recognised insurance liabilities.

	Carrying value RM'000	Up to a year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	No maturity date RM'000	Total RM'000
31.12.2023									
Financial investments:									
AC	398,391	398,374	21	20	16	16	137	-	398,584
FVTPL	3,916,618	-	-	-	-	-	-	3,916,618	3,916,618
FVOCI	741,035	101,903	122,443	172,476	245,610	94,093	100,729	-	837,254
	5,056,044	500,277	122,464	172,496	245,626	94,109	100,866	3,916,618	5,152,456
Reinsurance contract assets - AFIC	477,892	389,434	65,231	19,976	8,541	3,095	3,630	-	489,907
Other receivables, excluding MMIP assets	65,330	65,330	-	-	-	-	-	-	65,330
Cash and short-term deposits	198,497	198,497	-	-	-	-	-	-	198,497
Total financial assets	5,797,763	1,153,538	187,695	192,472	254,167	97,204	104,496	3,916,618	5,906,190
Insurance contract liabilities - LFIC	2,343,727	1,507,134	476,309	208,517	103,430	57,649	88,700	-	2,441,739
Other liabilities	5,482	3,152	695	630	490	472	43	-	5,482
Lease liabilities	37,059	12,908	7,208	5,859	5,402	5,390	518	-	37,285
Other payables - financial liabilities	79,943	79,943	-	-	-	-	-	-	79,943
Total financial liabilities	2,466,211	1,603,137	484,212	215,006	109,322	63,511	89,261	-	2,564,449
Total liquidity surplus/(gap)	3,331,552	(449,599)	(296,517)	(22,534)	144,845	33,693	15,235	3,916,618	3,341,741

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31. FINANCIAL RISK (CONT'D.)

31.2 Liquidity risk (Cont'd.)

31.2.1 Maturity profiles (Cont'd.)

	Carrying value RM'000	Up to a year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	No maturity date RM'000	Total RM'000
31.3.2023									
Financial investments:									
AC	255,279	255,296	14	13	11	10	102	-	255,446
FVTPL	4,142,378	-	-	-	-	-	-	4,142,378	4,142,378
FVOCI	737,353	80,084	96,224	169,997	159,304	199,334	138,661	-	843,604
	5,135,010	335,380	96,238	170,010	159,315	199,344	138,763	4,142,378	5,241,428
Reinsurance contract assets - AFIC	456,922	383,071	99,415	30,135	10,142	8,706	9,687	-	541,156
Other receivables, excluding MMIP assets	67,031	67,031	-	-	-	-	-	-	67,031
Cash and short-term deposits	267,592	267,592	-	-	-	-	-	-	267,592
Total financial assets	5,926,555	1,053,074	195,653	200,145	169,457	208,050	148,450	4,142,378	6,117,207
Insurance contract liabilities - LFIC	1,904,856	1,421,704	548,298	255,808	134,074	80,798	136,815	-	2,577,497
Other liabilities	3,081	2,682	53	258	88	-	-	-	3,081
Lease liabilities	12,349	9,978	1,502	965	208	-	-	-	12,653
Other payables - financial liabilities	81,527	81,527	-	-	-	-	-	-	81,527
Total financial liabilities	2,001,813	1,515,891	549,853	257,031	134,370	80,798	136,815	-	2,674,758
Total liquidity surplus/(gap)	3,924,742	(462,817)	(354,200)	(56,886)	35,087	127,252	11,635	4,142,378	3,442,449

31. FINANCIAL RISK (CONT'D.)

31.2 Liquidity risk (Cont'd.)

31.2.1 Maturity profiles (Cont'd.)

The table below summarises the expected utilisation or settlement of assets and liabilities by classifying them into Current and Non-current categories:

	Current* RM'000	Non-current RM'000	Total RM'000
31.12.2023			
Assets			
Property and equipment	-	80,855	80,855
Right-of-use assets	-	34,351	34,351
Intangible assets	-	30,098	30,098
Investments	4,416,895	639,149	5,056,044
Reinsurance contract assets	360,210	99,580	459,790
Other receivables	65,330	38,223	103,553
Deferred tax assets	-	29,829	29,829
Cash and short-term deposits	198,497	-	198,497
Investments properties	-	31,196	31,196
Total assets	5,040,932	983,281	6,024,213
Liabilities			
Insurance contract liabilities	2,518,474	705,317	3,223,791
Other liabilities	3,152	2,330	5,482
Lease liabilities	12,908	24,151	37,059
Provision for taxation	35,277	-	35,277
Other payables	327,719	-	327,719
Provision for retirement benefits	4,889	14,036	18,925
Total liabilities	2,902,419	745,834	3,648,253

