



GREAT EASTERN LIFE  
ASSURANCE (MALAYSIA)  
BERHAD

# GREAT

is for everyone



ANNUAL REPORT 2023

At Great Eastern, we believe in everyone's potential to achieve what is meaningful, and we take pride to protect, preserve and grow what matters to our customers. From our humble origins to becoming a trusted brand that serves generations of customers, we have, over the last 115 years, provided insurance and financial solutions that enable our customers to live life to the fullest. As we journey together, we will continue to elevate our business to deliver value to our customers, partners, financial representatives and employees.

We believe that Great is for everyone. And we achieve this by protecting our stakeholders against life's uncertainties and empowering their financial freedom, so that they can pursue their goals, thrive without fear, and be the greatest version of themselves.

Together, we will Reach for Great.

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## CORE VALUES

# Integrity Initiative Involvement

## WHO WE ARE

Founded in 1908, Great Eastern is a trusted name at the forefront of Asia's insurance industry. As a well-established market leader in Malaysia, we provide financial security and peace of mind to generations of policyholders to protect, preserve and grow what matters them.

## WHAT WE DO

Our customers are our priority and we empower them to thrive across all stages of life with our range of Life and General Insurance and Group Insurance products and services. We help our customers achieve their goals and aspirations by providing protection and financial freedom through a delightful experience. **We help them to Reach for Great.**

## VISION

To be the leading financial service provider in Asia, recognised for our excellence

## MISSION

To make life great by providing financial security, promoting good health and meaningful relationships

## ETHOS

Great Eastern always acts in the best interest of our customers with Fair Dealing as the basis of our business

# KEY FIGURES

Performance Highlights of FY2023

**RM1,123.7**

**MILLION**

PROFIT ATTRIBUTABLE  
TO SHAREHOLDERS

**RM10,167.7**

**MILLION**

GROSS PREMIUMS

**RM91,716.4**

**MILLION**

TOTAL ASSETS

**RM2,188.0**

**MILLION**

SHAREHOLDERS FUND

**RM11.24**

**MILLION**

DISTRIBUTION PER SHARE

**RM5,074.4**

**MILLION**

INVESTMENT INCOME  
AND CAPITAL LOSS

# GREAT

is benefitting our  
customers with  
innovative solutions



Introduced GREAT Multi-Gen Wealth, a first-of-its-kind wealth accumulation insurance plan in Malaysia which helps the policy owner to have long term savings and transfer it to multiple generations.

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Extended the number of illnesses covered in Critical Illness (CI) protection suites from 45 to 50 at no additional cost.

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Enhanced customer centricity with the use of e-Claims service, an online claims service that is available to policyholders for self-submission.











# GREAT

is the opportunity  
we provide our  
people to excel



Advanced our digital transformative by building up digital infrastructure and expanding digital capabilities through initiatives including maturing cloud adoption, and managing cybersecurity risks.



Celebrated our flagship LIFE Programme's 10<sup>th</sup> year anniversary in Malaysia, bringing various activities prioritising the four pillars of physical, mental, financial, and social well-being to our employees.



Ramped up our efforts across the Group through a series of environmentally friendly, recycling and upcycling activities to empower a more sustainable lifestyle among our employees.

# GREAT

is the impact that  
we have on our  
communities



Organised the Great Eastern Run to motivate Malaysians to go the extra mile for a healthier lifestyle and Reach for Great.



Donated and contributed over RM 3.0 million to support the underprivileged children through ChildrenCare program.



Through Great Eastern Cares programme, a Corporate Social Responsibility initiative, our employees accumulated 400 volunteering hours in making a difference in our local communities.







Great Eastern

A member of the OCBC Group



## LETTER FROM THE CHAIRMAN AND CEO



**Norman Ka Cheung Ip**  
Chairman



**Y Bhg Dato Koh Yaw Hui**  
Chief Executive Officer

**"WE CONTINUED TO BE THE MARKET LEADER IN THE CONVENTIONAL LIFE INSURANCE BUSINESS AND REMAINED THE LARGEST LIFE INSURER IN MALAYSIA CAPTURING THE MARKET SHARE OF 23.5% FOR YEAR 2023 WITH TOTAL ASSET SIZE OF RM91,716.4 MILLION AS OF 31 DECEMBER 2023."**

**Dear Shareholders,**

2023 was a year marked by a convergence of economic challenges. Global geopolitical conflicts and trade disruptions continued to test the resilience of the world economy, adding to the inflationary pressures and rising cost of living affecting many businesses and communities in Malaysia. The worldwide economic deceleration also contributed to the heightened uncertainty seen in many major markets.

Despite the challenging business climate, we remained focused on our core strategies of improving our customer experience and developing new products to meet the evolving protection and wealth needs of all Malaysians. By putting our customers first in everything we do and providing them with certainty in an uncertain year, we managed to deliver a positive set of results for the financial year 2023 (FY2023).

The Company ended the financial year FY2023 with a net profit after tax of RM1,123.7 million compared to RM1,038.3 million (restated) in the preceding year. The 2023 financial result of the Company was presented under the Malaysian Financial Reporting Standard (MFRS) 17 Insurance Contracts for the first time in compliance with the standard's implementation date and the corresponding comparative period (FY2022) has also been restated accordingly.

The increase in net profit after tax of 8.2% as compared to last year was mainly due to growth in new business and improved investment performance. The Company's total weighted new sales grew by 8.3% to RM1,471.3 million from RM1,359.0 million in the preceding year. We continued to be the market leader in the conventional life insurance business and remained the largest life insurer in Malaysia capturing the market share of 23.5% for year 2023 with total asset size of RM91,716.4 million as of 31 December 2023.

## "WE CELEBRATED THE 115<sup>TH</sup> ANNIVERSARY OF GREAT EASTERN IN 2023. WE ARE VERY PROUD OF THIS ACHIEVEMENT AS THE NATION'S OLDEST AND MOST ESTABLISHED LIFE INSURER IN MALAYSIA."

For financial year ending 2023 the Board does not recommend any final dividend but to retain funds to finance the Company's proposed acquisition of AmMetLife Insurance Berhad. Total dividends for the FY2023 comprised an interim dividend of RM5.90 per ordinary share.

We celebrated the 115<sup>th</sup> anniversary of Great Eastern in 2023. We are very proud of this achievement as the nation's oldest and most established life insurer in Malaysia. Our commitment to create long-term value for our customers, shareholders, partners, employees, agents, and the broader community will continue to guide us on our journey, as we focus on embedding resilience and sustainability in our business model.

### OUR PRODUCT PROPOSITIONS

Amid a landscape of persistent inflation and continuous rise in the cost of living, many Malaysians worried about their ability to financially provide for themselves and their loved ones. This especially impacted those who were less than financially prepared to face any unexpected challenges.

Our customers have always been at the heart of everything we do. To protect them with financial security, we prioritised providing value and innovation in all our product propositions. We began the year by increasing the number of illnesses covered in our critical illness protection suites from 45 to 50 at no additional cost to our customers. It was a value-added enhancement that we applied retrospectively to all in-force policies of our current selling products to ensure all our customers benefited from it.

Many wealth accumulation insurance plans only provide life protection and long-term savings for one generation of a family, which is why we introduced a first-of-its-kind multi-generational plan to Malaysia. GREAT Multi-Gen Wealth allows the policy to be transferred from generation to generation, with unique features such as Change of Life Assured, Secondary Life Assured and Alternate Policy Owner in one plan.

In addition, GREAT Multi-Gen Wealth comes with investment boosters that will be credited into the total investment value of the policy throughout the policy term, helping customers to grow and transfer the long-term savings across multiple generations. The plan also offers hassle-free enrolment with no medical underwriting required.

Another first-of-its-kind product that we introduced was SmartProtect Wealth Max CI Exclusive. It's a guaranteed issuance offer which provides high coverage with comprehensive critical illnesses protection to help our customers narrow down their insurance needs.

In conjunction with our 115<sup>th</sup> anniversary, we launched SmartMedic Shield Double Annual Limit, a limited offer medical insurance plan that gives our customers the opportunity to double their medical coverage up to RM8 million at no additional cost. To address the concerns over the rising costs of hospitalisation and medical treatments, we ensured the annual limit is refreshed every year with no overall lifetime limit and the coverage can be continued up to age 100, ensuring our customers will be financially protected well into their golden years.

As part of our continuous effort to support our customers to save more, we launched GREAT Returns Extra, a 3-year participating endowment plan with a guaranteed survival benefit. We followed this up with two new additions to our medical protection suites in Smart Critical Relief, a healthcare rider that covers prolonged hospitalisation and ICU admission with up to 210% of the sum assured; and Smart Baby Shield Plus, a value-added version of our prenatal coverage plan for mother and baby.

To help our customers enjoy their golden years, we introduced Great Treasure Gift, a hassle-free enrolment plan with no medical underwriting that pays out 108% of the total premium paid upon maturity at age 80.

### OUR CUSTOMER ENGAGEMENTS

We empower our customers at the most crucial stage of their insurance journey by making their claims submission as convenient and hassle-free as possible. With this in mind, we introduced e-Claims, an online claims service that is available to all our policyholders for self-submission via the eConnect portal.

By the end of the year, e-Claims had become the preferred life claims submission channel. 40% of life claims are now submitted via the service with adoption rates expected to rise further. Through the digitisation of the claims journey, we managed to achieve a reduction in the turnaround time to six days for life claims, allowing our policyholders to receive their financial payout quicker in their time of need.

We also made it our purpose to set new standards in customer service and introduced virtual servicing to serve our policyholders quickly and at their convenience. Our policyholders can now secure an appointment for remote servicing with a few simple steps, removing the need to walk in or wait in line to be served.

To make the hospital admission and discharge experience even more convenient and affordable for our policyholders, we extended our partnership to 30 private hospitals under our Preferred Hospital Programme. Policyholders admitted to any of our Preferred Hospitals will enjoy the benefit of early discharge along with a waiver of the administrative charges, Covid-19 screening costs and admission deposit.

We also launched the Single Guarantee Letter (GL) for Outpatient Cancer Treatment in 33 participating hospitals to provide our policyholders with a smoother admission and discharge process. Medically necessary treatments including radiotherapy, day-care chemotherapy, targeted therapy or immunotherapy with consultation, examination tests, and take-home drugs are covered under a single GL for up to one month.

# LETTER FROM THE CHAIRMAN AND CEO

To align with our group strategic direction, we rebranded our UPGREAT Malaysia app to the Great Eastern Rewards Malaysia app in 2023. Following the rollout of a series of awareness and engagement activities to promote our new app identity, we recorded the highest sign-up rate over the last two years, with 5,000 new users and 12,000 monthly active users. In conjunction with the refresh, all our policyholders with verified app accounts were able to top up their GREAT Points instantaneously to receive more rewards, redemptions and savings.

The Great Eastern Run saw a large turnout of more than 11,000 enthusiasts participating in the event at Bukit Jalil in November. The event comprised two categories in the Great Eastern 12km Signature Run and the 5km Fun Run. Held at night, the 5km Fun Run was a crowd favourite and was contested over a circuit of dazzling lights, water fights and the first foam glow course in the country, leaving the participants with an unforgettable experience.

## OUR AGENCY FORCE

Continuing our commitment to provide Malaysians with protection and financial goals at every life stage, we equip our agents with training programmes, digital initiatives, and product innovation.

Manpower growth is crucial to drive the success of our distribution channels. To that end, we launched WeLead!, a new programme specially designed for aspiring agency leaders to enhance their recruitment skills. The programme participants recorded a 18.6% growth in new recruits versus 2022's numbers.

Concurrently, the Producer Venture programmes which aim to equip our agents with the skills and knowledge to excel in a competitive market have been similarly successful. We recorded 28% more cases than in 2022.

To nurture the next generation of young leaders and producers, we curated the Entrepreneurial Leadership Series in collaboration with local universities and colleges. The series open the doors for students to receive internship opportunities and empower them with an entrepreneurial mindset. It features sessions with well-known entrepreneurs, business founders and company CEOs.

Engaging our agency force through physical events and gatherings has always been one of our key channels to inspire our agents. The most significant physical event of 2022 was Huat Together Fast Start, where we entered The Malaysia Book of Records for the Most Digital Signatures Collected in an Event. More than 7,000 agents and guests attended to set the record for our country and our company.

To recognise our agency force for their great achievements, we rewarded the 2022 qualifiers for the Supremacy Summit, Supremacy Experience Summit 14, Great Iconic Leaders Club and Great Supreme Producers Club with overseas trips to Cyprus, Perth, Phuket and Bali.

On the digital front, we empowered our agency force at the most important stage of the insurance journey by introducing our new online claims submission service, e-Claims. By the end of the year, 40% of life claims were submitted via the service, allowing our agents to serve policyholders better as they can now submit claims on their behalf without time nor distance being an obstacle.

## OUR BANCASSURANCE CHANNELS

We began 2023 with the launch of Maximus, a universal life plan that was developed to penetrate the savings space by targeting new and existing OCBC Bank customers.

We added value to our popular investment-linked All Rounder plan, by offering two optional riders to provide our bancassurance customers with choices to better manage their life goals and protection needs. In addition, a limited time campaign was introduced to waive off the medical requirements for All Rounder, making signing up for this plan a hassle-free process.

Our focus has also been on elevating the productivity of the sales team with market-driven products, upskilling training programmes and seamless point-of-sale systems.

Notable improvements were made to our integrated point-of-sale system, enhancing the sales process to be more efficient and convenient for both bankers and customers. These include expanding the document uploading capabilities during the application and post sales stages, as well as allowing bancassurance customers to appoint their nominees and beneficiaries in the application stage as compared to the in-force stage.

We also embarked on a project to revamp our sales illustration system for credit-related products, upgrading it from an installation-based model to an internet-based application. This will speed up future system deployment for our bank partners and enhance the user experience, with the new system expected to be operational by the first quarter of 2024.

A new Banca Specialists model was rolled out to support the Relationship Managers of OCBC Premier Banking, helping them cross-sell insurance products to Premier segment customers.

## OUR GROUP AND DIGITAL AFFINITY CHANNEL

To ramp up our group agents' productivity, we augmented our approach to launch thematic and tactical by-industry campaigns as well as customised referral programmes to help increase our agents' business activities. The segment-specific tactical campaigns resulted in a better focus and higher response rate for us with a 22% increase in form submissions per month.



## "WE ARE COMMITTED TO INTEGRATING SUSTAINABILITY PRINCIPLES INTO OUR BUSINESS SO THAT WE CAN BECOME A MORE ENVIRONMENTALLY CONSCIOUS AND SOCIALLY RESPONSIBLE COMPANY, ONE THAT WILL PLAY A PART IN SHAPING A MORE SUSTAINABLE FUTURE FOR MALAYSIA."

We also activated engagement activities with our Master Policy Holders including the National Union of Bank Employees, Sarawak Medical Service Union, UMW, KTM, CIMB Union, National Union of Plantation Workers and the National Union of Commercial Workers.

We partnered with the Sabah State Government owned Sabah Credit Corporation, to offer digital investment-linked protection to YONO app users and their family members. This was part of the plan to serve Sabah State Government employees and their loan applicant base of 200,000 members, as well as to extend the offer to their portfolio of 1,000 merchants.

Close collaboration with our affinity partners to create an end-to-end online purchase resulted in netizens obtaining hassle-free financial protection in under 3 minutes. To cater to the evolving needs of our digital customers, we launched an enhanced Group Multiple Benefits Insurance Scheme plan with simplified underwriting that allows for web and in-app purchase.

### OUR DIGITAL EXPANSION

We view our digital expansion as a powerful enabler to empower our agency force, customer service and other distribution channels to better understand, reach, serve and protect our customers. To achieve that, we made significant investments to build up our digital infrastructure and expand our digital capabilities throughout the company. These initiatives include maturing our cloud adoption, managing our cybersecurity risks and unifying our IT operations. The aim is to transform the company into a future-ready insurance provider for our customers and employees.

We added new services to our cloud catalogue which include the BareMetal-as-a-Service to power our big data platforms and vSAN services to enable on-demand storage for our applications. In addition to accelerating the onboarding of our applications to our private cloud, we established a virtual private cloud with our public cloud partners as part of our strategy. This opens up immense opportunities for us to utilise public cloud services securely so we can drive innovation, improve resiliency and optimise investments without compromising security.

Cybersecurity remains a key concern for the financial industry moving forward, with the threat landscape amplified by the emergence of new threat actors, sophisticated multi-vector attacks and the use of generative AI in cyberattacks. To counter them, we invested in new cyber technologies and solutions to protect our corporate infrastructure and customer data.

In tandem with our cloud journey, we also extended our cybersecurity capabilities to protect our cloud-based systems and platforms, enhanced our data loss protection initiatives, and implemented Content Disarm and Reconstruction, Mobile Threat Defence and Advanced Endpoint Protection solutions. In addition, we leveraged external services to benchmark our security posture against the industry and used Bug Bounty programmes to ensure our posture remains robust.

In taking steps to unify our IT operations, we recognised the increasing use of digital services by our customers and employees alike. Our Command Centre was established to provide 24x7 vigilance of the key systems which support these digital services. It focuses on early detection and rapid response to minimise the impact of any potential disruption. To support the command centre, we also elevated our network and infrastructure monitoring capabilities through enhancements to our existing tools and improvements to promote efficiency and effectiveness.

### OUR SUSTAINABILITY COMMITMENTS

We are committed to integrating sustainability principles into our business so that we can become a more environmentally conscious and socially responsible company, one that will play a part in shaping a more sustainable future for Malaysia.

In 2023, we embedded sustainability principles into our corporate strategy to futureproof our organisation while supporting the country's sustainability agenda. We established four sustainability taskforces focusing on product development; net zero; community and culture; and regulatory, risk management and disclosure. We made progress in decarbonising our carbon footprint in our operations and investment portfolio and ensured compliance with Bank Negara Malaysia's (BNM) Climate Risk Management and Scenario Analysis (CRMSA) policy. We also reported our investment exposure in accordance with BNM's Climate Change and Principle-based Taxonomy and drove impactful community engagement initiatives.

The evolving nature of the sustainability landscape calls for us to remain vigilant of the latest developments in regulations and disclosure requirements. We actively participated in industry working groups which include the Life Insurance Association of Malaysia to build industry capacity, strengthen the resilience of the financial sector against climate-related risks, and to promote an orderly transition to a low-carbon economy.

Our employees play a vital role in advancing our company's sustainability agenda, which is why they are key to sparking a cultural shift towards sustainable business practices. To instil greater awareness, we introduced a sustainability module to the corporate orientation programme for new joiners. We also unveiled a climate risk e-module for all our employees as part of their mandatory e-learning.

# LETTER FROM THE CHAIRMAN AND CEO

To educate our agency force on our sustainability commitments, we rolled out a sustainability e-module for all our agents to be completed as part of their annual competency and compliance training programme. As our brand ambassadors, our agents have a crucial role to play in communicating our message on sustainability and its impact on the environment and society at large.

## OUR HUMAN CAPITAL

The evolution of workplace culture, especially in the last few years, has seen an emphasis on the importance of nurturing holistic wellbeing at work. As a leading employer in the corporate and insurance industries, we have taken a proactive approach to make our employees feel valued, motivated, and empowered in a work environment that prioritises integrating professional productivity with personal goals.

One of our top priorities is the financial health of our employees. To help them with the financial challenge of becoming a homeowner, we introduced a housing loan interest subsidy scheme where they can claim a yearly amount equal to 1% of the opening loan balance from the previous year. In addition, we also organised monthly talks by professionals to help our employees increase their financial literacy.

The LIFE Programme encourages our employees to take ownership of their health and wellbeing in the workplace by rewarding them with special incentives. We celebrated the 10<sup>th</sup> anniversary of the programme in 2023 with a health carnival, where healthcare providers gave health talks, face-to-face consultations, and assessments. To cultivate exercise habits into a busy lifestyle, we launched Gym Open Day, which allows our employees to use the gym on a selected day of every month, regardless of if they are a member or not.

We introduced the BookDoc Premium Programme, enabling employees to access a health coach and claim monthly rewards. We were once again recognised as the “Most Active Employer” of the year in the Activ@Work Challenge 2023 by PERKESO and BookDoc.

## OUR CORPORATE SOCIAL RESPONSIBILITIES

Fostering a strong corporate culture of volunteerism among our employees is important to us, as we believe our people can be key enablers and activators in making a difference in our local communities. In line with this aim, we introduced the Employee Volunteering Time Off Policy. It allows our employees to take time off when the volunteering initiatives are held during working hours.

Under the Great Eastern Cares initiatives, we lent a helping hand to Hospis Malaysia to restore the façade of the charitable organisation’s building as well as to assist the people-with-disabilities community at Taman Sinar Harapan. With the environment impacting our communities in even more ways this year, we also made it a point to organise recycling campaigns for angpow packets and clothes, and beach cleaning activities to help reduce the carbon footprint. Altogether, we succeeded in enrolling 12% of our employees as volunteers, accumulating up to 400 volunteering hours with our local communities.

To contribute a positive and meaningful change to society, we believe in supporting the community in a way that will benefit the most from our long-term efforts – underprivileged children. Under the auspices of ChildrenCare, our long-term community project founded in 1995, we continued to build a brighter future for the children registered with the Social Welfare Department through our many initiatives.

A key ChildrenCare initiative has always been our Program Aspirasi Gemilang ‘A’, which encourages underprivileged children to excel in their studies by offering RM100 for every ‘A’ they achieve in national-level examinations. In 2023, we awarded RM4,800 to a total of 23 children from ten welfare homes for the ‘A’s they scored in the SPM examination.