** Expected maturities within 12 months from the reporting date.*

31. FINANCIAL RISK (CONT'D.)

31.2 Liquidity risk (Cont'd.)

31.2.1 Maturity profiles (Cont'd.)

The table below summarises the expected utilisation or settlement of assets and liabilities by classifying them into Current and Non-current categories (Cont'd.):

	Current* RM'000	Non-current RM'000	Total RM'000
31.3.2023			
Assets			
Property and equipment	-	64,954	64,954
Right-of-use assets	-	11,808	11,808
Intangible assets	-	35,634	35,634
Investments	5,134,687	323	5,135,010
Reinsurance contract assets	407,849	132,565	540,414
Other receivables	67,031	80,969	148,000
Deferred tax assets	-	17,230	17,230
Cash and short-term deposits	267,592	-	267,592
Non-current assets held for sale	3,612	-	3,612
Investments properties	-	32,656	32,656
Total assets	5,880,771	376,139	6,256,910
Liabilities			
Insurance contract liabilities	2,529,675	864,018	3,393,693
Other liabilities	2,682	399	3,081
Lease liabilities	9,978	2,371	12,349
Provision for taxation	19,346	-	19,346
Other payables	257,969	-	257,969
Provision for retirement benefits	2,224	16,178	18,402
Total liabilities	2,821,874	882,966	3,704,840

** Expected maturities within 12 months from the reporting date.*

31. FINANCIAL RISK (CONT'D.)

31.3 Market risk

Market risk is the risk of loss arising from a change in the values of, or the income from, financial assets of the Company. A risk of loss also arises from volatility in asset prices, interest rates, or exchange rates.

The Company has policies and limits to manage market risk. The market risk is managed through portfolio diversification and changes in assets allocation. The Company’s policies on assets allocation, portfolio limit structure and diversification benchmark is aligned with the Company’s risk appetite after taking cognisance of the regulatory requirements in respect of maintenance of assets and solvency.

31.3.1 Foreign exchange risk

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

At the reporting date, the Company has no significant exposure to foreign exchange risk.

The Company does not engage in derivative transactions for speculative purposes.

31.3.2 Interest rate risk

Interest rate risk is the risk of fluctuations in fair value or future cash flows of a financial instrument arising from volatility in interest rates.

The Company is exposed to interest rate risk through direct investments in fixed income securities. Day-to-day investment decisions around the management of interest rate risk and its impact on the value of the Company's investments are largely undertaken on behalf of the Company by approved fund managers, in accordance with the fund information memorandum/prospectus disclosed by the fund management houses. The fund managers will assess the extent of interest rate risk allowed by the fund as set out in the fund objectives and relative to the defined performance benchmarks. The methodology to manage interest rate risk within each specific fund is an integral part of the fund manager's approach adopted.

31. FINANCIAL RISK (CONT'D.)

31.3 Market risk (Cont'd.)

31.3.2 Interest rate risk (Cont'd.)

The following table demonstrates the sensitivity to a reasonable change in interest rates on the fair value or future cash flows of debt securities:

		Increase/(Decrease)			
		<------ 31.12.2023 ------->		<------ 31.03.2023 ------->	
	Change in variables	Impact on profit before taxation RM'000	Impact on equity* RM'000	Impact on profit before taxation RM'000	Impact on equity* RM'000
Parallel shift in yield curve	+50 bps	(11,054)	(8,401)	-	-
Parallel shift in yield curve	-50 bps	11,054	8,401	-	-

* impact on equity reflects adjustment for tax, where applicable.

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

31.3.3 Other market risk

The fair value of future cash flows of a financial instrument will also fluctuate because of the changes in market prices (other than those arising from interest rate risk or currency risk), regardless of whether those changes are caused by factors specific to the individual financial statements or its issuer or factors affecting similar financial instruments traded in the market. Currently the Company has no significant exposure to these risks, except for the investment in Collective Investment Schemes measured at FVTPL.

31. FINANCIAL RISK (CONT'D.)

31.3 Market risk (Cont'd.)

31.3.3 Other market risk (Cont'd.)

The following table demonstrates the sensitivity to a reasonable change in market indices on the equity securities, as well as collective investment schemes and quoted unit and property trust funds:

		31.12.2023		31.3.2023	
	Change in variables	**Impact on profit before taxation RM'000**	**Impact on equity* RM'000**	**Impact on profit before taxation RM'000**	**Impact on equity* RM'000**
Equity securities:					
Market price	+5%	2,503	1,902	3,276	2,490
Market price	-5%	(2,503)	(1,902)	(3,276)	(2,490)
Unit and property trust funds:					
Market price	+5%	313	238	254	193
Market price	-5%	(313)	(238)	(254)	(193)
Collective investment schemes					
Net asset value	+5%	193,015	146,691	184,898	140,522
Net asset value	-5%	(193,015)	(146,691)	(184,898)	(140,522)

* impact on equity reflects adjustment for tax, where applicable.