In line with ChildrenCare’s core pillar of personal development, we organised soap-making, chocolate-making and Diya lamp pottery-making workshops to teach the children creative thinking and sustainable living skills. During the festive seasons, we treated the underprivileged children to special festive meals in conjunction with Chinese New Year, Hari Raya, Deepavali and Christmas.

We also hosted a blood donation drive at our head office in Menara Great Eastern and in all 22 of our branch offices nationwide. The 2-month-long campaign saw 1,157 people participate and donate 799 pints of blood.

## OUR AWARDS AND ACCOLADES

2023 was a year of achievement and recognition for the company and brand in Malaysia, as our strong market leadership and meaningful engagements with our customers saw us continue to win several industry-leading awards.

We started off the year by being named Malaysia’s Most Successful Sustainable Valuable Brand at The BrandLaureate Sustainable Business and Brands Inspirational Achievement Awards. The accolade recognised us as the most sustainable brand in the insurance industry and is a testament to our brand leadership, strength and resilience.

Following this achievement, we were then named the Nation’s Favourite Brand at The BrandLaureate BestBrands Awards, making it the fourth consecutive year that we have been acknowledged as the Brand of the Year in Malaysia.

As the most established life insurer in the country, we take great pride in our brand longevity and in our brand engagement with our customers. For the 20th consecutive year, we were voted by consumers as the Most Trusted Life Insurance Brand (Gold Award) at the annual Reader's Digest Trusted Brands Awards. We were also voted as the Most Trusted Health Insurance Brand (Gold Award) for the sixth consecutive year.

As a responsible employer that is committed to helping our people realise their full potential, we were awarded a Silver for the Best Recruitment Referral Strategy at the Employee Experience Awards. We were also awarded a Bronze for Excellence in Total Rewards Strategy at the HR Excellence Awards. And for the eight consecutive year, we were named as one of HR Asia's Best Companies to Work For in Asia.

## OUTLOOK IN 2024

As the world continues to deal with ongoing geopolitical conflicts and supply chain security concerns, the global economy is anticipated to exhibit moderate growth after experiencing a period of economic downturn. Lingering uncertainties have prompted the International Monetary Fund to project the global growth outlook at 3% in 2024. Nevertheless, growth remains constrained due to heightened downside risks, particularly the tightening of monetary policies to ease inflationary pressures, thus impeding a robust recovery.

Despite these global headwinds, the Malaysian economy is expected to stay resilient and grow further. The gross domestic product is forecast by the World Bank to expand by 4.3% in 2024. This is in line with the government's projection, which is slated to be achieved through robust domestic demand, thus effectively offsetting the challenges posed by the moderate global growth. At the same time, inflation is also expected to remain moderate.

We are cautiously optimistic of our growth prospects in 2024, especially with the Ministry of Finance projecting the insurance sector to expand by 4.3%, supported by strong capital and adequate liquidity. However, net claims are expected to stay elevated due to rising medical costs and sustained demand for medical treatment services.

Looking ahead, we see the insurance industry continuing to evolve, driven by the digitalisation of services, shifts in demographics and changes in customers' needs. Against this backdrop, we will remain committed to enhancing our product propositions and service levels and enriching our customer experience through digitalisation and analytics.

With digital technology and artificial intelligence being at the forefront of business in the future, the transformative steps that we have taken to expand our digital capabilities will place us in a promising position to capitalise on emerging opportunities in an increasingly digitalised market.

Moving forward, we will continue to deepen our collaboration with our existing partners and forge new partnerships to both engage existing customers and expand our reach into new market segments.

## ACKNOWLEDGEMENTS

The Board wishes to extend a warm welcome to Ms Mimi Sze Ho to the Company as an Independent Director with effect from 1 March 2024. The Board looks forward to Ms Ho's vast knowledge and experience in the financial industry, in which she has served with passion for over four decades.

The Company saw the stepping down of Mr Ng Hon Soon on 31 October 2023; followed by Mr Tan Yam Pin on 18 April 2024. On behalf of the Board of Directors, we wish to extend our heartfelt appreciation for their contribution during their tenure with the Company.


We also wish to thank the Board for their wise counsel and guidance throughout the year. Our sincere appreciation goes out to our management team, employees, our bancassurance partners OCBC Bank and Bank of China, affinity partners, agency force and business associates for the valuable contributions they have made to our business.

Last but not least, we are deeply grateful to our shareholders and our customers for their unwavering support and confidence in Great Eastern. As a company that believes Great is the only thing worth reaching for, we are committed to creating long-term value and sustainable growth for our shareholders and building a strong financial foundation for our customers to Reach for Great at every stage of life.



**NORMAN KA  
CHEUNG IP**

Chairman



**DATO KOH  
YAW HUI**

Chief Executive  
Officer



# BOARD OF DIRECTORS



**MR NORMAN KA CHEUNG IP**  
Chairman

Mr Norman Ip was appointed to the Board of Directors (“Board”) of Great Eastern Life Assurance (Malaysia) Berhad (the “Company”) on 8 August 2014 as an Independent Director and Chairman of the Board. He was re-elected as the Company Director on 12 April 2023. He is also the Chairman of various Great Eastern subsidiaries in Malaysia. On 8 August 2023, he was redesignated as Non-Independent Non-Executive Director.

Mr Norman Ip is currently a Director of QAF Limited and a Member of Securities Industry Council.

Mr Norman Ip was previously the Group Managing Director of United Engineers Limited, Deputy Chairman of Building and Construction Authority and Chairman of Malaysia Smelting Corporation Berhad, UE E&C Ltd, WBL Corporation Limited and Director of Australia Oriental Minerals NL, Great Eastern Holdings Limited, The Great Eastern Life Assurance Company Limited and Great Eastern General Insurance Limited. He is a Chartered Accountant by training and has over 40 years of commercial experience in finance and investments, real estate and managing companies. From 2000 to 2009, he was President and Group Chief Executive Officer of The Straits Trading Company Limited (“STC”), the main activities of which are in real estate, mining and hospitality. Prior to joining STC in 1983, he was with Ernst & Whinney (now known as Ernst & Young LLP).

Mr Norman Ip holds a Bachelor of Science (Economics) from London School of Economics and Political Science. He is a Fellow of the Institute of Chartered Accountants in England and Wales and the Institute of Singapore Chartered Accountants.



**MR KHOR HOCK SENG**

Mr Khor was appointed to the Company’s Board on 1 March 2016 as a Non-Independent Non-Executive Director. He was redesignated as an Executive Director on 3 August 2016. He was re-elected as the Company Director on 18 April 2024. Mr Khor is also a Director of various Great Eastern subsidiaries in Malaysia.

Mr Khor presently sits on the Board of several companies within the Great Eastern Group in Singapore, Malaysia and Indonesia.

Mr Khor holds a Bachelor of Arts with a major in Actuarial Science and Statistics from Macquarie University, Australia and a Certificate of Actuarial Techniques from the London Institute of Actuaries.



**MR SIEW KAH TOONG**

Mr Siew was appointed to the Company's Board on 1 March 2019 as an Independent Director. He was re-elected as the Company Director on 13 April 2022.

Mr Siew is currently the Managing Partner of Sekhar & Tan and Senior Partner of Nexia SSY PLT. He is also a Director of Fraser and Neave Holdings Berhad. He previously served as a Director of Wing Tai Malaysia Berhad, Emas Kiara Industries Bhd and Tan Chong Motor Holdings Berhad.

Mr Siew was involved in the role of Special Administrator for several public listed companies pursuant to the Pengurusan Danaharta Nasional Berhad Act, 1998 and successfully restructured them for re-listing. Mr Siew's area of expertise is in auditing, financial reporting and corporate advisory. He has served as the audit engagement partner on many public listed companies.

Mr Siew is a member of the Malaysian Institute of Accountants ("MIA"), the Malaysian Institute of Certified Public Accountants ("MICPA") and CPA Australia. He is also a member of the Practice Review Committee of the MIA and the Financial Statements Review Committee and Accounting and Auditing Technical Committee of MICPA.



**MR OU SHIAN WAEI**

Mr Ou was appointed to the Company's Board on 15 January 2020 as an Independent Director. He was re-elected as the Company Director on 12 April 2023.

Mr Ou is currently the Chairman and Public Interest Director of Private Pension Administrator Malaysia and Director of FIDE FORUM. He previously served as a Director of Alliance Financial Group Berhad, Alliance Bank Malaysia Berhad as well as the Chairman of AIG Malaysia Insurance Berhad.

Mr Ou served as CEO/Country General Manager of IBM Malaysia from 1996 to 1999 and was appointed to the same role again in 2007 until his retirement in January 2010. Prior to joining IBM in 1976, Mr Ou was a key member in the Corporate Planning Department of Malayan Banking Berhad that implemented the first online banking system for the bank in Malaysia and also for MBB Singapore.

Mr Ou holds a Bachelor of Science degree in Chemistry from the University of Malaya, Kuala Lumpur.

# BOARD OF DIRECTORS



**MR FOONG SOO HAH**

Mr Foong was appointed to the Company's Board on 1 March 2022 as an Independent Director. He was re-appointed as the Company Director on 13 April 2022.

Mr Foong previously served as a Director in several companies, including Employees Provident Fund, Malaysia Life Reinsurance Group Bhd, Malaysian Insurance Institute, NV Multi Asia (Hong Kong), Bank Simpanan Nasional, Perbadanan Insurans Deposit Malaysia, Sentral Reit Management Sdn Bhd, Aviva Ltd (Singapore) and Private Pension Administrator Malaysia. He was also the past President of the Life Insurance Association of Malaysia (LIAM) as well as the Actuarial Society of Malaysia.

Mr Foong has close to 4 decades of experience in the insurance industry having started his career as an actuarial assistant in a leading international insurance company in Hong Kong. He had served as Chief Executive Officer (CEO) of British American Life Insurance Berhad (currently known as Manulife Insurance Berhad). In 1996, he joined Great Eastern Life Assurance (Malaysia) Berhad as its CEO and retired in 2009 as a Director and CEO of Great Eastern Capital Sdn Bhd.

Mr Foong holds a Master of Actuarial Science from Northeastern University, Boston and a Bachelor of Science (Hons) degree in Mathematics from Universiti Malaya. He is a Fellow of the Society of Actuaries, USA. He was commissioned as a Registered Financial Planner (RFP) and Shariah RFP, as well as awarded as a Fellow of the Malaysia Financial Planning Council.



**MS MIMI SZE HO**

Ms Mimi was appointed to the Company's Board on 1 March 2024 as an Independent Director. She was re-appointed as the Company Director on 18 April 2024.

Ms Mimi was a Director in The Great Eastern Life Assurance Company Limited, Great Eastern General Insurance Limited and Great Eastern General Insurance (Malaysia) Berhad until 31 December 2023. She was also the Principal and Director of Regulatory Professional Pte Ltd until December 2020, a Director of Partner Reinsurance Asia Pte Ltd and Central Provident Fund Board, a Director and Member of the Finance Committee of Assisi Hospice as well as an Executive Director with the Monetary Authority of Singapore ("MAS") from March 1998 to September 2008 in various capacities including Insurance Supervision, Capital Markets Supervision, Financial Markets Development and Chief Representative for MAS in New York and London. Ms Mimi was also a Member of the Disciplinary Committee for Casino Regulatory Authority. Prior to that, she was the Chief Financial Officer and Appointed Actuary for Prudential Assurance Company Singapore Pte Ltd from February 1994 to February 1998.

Ms Mimi holds a Bachelor in Mathematics and Master in Mathematical Statistics, both from Columbia University. She is a Fellow of the Society of Actuaries, USA and also a Financial Industry Certified Professional (FICP) for Compliance.



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Mr Norman Ka Cheung Ip (Chairman)  
Mr Khor Hock Seng  
Mr Siew Kah Toong  
Mr Ou Shian Waei  
Mr Foong Soo Hah  
Ms Mimi Sze Ho

## BOARD AUDIT COMMITTEE

Mr Siew Kah Toong (Chairman)  
Mr Norman Ka Cheung Ip  
Mr Ou Shian Waei

## BOARD NOMINATIONS AND REMUNERATION COMMITTEE

Mr Foong Soo Hah (Chairman)  
Mr Norman Ka Cheung Ip  
Mr Siew Kah Toong

## BOARD RISK MANAGEMENT COMMITTEE

Ms Mimi Sze Ho (Chairperson)  
Mr Norman Ka Cheung Ip  
Mr Ou Shian Waei  
Mr Foong Soo Hah

## CHIEF EXECUTIVE OFFICER

Y Bhg Dato Koh Yaw Hui

## APPOINTED ACTUARY

Chan Chia Khaw

## COMPANY SECRETARY

Liza Hanim Binti Zainal Abidin

## REGISTERED OFFICE

Level 20, Menara Great Eastern  
303 Jalan Ampang  
50450 Kuala Lumpur

## AUDITORS

Messrs PricewaterhouseCoopers PLT

# SENIOR MANAGEMENT TEAM



**Y BHG DATO KOH YAW HUI**



**LOKE CHANG YUEH**



**JEFFREY YEM VOON CHEAT**



**KOH KEN YONG**



**ALEXIS JONG KIAN WEI**



**AUDRA CHUNG KIT LI**



**CHAN CHEE WEI**



**VINCENT CHIN KOK LEAN**



**CHAN CHIA KHOW**



**LIZA HANIM BINTI ZAINAL ABIDIN**



**DENNIS TAN KOH TIONG**



**TEO CHUN SENG**



**HELEN QUAT LI HUANG**



# SENIOR MANAGEMENT TEAM

## SENIOR MANAGEMENT TEAM

Y Bhg Dato Koh Yaw Hui  
Chief Executive Officer

Loke Chang Yueh  
Chief Financial Officer

Koh Ken Yong  
Chief Agency Distribution Officer

Audra Chung Kit Li  
Chief Internal Auditor

Vincent Chin Kok Lean  
Division Head, Information Technology

Liza Hanim Binti Zainal Abidin  
Division Head, Company Secretary & Legal

Teo Chun Seng  
Division Head, Risk Management

Jeffrey Yem Voon Cheat  
Chief Operations Officer

Alexis Jong Kian Wei  
Chief Investment Officer

Chan Chee Wei  
Division Head, Bancassurance

Chan Chia Khow  
Appointed Actuary

Dennis Tan Koh Tiong  
Division Head, Human Capital

Helen Quat Li Huang  
Division Head, Compliance

# 2023 AGENTS' HONOUR ROLL CEO EXCELLENCE AWARD



From left:

DATO' TOH CHUN SHIONG (Top Group Manager)

YIP HOY YEAN (Top Unit Manager)

SIA PUEH SEE (Top Career Agent / Life Insurance Advisor)

YIP PUI YEAN (Top Agent)

# TOP PRODUCERS



From left:

DATO' TOH CHUN SHIONG (Top Group Manager for Whole Group & Direct Group)

YIP HOY YEAN (Top Unit Manager)

YIP PUI YEAN (Top Personal Producer & Top Agent)

SIA PUEH SEE (Top Career Agent / Life Insurance Advisor)



# 2023 AGENTS' HONOUR ROLL

## TOP 3 GROUP MANAGERS (WHOLE GROUP)

Name	Award
DATO' TOH CHUN SHIONG	Champion
JACKIE CHAN CHOON BOK	1st Runner-up
DATO' CHEN FOONG LING	2nd Runner-up

## TOP 3 GROUP MANAGERS (DIRECT GROUP)

Name	Award
DATO' TOH CHUN SHIONG	Champion
GUI WEI YANG	1st Runner-up
KOH SHENG YI	2nd Runner-up

## TOP 3 UNIT MANAGERS

Name	Award
YIP HOY YEAN	Champion
TEOH YIN CHIOU	1st Runner-up
DATO' GAN AI LING	2nd Runner-up

## TOP 3 PERSONAL PRODUCERS

Name	Award
YIP PUI YEAN	Champion
DATO' TOH CHUN SHIONG	1st Runner-up
BENNIE HOO WEI CHUAN	2nd Runner-up

## TOP 3 CAREER AGENTS / LIFE INSURANCE ADVISORS

Name	Award
SIA PUEH SEE	Champion
HENG SHOOU JU	1st Runner-up
LIEW SIEW YUN	2nd Runner-up

## TOP 3 AGENTS

Name	Award
YIP PUI YEAN	Champion
KONG HOW LI	1st Runner-up
LIM QUAN YEE	2nd Runner-up

## MASTER LEADER AWARD

Name
DATO' TOH CHUN SHIONG

## GREAT ICONIC LEADERS CLUB

Agent Name
DEVANAIDU A/L KRISHNAHRAO
INDRADEVAN A/L KRISHNAN
KOH SHENG YI
KRISHNAVENI A/P MUNUSAMY
LAM CHEE KUAN
LEE CHEE YEE
LIM AI TIANG
LIM KUWA KIM
LOW CHUAN HAUR
MANIARASU A/L SWAMINAIDU
NALINEE A/P PALANI
NG YEN SEN
PREMNATH A/L DEVARAJU
SIN CHEE HO
TAN HOOI SEAN
TAN KIM SIOK
THANASEKARAN A/L CHAMIAPPAN
THIVAGAR A/L SIVELINGAM
WAN ZHI XUAN
WONG KIN FEI

## GREAT SUPREME PRODUCERS CLUB

### PLATINUM

Agent Name	Years
ANG CHING YEE	5 Q
CHEONG CHOON KEONG	5 Q
DATO' CHEN FOONG LING	5 Q
DATO' GAN AI LING	5 Q
DATO' GUI SIEW LUANG	5 Q
DATO' TOH CHUN SHIONG	5 Q
HENG SIEW KEAN	5 Q
LAW SUOK UNG	5 Q
LIEW SIEW YUN	5 Q
PUA LIAN HOO	5 Q
SIA PUEH SEE	5 Q
TAN TZIA TZIA	5 Q
YIP PUI YEAN	5 Q

# 2023 AGENTS' HONOUR ROLL

## GREAT SUPREME PRODUCERS CLUB (CONTINUED)

### PLATINUM (CONTINUED)

Agent Name	Years
BENNIE HOO WEI CHUAN	4 Q
HENG SHOOU JU	4 Q
TOK AI LIAN	4 Q
JACKIE CHAN CHOON BOK	3 Q
KONG HOW LI	3 Q
LAKSHMAN RAO A/L APPARAO	3 Q
LIM YOKE LING	3 Q
NEO KAI SIN	3 Q
JASON LOW WAI KIT	2 Q
LIM QUAN YEE	2 Q
JANICE ENG RUI MIN	1 Q
LAW PICK GEOK	1 Q
LO LAI SAN	1 Q
MABEL NAIK SIAN PEI	1 Q
WONG SOOK QIN	1 Q
WOONG MOOI FONG	1 Q
YOGESWARAN A/L KUBERAN	1 Q

### GOLD

Agent Name	Years
ADRIAN RICHARD A/L ARPUTHAN DOSS	5 Q
LAI YIT CHEN	5 Q
LAW KIM NOI @ LAU KIM NOI	5 Q
LEW HAN SERN	5 Q
LOO CING CON	5 Q
MITESH KUMAR A/L HAMENDRA KUMAR	5 Q
POOK KUI HENG	5 Q
PUA LIAN KENG	5 Q
YAP YIN YIN	5 Q
GOH BEE KIM	4 Q
LEE HUEH NAM	4 Q
TAN CHYE POOH	4 Q
AWAY YEN TING	3 Q
CHUAH KANG BOON	3 Q
ETHAN AUN KYE JAY	3 Q
PHOON YEING TING	3 Q
YEOH AING KOOI	3 Q

Agent Name	Years
TEAR RU YUAN	2 Q
YEONG WAI YIP	2 Q
ANDREW ONG LEK PERNG	1 Q
CHIN SHEEN KUAN	1 Q
CHOI CHI KIT	1 Q
CHU KOOI LIAN	1 Q
KHOO YONG YANG	1 Q

### SILVER

Agent Name	Years
CHAN YUAN NEE	5 Q
LEE JIA CHYI	5 Q
LEE LI CHENG	5 Q
LIM SU CHEN	5 Q
LOH KAW YEH	5 Q
SOO YIK HONG	5 Q
TENG CHONG BOON	5 Q
WATT SOO KIANG	5 Q
YU SIONG CHOO	5 Q
QUEK WAN YIN	4 Q
TAN CHOO MENG	4 Q
CHIEW HUI SIN	3 Q
CHONG NYUK CHUI	3 Q
JESSICA FOO YING JIE	3 Q
KEE CHIEW GUEK	3 Q
KONG KAH LUN	3 Q
LIM SIEW WAI	3 Q
TAN HUI HUANG	3 Q
YEAP MEE GUIK	3 Q
LEE POH YEE	2 Q
RAJESHWARAN A/L MANI MARAN	2 Q
TAN SAI GUAN	2 Q
TEH CHUI ANN	2 Q
TEOH YIN NGEE	2 Q
WANG TEE SUAN	2 Q
WONG KUOK CHAI	2 Q
E KWEE YIN	1 Q
HO LI SHAN	1 Q
IRWIN TAN JUN LIONG	1 Q
KHONG THAY KUI	1 Q
OOI WAH TENG	1 Q
YONG KONG CHENG	1 Q

### CLASSIC

Agent Name	Years
ANGELINE TEH LYE THENG	5 Q
CHAN LAI SIM	5 Q
GOON MEI LEAN	5 Q
HENG YING HUI	5 Q
HING AI LONG	5 Q
HONG CHOW PENG	5 Q
IN DRANI A/P RAGAVAN	5 Q
KHOO SEWE TIN	5 Q
LIEW LEE HOU	5 Q
LIM MEOW LIH	5 Q
NEO WEI CHENG	5 Q
RYAN LAU LE AN	5 Q
TAN BEE IMM	5 Q
WEE LEE PAW	5 Q
CHUA BOON POH	4 Q
FUM CHON LONG	4 Q
GAN CHOON WAH	4 Q
KHO SIANG KIT	4 Q
LEONG CHAI LING	4 Q
LIM HUI LENG	4 Q
LIM TONG CHING	4 Q
LOO CHUNG HON	4 Q
PHUA XIN HUI	4 Q
POON TUCK CHUN	4 Q
TEOH YIN CHIOU	4 Q
WONG CHEN SEONG	4 Q
CHAN JEAK SUNG	3 Q
CHONG MIN WAH	3 Q
KONG SET WAH	3 Q
LAU WOEI MING	3 Q
LEE SHOOK HAN	3 Q
LEONG LAI YEE	3 Q
LIM CHOON WAH	3 Q
LIM WAI LOON	3 Q
LOOI BOH MING	3 Q
NG KAH GIN	3 Q
OOI TZE QIAN	3 Q
PUA HAN NEE	3 Q
SHUN MEI LING	3 Q
TAN LAI TENG	3 Q
TAN TEE WEI	3 Q
TIEW WAY CHIN	3 Q
WONG SHU FON	3 Q

## GREAT SUPREME PRODUCERS CLUB (CONTINUED)

### CLASSIC (CONTINUED)

Agent Name	Years	Agent Name	Years	Agent Name	Years
WOON NYUK FOONG	3 Q	JACKSON KOH	1 Q	TAN SIEW TENG	1 Q
AMUTHA A/P GOPAL	2 Q	JASON WONG CHAU SHEN	1 Q	TAN SIONG TECK	1 Q
CHEAH TING PING	2 Q	JOEY LEE SHI PEI	1 Q	TANG SU FENG	1 Q
CHIA YIT MEI	2 Q	JOSHUA TAN YI-SHAUN	1 Q	TENG JUN GENG	1 Q
FOO YING PAN	2 Q	JUSTIN YONG ZHANYU	1 Q	VALAR MATHI A/P	
GAN HONG HUAT	2 Q	KANG CHER SIN	1 Q	GURUSAMY	1 Q
KHOR BOON HWA	2 Q	KU YAN KIT	1 Q	WONG SIU FAN	1 Q
LAI JIAN TAT	2 Q	LAM SIEW MIIN	1 Q	YAU KIM CHOY	1 Q
LEE KHEG MEE	2 Q	LEE GEAT MENG	1 Q	YEAP CHIN CHIN	1 Q
LEE SEK HOI	2 Q	LEONG ZHI JIE	1 Q	YEW KIM HOOI	1 Q
LEE WAN PING	2 Q	LIEW SIEW TING	1 Q	YONG ZHEN LIN	1 Q
LEE YEN PING	2 Q	LIM GOH TONG	1 Q	YU SOON LEE	1 Q
LYDIA CHOE SOONG ERN	2 Q	LIM KUWA KIM	1 Q		
PHONG YAP KEONG	2 Q	LIM KUWN YEN	1 Q		
SHARON YONG HUIEE	2 Q	LIM LEW SEE	1 Q		
TAN CHEE BENG	2 Q	LIM SOOK WAN	1 Q		
TAN ENG BENG	2 Q	LOO CHEW YIN	1 Q		
TAN KIM SIOK	2 Q	MATHIVANAN A/L			
TAN TECK KANG	2 Q	KALI PERUMAL	1 Q		
TAN TIAN WEI	2 Q	NA ZHEN XUN	1 Q		
WONG FONG LAN	2 Q	NG HUI PING	1 Q		
YEO LAY HUAI	2 Q	NG JIN MIN	1 Q		
ANG SIAW PENG	1 Q	NG MING JER	1 Q		
BARATHI A/P		NG SOON HOE	1 Q		
ARUNASALAM	1 Q	NGO LEE FUN	1 Q		
BEE THYE WEI	1 Q	PANG TIAM SO	1 Q		
CHAI POH YEE	1 Q	PONG CHUNG LOONG	1 Q		
CHEANG POO YING	1 Q	PUA LIAN PENG	1 Q		
CHEN LAI LI	1 Q	PUA LIANG HOCK	1 Q		
CHEOK SWEE SAN	1 Q	SANTHINI A/P			
CHIA SOOK HUANG	1 Q	DAMODARAN	1 Q		
CHOY MIN HON	1 Q	SHANTI DEVI A/P			
CINDY FAM NYUK MEE	1 Q	CHANDRAKAISAN	1 Q		
DR SANMUGASUNTHERI		SHYAMALA DEVI A/P			
A/P GANAPATHY	1 Q	VENKETESAH	1 Q		
ELIZABETH YONG		SIM AI KHENG	1 Q		
CHING CHING	1 Q	SIOW CHIEN SHEN	1 Q		
FONG MEI MEI	1 Q	TAN CHIN KHOON	1 Q		
FOO JUN NE	1 Q	TAN CHUN CHUANG	1 Q		
GHEE YIH SHUANG	1 Q	TAN EAK JOO	1 Q		
GOH CHOOI HONG	1 Q	TAN HUI SIAN	1 Q		
HENG JING THIN	1 Q	TAN HWEE SEE	1 Q		
HOR KAH FAI	1 Q	TAN SHEAU MIIN	1 Q		

# 2023 AGENTS' HONOUR ROLL

## MDRT TOP OF THE TABLE

Agent Name	Years	Agent Name	Years	Agent Name	Years
DATO' GUI SIEW LUANG	24 Q&L	CHIEW HUI SIN	3 Q	PARTHIBAN A/L NADASEN	
DATO' TOH CHUN SHIONG	24 Q&L	HENG SIEW KEAN	3 Q	PUA LIAN HOO	
BENNIE HOO WEI CHUAN	21 Q&L	LIM AH SIN	3 Q	PUA LIAN KENG	
CHEN LAI LI	20 Q&L	LIM QUAN YEE	3 Q	TAN CHOO MENG	
ANG CHING YEE	14 Q&L	PHOON YEING TING	3 Q	TAN HUI HUANG	
DATO' GAN AI LING	14 Q&L	YEOH AING KOOI	3 Q	TAN LAY SEONG	
PUA LIAN HOO	18 Q	POH SENN NEE	2 Q	TANG YET KIEW	
YIP PUI YEAN	9 Q	MABEL NAIK SIAN PEI	1 Q	TIEW WAY CHIN	
JACKIE CHAN CHOON BOK	4 Q	WONG SOOK QIN	1 Q	WONG CHEN SEONG	
JASON LOW WAI KIT	3 Q	YOGESWARAN A/L		WOONG MOOI FONG	
ANDREW ONG LEK PERNG	1 Q	KUBERAN	1 Q	YU SIONG CHOO	

## MDRT COURT OF THE TABLE

Agent Name	Years
HENG SHOOU JU	27 Q&L
LIEW SIEW YUN	23 Q&L
DATO' CHEN FOONG LING	22 Q&L
LAW SUOK UNG	22 Q&L
WOONG MOOI FONG	16 Q&L
CHAN YUAN NEE	13 Q&L
CHEONG CHOON KEONG	12 Q&L
LIM MEOW LIH	11 Q&L
TONI LIM PHAIK SEE	11 Q&L
AWAY YEN TING	10 Q&L
POOK KUI HENG	10 Q&L
CHOO WING YEW	9 Q
SIA PUEH SEE	8 Q
CHOI CHI KIT	7 Q
LAI YIT CHEN	7 Q
TOK AI LIAN	7 Q
LAKSHMAN RAO A/L APPARAO	6 Q
LAW PICK GEOK	6 Q
LIM TONG CHING	6 Q
RYAN LAU LE AN	6 Q
TAN BEE IMM	6 Q
KONG HOW LI	5 Q
LEE WAN PING	5 Q
LIM YOKE LING	5 Q
LO LAI SAN	5 Q
NG HUI PING	5 Q
TAN TZIA TZIA	5 Q
HENG JING THIN	4 Q
JANICE ENG RUI MIN	4 Q
TAN CHYE POOH	4 Q
TEAR RU YUAN	4 Q

## QUARTER CENTURY CLUB

Agent Name
CHEAH BOOY
CHEAH HAR MOOI
CHEONG KIM CHEE
HENG SHOOU JU
LAW KIM NOI @ LAU KIM NOI
MAHALINGAM A/L VELLASAMY
PARTHIBAN A/L NADASEN
TANG YET KIEW
YU SIONG CHOO

## HONOUR ROLL

Agent Name
BENNIE HOO WEI CHUAN
BO CHIN HOONG
CHEAH BOOY
CHEAH HAR MOOI
CHEN LAI LI
CHONG CHING SHON
CHONG NYUK CHUI
DATO' CHEN FOONG LING
DATO' GUI SIEW LUANG
DATO' TOH CHUN SHIONG
FOO YEE MUN
GAN CHOON WAH
GOON MEI LEAN
HENG SHOOU JU
KHO SIANG KIT
KONG KAH LUN
LAW KIM NOI @ LAU KIM NOI
LAW SUOK UNG
LIEW SIEW YUN
LO NYOK MOOI
MAHALINGAM A/L VELLASAMY

## MDRT QUALIFYING & LIFE MEMBERS

Agent Name	Years
LAW KIM NOI @ LAU KIM NOI	29 Q&L
CHEAH HAR MOOI	28 Q&L
PARTHIBAN A/L NADASEN	27 Q&L
YU SIONG CHOO	25 Q&L
TAN LAY SEONG	24 Q&L
KHO SIANG KIT	23 Q&L
PUA LIAN KENG	23 Q&L
TAN CHOO MENG	23 Q&L
CHONG CHING SHON	22 Q&L
GAN CHOON WAH	21 Q&L
KONG KAH LUN	19 Q&L
WONG CHEN SEONG	19 Q&L
LO NYOK MOOI	18 Q&L
TAN HUI HUANG	17 Q&L
TIEW WAY CHIN	17 Q&L
GOON MEI LEAN	16 Q&L
BO CHIN HOONG	15 Q&L
CHONG NYUK CHUI	15 Q&L
FOO YEE MUN	15 Q&L
BON SZE SHEAN @ WOON SZE SHEAN	14 Q&L
HO LAN HUA	14 Q&L
HONG CHOW PENG	14 Q&L
LEE GEAT MENG	14 Q&L
NEO WEI CHENG	14 Q&L
TENG CHONG BOON	14 Q&L
WEE LEE PAW	14 Q&L
PHUA LEI KUN	13 Q&L
PUA HAN NEE	13 Q&L
WATT SOO KIANG	13 Q&L
YAU KIM CHOY	13 Q&L
MITESH KUMAR A/L HAMENDRA KUMAR	12 Q&L
NG SHEAU FERN	12 Q&L



## MDRT QUALIFYING & LIFE MEMBERS (CONTINUED)

Agent Name	Years	Agent Name	Years	Agent Name	Years
SOH SOON HUAT	12 Q&L	LIM SU CHEN	8 Q	DONG LEONG MOI	5 Q
SU KUI HIONG	12 Q&L	LOW SENG CHEE	8 Q	EE CHEA CHEA	5 Q
BARATHI A/P ARUNASALAM	11 Q&L	MOY HUEI RU	8 Q	FUM CHON LONG	5 Q
CHOW CHUI YEE	11 Q&L	NEOH BEE BEE	8 Q	GAN HONG HUAT	5 Q
LIM HUI LENG	11 Q&L	SIM AI KHENG	8 Q	JASON TEOH KEAN LOON	5 Q
LOH KAW YEH	11 Q&L	WEE GIAK KHING	8 Q	KHOO HSEOW SHUANG	5 Q
TEH CHUI ANN	11 Q&L	CHEE KIT YEN	7 Q	KUAN WEI YING	5 Q
YEE KOH MEE	11 Q&L	CHU KOOI LIAN	7 Q	LEE JIA CHYI	5 Q
ANGELINE TEH LYE THENG	10 Q&L	CHUAH KANG BOON	7 Q	LEE KAM WENG	5 Q
CHONG MEE LING	10 Q&L	FOO LI CHIAU	7 Q	LEE LI CHENG	5 Q
CINDY FAM NYUK MEE	10 Q&L	JESSICA FOO YING JIE	7 Q	LEE YEN PING	5 Q
LEW SIOH YIN	10 Q&L	LEONG LAI YEE	7 Q	LEW HAN SERN	5 Q
M MARIMUTHU A/L MANIAM	10 Q&L	LIM KOK HONG	7 Q	LIEW LEE HOU	5 Q
MARIA JOSEPHINE A/P		THAW CHEE HOU	7 Q	LIM KUWA KIM	5 Q
LEWIS JOSEPH ANTHONY	10 Q&L	TING KOK WEI	7 Q	LIM LEW SEE	5 Q
PANG LEE MUI	10 Q&L	YAP SIEW MOI	7 Q	LIM SIEW WAI	5 Q
PARAMASVARE A/P		YONG ZHEN LIN	7 Q	LOO CING CON	5 Q
MANIAM	10 Q&L	ANG GAIK HOON	6 Q	LOOI BOH MING	5 Q
TAN BOON LING	10 Q&L	ANG SOO CHUAN	6 Q	LOW LEE SAN	5 Q
TOO CHANG WEE	10 Q&L	ANG YONG LEONG	6 Q	NALINEE A/P PALANI	5 Q
VIJAYA KUMAR A/L		CHEN MEI LIN	6 Q	NEO KAI SIN	5 Q
KARUPPIAH	10 Q&L	CHIA AI HUANG	6 Q	NG KAH GIN	5 Q

## MDRT LIFE MEMBERS

Agent Name	Years	Agent Name	Years	Agent Name	Years
CHEAH BOOY	41	KHO MUI PING	6 Q	PHONG YAP KEONG	5 Q
MAHALINGAM A/L		LEE LIANG CHU	6 Q	PHUA XIN HUI	5 Q
VELLASAMY	32	LEE YEE WAH	6 Q	POON TUCK CHUN	5 Q
CHEONG KIM CHEE	26	LEONG CHAI LING	6 Q	SAW AI LING	5 Q
TANG YET KIEW	26	LIM MEI BEI	6 Q	SHANTI DEVI A/P	5 Q
KOH KER LIK	22	LOO CHUNG HON	6 Q	CHANDRAKAISAN	5 Q
NG YOKE HWA	20	LU YUK FUNG	6 Q	TAN MEI LING	5 Q
GAJAINDAREN A/L		LYDIA CHOE SOONG ERN	6 Q	TAN SIN YIT	5 Q
RAMA KRISHNAN	17	NG SOON HOE	6 Q	TEE SHY LEE	5 Q
NGO LIANG CHIAU	17	PRABAHARAN A/L		TEOH YIN CHIOU	5 Q
CHIA BIN SIM	13	RAMASAMY	6 Q	WEE LEY CHOO	5 Q
		SING FUN SIONG	6 Q	YAP SUET FONG	5 Q
		TAN BOON HEAN	6 Q	YONG KONG CHENG	5 Q
		TAN SIEW SEONG	6 Q	AW YONG BOON HAO	4 Q
		TAN SZE YIN	6 Q	BEH MIN HUI	4 Q
		TAN TECK KANG	6 Q	CHAI POH YEE	4 Q
		TOH MEE PENG	6 Q	CHAN JEAK SUNG	4 Q
		WOON SER PING	6 Q	CHAN TIAN HUI	4 Q
		YAP POH LENG	6 Q	CHEAH TING PING	4 Q
		ADRIAN RICHARD A/L		CHIA SOOK HUANG	4 Q
		ARPUATHAN DOSS	5 Q	CHIA YIT MEI	4 Q
		AMUTHA A/P GOPAL	5 Q	CHONG PUI SIM	4 Q
		CHAN LAI SIM	5 Q	CHONG SHUN TSENG	4 Q
		CHUA BOON POH	5 Q	CHOO XIN YI	4 Q
		DAVID WONG CHIANG FAI	5 Q	CYNTHIA PHUA KAI SHIEN	4 Q
				ENG LI FUNG	4 Q

## MDRT QUALIFYING MEMBERS

Agent Name	Years	Agent Name	Years	Agent Name	Years
LAM SIEW MIIN	12 Q	AMUTHA A/P GOPAL	5 Q	CHONG SHUN TSENG	4 Q
CHEE MEI NEE	11 Q	CHAN LAI SIM	5 Q	CHOO XIN YI	4 Q
CHIN FA HOY	9 Q	CHUA BOON POH	5 Q	CYNTHIA PHUA KAI SHIEN	4 Q
CHONG MIN WAH	9 Q	DAVID WONG CHIANG FAI	5 Q	ENG LI FUNG	4 Q
ONG HUI YEN	9 Q				
SOO YIK HONG	9 Q				
YAP YIN YIN	9 Q				
HENG YING HUI	8 Q				
INDRANI A/P RAGAVAN	8 Q				

# 2023 AGENTS' HONOUR ROLL

## MDRT QUALIFYING MEMBERS (CONTINUED)

Agent Name	Years	Agent Name	Years	Agent Name	Years
FAH YEN SHIN	4 Q	WANG TEE SUAN	4 Q	PUA LIAN PENG	3 Q
FONG MEI MEI	4 Q	WONG FONG LAN	4 Q	PUA LIANG HOCK	3 Q
FOO YING PAN	4 Q	WONG KOK CHWAN	4 Q	SANGARAN NAIR A/L	
FOONG CAI QIAN	4 Q	WONG KUOK CHAI	4 Q	K. RAVICHANDRAN	3 Q
GHEE YIH SHUANG	4 Q	WONG MEE CHING	4 Q	SARAH LOH JIN YI	3 Q
GOH BEE KIM	4 Q	WONG SIU FAN	4 Q	SIM SOOK KHIM	3 Q
HAN WEE CHIEN	4 Q	YAP SOK YEE	4 Q	SIVA SHANMUGA PRIYA	
HO LISA	4 Q	YEAP CHIN CHIN	4 Q	A/P MUNUSAMY	3 Q
JUSTIN YONG ZHANYU	4 Q	YIP HOY YEAN	4 Q	TAN CHEE BENG	3 Q
KANG CHER SIN	4 Q	ANG SIAW PENG	3 Q	TAN CHIN AIK	3 Q
KHAW PEI HOO	4 Q	ANG SIOW GEOK	3 Q	TAN EAK JOO	3 Q
KHONG THAY KUI	4 Q	AW HUI PENG	3 Q	TAN ENG BENG	3 Q
KHOR BOON HWA	4 Q	BONG KIM JEEN	3 Q	TAN HOOI CHUAN	3 Q
LAI SHIAU CHUEN	4 Q	CHEANG POO YING	3 Q	TAN HOOI SEAN	3 Q
LAU YONG HUI	4 Q	CHENG CHIAN YAN FONG	3 Q	TAN HWEE SEE	3 Q
LEE CHEN SING	4 Q	CHEOK SWEE SAN	3 Q	TAN SAI GUAN	3 Q
LEE HUEH NAM	4 Q	CHEW CHEE SEONG	3 Q	TAN SIONG TECK	3 Q
LEE SEK HOI	4 Q	CHIEW CHONG WEI	3 Q	TAN WEI SING	3 Q
LIEW JYH CHYUAN	4 Q	CHIN SAI KIT	3 Q	TEE LEONG YEN	3 Q
LIM AI TIANG	4 Q	CHONG YONG SHAN	3 Q	TEO XIN FHING	3 Q
LIM CHENG WERN	4 Q	CHUAH YEE SIEN	3 Q	THOR CHUN LEONG	3 Q
LIM CHOON WAH	4 Q	ETHAN AUN KYE JAY	3 Q	TING YEN YI	3 Q
LIM FUNG YANG	4 Q	GAN SAY LEAN	3 Q	TONG SAU LAI	3 Q
LIM KAR CHUN	4 Q	GOH TECK HUAT	3 Q	WONG YING SIEW	3 Q
LIM KEAN HOW	4 Q	KHOO CHUN YEE	3 Q	YAP MEI HEONG	3 Q
LIM KUWN YEN	4 Q	KUEH NYUIK LEE	3 Q	YAP WING YEAP	3 Q
LOO CHEW YIN	4 Q	LAI JIAN TAT	3 Q	YEAP SEE MEI	3 Q
LOO CHI KANG	4 Q	LAU AI LING	3 Q	YEE JIA MIN	3 Q
LOY KAM EE	4 Q	LAU SAU CHIEN	3 Q	YEO LAY HUAI	3 Q
MATHIVANAN A/L KALI		LAU WOEI MING	3 Q	YEONG WAI YIP	3 Q
PERUMAL	4 Q	LEE KAH SUAN	3 Q	YONG XIN YING	3 Q
NG MING JER	4 Q	LEE KHEG MEE	3 Q	ANDREW TAN SIANG CHEW	2 Q
NG WAI KEONG	4 Q	LEE KIM FONG	3 Q	AW CHUN SENG	2 Q
ONG BOON KIONG	4 Q	LEE KOK HOI	3 Q	BOO BEE BEE	2 Q
OON KHEE CHOON	4 Q	LEE LOO YEE	3 Q	CHAN YUET PING	2 Q
PONG CHUNG LOONG	4 Q	LEE SHOOK HAN	3 Q	CHANG MUN HOE	2 Q
RAYMOND TAN NAI CHWAN	4 Q	LIM GOH TONG	3 Q	CHEAH BEE LEE	2 Q
SHARON YONG HUIEE	4 Q	LIM MONG MOOI	3 Q	CHEW AI LI	2 Q
SHIM KAI LUN	4 Q	LIM WAI LOON	3 Q	CHIN SHEEN KUAN	2 Q
SHYAMALA DEVI A/P		LIM WEI GHEE	3 Q	CHING WENG KUANG	2 Q
VENKETESAH	4 Q	NG LI YOONG	3 Q	CHONG LAI CHING	2 Q
TAI YIN FUJ	4 Q	NG SZE YUEN	3 Q	CHONG WEE FOON	2 Q
TAN LING HUOY	4 Q	NG WEI FONG	3 Q	CHONG YI LING	2 Q
TAN MEI POH	4 Q	OOI LE MIN	3 Q	CHOY MIN HON	2 Q
TAN TEE WEI	4 Q	OOI TIAN CHAI	3 Q	CHU CHEE YOONG	2 Q
TAN TIAN WEI	4 Q	PANG TIAM SO	3 Q	CHUA KIA CHUN	2 Q
TANG SU FENG	4 Q	PANG YAR LEE	3 Q	DEANNA LIM YIE GIN	2 Q
TAY GEK HONG	4 Q	PATHIBAN A/L VIJAYAN	3 Q	DR SANMUGASUNTHERI	
TEE WEI KANG	4 Q	PHANG ZHENG HAO	3 Q	A/P GANAPATHY	2 Q
TEO MEI LING	4 Q			GOH CHONG HEE	2 Q
TEOH YIN NGEE	4 Q			GOH JEE HWA	2 Q
THOR JWING CHEK	4 Q			GUI SOON HWA	2 Q