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

31. FINANCIAL RISK (CONT'D.)

31.4 Operational risk

Operational Risk refers to the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Operational risk is inherent in all activities, products and services of financial institutions and can transverse multiple activities and business lines within the financial institutions. It includes a wide spectrum of heterogeneous risks such as fraud, physical damage, business disruption, cyber-attack, technology failures, transaction failures, legal and regulatory breaches, as well as employee health and safety hazards. Operational risk may result in direct financial losses as well as indirect financial losses (e.g. loss of business and market share) due to reputational damage.

However, by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage these risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, as well as the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Company's strategic planning and budgeting process.

32. FAIR VALUE HIERARCHY

The table below analyses those financial instruments carried at fair value and assets for which fair value is disclosed by their valuation methods.

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

(b) Level 2 - Valuation techniques for which all inputs that are significant to the fair value measurement is directly or indirectly observable

(c) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

	Note	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31.12.2023					
Assets measured at fair value on a recurring basis:					
FVTPL financial assets:					
Quoted equities securities	6.1	50,063	-	-	50,063
Unit and property trust funds	6.1	6,254	-	-	6,254
Collective investment schemes					
Investment in subsidiaries	6.4	3,345,207	-	-	3,345,207
Investment in others	6.1	515,094	-	-	515,094
FVOCI financial assets:					
Malaysian government securiti	6.3	-	433,864	-	433,864
Corporate bonds	6.3	-	296,972	-	296,972
Cagamas bonds	6.3	-	10,199	-	10,199
Unquoted equity securities in Malaysia*	6.3	-	-	-	-
Investment properties	11	-	-	31,196	31,196
		3,916,618	741,035	31,196	4,688,849

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32. FAIR VALUE HIERARCHY (CONT'D.)

	Note	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31.3.2023					
Assets measured at fair value on a recurring basis:					
FVTPL financial assets:					
Quoted equities securities	6.1	65,526	-	-	65,526
Unit and property trust funds	6.1	5,082	-	-	5,082
Collective investment schemes					
Investment in subsidiaries	6.4	3,560,941	-	-	3,560,941
Investment in others	6.1	510,829	-	-	510,829
FVOCI financial assets:					
Malaysian government securiti	6.3	-	485,359	-	485,359
Corporate bonds	6.3	-	241,779	-	241,779
Cagamas bonds	6.3	-	10,215	-	10,215
Unquoted equity securities in Malaysia*	6.3	-	-	-	-
Investment properties	11	-	-	32,656	32,656
		4,142,378	737,353	32,656	4,912,387

*This denotes that the fair value of unquoted equities as at 31 December 2023/March 2023 is RM1.

33. REGULATORY CAPITAL REQUIREMENTS

The total capital available of the Company as at reporting date, as prescribed under the RBC Framework by BNM is provided below:

	31.12.2023 RM'000	31.3.2023 RM'000
Eligible Tier 1 capital		
Fully paid-up ordinary shares (Note 12)	2,906,070	2,906,070
Paid-up non-cumulative irredeemable preference shares (Note 12)	61,000	61,000
Retained earnings	432,452	598,530
Merger reserves	(1,099,025)	(1,099,025)
	2,300,497	2,466,575
Tier 2 capital		
FVOCI reserves	944	-
Revaluation reserves	582	-
	1,526	-
Amounts deducted from capital	(101,380)	(86,753)
Total capital available	2,200,643	2,379,822

The total capital available is measured based on the requirements prescribed under the Framework by BNM and differs from the measurement basis reported in the statutory financial statements prepared in accordance with Malaysian Financial Reporting Standards.

34. INSURANCE FUND

The Company's activities are organised by funds and segregated into Insurance and Shareholder's Funds in accordance with the Financial Services Act, 2013.

The Insurance and Shareholder's Funds have been presented together as one fund in the Company's statement of financial position, income statement and statement of comprehensive income.

The general insurance business offers general insurance products which include Motor, Fire, Personal Accident, Health and Surgical, Marine, Aviation and Transit and Miscellaneous products.

35. SIGNIFICANT AND SUBSEQUENT EVENTS

The Malaysian Competition Commission ("MyCC")'s decision against Persatuan Insuran Am Malaysia ("PIAM") and its 22 members

On 22 February 2017, MyCC issued a proposed decision against PIAM and 22 of its members general insurers, for an alleged infringement of the Competition Act, 2010 ("CA 2010"). The Proposed Decision ("PD") included proposed financial penalties on all 22 general insurers, including Liberty General Insurance Berhad ("LGIB" or "the Company"). LGIB's share of the proposed infringement penalties amounted to RM45,156,098.