**MDRT QUALIFYING MEMBERS**  
 (CONTINUED)

<b>Agent Name</b>	<b>Years</b>	<b>Agent Name</b>	<b>Years</b>	<b>Agent Name</b>	<b>Years</b>
HO KIAN SHENG	2 Q	ANG ZHI SHENG	1 Q	LIEW SIEW TING	1 Q
HO SHUH HUI	2 Q	AUDREY YONG LAI PENG	1 Q	LIEW WEI YING	1 Q
HOR KAH FAI	2 Q	CHAI HUI LING	1 Q	LIM CHING SHENG	1 Q
HOW BEE HONG	2 Q	CHAI WEI KANG	1 Q	LIM HUI HONG	1 Q
HUE WOON YANG	2 Q	CHAN KIM SON	1 Q	LIM KIAN YI	1 Q
IRWIN TAN JUN LIONG	2 Q	CHAN TONG KEONG	1 Q	LIM SHEN KWAN	1 Q
JASON WONG CHAU SHEN	2 Q	CHEE YEE TONG	1 Q	LIM SOOK WAN	1 Q
KHOO YONG YANG	2 Q	CHEOK JUN YOON	1 Q	LIM YOKE KUEN	1 Q
KIAH SIOW YEN	2 Q	CHEONG YU ZHE	1 Q	LIONG MEEI CHIN	1 Q
LAU ENN JIE	2 Q	CHEW CHIANG CHUEN	1 Q	LIONG PEY CHYI	1 Q
LAW NGIE LING	2 Q	CHIN CHEE LOONG	1 Q	LOW JING REN	1 Q
LEE KUAN TAI	2 Q	CHIN GUAN TA	1 Q	MOK SIAW YING	1 Q
LEE POH YEE	2 Q	CHONG FEN TAT	1 Q	NA ZHEN XUN	1 Q
LEE SZE YOON	2 Q	CHOO JUN HUI	1 Q	NG CHEE KEONG	1 Q
LEONG ZHEN NI	2 Q	CHOONG LIAN SHEN	1 Q	NG JIN MIN	1 Q
LEOW CIN LIN	2 Q	CHUA CHUNG ZHENG	1 Q	NG LIANG MENG	1 Q
LIEW SOOK YAN	2 Q	CHUAH BOON HOOI	1 Q	NGO LEE FUN	1 Q
LIEW YOON KEONG	2 Q	DEVIKA A/P DORAISAMY	1 Q	NGOO YIN JOO	1 Q
LIM CHEE JIAN	2 Q	ENG JOHNYEE	1 Q	OO POOI YOONG	1 Q
LIM JIA YEN	2 Q	ENG SIEW YOONG	1 Q	OOI SHIN YEE	1 Q
LIM TSUEY JIAN	2 Q	ER KAR YING	1 Q	PAK YEAN YEAN	1 Q
LIM YONG WEI	2 Q	GAN CHEW CHING	1 Q	PANG KANG JIANN	1 Q
LOO PUI SEE	2 Q	GIRLEE LAI KAH MING	1 Q	PHUAN CHEE SENG	1 Q
LOO YUK SHIK	2 Q	GOH CHEE SIN	1 Q	SIAH CHOON YAO	1 Q
MOI WAN POH	2 Q	GOH CHEIK WEI	1 Q	SIEW KIT KIM	1 Q
NG CHIN YEE	2 Q	GOH CHENG FEE	1 Q	TAN BOON HAU	1 Q
NG CHUAN BEE	2 Q	GOH CHIA WEI	1 Q	TAN BOON PIN	1 Q
NG HONG SEN	2 Q	GOH JEUNG YEW	1 Q	TAN CHIN KHOON	1 Q
NG LI YEN	2 Q	GOH SIN YING	1 Q	TAN KIT JIN	1 Q
ONG MEI CHENG	2 Q	HO CHEN YEE	1 Q	TAN NYOK LEE	1 Q
ONG MOOI CHENG	2 Q	HONG HOCK WAH	1 Q	TAN SHEAU MIIN	1 Q
PEN JIUNN HUEI	2 Q	HOR KAM MUN	1 Q	TAN SIEW TENG	1 Q
PHON WAI JIN	2 Q	JEE CHAI FEN	1 Q	TAN WAN LING	1 Q
PHONG SOO CHIN	2 Q	JEREMY OH JIA WEI	1 Q	TAN YI TIAN	1 Q
RAJESHWARAN A/L MANI MARAN	2 Q	JOEY LEE SHI PEI	1 Q	TAN YOU CHAN	1 Q
SANTHINI A/P DAMODARAN	2 Q	JOSHUA TAN YI-SHAUN	1 Q	TEE TIAU CHUAN	1 Q
SATOSHI WAKAMATSU	2 Q	KANG KAA YEE	1 Q	TENG HUI YING	1 Q
SIOW CHIEN SHEN	2 Q	KHOU CHI CHUAN	1 Q	TENG JUN GENG	1 Q
SOON CHUN KANG	2 Q	KO LIM ENGA	1 Q	TENG SHIEH LING	1 Q
TAN LIK HONG	2 Q	KOAY SIHUI	1 Q	TEO TECK WANG	1 Q
TAN YING ZHI	2 Q	KONG CIA YING	1 Q	TEO YEE TERK	1 Q
TANG LEE LIANG	2 Q	KU YAN KIT	1 Q	THANASEKARAN A/L CHAMIAPPAN	1 Q
TEE HUI XIN	2 Q	KWONG JUN SHENG	1 Q	VALAR MATHI A/P GURUSAMY	1 Q
TEE LEY LENG	2 Q	LAI SIAW LAN	1 Q	WANG KAI CHA	1 Q
THU YEONG KUEH	2 Q	LAI YOKE SAI	1 Q	WONG KEAN YIT	1 Q
THUM HIU THUNG	2 Q	LAU CHIN LOO	1 Q	WONG SU MUN	1 Q
WONG YEAN FUNG	2 Q	LEE CHEN HONG	1 Q	WONG TSUEY LING	1 Q
YAP PEI CHIAO	2 Q	LEE KONG MING	1 Q	YEW KHENG LIN	1 Q
YEW KIM HOOI	2 Q	LEE SHEI JIN	1 Q	YU SOON LEE	1 Q
YONG WEI YIN	2 Q	LEE TET KUOG	1 Q	YVONNE LEONG SUE YEE	1 Q
YONG YAN HONG	2 Q	LEE YIT HOW	1 Q		
YONG YANG FUNG	2 Q	LEO REISHAN	1 Q		
		LEONG ZHI JIE	1 Q		
		LIEW SIEW MEI	1 Q		



# CALENDAR OF EVENTS



## JANUARY

- The Next Gen Awards 2021/2022 was held on 11 January 2023 at the Genting International Convention Centre. 400 attendees including the qualifiers of Next Gen Year 1 and Year 2, Next Gen Super Achievers and Next Gen Whole Group Direct Group builders attended the event.



## FEBRUARY

- The most significant physical event of 2022 was Huat Together Fast Start, where we entered The Malaysia Book of Records for the Most Digital Signatures Collected in an Event. More than 7,000 agents and guests attended to set a record for our country and our company.
- GELM CEO, Dato Koh Yaw Hui received two records in The Malaysia Book of Records as “The longest active serving CEO in the Life Insurance Industry and in a Life Insurance Company”.
- An e-Claims service application was launched to enable GELM agents to submit Life Claims digitally and track the claims’ status effectively anywhere, anytime.
- In conjunction with Chinese New Year celebration, GELM ChildrenCare donated CNY festive meals to 119 children from five homes registered under Jabatan Kebajikan Masyarakat, namely Pusat Jagaan Persatuan Kebajikan Rumah Pelangi, Pusat Jagaan Rumah Persatuan Kebajikan Rumah Ozanam 1 & 2, Pusat Jagaan Rumah Ozanam Klang and Good Samaritan Home Care Centre.







**MARCH**

- During the Chinese New Year Townhall, themed “Old Shanghai”. Staff came into the office with their best traditional wear to celebrate the festive season.
- GELM organised the Entrepreneurial Leadership Series featuring CEOs and Founders of emerging brands to engage and offer learning opportunities for university students and fresh graduates.
- GELM was awarded the Malaysia’s Most Successful Sustainable Valuable Brand at The BrandLaureate Sustainable Business & Brands Inspirational Achievement Award 2022-2023. This award is a recognition of our brand’s leadership, strength and ability to overcome adversities, emerging as the most sustainable brand in the insurance industry.



**APRIL**

- GELM organised the 2022 Supremacy Summit with 1,700 guests attended, including the esteemed 2022 Supremacy Summit achievers. The event was graced by the Chairman, Norman Ip and the Chief Executive Officer, Dato Koh Yaw Hui, during the awards presentation at the Gala Dinner session.
- GELM launched a wealth accumulation plan, GREAT Multi-Gen Wealth, a first-of-its-kind insurance plan in Malaysia. This plan offers long term savings, enabling policyholders to pass it on to the next generation by appointing a new policy owner and secondary life assured, all in one plan.
- In conjunction with Hari Raya Aidilfitri celebration, GELM ChildrenCare, organised a Sunny Syawal Soap Making Workshop for more than 70 underprivileged children from Rumah Bakti Nur Syaheera, Rumah KIDS and House of Love to enhance their personal development while promoting the value of sustainable living.
- Maximus, a new Universal Life Plan savings plan with no medical underwriting was launched in May, targeting new and existing OCBC customers.
- Virtual Servicing was introduced to serve policyholders at their convenience. Policyholders can now secure an appointment for remote servicing with a few simple steps, reducing the need to walk in or wait in line to be served.



# CALENDAR OF EVENTS



## MAY

- All qualifiers of 2022 Supremacy Summit Excellence were rewarded with trip to Cyprus to celebrate their success and hard work.
- GELM launched GREAT Returns Extra offering returns of up to 5.0% p.a. with 3 years of insurance protection against death or total and permanent disability.
- The LIFE Programme organised a Health Carnival to celebrate their 10th Anniversary at Menara Great Eastern. GELM employees enjoyed free massages, eye checks, dental checks, physio assessments, and other health screenings activities.



## JUNE

- GELM won Gold in the Reader's Digest 2023 Trusted Brand Award under the category of Life Insurance for the 20th consecutive year and Health Insurance for the 6th consecutive year.
- 2022 Supremacy Premier qualifiers celebrated their outstanding achievement at Perth, Australia. One of the highlights from the fun-filled, adventurous trip was the get together Dinner themed, Wild Wild West Party.
- The 2023 Million Dollar League Summit was organised at Penang from 14 to 16 June 2023 bringing together over 200 MDLA qualifiers and the management team to celebrate their outstanding achievements. The event also featured knowledge-sharing sessions by forum speakers, making it a valuable learning experience for all attendees.
- LIFE Programme successfully collected 840.77kg of cloth from GELM employees as part of a donation initiative to recycle and upcycle old or unwanted clothes.





**JULY**

- GELM organised the 2022 Star Indian National Grand Award (SINGA) Night held on 16 July 2023 at Putrajaya Marriott Hotel. The award ceremony is to recognise the outstanding achievements of the Top 10 Nationwide Champions and High Achievers Award.
- GELM extended its partnership with 30 private hospitals across Malaysia under the Preferred Hospital Programme, which grants customers early discharge and waiver of administration fees.
- Great Eastern was awarded Silver for Best Recruitment Referral Strategy at the 2023 Employee Experience Awards.



**AUGUST**

- Great Iconic Leaders Club (GILC) and Great Supreme Producers Club (GSPC) qualifiers attended the Sales Convention at Bali.
- The Senior Management Team celebrated GELM's 115th anniversary with GELM employees at a Hawaiian-themed 'luau' townhall.
- Great Eastern was awarded the Brand of the Year at the BrandLaureate Best Brand Awards for four consecutive years, an accolade that honours the company that sets the standard for excellence in the insurance industry.
- GELM launched SmartMedic Shield Double Annual Limit (SMSDAL), a limited offer to double medical coverage up to MYR8 million at no extra cost. This is in response to growing concerns over rising medical costs.
- GELM employees volunteered at Hospis Malaysia to clean, paint the walls and help with general maintenance of equipment and other parts of the facility.





# CALENDAR OF EVENTS



## SEPTEMBER

- The qualifiers of the Supremacy Experience Summit 14 were rewarded with an incentive trip to Phuket, Thailand.
- Great Eastern Cares organised beach clean-up at Port Dickson as part of its Corporate Social Responsibility.

## OCTOBER

- GELM was awarded Bronze for Excellence in Total Rewards Strategy at the HR Experience Awards 2023. This award recognises organisations that have implemented effective total reward strategies, resulting in improved employee engagement, productivity, and retention.
- The 8<sup>th</sup> year of the Program Aspirasi Gemilang “A”, GELM ChildrenCare awarded RM4,800 to 23 underprivileged children who scored ‘A’ in the 2022 national examination, Sijil Pelajaran Malaysia (SPM). The children received RM100 for every ‘A’ scored in the examination.
- Great Eastern recognised as the “Most Active Employer” of the year in the Activ@Work Challenge 2023 by PERKESO and BookDoc.



## NOVEMBER

- GELM organised Great Eastern Run 2023 with a resounding success after a three-year hiatus due to the pandemic with 11,000 attendees at Mranti Park, Bukit Jalil. The night run featured Malaysia’s first-ever foam glow element.
- GELM and Sabah Credit Corporation exchanged a memorandum of understanding (MOU) to offer seamless digital life insurance for You Only Need One (YONO), a newly launched Sabah state-owned financial super app.
- In conjunction with Deepavali, GELM ChildrenCare organised a Diya Lamp Pottery Making Workshop to 77 underprivileged children aged 5 to 18 years old from five underprivileged homes. The children were taught pottery hand-building technique to shape and to mould ceramics and painting the diya lamp.
- 105 children from Salvation Kids Association Care Centre, Shelter 1, Pusat Jagaan Kanak-Kanak WAO and Pusat Jagaan Kanak-Kanak Praise Emmanuel were treated to traditional Indian dishes such as Nasi biryani, Curry Seabass and Murukku in celebration of the Deepavali festival.



## DECEMBER

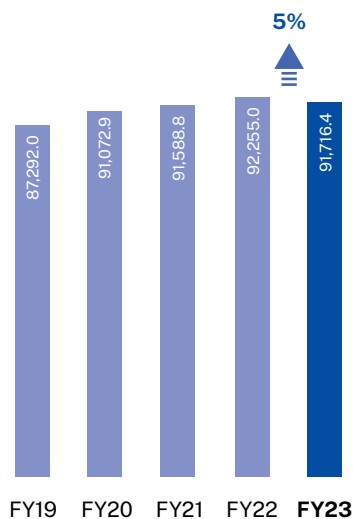
- GELM ChildrenCare organised a Chocolate Making Workshop in Kuala Lumpur for 96 underprivileged children, aged 7 to 25 years old from four charity homes. They were given the opportunity to learn how to make moulded chocolate, chocolate stencil, and DIY chocolate bars from scratch to take home. They were also taken for a tour in the Chocolate Museum.
- A total of 85 volunteers participated in the Great Eastern Cares Programme to clean up and tend to the animals at Zoo Negara Malaysia.
- More than 50 GELM and GEGM Senior Management Team attended Mental Health First Aid Workshop.
- GELM awarded with HR Asia Best Companies to Work For in Asia for the 8th consecutive year.



# FINANCIAL SYNOPSIS 2023

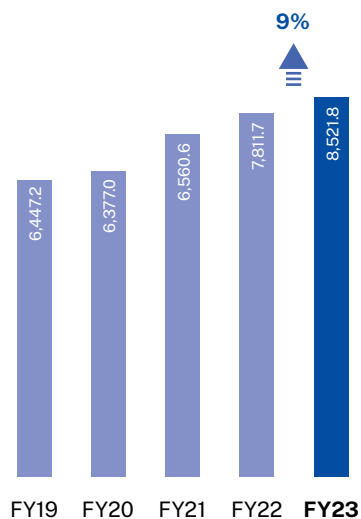
## TOTAL ASSETS

RM millions



## BENEFITS TO POLICY OWNERS

RM millions



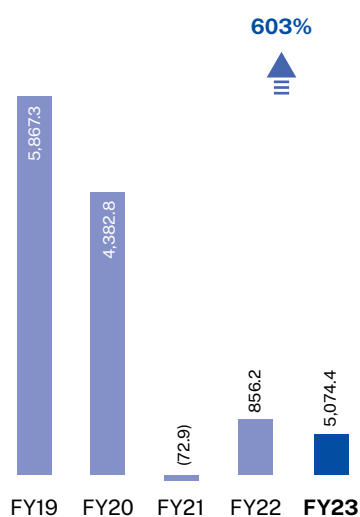
## GROSS PREMIUM INCOME

RM millions



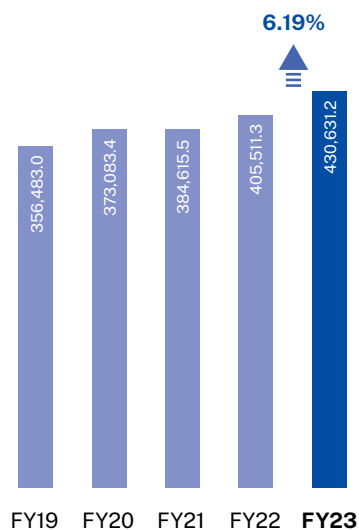
## INVESTMENT INCOME & CAPITAL LOSS

RM millions



## BUSINESS IN FORCE

RM millions



## Directors' Report

### DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Company for the year ended 31 December 2023.

### PRINCIPAL ACTIVITY

The Company is engaged principally in the underwriting of life insurance business including investments-linked business.

### RESULTS

	RM'000
Net profit for the year	1,123,695

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

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

### SIGNIFICANT EVENTS

Great Eastern Life Assurance (Malaysia) Berhad ("GELM") and Great Eastern Takaful Berhad ("GETB") has on 2 October 2023 entered into an Implementation Agreement with AMAB Holdings Sdn Bhd ("AMAB") and MetLife International Holdings, LLC ("MetLife") in relation to the proposed disposal of their entire equity stake in AmMetLife Insurance Berhad ("AML") and AmMetLife Takaful Berhad ("AMT") to GELM and GETB, respectively, for RM1,121 million, subject to customary adjustment (the "Proposal"). Collectively, AMAB and MetLife jointly own 100% of both AML and AMT.

The Proposal is subject to, amongst others, the prior written approval of Bank Negara Malaysia and/or the Minister of Finance, and the Monetary Authority of Singapore. Upon receipt of the respective regulatory approvals and satisfaction of certain other conditions, AMAB, MetLife, GELM and GETB will execute the definitive agreements.

Upon completion of the Proposal, GELM will hold 100% of AML and GETB will hold 100% of AMT. In addition, the Proposal will see GELM, AML, GETB and AMT entering into an exclusive twenty-year bancassurance and bancatakaful agreements for the distribution of life insurance and family takaful products through the distribution network of Arab-Malaysia Merchant Bank Berhad ("AMMB") banking subsidiaries, AmBank (M) Berhad and AmBank Islamic Berhad, across Malaysia.

### ULTIMATE HOLDING COMPANY

The ultimate holding company is Oversea-Chinese Banking Corporation Limited ("OCBC Bank"), a public listed company incorporated in the Republic of Singapore.

## Directors' Report

### DIVIDENDS

The amount of dividends paid by the Company since 31 December 2022 were as follows:

	RM'000
In respect of financial year ended 31 December 2022:	
Final single tier dividend of RM3.85 per ordinary share on 100,000,005 ordinary shares declared on 12 April 2023 and paid on 27 April 2023	385,000
In respect of financial year ended 31 December 2023:	
Interim single tier dividend of RM5.90 per ordinary share on 100,000,005 ordinary shares declared on 30 August 2023 and paid on 30 October 2023	590,000
	975,000

At the forthcoming Annual General Meeting, the directors do not recommend any final dividend in respect of the financial year ended 31 December 2023.

### DIRECTORS

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

Mr Norman Ka Cheung Ip (Chairman)  
 Mr Tan Yam Pin  
 Mr Khor Hock Seng  
 Mr Siew Kah Toong  
 Mr Ou Shian Waei  
 Mr Foong Soo Hah  
 Ms Mimi Sze Ho (Appointed on 1 March 2024)  
 Mr Koh Poh Tiong ( Stepped down on 15 May 2023)  
 Mr Ng Hon Soon (Stepped down on 31 October 2023)

In accordance with Clause 70 of the Company's Constitution, Mr Khor Hock Seng will retire at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

Mr Tan Yam Pin will also retire in accordance with Clause 70 of the Company's Constitution at the forthcoming Annual General Meeting but will not be offering himself for re-election.

In accordance with Clause 74 of the Company's Constitution, Ms Mimi Sze Ho will retire at the forthcoming Annual General Meeting and, being eligible, offers herself for re-appointment.

## Directors' Report

### DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, 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 body corporate, other than the options over shares in the Company's ultimate holding company as disclosed in this report.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than 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 amounting to RM1,368,570.98 as shown in Note 21(b) and 27(b) to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member or with a company in which the Director has a substantial financial interest required to be disclosed under Fifth Schedule, Part 1 Section 3 of the Companies Act 2016.

A Director and officer's liability insurance has been entered into by Great Eastern Capital (Malaysia) Sdn Bhd ("GEC") on behalf of all the directors and officers within the GEC Group for the financial year ended 31 December 2023 pursuant to Section 289 of the Companies Act 2016. The cost of insurance effected amounted to RM168,485.

### DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in shares and options over shares in the Company's ultimate holding company, Oversea-Chinese Banking Corporation Limited ("OCBC Bank") during the financial year were as follows:

	Shareholdings in which Directors have a direct interest			
	1.1.2023	Acquired	Disposed	31.12.2023
<b>(a) Ordinary shares in the capital of OCBC Bank</b>				
Mr Norman Ka Cheung Ip	4,614	-	-	4,614
Mr Khor Hock Seng	560,976	115,035	-	676,011
Mr Siew Kah Toong	4,474	-	-	4,474
Mr Foong Soo Hah	12,064	-	-	12,064
	Shareholdings in which Directors are deemed to have an interest			
	1.1.2023	Granted	Vested	31.12.2023
Mr Norman Ka Cheung Ip	10,340	-	-	10,340 <sup>(1)</sup>
Mr Khor Hock Seng	280,067	113,971	(115,035)	279,003 <sup>(2)</sup>

#### Notes:

- (1) Deemed interest arising from shareholdings by Spouse.  
 (2) Deemed interest arising from the OCBC Deferred Share Plan.



## Directors' Report

### DIRECTORS' INTERESTS (CONTINUED)

	Shareholdings in which Directors have a direct interest			
	1.1.2023	Acquired	Disposed	31.12.2023
<b>(b) 5.1% non cumulative non convertible Preference Shares in OCBC Capital Corporation (2008)</b>				
Mr Tan Yam Pin	2,000	-	-	2,000

	Options held by Directors in their own name					
	Expiry Date	Exercise Price S\$	1.1.2023	Granted	Exercised	31.12.2023
<b>(c) Options to subscribe for ordinary shares in the capital of OCBC Bank</b>						
Mr Khor Hock Seng	22.3.2027	9.60	150,000	-	(150,000)	-
	21.3.2028	13.34	122,135	-	-	122,135

Other than as disclosed above, none of the Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

### CORPORATE GOVERNANCE DISCLOSURES

The Company has taken concerted steps to comply with Bank Negara Malaysia's ("BNM") Policy Document on Corporate Governance issued on 3 August 2016. The Company is committed to the standards and practices prescribed in this policy document.

### OTHER STATUTORY INFORMATION

- (a) Before the statement of financial position, statement of profit or loss and statement of comprehensive income of the Company were made out, the Directors took reasonable steps:
- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and
  - 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 have 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:
- it necessary to write-off any bad debts or the amount of provision for doubtful debts in the financial statements of the Company inadequate to any substantial extent; and
  - the values attributed to 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.

## Directors' Report

### OTHER STATUTORY INFORMATION (CONTINUED)

- (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.
- (e) As 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 year which secures the liabilities of any other person; or
  - (ii) any contingent liability in respect of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the Directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Company to meet its obligations as and 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 year and the date of this report which is likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.
- (g) Before the statement of financial position and statement of profit or loss 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 valuation method specified in Part D of the Risk-Based Capital Framework for insurers issued by BNM.

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

### AUDITORS' REMUNERATION

Details of auditors' remuneration amounting to RM3,363,000 are set out in Note 21 to the financial statements.

There was no indemnity given to, or insurance effected for auditors of the Company in respect of the liability for any act or omission in their capacity as auditors of the Company during the financial year.

### AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to accept appointment as auditors.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 29 March 2024.

Siew Kah Toong

Kuala Lumpur

Ou Shian Waei

## Statement of Corporate Governance

### CORPORATE GOVERNANCE DISCLOSURES (AS REFERRED TO IN THE DIRECTORS' REPORT)

The Board of Directors (the "Board") of Great Eastern Life Assurance (Malaysia) Berhad (the "Company") together with the Management places great importance on high standards of corporate governance and are committed to upholding values of integrity, honesty and proper corporate conduct at all times in the business operations and dealings of the Company.

The Company adopts corporate governance practices as guided by the Bank Negara Malaysia ("BNM") Policy Document on Corporate Governance issued on 3 August 2016 (the "CG PD") and continues to enhance its standards of the overall governance.

### BOARD MATTERS

#### The Board's Conduct of Affairs

The prime stewardship responsibility of the Board is to ensure the viability and sustainability of the Company and to ensure that it is managed in the best interests of the Company as a whole while taking into account the interests of the shareholders and other stakeholders. The Company has a Board Charter approved by the Board.

The Board provides strategic directions to, and oversight of the operations of the Company. The principal roles and functions of the Board, as set out in the Board Charter include the following:

- (a) providing leadership, reviewing, approving and overseeing the implementation of the Company's strategic direction and overall business objectives as well as the organisational structure of the Company as developed and recommended by the Management;
- (b) ensuring that the decisions and investments are consistent with the long-term strategic goals of the Company and reasonable standards of fair dealing with all stakeholders;
- (c) ensuring that obligations to shareholders, customers, policyholders and other stakeholders are understood and met;
- (d) ensuring that the necessary resources are in place for the Company to achieve its objectives;
- (e) ensuring that the Company operates in accordance with the relevant laws and regulations, as well as policies, processes and guidelines approved by the Board, so as to preserve its financial integrity;
- (f) reviewing and approving any transaction for the acquisition or disposal of assets that is material to the Company;
- (g) meeting regularly with Management, including key persons in control job functions, discussing and reviewing critically the decisions made, information provided and any explanations given by Management and key persons in control job functions, relating to the business and operations of the Company;
- (h) overseeing and approving of the Company's risk appetite to be consistent with the strategic intent, operating and regulatory environment, effective internal controls, capital sufficiency and regulatory standards;
- (i) overseeing, through the Board Audit Committee, the quality and integrity of the accounting and financial reporting systems, disclosure controls and procedures, and system of internal controls, and the review of all material related party transactions;
- (j) overseeing, through the Board Risk Management Committee, the management of the risks of the Company, the establishment and operation of an independent risk and adequate management function, supported by a system of sound internal controls, for identifying, measuring, monitoring, controlling and reporting risks on an enterprise-wide basis, the adequacy of the risk management function (including ensuring that it is sufficiently resourced to monitor risk by the various risk categories and that it has appropriate independent reporting lines), and the capital management strategy, including the optimal allocation of capital resources, and the quality of the risk management processes and reporting;

## Statement of Corporate Governance

### BOARD MATTERS (CONTINUED)

#### The Board's Conduct of Affairs (continued)

The Board provides strategic directions to, and oversight of the operations of the Company. The principal roles and functions of the Board, as set out in the Board Charter include the following: (continued)

- (k) overseeing through the Board Nominations and Remuneration Committee, the selection, performance, remuneration and succession planning of the Senior Officers<sup>1</sup> and Non-Senior Officers<sup>2</sup>, such that the Board is satisfied with their collective competence to effectively lead the operations of the Company;
- (l) establishing corporate values and standards, emphasizing integrity, honesty and proper conduct at all times, with respect to internal dealings and external transactions, including situations where there are potential conflicts of interest;
- (m) overseeing, through the Board Nominations and Remuneration Committee, the design and operation of an appropriate remuneration framework and ensuring that the remuneration practices are aligned with the remuneration framework;
- (n) reviewing Management's performance and ensuring that Management formulates policies and processes to promote fair practices and high standards of business conduct by staff;
- (o) maintaining records of all meetings of the Board and Board Committees, especially with regards to records of discussions on key deliberations and decisions taken;
- (p) overseeing the implementation of the Company's governance and internal control frameworks, and periodically reviewing the frameworks to ensure they remain appropriate in light of material changes to the size, nature and complexity of the Company's operations;
- (q) promoting sustainability through appropriate environmental, social and governance considerations in the Company's business strategies;
- (r) overseeing and approving of the recovery and resolution as well as business continuity plans for the Company to restore its financial strength, and to maintain or preserve critical operations and services when they come under stress; and
- (s) promoting timely and effective communications between the Company and BNM on matters affecting or that may affect the safety and soundness of the Company.

#### Conflicts of Interest

The Company has implemented a Directors' Conflict of Interest ("COI") Guide which sets out the procedures to address actual or potential conflicts of interest of the Directors. The COI Guide serves to safeguard against the risk that a Director's decision may be unduly influenced by other secondary interests, instead of the interests of the Company. Pursuant to the COI Guide, the Directors of the Company shall disclose to the Board the nature and extent of their interest whether directly or indirectly, in a material transaction or material arrangement with the Company.

Directors with conflicts of interest would recuse themselves from discussions and decisions involving the issues of conflict.

#### Notes:

- 1 Senior Officers of the Company referred throughout this Corporate Governance Disclosures are the Senior Management Team and such other executives as the Board and/or regulator should determine.
- 2 Non-Senior Officers of the Company referred throughout this Corporate Governance Disclosures are officers with rank of Senior Vice Presidents and above who are not members of the Senior Management Team, and officers who are categorised as Other Material Risk Takers.



## Statement of Corporate Governance

### BOARD MATTERS (CONTINUED)

#### Board Approval

The Company has adopted internal guidelines on matters that require Board approval. Matters requiring Board approval include but are not limited to the overall business strategy and direction, significant policies governing the operations of the Company, strategic or significant acquisitions and disposal of assets by the Company, corporate restructuring, major corporate initiatives and other activities of a significant nature, dividend policy and dividend declaration, all material related party transactions, authority levels for the Company's core functions and outsourcing of core business functions.

The Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below the threshold limits to Board Committees and Management to optimise operational efficiency.

#### Board Committees

While the Board has ultimate responsibility for the affairs of the Company, it has established a number of Board Committees to assist it in carrying out more effective oversight of the operations and business affairs of the Company. These Board Committees consist of the Board Audit Committee, Board Nominations and Remuneration Committee, and Board Risk Management Committee. All the Board Committees have been constituted with clear Board-approved written terms of reference setting out their compositions, authorities and duties, and any changes thereto also require the Board's approval.

The Board Committees, in carrying out their responsibilities in accordance with their respective terms of reference, are also actively involved in assisting the Board to ensure compliance with good corporate governance practices by the Company. Minutes of the Board Committees' meetings, which provide a fair and accurate record of the discussions, key deliberations and decisions taken during the meetings, are maintained and circulated to the Board. The composition and details of principal roles and responsibilities of the Board Committees are set out below.

Under the CG PD, the Board Committees are required to comprise at least three Non-Executive Directors, with a majority of them being Independent Directors. The Board Committees must be chaired by an Independent Director who is not the Chairman of the Company.

#### Board Audit Committee

The Board Audit Committee comprises the following Directors:

- Mr Siew Kah Toong, Chairman
- Mr Norman Ka Cheung Ip, Member
- Mr Ou Shian Waei, Member

Majority of the Members (including the Chairman) are Independent Directors.

The Board Audit Committee has explicit authority to investigate any matters within its terms of reference and has the full co-operation of and access to Management. The Board Audit Committee has full discretion to invite any Director or Senior Officer to attend its meetings. It has resources to enable it to discharge its functions properly.

The functions performed by the Board Audit Committee and details of the Board Audit Committee's activities during 2023 included the following:

- (a) Reviewed with the Internal Auditors –
  - (i) their audit plan, evaluation of the system of internal controls and audit reports;
  - (ii) the scope and results of the internal audits; and
  - (iii) the assistance given by the officers of the Company to the internal auditors.

## Statement of Corporate Governance

### BOARD MATTERS (CONTINUED)

#### Board Audit Committee (continued)

- (b) Reviewed with the External Auditors –
- (i) their audit plan prior to the commencement of the annual audit;
  - (ii) the interim financial statements and the audited financial statements of the Company for the financial year and the auditors' report thereon for submission to the Board for consideration and approval thereafter;
  - (iii) the scope and results of the audit procedures and cost effectiveness, and their independence and objectivity taking into consideration factors including the nature and extent of non-audit services provided by them (if any);
  - (iv) the implications and impact of new or proposed changes in financial reporting standards, accounting policies and regulatory requirements on the financial statements together with the Senior Officers;
  - (v) any significant financial reporting issues, to ensure the integrity of the financial statements of the Company; and
  - (vi) the assistance given by the officers of the Company, including the internal auditors, to the external auditors.
- (c) Reviewed the adequacy, independence and effectiveness of the internal audit function of the Company.
- (d) Maintained an appropriate relationship with both the internal and external auditors.
- (e) Recommended the re-appointment of the external auditors to the Board.
- (f) Recommended the remuneration and terms of engagement of the external auditors to the Board.
- (g) Reviewed and updated the Board on all related-party transactions.
- (h) Monitored compliance with the COI Guide.

The Board Audit Committee, in performing its functions, meets at least once annually with the internal and external auditors in separate sessions without the presence of Management, to consider any other matters which may be raised privately.

The Board Audit Committee held a total of eight meetings (comprising six scheduled and two ad hoc meetings) in 2023. By invitation, the Board Audit Committee meetings were also attended by the internal and external auditors, Executive Director, Group Chief Financial Officer, Group Chief Internal Auditor and relevant Senior Officers.

#### Board Nominations and Remuneration Committee

The Board Nominations and Remuneration Committee comprises the following Directors:

- Mr Tan Yam Pin, Chairman
- Mr Norman Ka Cheung Ip, Member
- Mr Foong Soo Hah, Member

Majority of the Members (including the Chairman) are Independent Directors.

The responsibilities of the Board Nominations and Remuneration Committee are set out in its Board-approved terms of reference. The Board Nominations and Remuneration Committee reviews the Board and Board Committee compositions annually. It is responsible for identifying candidates for directorship, reviewing and recommending nominations and re-nominations of Directors on the Board and Board Committees. It also reviews nominations and dismissals or resignations of Senior Officer and Non-Senior Officer positions in the Company.

## Statement of Corporate Governance

### BOARD MATTERS (CONTINUED)

#### Board Nominations and Remuneration Committee (continued)

The Board Nominations and Remuneration Committee is also responsible to recommend to the Board for endorsement a framework of Directors' fees, as well as remuneration of the Senior Officers and Non-Senior Officers. For Senior Officers and Non-Senior Officers, the framework covers all aspects of total compensation packages, including basic salary, various performance bonus, allowances, deferred share awards and benefits. The variable components have been designed to link rewards to corporate and individual performance, based on appropriate and meaningful performance measures set up by the Company, and approved by the Board Nominations and Remuneration Committee and the Board. The Board Nominations and Remuneration Committee also ensures that the Company's remuneration policies and practices are aligned with the approved framework and that remuneration packages are appropriate to attract, retain and motivate the Senior Officers and Non-Senior Officers without being excessive.

The Board Nominations and Remuneration Committee held a total of seven meetings (comprising six scheduled and one ad hoc meeting) in 2023.

#### Board Risk Management Committee

The Board Risk Management Committee comprises the following Directors:

- Ms Mimi Sze Ho, Chairperson (*Appointed on 1 March 2024*)
- Mr Norman Ka Cheung Ip, Member
- Mr Ou Shian Waei, Member
- Mr Foong Soo Hah, Member

Majority of the Members are Independent Directors.

The Board Risk Management Committee is responsible for overseeing all risk management and compliance matters (strategic, market, credit, liquidity, insurance, operational, technology, cyber security, information/data loss, regulatory and compliance, sustainability and any other category of risks); as well as technology-related matters as delegated by the Board or as deemed necessary by the Board Risk Management Committee.

It reviews the overall risk management philosophy, including the risk profile, risk tolerance level, and risk and capital management strategy, in line with the overall corporate strategy and risk appetite as set and approved by the Board. The Board Risk Management Committee also assists the Board in monitoring the effectiveness and adequacy of the risk management processes and systems set up by the Company. It oversees the cultivation of a strong risk culture that promotes risk awareness and sound risk taking.

The Board Risk Management Committee performs its functions pursuant to its Board-approved terms of reference. The terms of reference include endorsement or approval of (where applicable) frameworks, policies and charters; strategies for effective risk management of various risk exposures including those arising from investment management and asset-liability management; as well as review of other financial transactions that exceed the authority limits of the Management Committees. Material investment-related activities and transactions are reviewed by the Board Risk Management Committee and recommended to the Board for information or approval, as applicable.

It reviews the appointment, annual performance evaluation, remuneration and termination of the (i) Head, Risk Management and (ii) Head, Compliance as both of these positions report directly to the Board Risk Management Committee. Its recommendation is then submitted to the Board Nominations and Remuneration Committee for endorsement, and the Board for approval.

The Board Risk Management Committee meets with the Head, Risk Management and the Head, Compliance at least once a year without the presence of Management to discuss matters, which may be raised privately.

The Risk Management Department is adequately staffed by experienced and qualified employees who are sufficiently independent to perform their duties objectively. The Department regularly engages Senior Officers to develop enterprise-wide risk controls and risk mitigation procedures.

## Statement of Corporate Governance

### BOARD MATTERS (CONTINUED)

#### Board Risk Management Committee (continued)

The Board Risk Management Committee held a total of six meetings (comprising five scheduled and one ad hoc meeting) in 2023.

The Company's enterprise risk governance, risk management objectives and policies and other pertinent details are disclosed in Note 29 of the Notes to the Financial Statements.

#### Meetings and Directors' Attendance

The Board meets regularly during the year to review the business performance and key activities of the Company, and to consider significant business proposals presented by the Management. All members of the Board participate actively in Board discussions and decisions are taken objectively in the interests of the Company. The Board guides Management with strategic directions to achieve its stated goals and Management remains accountable to the Board. Where warranted by particular circumstances, ad hoc Board or Board Committee meetings will be convened. In 2023, the Board convened seven scheduled and three ad hoc Board meetings.

The contributions of the Directors go beyond attendance at meetings. They individually or collectively engage with other Directors and Management outside formal meetings in their oversight of the affairs of the Company.

#### Meetings and Directors' Attendance

Meetings of the Board and Board Committees via telephone, video conference, or any other similar communications equipment are permitted by the Company's Constitution. If a Director is unable to attend a Board or Board Committee meeting, he will still be able to access all the papers and materials to be tabled for discussion at that meeting. Directors are provided with complete, adequate and timely information related to agenda items before each meeting. Directors are also equipped with electronic tablets that allow secured access to Board and Board Committee meeting materials.

All Directors have complied with the minimum requirement of 75% attendance at Board meetings as stipulated in the CG PD and Board Charter.

The number of meetings of the Board and Board Committees held in 2023 and the attendance of the Directors at those meetings are tabulated in the following table.

#### Directors' attendance at Board and Board Committee meetings in 2023

Director	Board	Board Audit Committee	Board Nominations and Remuneration Committee	Board Risk Management Committee	Annual General Meeting
	Number of meetings held in 2023				
	10	8	7	6	
Mr Norman Ka Cheung Ip <sup>(1)</sup>	10	1	7	6	✓
Mr Tan Yam Pin	9	-	6	-	✓
Mr Koh Poh Tiong <sup>(2)</sup>	5	-	4	-	✓
Mr Khor Hock Seng	10	-	-	-	✓
Mr Ng Hon Soon <sup>(3)</sup>	9	7	-	6	✓
Mr Siew Kah Toong	10	8	-	-	✓
Mr Ou Shian Waei	10	8	-	6	✓
Mr Foong Soo Hah <sup>(4)</sup>	10	-	3	6	✓



# Statement of Corporate Governance

## BOARD MATTERS (CONTINUED)

### Directors' attendance at Board and Board Committee meetings in 2023 (continued)

#### Notes:

- (1) Appointed as Member of the Board Audit Committee on 1 November 2023.
- (2) Stepped down as Director and relinquished his position as Member of the Board Nominations and Remuneration Committee on 15 May 2023.
- (3) Stepped down as Director and relinquished his position as Chairman of the Board Risk Management Committee and Member of the Board Audit Committee on 31 October 2023.
- (4) Appointed as Member of the Board Nominations and Remuneration Committee on 1 November 2023.
- (-) Not applicable to the Non-Member of the respective Board Committees.

Two Joint Board Audit Committee – Board Risk Management Committee meetings were held in 2023. Directors' attendance at these meetings is not included in the above table.

Two Extraordinary General Meetings were held in 2023. Directors' attendance at these meetings is not included in the above table.