On 25 September 2020, LGIB received the Notice of Finding ("Notice") of an infringement by the Competition Commission under Section 40 of the CA 2010.

Accordingly, the Commission concluded that a financial penalty of RM18,284,759 to be imposed on Liberty General, down from the originally proposed infringement penalties of RM45,156,098. In view of the Covid-19 pandemic, the Commission also granted a further reduction of 25% of the financial penalty imposed, bringing the penalty amount to RM13,713,569, which was approximately a 70% reduction from the initial proposed amount.

On 17 and 21 March 2022, MyCC appeared before Competition Appeal Tribunal ("COMPAT") for MyCC's submissions in reply whereby MyCC raised some new points but did not address several main points that were brought up by LGIB's counsel.

On 21 and 22 April 2022, LGIB's counsel addressed the Court and rebutted the points referred to by MyCC. The COMPAT deliberated on the application for further submissions by MyCC and decided not to allow further submissions.

On 2 September 2022, the COMPAT had unanimously allowed the general insurers' appeal and MyCC's decision was being set aside.

MyCC has filed an application for leave to bring judicial review proceedings to challenge COMPAT's decision in favour of the Insurers and the Insurers filed objections to MyCC's judicial review leave application. On 16 January 2024, the High Court dismissed MyCC's judicial review leave application. On 15 February 2024, MyCC filed an appeal to the Court of Appeal against the High Court's decision and the matter is fixed for case management on 15 May 2024.

As at the date of financial statements, there have been no further developments on this matter and no provision is set aside.

36. MFRS 17 FINANCIAL IMPACT ON ASSETS AND LIABILITIES TRANSFERRED FROM IMMEDIATE HOLDING COMPANY

Pursuant to the order of High Court of Malaya in Kuala Lumpur dated 9 March 2023 ("the order"), the immediate holding company, LGHSB transferred its general insurance business to the Company on 31 March 2023.

To fulfil the consideration for the transfer, the Company issued 794,196,000 new ordinary shares at RM1 per share. These shares were measured at fair value of RM2.40 per share, with the total value of RM1,906,070,400.

The adoption of MFRS 17 has led to a restatement of assets and liabilities transferred from LGHSB to the Company on 31 March 2023. As a result, the net assets transferred in relation to the general insurance business have been restated to RM879,028,000 (previously reported as RM807,045,000 under MFRS 4).

36. MFRS 17 FINANCIAL IMPACT ON ASSETS AND LIABILITIES TRANSFERRED FROM IMMEDIATE HOLDING COMPANY (CONT'D.)

The details of the restated assets and liabilities transferred from LGHSB to the Company on 31 March 2023 are disclosed as follows:

	Restated RM'000	As previously reported RM'000
Assets		
Properties and equipment	54,177	54,177
Right-of-use assets	539	539
Intangible assets	4,158	4,158
Investments	1,344,467	1,344,467
Reinsurance assets	153,267	164,613
Insurance receivables	-	48,973
Other receivables	68,966	69,837
Cash and short-term deposits	120,986	120,986
Non-current assets held for sale	2,050	2,050
Investment properties	32,656	32,656
Total assets	1,781,266	1,842,456
Liabilities		
Insurance contract liabilities	826,725	903,409
Other liabilities	-	1,144
Deferred tax liabilities	22,732	-
Lease liabilities	549	549
Insurance payables	-	81,627
Other payables	52,232	48,682
Total liabilities	902,238	1,035,411
Acquired net assets	879,028	807,045

The difference between the fair value of the ordinary shares issued and the acquired net assets remeasured under MFRS 17 is reflected within equity as follows:

Merger reserves:	Restated RM'000	As previously reported RM'000
- Fair value of the issuance of 794,196,000 ordinary shares	1,906,070	1,906,070
Less: Carrying value of acquired net assets	(879,028)	(807,045)
	1,027,042	1,099,025

The company has applied the pooling of interests method (as detailed in Note 2.2(j)) to account for the transaction above.

37. COMPARATIVE FIGURES

The income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and the related notes to the financial statements for the period ended 31 December 2023 include the results of operations of both AmGeneral and business operations transferred from LGHSB from 1 April 2023 onwards, following the merger between the two entities on 31 March 2023. As a result, the above components presented for the period 1 April 2023 to 31 December 2023 are not directly comparable to the comparative figures, which only consist of AmGeneral's business operations from 1 April 2022 to 31 March 2023.

In addition, as detailed in Note 2.3, 'Changes in Accounting Policies,' certain comparative amounts have been reclassified to align with the current period's presentation. These amounts have been prepared and presented following the transition provisions of MFRS 17. Please see the statement of changes in equity for details on the impact of adoption of MFRS 17.