#### Access to Information

The Board members are provided with relevant and timely information by Management on matters to be discussed or considered at meetings of the Board and Board Committees. For matters requiring approval, information furnished by Management usually includes background explanatory information, relevant facts and/or analysis to support the proposal, implications or merits of the case, risk analysis and mitigating strategies, the budget (if applicable) and Management's recommendation. The Senior Officers who are responsible to provide additional information and insight or provide clarifications to queries raised are usually invited to the meeting for discussion on such matters. Occasionally, external consultants engaged on specific projects may also be invited to brief the Board or Board Committees, where relevant. All Board and Board Committees' members have unfettered access to information, which the Company is in possession of or has access to, for the purpose of carrying out their responsibilities.

Directors have separate and independent access to the Company Secretary and Senior Officers of the Company at all times. The Company Secretary attends all Board meetings and prepares minutes of Board proceedings. She assists the Chairman to ensure that appropriate Board procedures are followed and that applicable regulations are complied with. Under the direction of the Chairman, she ensures good information flows within the Board and Board Committees, and between Senior Officers and Directors. The Company Secretary also facilitates the orientation of new Directors and professional development of Directors, as required. The appointment and removal of the Company Secretary is considered to be a matter for the Board as a whole.

The Directors may take independent professional advice as and when necessary to enable them to discharge their duties effectively. Similarly, the Board and Board Committees may obtain professional advice, whenever necessary and appropriate, so as to effectively discharge their roles and responsibilities. All engagements of external advisers are at the Company's expense.

#### Board Orientation and Development

A formal appointment letter will be issued to a newly appointed Director, together with a Director's Orientation Kit which will include key information of the Company, the terms of reference of the Board and Board Committees, duties and obligations of Directors as well as relevant rules and regulations. As part of the induction programme for new Directors, the Senior Officers will conduct briefing sessions on the Company's principal activities, business operations, staff strengths, and applicable rules and regulations. The Company constantly reviews and improves on the contents of such briefings to new Directors to take into account any new legislative changes which affect the Directors and to enable them to have a more comprehensive understanding of the Company, the insurance business and practices, and the Company's financial statements.

## Statement of Corporate Governance

### BOARD MATTERS (CONTINUED)

#### Board Orientation and Development (continued)

The Board Nominations and Remuneration Committee ensures there is a professional development programme for all Directors, so that they are equipped with the appropriate skills and knowledge to perform their roles on the Board and Board Committees effectively. The Company arranges for new Directors to be briefed on areas such as accounting, risk management, insurance, cybersecurity and Environmental, Social and Governance matters; and facilitates their attendance at the mandatory “Financial Institutions Directors’ Education (“FIDE”) Core Programme within one year from their date of appointment. Industry-related and topical articles are regularly circulated to Directors as part of the Directors’ continuous development programme. The Board Nominations and Remuneration Committee also encourages the Directors to be continually updated on developments affecting the insurance industry by offering them attendance at appropriate courses, conferences and seminars conducted by professional bodies within the industry or other professional organisations including programmes conducted by the FIDE FORUM, at their convenience. The Company has dedicated sufficient resources towards the on-going development of its Directors. The Company arranges for and funds the training and development programmes for existing and new Directors. The Company also maintains formal records of the training and development received by its Directors.

From time to time, in collaboration with the Board Nominations and Remuneration Committee, the Board Risk Management Committee organises Board Educational Series, with briefings or presentations by external professionals, consultants or Management staff on topics relevant to the insurance industry and provides updates on developments in the industry locally.

Professional development programmes arranged by the Company for Directors in 2023 included the following topics:

- Board Educational Series:
  - Cross Currents of Headwinds and Tailwinds
  - Cybersecurity for the Cloud
  - Fiduciary Duty on Climate Risk Management
  - Great Eastern Cloud Journey & Cyber Defense Roadmap
  - Navigating MFRS 17: Transition, Parallel Runs, and Other Updates
  - Owners and Ownership: Beneficial Ownership – Who is Behind that Legal Person
  - Private Market Investments
  - Standing Limits in Managing Financial Risk
- Board Oversight Of Climate Risks And Opportunities
- BNM-FIDE FORUM Roundtable on Licensing and Regulatory Framework for DITO Exposure Draft
- BNM-FIDE FORUM Special Interest Group (“SIG”) Discussion on Licensing & Regulatory Framework for DITO Exposure Draft
- BNM-FIDE FORUM Virtual Dialogue Session
- FIDE FORUM AI and Financial Institutions: Friend or Foe?
- FIDE FORUM Can America Stop China’s Rise? Will ASEAN Be Damaged?
- FIDE FORUM Distinguished Board Leadership Series 2023 - Empowering Change through Diversity, Equity and Inclusion (DEI)
- FIDE FORUM-ICA Understanding the Impact of Digital Transformation in the Financial Industry: What Board Members Need to Know

# Statement of Corporate Governance

## BOARD COMPOSITION AND GUIDANCE

### Board Membership

The Company's present Board of seven Directors comprises a Non-Executive Chairman, Mr Norman Ka Cheung Ip, five Non-Executive Directors one Executive Director. The five Non-Executive Directors are Mr Tan Yam Pin, Mr Siew Kah Toong, Mr Ou Shian Waei, Mr Foong Soo Hah and Ms Mimi Sze Ho. Mr Khor Hock Seng is the Executive Director.

Mr Koh Poh Tiong and Mr Ng Hon Soon stepped down from the Board on 15 May 2023 and 31 October 2023 respectively.

All appointments and re-appointments of Directors of the Company are subject to the approval of BNM.

### Key Information on Directors

Key information on the Directors' qualifications, background, directorships and appointments are provided under the section "Board of Directors" of the Company's Annual Report<sup>3</sup>. The Directors' membership in various Board Committees is also set out therein. Information on their shareholdings in the Company's ultimate holding company, Oversea-Chinese Banking Corporation Limited ("OCBC Bank") are disclosed in the Directors' Report that accompanies the Company's Financial Statements for the financial year ended 31 December 2023 ("FY2023"). The Directors do not hold any shares in the Company or its penultimate holding company, Great Eastern Holdings Limited ("GEH").

### Board Composition and Independence

An Independent Director of the Company is one who is independent in character and judgement, and free from associations or circumstances that may impair the exercise of his or her independent judgement. He/She or any person linked to him/her is also independent from management, substantial shareholder and business or other contractual relationships with the Company or any of its affiliates within the last two years; and has not served for more than nine years on the Board. Each Director is required to abstain from the Board Nominations and Remuneration Committee's and the Board's deliberations respectively on his/her own independence.

The Company's Board comprises a majority of Independent Directors. The Board Nominations and Remuneration Committee determines annually whether a Director is independent. The Board Nominations and Remuneration Committee has determined that five out of seven Directors' as there is one more additional director, Ms Mimi Sze Ho being missed out to count Directors of the Company are independent and they are Mr Tan Yam Pin, Mr Siew Kah Toong, Mr Ou Shian Waei, Mr Foong Soo Hah and Ms Mimi Sze Ho.

Mr Norman Ka Cheung Ip is deemed as non-independent as he has served for more than nine years on the Board. Mr Norman Ka Cheung Ip is independent from management and business or contractual relationships with the Company or any of its affiliates.

Mr Khor Hock Seng is an Executive Director as he is the Group Chief Executive Officer of GEH.

The Board, through its Board Nominations and Remuneration Committee, is of the view that the current Board and Board Committees are of an appropriate size to facilitate effective decision making, taking into account the scope and nature of the operations of the Company.

Further, the Board Nominations and Remuneration Committee also annually assesses the diversity of its members' competency profiles, and determines the collective skills required to discharge its responsibilities effectively.

### Note:

3 Available at the Company's website at <https://www.greateasternlife.com/my/en/index.html>.

## Statement of Corporate Governance

### BOARD COMPOSITION AND GUIDANCE (CONTINUED)

#### Board Composition and Independence (continued)

The Company's Directors have diverse backgrounds, experience and qualifications, and bring a wide range of financial and commercial experience to the Board. Collectively, they provide the necessary business acumen, knowledge, capabilities and core competencies to the Company, including industry knowledge in insurance and actuarial science, investment and asset management, banking, accounting, finance, strategy formulation, information technology, management experience, risk management, familiarity with regulatory requirements and knowledge of cybersecurity risks. The diversity of experience and competencies of the Directors enhance the effectiveness of the Board in discharging its responsibilities. Directors who serve on Board Committees have an appropriate mix of skills and capabilities, taking into account the skill set required for Board Committees to perform their respective roles and responsibilities.

The Company's Directors have a sound understanding of the business strategy, nature of the business activities of the Company and their associated risks. With the knowledge, objectivity and balance contributed by its members, the Board constructively challenges and enhances proposals on strategy, reviews the performance of Management against agreed goals and objectives, and monitors the reporting of performances.

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman and the Chief Executive Officer ("CEO") are not related to each other. The roles of the Chairman, Mr Norman Ka Cheung Ip, and the CEO, YBhg Dato Koh Yaw Hui, are distinct and separate, with clear division of responsibilities between them to ensure an appropriate balance of power, increased accountability and greater independence in decision making.

The principal responsibilities of the Chairman include leading the Board to ensure it effectively discharges its roles and responsibilities, approving agendas of Board meetings, monitoring the quality and timeliness of the flow of information from Management to the Board and promoting effective communication with shareholders. The Chairman also facilitates robust discussions and deliberations in Board meetings, encourages constructive relations between the Board and Management, and promotes high standards of corporate governance with the full support of other Directors, the Company Secretary and Management.

The CEO manages the Company and oversees the Company's operations and implementation of its strategies, plans and policies to achieve planned corporate performance and financial goals. His management of the Company's businesses, including implementing the Board's decisions, is carried out with the assistance of the Senior Officers of the Company. Collectively, they are responsible for the day-to-day operations and administration of the Company, ensuring, *inter alia*, operational and organisational efficiency, profitable performance, regulatory compliance, good corporate governance and effective risk management. The Board reviews the CEO's performance against his performance targets annually.

### BOARD MEMBERSHIP

#### Process for Appointment of New Directors and Re-appointment of Existing Directors

The Board Nominations and Remuneration Committee has a key role in carrying out the formal and transparent process established for the appointment and re-appointment of Directors to the Board. Proposals for the appointment of new Directors and re-appointment of existing Directors are reviewed by the Board Nominations and Remuneration Committee. The Board Nominations and Remuneration Committee meets with the candidates to assess their suitability and commitment. Amongst others, the Board Nominations and Remuneration Committee takes into consideration the candidate's professional qualifications, integrity, financial and commercial business experience, and field of expertise relevant to the Company, as well as his or her potential to contribute to the effectiveness of the Board and to complement the skills, knowledge and expertise of the Board. Competent individuals are nominated for the Board's consideration, before submitting the application to BNM for approval.



## Statement of Corporate Governance

### BOARD MEMBERSHIP (CONTINUED)

#### Process for Appointment of New Directors and Re-appointment of Existing Directors (continued)

The proposed candidate is required to confirm that he or she is not an active politician as defined in the CG PD. Further, he must not have prior involvement as an external auditor for the Company either in the capacity of an officer who is directly involved in the Company's engagement or partner of the external auditor firm; until at least two years after he ceases to be an officer or partner of the external auditor firm or the firm last served as an auditor of the Company. The proposed candidate is expected to provide such confirmation to BNM prior to his/her respective appointment and re-appointment as Director.

In addition, the Board Nominations and Remuneration Committee further determines the proposed candidate's independence status under the CG PD and ensures that the proposed candidate will satisfy the criteria under the CG PD in that his or her appointment or re-appointment will not result in non-compliance with any of the composition requirements for the Board and Board Committees, and that he or she is a fit and proper person for the office, taking into account his or her track record, age, experience, capabilities, skills and other relevant factors as may be determined by the Board Nominations and Remuneration Committee. Such reviews are also conducted on an annual basis to ensure that each Director remains qualified for the office based on the above criteria.

#### Re-election and Re-appointment of Directors at Annual General Meeting

All Directors of the Board are required to retire from office at regular intervals, at least once every three years. At each Annual General Meeting of the Company, one-third of the Directors, being those who have served longest in office since their re-election, are required to retire by rotation in accordance with the Company's Constitution. Pursuant to the Company's Constitution, newly appointed Directors will hold office until the next Annual General Meeting and, if eligible, can stand for re-election. Retiring Directors are eligible for re-election when re-nominated by the Board Nominations and Remuneration Committee, taking into account their expertise, knowledge and commitment, and their contributions to Board discussions and to the effectiveness of the Board.

The Director who is retiring by rotation under Clause 70 of the Company's Constitution and standing for re-election at the 2024 Annual General Meeting is Mr Khor Hock Seng. Mr Tan Yam Pin will also be retiring by rotation under Clause 70 of the Company's Constitution at the 2024 Annual General Meeting, however will not be offering himself for re-election.

Ms Mimi Sze Ho was appointed to the Board on 1 March 2024. She will retire pursuant to Clause 74 of the Company's Constitution and is eligible to be re-appointed to the Board at the Company's Annual General Meeting to be convened on 18 April 2024.

Directors are expected to set aside adequate time for their oversight of matters relating to the Company. Directors provide declarations of changes on their other appointments which are disseminated to all Board members. The Company has established guidelines on meeting attendance and the extent of other appointments outside of the Company that a Director may assume. Each of the Directors' listed company directorships and principal commitments are provided under the section "Board of Directors" of this Annual Report<sup>3</sup>. The Board Nominations and Remuneration Committee annually assesses each Director's attendance record and meeting participation to determine if a Director is able to and has been diligently discharging his or her duties as a Director of the Company.

#### Board Performance

The Board has an annual performance evaluation process, carried out by the Board Nominations and Remuneration Committee, to assess the effectiveness of the Board, Board Committees and each Director's contributions. This annual assessment process consists principally of evaluation by and feedback from each Director. Each Director evaluates the performance of the Board and Board Committees. The assessment of the contributions of individual directors to the effectiveness of the Board is also performed annually. Such assessments are made against established performance criteria consistent with those approved by the Board and used in the previous year. A member of the Board Nominations and Remuneration Committee will abstain from participating in the Board Nominations and Remuneration Committee discussion upon his/her performance to avoid conflicts of interest.

#### Note:

3 Available at the Company's website at <https://www.greateasternlife.com/my/en/index.html>.

## Statement of Corporate Governance

### BOARD MEMBERSHIP (CONTINUED)

#### Board Performance (continued)

An external party is engaged once every three years to facilitate the Board Evaluation process and to provide the Board with an independent perspective of the Board's performance, including benchmarks against peer boards and industry best practices.

The Board Evaluation questionnaire focused on areas such as competency and independence, information quality and timeliness, conduct of meetings, environmental, social and corporate governance, managing performance, succession planning, Directors' development, internal controls and risk management as well as culture and conduct. With regard to the individual Director's assessment criteria, this would include attributes such as each Director's contribution, integrity, knowledge and abilities.

The purpose of the evaluation is to increase the overall effectiveness of the Board. The Board has found the evaluation process useful and constructive since its implementation. This collective process has also provided an opportunity to obtain insightful feedback from each Director on suggestions to enhance the effectiveness of the Board and the Board Committees.

### REMUNERATION MATTERS

#### Procedures for Developing Remuneration Policies, Level and Mix of Remuneration and Disclosure on Remuneration

The objective of the Company's remuneration policy is to attract, motivate, reward and retain quality personnel.

In considering its recommendations to the Board and in approving remuneration, the Board Nominations and Remuneration Committee ensures that remuneration policies are in line with the relevant regulations and guidelines, the strategic objectives of the Company, as well as the Company's, Code of Conduct and ethics, corporate values, and do not give rise to conflicts between objectives of the Company and interests of individual Directors and employees. Remuneration is aligned to specific job functions undertaken and where the employee undertakes any control job functions, the performance and remuneration package of that employee is determined independently of the business functions of the Company, and is further aligned to the risks that the Company undertakes in its operations that is relevant to the specific job function. The Board Nominations and Remuneration Committee also considers inputs from relevant control job functions on performance evaluation and remuneration outcomes, seeks input from the Board Risk Management Committee and Board Audit Committee to ensure that remuneration practices do not create incentives for excessive or inappropriate risk-taking behaviour.

The Board Nominations and Remuneration Committee is tasked to review and recommend to the Board the general remuneration policy framework as well as the specific remuneration of each Director and for each Senior Officers and Non-Senior Officers. No Director is involved in the deliberations regarding any remuneration, compensation or any form of benefits to be granted to himself/herself.

#### Level and Mix of Remuneration

##### Remuneration of Non-Executive Directors

The Non-Executive Directors are paid Directors' fees, which take into account factors such as the Directors' contributions, effort and time spent, attendance at and frequency of meetings, the respective responsibilities of Directors including the Board Committees on which they serve, market practices and the need to pay competitive fees to attract, retain and motivate Directors.

The Board Nominations and Remuneration Committee performs an annual review of the Directors' fee structure and of the computation of the aggregate Directors' fees based on the earlier Board-approved fee structure, before recommending any proposed changes to the Board for endorsement. The Directors' fees proposed by the Board each year are subject to the shareholders' approval at the Company's Annual General Meeting.

## Statement of Corporate Governance

### REMUNERATION MATTERS (CONTINUED)

#### Level and Mix of Remuneration (continued)

#### Remuneration of Non-Executive Directors (continued)

The Board Nominations and Remuneration Committee has considered the market practices for Non-Executive Director remuneration, and on its recommendation, the Board has decided to use the same fee structure for computing the fee for each Non-Executive Director for the FY2023 as that used in the previous financial year (in the following table):

		Annual Retainer
Board	Chairman	RM130,000
	Member	RM65,000
Board Committees	Chairman: • Board Audit Committee • Board Risk Management Committee	RM50,900
	Member: • Board Audit Committee • Board Risk Management Committee	RM25,400
	Chairman: • Board Nominations and Remuneration Committee	RM45,000
	Member: • Board Nominations and Remuneration Committee	RM27,000
<b>Attendance fees per Board or Board Committee meeting</b>		<b>RM2,600</b>

Attendance fees are paid to Non-Executive Directors to recognise their contributions and time spent in attending meetings.

#### Remuneration Policy in respect of Senior Officers and Non-Senior Officers

The remuneration policy is approved by the Board and is subject to annual review taking into account changes in the remuneration practices and/or regulator's requirements from time to time.

The remuneration of the CEO, the Senior Officers and Non-Senior Officers of the Company are reviewed annually by the Board Nominations and Remuneration Committee, based on the overall remuneration framework approved by the Board. Currently, there are 13 identified Senior Officers and 7 identified Non-Senior Officers under the purview of the Board Nominations and Remuneration Committee.

Staff engaged in all control functions including Compliance, Risk Management, Actuarial Valuation, Audit and others do not carry business profit targets in their goal sheets, and hence are compensated independently of the business profit achievements. Their compensation is dependent on the achievement of key results in their respective domain.

Pursuant to the CG PD, Other Material Risk Takers is defined to include an officer who can materially commit or control significant amounts of the Company's resources or whose actions are likely to have a significant impact on the Company's risk profile. There are 6 identified Other Material Risk Takers who are subject to risk control Key Performance Indicators ("KPIs") and risk adjusted variable compensation.

In such annual reviews, the Board Nominations and Remuneration Committee takes into consideration factors such as market competitiveness and market benchmark, and that the remuneration is commensurate with specific job function undertaken, individual performance and contribution and the overall performance of the organisation. The Board Nominations and Remuneration Committee also takes into account the time horizon of risks that the organisation is exposed to, including ensuring that all variable compensation payments shall not be fully paid over short periods when risks are released over longer periods.

## Statement of Corporate Governance

### REMUNERATION MATTERS (CONTINUED)

#### Remuneration Policy in respect of Senior Officers and Non-Senior Officers (continued)

As part of the Company's continuous efforts to create sustainable value for stakeholders through broad-based growth across its core markets, delivering sustained earnings, driving core competencies of disciplined risk management, prudent investment and continued upgrading of technology and people, and ensuring sustainable business practices, the performance measures set for each business unit embeds these objectives, which match their functions and are consistent with the Company's risk appetite. In determining the remuneration of Senior Officers and Non-Senior Officers, risk and control indicators as well as audit findings and compliance issues are taken into account when assessing their overall performance, in addition to their achievement in business and operation performance. Senior Officers and Non-Senior Officers are remunerated based on the achievements of their own performance measures which are in turn determined in accordance with their roles, and the demonstration of core values and competencies, while taking into account market compensation data for their respective job roles.

#### Disclosure on Remuneration

To ensure that its remuneration packages are competitive, the Company regularly reviews salary levels and benefits packages based on market data provided by recognised consultants who conduct surveys on comparative groups in the financial sector. The determination of the Company's variable compensation pool is fully discretionary and the factors taken into consideration include financial and non-financial metrics such as the Company's performance, audit ratings, risk indicators and compliance issues, market conditions and competitive market practices.

The total compensation packages for Senior Officers and Non-Senior Officers comprise basic salary, various performance-related variable compensation, allowances, deferred share awards and benefits.

The variable components have been designed to link rewards to corporate and individual performance, based on appropriate and meaningful performance measures set up by the Company, and approved by the Board Nominations and Remuneration Committee and the Board. Senior Officers are subject to an additional performance measurement approach by embedding a set of corporate governance indicator for more prudent risk taking.

The annual budget for salary increment and performance-related variable compensation are reviewed and endorsed by the Board Nominations and Remuneration Committee and is submitted to the Board for approval.

As a consequence of the financial crisis in recent years, financial institutions globally have been reviewing compensation practices to reduce incentives that encourage excessive risk taking. While the Company has adopted compensation practices that take into account the principles and implementation standards issued by the Financial Stability Forum for Sound Compensation Practices, it also continues to review its compensation practices on an on-going basis to further ensure that decisions made are conducive for sustained business performance. In its deliberations, the Board Nominations and Remuneration Committee also takes into account both financial and non-financial factors that are consistent with the long-term objectives and financial soundness of the Company, the remuneration principles, practices and standards issued by the regulator from time to time.

Senior Officers and Non-Senior Officers through annual self-declaration commit not to undertake activities (such as personal hedging strategies and liability-related insurance) that will undermine the risk alignment effects embedded in their remuneration.

In collaboration with the Board Nominations and Remuneration Committee, the Company has designed and developed its Performance Assessment and Remuneration Framework, which takes into consideration the prevailing regulatory requirements, and with the inputs from the Senior Officers. The Performance Assessment and Remuneration Framework is independently reviewed by the Joint Board Audit Committee and Board Risk Management Committee. The Board Risk Management Committee may with the assistance of Risk Management Department assess how the Performance Assessment and Remuneration Framework affects the Company's risk profile.

The Company's variable compensation varies in line with its financial performance and corporate governance requirements.



## Statement of Corporate Governance

### REMUNERATION MATTERS (CONTINUED)

#### Share-based incentives

The Company does not have any share option scheme or share plan in place. Instead, the Company's ultimate holding company, OCBC Bank, grants share awards pursuant to the OCBC Deferred Share Plan to selected senior executives of the Company, based on recommendations of the Board Nominations and Remuneration Committee. All grants and awards are subject to cancellation and clawback if it is determined that they were made on the basis of materially inaccurate financial statements and/or the employee has engaged in conduct that results in financial loss, reputational harm, restatement of financial results and/or adverse changes of the Company's risk profile/rating, which takes into consideration the risks that could have a long-term negative impact on the Company.

#### Disclosure of Directors' and CEO Remuneration

The total Directors' and CEO's Remuneration in respect of FY2023 is shown under Note 21(b) of the Notes to the Financial Statements. Non-Executive Directors will be paid Directors' Fees totaling RM1,368,570.98 in respect of FY2023, subject to shareholders' approval at the 2024 Annual General Meeting.

#### Disclosure of Senior Officers and Non-Senior Officers

The details of the remuneration granted to the eligible Senior Officers and Non-Senior Officers are disclosed in the table below:

#### Total value of remuneration awards for FY2023:

	Unrestricted		Deferred	
	No. of pax	RM	No. of pax	Units
Fixed remuneration				
- Cash-based*	21	11,506,648.58	-	-
- Other*	1	35,200.00	-	-
Variable remuneration				
- Cash-based*	20	4,271,303.00		
- Shares and share-linked instruments*	14	3,141,561.84	10	53,120 units (Deferred Share, Share Option and Employee Share Purchase Plan)
- Other*	21	2,828,225.46	-	-

#### Note:

\* The headcount included the cessation of a Senior Officer during the year.

### INTERNAL CONTROL FRAMEWORK

The internal control framework comprises among others, the infrastructure in the form of risk oversight committees at the Board and Management level; frameworks, policies and procedures; risk and compliance self-assessment processes for all business units to assess and manage the adequacy and effectiveness of their systems of internal controls and their level of compliance with applicable rules and regulations; and a monitoring and reporting process.

## Statement of Corporate Governance

### INTERNAL CONTROL FRAMEWORK (CONTINUED)

#### Risk Management

The Board is responsible for the governance of risk. It sets the tone for the Company's risk culture and monitors, through the Board Risk Management Committee, the effectiveness and adequacy of the risk management processes and systems of the Company. The Board approves the Company's risk appetite and has oversight of the risk activities to ensure that the Company's strategic intent, operating environment, internal control mechanisms and capital sufficiency are consistent with the Company's risk appetite and regulatory standards. Further details of the Enterprise Risk Management Framework implemented by the Company are set out in Note 29 of the Notes to the Financial Statements.

The Board emphasises the importance of institutionalising a strong risk culture within the Company. As a subset of the broader organisational culture, a strong risk culture supports appropriate risk awareness, bolsters effective risk management and promotes sound risk taking to ensure the Company's risk profile remains within its risk appetite. The Board also approves the risk culture principles and, along with it, the set of desired risk culture behaviours to support the target risk culture throughout the Company.

An Annual Enterprise Risk report is submitted to apprise the Board Risk Management Committee and the Board of the Company's risk profile, the manner in which the Company determines its solvency and the various measures put in place to ensure that the solvency requirements are met at all times.

#### Internal Controls

The Board is responsible for ensuring that the Company's system of internal controls is adequate to safeguard stakeholders' interests and the Company's assets. The Company has in place, self-assessment processes for all business units to assess the adequacy and effectiveness of their systems and processes of internal controls, and their level of compliance with applicable rules and regulations. The results of the evaluation are reviewed by the Senior Officers, who in turn would provide an annual assurance to the CEO on the adequacy and effectiveness of the Company's operational risk management and internal control systems and compliance with the relevant statutory and regulatory requirements. This self-assessment process is further supplemented by an annual assurance report on risk management and internal controls, submitted by Risk Management and tabled to the Board Audit Committee, the Board Risk Management Committee and the Board for notation.

The system of internal controls provides reasonable but not absolute assurance that the Company would not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. Therefore, the Board notes that no system of internal controls can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

#### Infrastructure

While the Board is ultimately responsible for the management of risks within the Company, there are risk oversight committees that facilitate in depth review of the risks associated with specific aspects of the business such as the Board Risk Management Committee, the Board Audit Committee, the Senior Management Team, the Asset Liability Committee, the Information Technology Steering Committee and the Product Development Committee. The duties and scope of work of these committees are documented in their respective terms of reference.

The authority delegated by the Board to the Board Committees and the CEO are formalised in the Company's Authority Grid. Other documents that guide on the delegation of the CEO's authority include underwriting limits, claim limits and investment limits.

The segregation of duties is paramount in ensuring that members of staff are not assigned potential conflicting responsibilities that relate to matters such as approvals, disbursements and administration of policies, execution and recording of investments, operational and internal audit/compliance functions, underwriting and credit controls.

# Statement of Corporate Governance

## INTERNAL CONTROL FRAMEWORK (CONTINUED)

### Frameworks, Policies and Procedures

The Company has established risk management frameworks and policies that set forth the means by which the Company shall evaluate and manage the risks inherent in the business. The frameworks outline the common risk management process across all risk types within the Company.

A number of policies and procedures have also been put in place to guide and facilitate consistency in application across the board. These cover key risk areas such as:

- Investments
- Operations
- Technology, information and cyber
- Fraud and market conduct
- Money laundering and financing of terrorism
- Capital management, capital contingency and stress testing
- Related party and interested party transactions
- Third party service providers
- Reinsurance
- Business continuity
- Bribery and corruption
- Personal data
- Sustainability (including climate)

The frameworks, policies and procedures are reviewed regularly to ensure continued relevance and to capture the latest regulatory, statutory and Group requirements. They are then approved by the Board, or the relevant Board Committee or Management Committee.

### Monitoring and Reporting

An Enterprise Risk Dashboard that features the Company's risk profile from various perspectives namely strategic risk, financial risk, operational risk, technology risk, market conduct and compliance risk as well as sustainability risk, is submitted to the Board, Board Risk Management Committee and Senior Management Team for notation.

Regulatory breaches, risk concerns and operational/data/technology incidents are reported in the Enterprise Risk Dashboard while investment breaches are reported via the limits report and compliance assurance reports. The respective business units are required to provide action plans once a regulatory breach or operational incident is discovered. The Company has a process to collate statistics for a number of Key Risk Indicators for reporting internally as well as to BNM on a regular basis.

Stress test scenarios and the corresponding stress factors are developed and reviewed by the Board annually and thereafter, the scenarios and factors are used to stress the financial positions.

### Whistleblowing Policy

The Company has a whistleblowing policy in place whereby employees of the Company and external parties may raise concerns about possible improprieties in matters of financial reporting or other matters in confidence. The whistleblowing policy and procedures for raising such concerns are clearly communicated to employees. All whistleblowing incidents are reported to the Board Audit Committee. Concerns expressed anonymously are considered and investigated on the basis of their merits. The Board Audit Committee ensures that arrangements are in place for the independent investigation of such matters and appropriate follow-up actions. If fraud is determined, appropriate remedial actions are taken and the Board Audit Committee is updated regularly on their status. The whistleblower has protection against reprisals provided he has acted in good faith. The Board Audit Committee Chairman is responsible for the effective implementation of the whistleblowing policy, which includes evaluating periodic reports that monitor and assess how concerns are escalated and dealt with, and overseeing the periodic review of the effectiveness of the policy.

## Statement of Corporate Governance

### INTERNAL CONTROL FRAMEWORK (CONTINUED)

#### Internal Audit

The internal audit function (“Internal Audit”) serves to provide the Board and Management with independent and objective assessments of the adequacy and effectiveness of the governance, risk management and internal control processes as designed and implemented by Management. The Internal Audit Charter is approved by the Board. Internal Audit resides in-house and is independent of the activities it audits. Internal Audit is staffed by executives with relevant qualifications and experience, and the Board Audit Committee ensures that the Internal Audit is adequately resourced. The Chief Internal Auditor reports to the Chairman of the Board Audit Committee and administratively to the CEO. Her annual remuneration and evaluation are approved by the Board Audit Committee.

The work undertaken by Internal Audit involves the assessment of the adequacy and effectiveness of the Company’s risk management and internal control environment, including ascertaining if the internal controls are sufficient in ensuring that significant financial, managerial and operating information is accurate, reliable and timely, operations and programs are effective and efficient, and assets are safeguarded. Internal Audit has unrestricted access to the Board, Board Audit Committee, and all functions, records, property and personnel of the Company. Internal Audit meets the International Standards for the Professional Practice of Internal Auditing of The Institute of Internal Auditors.

### RELATED PARTY TRANSACTIONS

The Company has implemented policies and procedures on related party transactions covering the definitions of relatedness, limits applied, terms of transactions, and the authorities and procedures for approving, monitoring whenever necessary, and writing-off of such transactions. All related party transactions are conducted on reasonable commercial terms and in the ordinary course of business. The terms and conditions of such transactions are carried out on an arm’s length basis. Directors with conflict of interest are excluded from the approval process of granting and managing related party transactions. Material related party transactions and the write-off of material related party transactions are reported to the Board Audit Committee for review and to the Board for approval.

Details of the Company’s related party transactions during FY2023 are set out in Note 27 of the Notes to the Financial Statements.

### ETHICAL STANDARDS AND CONDUCT

The Directors and Management are committed to promoting and maintaining values which emphasise integrity, honesty and proper conduct at all times in the business operations and dealings of the Company. The Company has adopted a Code of Conduct that sets out the guiding principles and minimum standards expected of its employees. The Code of Conduct also provides guidance on areas such as responsible stewardship of the Company’s resources, the Company’s position against fraudulent conduct, conflicts of interests and the appropriate disclosures to be made, and maintaining confidentiality of information. The Code of Conduct is available on the Company’s staff intranet.

The Company has a suite of policies in place for proper governance and management that staff have to comply with. All policies are prepared and aligned with the Company’s risk management and internal control systems and processes, including Management’s self-assessment and independent audits.

The Company treats feedback and complaints from its customers seriously, and has instituted channels whereby customers may provide feedback or complaints. The Company aims to resolve feedback and complaints professionally and fairly in accordance with the service standards indicated on its website.



## Statement by Directors

Pursuant to Section 251(2) of the Companies Act, 2016

We, Siew Kah Toong and Ou Shian Waei, being two of the Directors of Great Eastern Life Assurance (Malaysia) Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 64 to 197 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 year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 29 March 2024.

Siew Kah Toong

Ou Shian Waei

Kuala Lumpur

## Statutory Declaration

Pursuant to Section 251(1)(B) of the Companies Act, 2016

I, Loke Chang Yueh, being the officer primarily responsible for the financial management of Great Eastern Life Assurance (Malaysia) Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 64 to 197 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 abovenamed Loke Chang Yueh  
at Kuala Lumpur in the Federal Territory  
on 29 March 2024

Loke Chang Yueh

Before me,

## Independent Auditors' Report

To the member of Great Eastern Life Assurance (Malaysia) Berhad (Incorporated in Malaysia)  
Registration No. 198201013982 (93745-A)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Our opinion

In our opinion, the financial statements of Great Eastern Life Assurance (Malaysia) Berhad (“the Company”) give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

#### What we have audited

We have audited the financial statements of the Company, which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 64 to 197.

#### 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 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 Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

#### Information other than the financial statements and auditors’ report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors Report, 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.

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 the 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.

## Independent Auditors' Report

To the member of Great Eastern Life Assurance (Malaysia) Berhad (Incorporated in Malaysia)  
Registration No. 198201013982 (93745-A)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

#### 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.

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:

- (a) 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.
- (b) 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.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) 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.
- (e) 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.

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.

PRICEWATERHOUSECOOPERS PLT  
LLP0014401-LCA & AF 1146  
Chartered Accountants

LIEW CHI MIN  
03529/09/2024 J  
Chartered Accountant

Kuala Lumpur  
29 March 2024

## Statement of Financial Position

As at 31 December 2023

	Note	31 Dec 2023 RM'000	31 Dec 2022 restated RM'000	1 Jan 2021 restated RM'000
<b>Assets</b>				
Property and equipment				
- Owned	3(a)	281,844	289,836	303,982
- Right-of-use assets	3(b)	16,905	17,430	18,276
Intangible assets	4	179,235	168,714	162,177
Investment properties	5	969,650	976,500	1,214,270
Non-current assets held-for-sale	6	-	238,000	-
Investments	7	86,790,483	79,973,110	78,745,607
Loans	8	419,672	472,033	772,343
Derivatives	12	7,600	1,167	7,331
Reinsurance contract assets	9	145,603	272,664	597,060
Insurance contract assets	9	16,456	7,711	4,068
Other receivables	10	729,259	643,093	646,336
Cash and cash equivalents		2,159,681	4,337,655	4,510,191
<b>Total assets</b>		<b>91,716,388</b>	<b>87,397,913</b>	<b>86,981,641</b>
<b>Equity</b>				
Share capital	11	100,000	100,000	100,000
Retained earnings		2,001,143	1,863,180	1,765,587
Other comprehensive income fair value reserves		71,546	(83,149)	(26,477)
Insurance/reinsurance finance reserve		15,355	47,482	102,681
<b>Total equity</b>		<b>2,188,044</b>	<b>1,927,513</b>	<b>1,941,791</b>
<b>Liabilities</b>				
Insurance contract liabilities	9	86,798,091	83,226,767	82,753,123
Reinsurance contract liabilities	9	242,711	231,853	260,384
Derivatives	12	32,421	20,208	23,766
Agents' retirement benefits	13	1,008,843	948,623	884,985
Deferred tax liabilities	14	316,488	96,240	288,311
Other financial liabilities	15	442,165	136,355	45,231
Provision for taxation		7,806	131,807	200,427
Lease liabilities	3(c)	1,989	2,346	2,941
Other payables	16	677,830	676,201	580,682
<b>Total liabilities</b>		<b>89,528,344</b>	<b>85,470,400</b>	<b>85,039,850</b>
<b>Total equity and liabilities</b>		<b>91,716,388</b>	<b>87,397,913</b>	<b>86,981,641</b>

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



## Statement of Profit or Loss

For the Year Ended 31 December 2023

	Note	2023 RM'000	2022 restated RM'000
Insurance service revenue	17	7,491,213	6,876,844
Insurance service expenses		(6,073,087)	(5,291,847)
Net expenses from reinsurance contracts held		(197,607)	(111,191)
<b>Insurance service result</b>		<b>1,220,519</b>	<b>1,473,806</b>
Investment income		3,524,964	3,401,032
Rental income		80,974	78,873
Gain on exchange differences		224,239	139,074
Net realised gains and losses	19	132,004	(78,905)
Net fair value gains and losses	20	1,342,192	(2,697,666)
(Increase)/decrease in provision for impairment of:			
Other receivables		(25,092)	116
Investments		(5,762)	18,650
<b>Net investment income</b>	18	<b>5,273,519</b>	<b>861,174</b>
Net finance expense from insurance contracts issued		(5,024,020)	(946,435)
Net finance (expenses)/income from reinsurance contracts held		(6,322)	7,349
<b>Net insurance finance expenses</b>	18	<b>(5,030,342)</b>	<b>(939,086)</b>
<b>Net investment and insurance result</b>		<b>1,463,696</b>	<b>1,395,894</b>
Other revenue		2,254	1,224
Other expenses	21	(14,201)	(20,163)
<b>Other income and expenses</b>		<b>(11,947)</b>	<b>(18,939)</b>
<b>Profit before taxation</b>		<b>1,451,749</b>	<b>1,376,955</b>
Taxation		(328,054)	(338,683)
Taxation of life insurance business		(6,347)	91,171
Taxation of the Company		(321,707)	(429,854)
<b>Net profit for the year</b>		<b>1,123,695</b>	<b>1,038,272</b>
<b>Earnings per share (sen)</b>			
Basic and diluted	23	1,124	1,038

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

## Statement of Comprehensive Income

For the Year Ended 31 December 2023

	2023	2022
	RM'000	restated RM'000
<b>Net profit for the year</b>	<b>1,123,695</b>	1,038,272
<b>Other comprehensive income/(loss):</b>		
<b>Other comprehensive income that will not be reclassified to statement of profit or loss in subsequent periods:</b>		
Net gain on equity instrument designated at fair value through other comprehensive income ("FVOCI")	1,419	6,632
Tax effects thereon	4	185
<b>Net other comprehensive income that will not be reclassified to statement of profit or loss in subsequent periods (net of tax)</b>	<b>1,423</b>	6,817
<b>Other comprehensive income/(loss) that may be reclassified to statement of profit or loss in subsequent periods:</b>		
Debt instruments at FVOCI:		
Net gain/(loss) arising during the year	172,649	(108,992)
Changes in allowance for Expected Credit Loss ("ECL")	(2,268)	(8,339)
Net realised (loss)/gain transferred to statement of profit or loss	(12,999)	12,185
	<b>157,382</b>	(105,146)
Net insurance financial result		
Finance expenses from insurance contracts issued	(48,296)	(51,962)
Finance income from reinsurance contracts held	13,375	892
Tax effects thereon	(12,048)	5,848
<b>Net other comprehensive income/(loss) that may be reclassified to statement of profit or loss in subsequent periods (net of tax)</b>	<b>110,413</b>	(150,368)
<b>Other comprehensive income/(loss) for the year, net of tax</b>	<b>111,836</b>	(143,550)
<b>Total comprehensive income for the year, net of tax</b>	<b>1,235,531</b>	894,722

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

## Statement of Changes in Equity

For the Year Ended 31 December 2023

	Attributable to shareholders of the Company				
	Share Capital RM'000	Fair Value Reserves RM'000	Other reserves Insurance / reinsurance finance reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
<b>Balance as at 31 December 2021 as previously reported</b>	100,000	(54,664)	-	4,183,941	4,229,277
Impact of initial application of MFRS 17	-	-	102,681	(2,390,167)	(2,287,486)
Redesignation and classification overlay for financial assets	-	28,187	-	(28,187)	-
<b>Balance as at 1 January 2022, restated</b>	100,000	(26,477)	102,681	1,765,587	1,941,791
Net profit for the year	-	-	-	1,038,273	1,038,273
Other comprehensive loss for the year	-	(88,352)	(55,199)	-	143,551
Total comprehensive (loss)/income for the year	-	(88,352)	(55,199)	1,038,273	894,722
Transfer of fair value reserve of equity instruments designated at FVOCI (net of tax) (Note 7(a))	-	31,680	-	(31,680)	-
Dividends paid during the year (Note 24)	-	-	-	(909,000)	(909,000)
<b>Restated balance as at 31 December 2022</b>	100,000	(83,149)	47,482	1,863,180	1,927,513
<b>At 1 January 2023</b>	<b>100,000</b>	<b>(83,149)</b>	<b>47,482</b>	<b>1,863,180</b>	<b>1,927,513</b>
Net profit for the year	-	-	-	1,123,695	1,123,695
Other comprehensive income/(loss) for the year	-	143,963	(32,127)	-	111,836
Total comprehensive income/(loss) for the year	-	143,963	(32,127)	1,123,695	1,235,531
Transfer of fair value reserve of equity instruments designated at FVOCI (net of tax) (Note 7(a))	-	10,732	-	(10,732)	-
Dividends paid during the year (Note 24)	-	-	-	(975,000)	(975,000)
<b>At 31 December 2023</b>	<b>100,000</b>	<b>71,546</b>	<b>15,355</b>	<b>2,001,143</b>	<b>2,188,044</b>

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

## Statement of Cash Flows

For the Year Ended 31 December 2023

	Note	2023 RM'000	2022 restated RM'000
<b>Profit before taxation attributable to shareholders</b>		<b>1,451,749</b>	1,376,956
<i>Adjustments for non-cash items:</i>			
Investment income	18	(3,524,964)	(3,401,032)
Rental income		(70,269)	(67,636)
Realised (gains)/losses recorded in the statement of profit or loss		(132,004)	78,905
Fair value (gains)/losses recorded in the statement of profit or loss	20	(1,342,192)	2,697,666
Depreciation of:			
- property and equipment	3(a), 21	24,360	23,677
- right-of-use assets	3(b), 21	940	989
Amortisation of:			
- right-of-use assets	3(b), 21	138	138
- intangible assets	4, 21	29,841	32,319
(Write-back of)/impairment loss on:			
Other receivables		25,092	(116)
Investments		5,762	(18,650)
Changes in agents' retirement benefit	13	141,471	116,328
Property and equipment written-off		-	49
Investment properties written-off		-	-
Realised foreign exchange gain on disposal of investments		(6,791)	(36,705)
Unrealised exchange loss on derivatives		17,190	(2,022)
Unrealised exchange gain on investments		(235,992)	(99,612)
Changes in insurance and reinsurance contract assets/liabilities		3,809,823	(534,720)
Finance cost	3(c)	95	77
Cash flow before working capital changes		<b>194,249</b>	166,610
<i>Changes in working capital:</i>			
Other debtors			
Increase in right-of-use assets		(554)	(280)
(Increase)/decrease in other receivables		(29,684)	21,850
Other creditors			
Increase in other financial liabilities		305,810	91,124
Increase in lease liabilities		554	280
Increase in other payables		1,629	95,519
Cash generated from operating activities		<b>472,004</b>	375,103
Insurance services paid/ received		121,215	1,200,866
Dividend/distribution income received		1,266,771	1,287,169
Interest/profit income received		2,189,729	2,101,293
Rental income on investment properties received		70,122	71,044
Agents' retirement benefits paid		(81,251)	(52,690)
Income tax paid		(509,313)	(544,691)
<b>Net cash flows generated from operating activities</b>		<b>3,529,277</b>	4,438,095

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



## Statement of Cash Flows (Continued)

For the Year Ended 31 December 2023

	Note	2023 RM'000	2022 restated RM'000
<b>Investing activities</b>			
Proceeds from disposal of property and equipment		33	140
Purchase of property and equipment	3(a)	(16,368)	(9,628)
Purchase of intangible assets	4	(40,387)	(39,037)
Proceeds from disposal of intangible assets	4	25	181
Purchase of investment properties	5	(2,859)	(2,121)
Proceeds from disposal of assets held for sale		304,788	-
Purchases of FVTPL financial investments		(22,892,233)	(38,831,272)
Proceeds from disposals/maturities of FVTPL financial investments		18,226,252	36,053,225
Purchases of FVOCI financial investments		(2,409,543)	(3,937,300)
Proceeds from disposals/maturities of FVOCI financial investments		2,054,716	2,754,512
Decrease in LAR		44,331	310,621
<b>Net cash flows used in investing activities</b>		<b>(4,731,245)</b>	<b>(3,700,679)</b>
<b>Financing activities</b>			
Dividends paid to equity holder	24	(975,000)	(909,000)
Payment of principal portion of lease liabilities		(1,006)	(952)
<b>Net cash flows used in financing activities</b>		<b>(976,006)</b>	<b>(909,952)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(2,177,974)</b>	<b>(172,536)</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>4,337,655</b>	<b>4,510,191</b>
<b>Cash and cash equivalents at end of period</b>		<b>2,159,681</b>	<b>4,337,655</b>
<b>Cash and cash equivalents comprise of:</b>			
Cash and bank balances		783,981	2,328,655
Short term deposits with original maturity periods of less than 3 months		1,375,700	2,009,000
		<b>2,159,681</b>	<b>4,337,655</b>
<b>Reconciliation of liabilities arising from financing activities:</b>			
<b>Lease liabilities</b>			
Beginning of period		2,346	2,941
Additions		554	280
Payment of lease liabilities		(1,006)	(952)
Interest expense on lease liabilities (Note 21)		95	77
End of period	3(c)	1,989	2,346

The Company classifies the cash flows from the acquisition and disposal of financial assets as operating cash flows, as the purchases are funded from cash flows associated with the origination of insurance contracts, net of the cash flows for payments of benefits and claims incurred for insurance contracts, which are operating activities of the Company.

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

# Notes to the Financial Statements

31 December 2023

## 1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at Level 20, Menara Great Eastern, 303 Jalan Ampang, 50450 Kuala Lumpur.

The principal activity of the Company is the underwriting of life insurance business including investment-linked business.

There has been no significant change in the principal activity during the financial year.

The immediate holding company is Great Eastern Capital (Malaysia) Sdn Bhd, a company incorporated in Malaysia. The intermediate holding company is Great Eastern Life Assurance Company Limited, a company incorporated in the Republic of Singapore. The ultimate holding company is Oversea-Chinese Banking Corporation Limited (“OCBC Bank”), a public-listed company incorporated in the Republic of Singapore.

The financial statements are authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 29 March 2024.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 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”), International Financial ME 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 year, the Company had adopted the amended MFRSs and new MFRSs as described fully in Note 2.3.

The financial statements of the Company have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The Company has met the minimum capital requirements as prescribed by the Risk-based Capital (“RBC”) Framework as at the reporting date.

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

### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Property and Equipment and Depreciation

Property and equipment comprise of owned and leased assets. Leased assets refer to right-of-use assets as described in Leases note 2.2(c)(i).

Property and equipment are stated at cost less accumulated depreciation and impairment losses. The initial cost of property and equipment comprises its purchase price, including non-refundable taxes and any costs to enhance the working condition of the asset for its intended use.

Expenditure incurred after the property and equipment have been put into operation, such as repairs and maintenance and overhaul costs, is charged to the statement of profit or loss in the period in which the costs are incurred. Where the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditure is capitalised as an additional cost of property and equipment.

## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (a) Property and Equipment and Depreciation (continued)

Depreciation of property and equipment is calculated on a straight-line basis to write off the cost of each amount to its residual value over its estimated useful life. No depreciation is provided for freehold land as it has an unlimited useful life and capital work in progress as it is not ready for active use. The annual depreciation rates are:

Buildings - Owner occupied properties	2 %
Motor vehicles	20 %
Office machinery	6 - 20 %
Office furniture and fittings	10 %
Computer equipment	10 - 33 %

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

Leasehold buildings are depreciated over their estimated useful lives or over the remaining lease term of the leasehold land on which the building resides, if the remaining lease term of the leasehold land is shorter than the estimated useful life of the building. The right-of-use assets are depreciated on straight-line basis over the earlier of its useful life or the term of the lease (refer note 2.2(c)(i)).

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property and equipment.

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 disposal are determined by comparing proceeds with the carrying amounts and are included in the statement of profit or loss.

Included in the Life Insurance Fund's property and equipment are freehold land, and leasehold and freehold buildings occupied for own use for the operations of the Company.

In line with the adoption of MFRS 16 Leases, the Company has reclassified its leasehold prepaid land lease payment to right-of-use assets as described in Note 3(b). Prepaid land lease payment refers to long term lease with an unexpired period of fifty years or more.

##### (b) Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year in which they arise.

## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (c) Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves the use of an identified asset and conveys the right to control the use of the asset for a period of time in exchange for consideration – i.e. the customer has the right to:

- obtain substantially all of the economic benefits from using the asset; and
- direct the use of the asset.

##### (i) As Lessee

The Company recognises a right-of-use asset and a lease liability at the commencement date of the lease. The right-of-use asset is initially measured at cost, which comprises the amount of lease liability, any lease payments made or before the commencement date, any indirect costs incurred and an estimate of the costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company generally uses its incremental borrowing rate as the discount rate.

Subsequently, the right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment (see Note 2.2(a)). In addition, the carrying amount of the right-of-use asset is reduced by any impairment losses and adjusted for certain remeasurements of the lease liability.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured to reflect any lease modifications or reassessments.

The Company presents its right-of-use assets in 'property and equipment' and 'lease liabilities' in the statement of financial position.

##### Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and leases liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company applies the fair value model to ROU assets that meet the definition of investment property of MFRS 140 consistent with those investment property owned by the Company. Refer to Note 2.2(b) for accounting policy on investment property.

The Company presents ROU assets that meet the definition of investment property in the statement of financial position as investment property. ROU assets that are not investment properties are presented as a separate line item in the statement of financial position.

## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (c) Leases (continued)

###### (ii) As Lessor

The Company classifies all leases for which it is a lessor as operating leases, because each of these leases does not transfer substantially all of the risks and rewards incidental to ownership of the underlying asset.

Lease payments from operating leases are recognised as income on a straight-line basis over the lease term and are reported as rental income. The accounting policy for rental income is set out in Note 2.2(n).

##### (d) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

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 reporting period. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in 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.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Intangible Assets of the Company comprise of the following:

- A portal ("Distribution Platform") developed to sell or distribute the Company's products digitally. This Distribution Platform is recognized at cost on initial recognition. Following initial recognition, this Distribution Platform is amortised on a straight-line basis over its estimated useful life of 6.5 years.
- Software intangible assets are capitalised on a basis of the costs incurred to acquire and bring to use the specific software. Software development costs are incurred for the development of software for systems. These costs are amortised over a period of 5 years or 20% on a straight-line basis from the date of system commissioning.

Cost associated with maintaining computer software programmes are recognized as an expense when incurred. Costs that are directly associated with identifiable and unique software products controlled by the Company, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets.



## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (e) Investments and Financial Assets

###### Initial Recognition and Measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial assets. The Company determines the classification of its financial assets and liabilities at initial recognition.

At initial recognition, the Company measures a financial asset at its fair value, plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs for financial assets carried at fair value through profit or loss are recognised as expense in the statement of profit or loss.

###### Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or derecognised on trade date i.e., the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

###### Classification

On initial recognition, a financial asset is classified as measured at Amortised Cost ("AC"), FVOCI or FVTPL.

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

- The asset is held within a business model whose objective is to hold assets 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.

A debt security is measured at FVOCI only if it meets both of the following conditions and is not designated as measured at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; 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.

An equity security that is not held for trading may by irrevocable election, be designated and measured at FVOCI. This election is made on an investment-by-investment basis. The Company has designated certain equity securities held for strategic purposes as measured at FVOCI.

A financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI may, by irrevocable election, be designated and measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. The Company has designated certain debt securities which are held with the intent to hold to collect contractual cash flows and sell to be measured at FVTPL.

All other financial assets are measured as FVTPL.

## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (e) Investments and Financial Assets (continued)

###### Initial Recognition and Measurement (continued)

###### Business model assessment

The Company assesses the objective of the business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice;
- How the performance of the portfolio is evaluated and reported to management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated; and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed, and whose performance is evaluated on a fair value basis, are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

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

###### Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers the following key aspects:

- Contingent events that would change the amount and timing of cash flows;
- Leverage features;
- Prepayment and extension terms;
- Terms that limit the Company's claim to cash flows from specified assets; and
- Features that modify consideration of the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding.

## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (e) Investments and Financial Assets (continued)

###### Subsequent measurement

###### I Debt Instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

###### (i) Amortised Cost ("AC")

Debt instruments that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit or loss. Gains or losses are also recognised in statement of profit or loss when the assets are derecognised.

###### (ii) Fair value through other comprehensive income ("FVOCI")

Debt instruments that are held for collection of contractual cash flows and for sale, where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Any gains or losses from changes in fair value are recognised in other comprehensive income and accumulated in fair value reserve. Impairment, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in statement of profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to statement of profit or loss when the financial asset is de-recognised.

###### (iii) Fair value through profit or loss ("FVTPL")

Debt instruments that do not meet the criteria for classification as amortised cost or FVOCI are measured at FVTPL. Any gains or losses from changes in fair value and interest are recognised in the statement of profit or loss.

Fair value changes of financial assets at FVTPL are analysed between change resulting from foreign currency fluctuation and other fair value changes. Foreign currency fluctuation and other fair value changes are included under other operating income/ (expense) and fair value gains/(losses) in the statement of profit or loss respectively.

###### II Equity Instruments

The Company subsequently measures all equity instruments at fair value. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. The Company's policy is to designate equity investments as FVOCI when those investments are held for purposes other than held for trading. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to the statement of profit or loss, including upon disposal. Equity instruments designated at FVOCI are not subject to impairment assessment. Dividends, when representing a return from such investments are to be recognised in the statement of profit or loss when the Company's right to receive payments is established.

Changes in fair value of financial assets at FVTPL are recognised in the statement of profit or loss.

## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (e) Investments and Financial Assets (continued)

###### Subsequent measurement (continued)

##### III Derivatives and Hedging Activities

The Company applies economic hedge for currency and foreign exchange risks involving derivatives such as cross currency swap and forward currency contracts. All derivatives are carried as financial asset when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value. Fair value adjustments and realised gains and losses are recognised in the statement of profit or loss.

##### IV Loans and Receivables (“LAR”)

LAR are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

These investments are initially recognised at cost, being the fair value of the consideration paid for the acquisition of the investment. All transaction costs directly attributable to the acquisition are also included in the cost of the investment.

##### (f) Financial Liabilities

Financial liabilities is recognised on the statement of financial position when the Company becomes a party to the contractual obligations of the financial instrument.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

##### (i) Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities held for trading include derivatives entered into by the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in the statement of profit or loss. Net gains or losses on derivatives include exchange differences.

The Company has not designated any financial liabilities at FVTPL.

##### (ii) Other financial liabilities

Other financial liabilities are recognised when due and measured on initial recognition at the fair value of the consideration received plus directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective yield method.

## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (f) Financial Liabilities (continued)

##### (iii) Agents' Retirement Benefits

Agents' Retirement Benefit ("ARB") is considered a financial instrument as it gives rise to a financial asset in one entity and a financial liability of another entity. The contractual obligation to pay ARB arises from the agency agreement i.e. Life Assurance Sales Representative Agreements ("Agreements") signed between the Company and insurance agents, thus creating a financial liability for the Company.

The carrying amount for ARB is calculated in accordance with the terms and conditions in the respective Agreements. The carrying amount for ARB is initially recognised at fair value and subsequent to initial recognition, it is measured at amortised cost. The accrued interest is recognised in statement of profit or loss.

The terms and conditions of the Agreements stipulate that upon the agent maintaining his position for the qualifying year and achieving the required personal sales and minimum new business, the Company shall allocate to the agent a deferred benefit/retirement benefit.

The deferred benefit/retirement benefit accumulated at the reporting date includes an element of accrued interest, which is calculated at the Participating fund rate of return for the year/dividend rate as announced by the Employees' Provident Fund ("EPF") for that year.

The accrued deferred benefit shall only become payable provided the Agreements have been in force for certain continuous contract years.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Gains or losses are recognised in the statement of profit or loss.

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 new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

##### (g) Fair Value Measurement

The Company measures financial instruments, such as, derivatives, and non-financial assets such as investment properties, at fair value at each reporting date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 7.

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.



## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (g) Fair Value Measurement (continued)

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 the lowest level input that is significant to the fair value measurement is directly or indirectly observable including quotes from brokers and market makers, discounted cash flows and other valuation techniques commonly used by market participants
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided upon annually by the Properties Department. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. A valuation is done on an annual basis.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies.

The Company and its appointed external valuers also compares the changes in the fair value of each property with relevant external sources to determine whether the change is reasonable.

The valuation results, as performed by the Company's external valuers, are presented to the Board in the year the valuation is performed.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (h) Impairment of Financial Assets

The Company recognises loss allowances for expected credit losses (“ECL”) on the following financial instruments that are not measured at FVTPL:

- (i) Debt instruments measured at FVOCI;
- (ii) Loans and receivables measured at amortised cost;
- (iii) Loan commitments; and
- (iv) Debt instruments measured at amortised cost.

The Company assesses on a forward looking basis the ECL associated with its loans and debt instruments carried at amortised cost and FVOCI and its loan commitments. For trade and insurance receivables, the Company measures the loss allowance at an amount equal to the lifetime expected credit losses. The Company recognises a loss allowance for ECL at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Company measures loss allowances at an amount equal to lifetime ECL, except for financial instruments on which credit risk has not increased significantly since their initial recognition.

12-month ECL represent the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

##### Not credit-impaired financial assets

For financial assets that are not credit-impaired at the reporting date, the ECL is the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

##### Modified financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made whether the financial asset should be derecognised and ECL are measured as follows:

- If the expected modification will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset; or
- If the expected modification will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (h) Impairment of Financial Assets (continued)

###### Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets measured at amortised cost and debt financial assets measured at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company considers factors as evidence that a financial instrument is credit impaired:

- Significant financial difficulty of the counterparty or issuer;
- A breach of contract such as default or past due event;
- The restructuring of a loan or receivable of the Company on terms that the Company would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

For financial assets that are credit-impaired at the reporting date: the ECL is the difference between the gross carrying amount and the present value of estimated future cash flows.

###### Write-off

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

##### (i) Derecognition of Financial Assets and Liabilities

A financial asset is derecognised when:

- The contractual right to receive cash flows from the financial asset has 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 flow in full without material delay to a third party under a 'pass through' arrangement and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where 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 risk and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. 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.

On derecognition of a financial asset in its entirety except for equity securities measured at FVOCI, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of asset derecognised) and the sum of (a) the consideration received (including any new asset obtained less any new liability assumed) and (b) any cumulative gain or loss that has been recognised directly in equity is recognised in the statement of profit or loss.

## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) **Derecognition of Financial Assets and Liabilities (continued)**

On derecognition of equity securities measured at FVOCI, any cumulative gain/loss recognised in other comprehensive income is not recognised in the statement of profit or loss.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

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. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(j) **Impairment of Non-Financial Assets**

The carrying amount of non-financial assets is reviewed at each reporting date to determine whether there is any indication of impairment. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of the fair value less cost of disposal and the value in use, which is measured by reference to discounted cash flows. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash-generating unit.

An impairment loss is recognised in the statement of profit or loss in the period in which it arises. Subsequent increases in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. A reversal of impairment loss is recognised in the statement of profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

(k) **Insurance Service Result From Insurance Contracts Issued**

**Definition and Classification**

Contracts under which the Company accepts significant insurance risk are classified as insurance contracts. Contracts held by the Company under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts. Insurance and reinsurance contracts also expose the Company to financial risk.

Insurance contracts may be issued and reinsurance contracts may be initiated by the Company, or they may be acquired in a business combination or in a transfer of contracts that do not form a business. All references in these accounting policies to 'insurance contracts' and 'reinsurance contracts' include contracts issued, initiated or acquired by the Company unless otherwise stated.

Contracts that have a legal form of insurance but do not transfer significant insurance risk and expose the Company to financial risk are classified as investment contracts, and they follow financial instruments accounting under MFRS 9. The Company does not have any contracts that fall under this category.

## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (k) Insurance Service Result From Insurance Contracts Issued (continued)

###### Definition and Classification (continued)

Contracts are subject to different requirements depending on whether they are classified as direct participating contracts or contracts without direct participation features. Insurance contracts with direct participation features are insurance contracts that are substantially investment-related service contracts under which the Company promises an investment return based on underlying items; they are contracts for which, at inception:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the Company expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the Company expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

Direct participating contracts issued by the Company are contracts with direct participation features where the Company holds the pool of underlying assets and accounts for these group of contracts under the Variable Fee Approach (“VFA”). The VFA modifies the accounting model in MFRS 17 to reflect that the consideration that the Company receives for the contracts is a variable fee.

All other insurance contracts and all reinsurance contracts are classified as contracts without direct participation features.

###### Separation

##### (i) Separating Components from Insurance and Reinsurance Contracts

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

Some life contracts issued by the Company include a surrender option under which the surrender value is paid to the policyholder on maturity or earlier lapse of the contract. These surrender options have been assessed to meet the definition of a non-distinct investment component in MFRS 17. MFRS 17 defines investment components as the amounts that an insurance contract requires an insurer to repay to a policyholder in all circumstances, regardless of whether an insured event has occurred. Investment components which are highly interrelated with the insurance contract of which they form a part are considered non-distinct and are not separately accounted for. However, receipts and payments of the investment components are excluded from insurance revenue and insurance service expenses. The surrender options are considered non-distinct investment components as the Company is unable to measure the value of the surrender option component separately from the life insurance portion of the contract.

For premium refund or experience refund components which are not subject to any conditions in the contracts, these have been assessed to be highly interrelated with the insurance component of the reinsurance 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 profit or loss.



## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (k) Insurance Service Result From Insurance Contracts Issued (continued)

###### Level of aggregation

###### (i) Insurance contracts

Insurance contracts are aggregated into groups for measurement purposes. Groups of insurance contracts are determined by identifying portfolios of insurance contracts, each comprising contracts subject to similar risks and managed together, and dividing each portfolio into quarters (by quarter of issuance) for life insurance, into three groups based on the expected profitability of the contracts:

- (i) contracts that are onerous at initial recognition, if any;
- (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently, if any; or
- (iii) remaining group of contracts, if any.

These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. The profitability groupings are not reassessed under subsequent remeasurement.

Level of aggregation is also affected by law or regulation which specifically constrains the Company's practical ability to set a different price or level of benefits for policyholders with different characteristics.

The Company broadly groups its insurance contracts by how the contracts are managed, product type, currency, measurement model and insurance risks. For life insurance contracts, sets of contracts usually correspond to pricing risk groups that the Company determined to have similar insurance risk and that are priced together by assessing the profitability of a best estimate pool of contracts on the same basis. The Company determines the profitability of contracts within portfolios and the likelihood of changes in insurance, financial and other exposures resulting in these contracts becoming more onerous at the level of these pricing groups, with no information available at a more granular level. This level of granularity determines sets of contracts.

###### (ii) Reinsurance contracts

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Company aggregates reinsurance contracts into quarters (by quarter of issuance) for life reinsurance treaties into groups of:

- (i) contracts for which there is a net gain at initial recognition, if any;
- (ii) contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and
- (iii) remaining contracts in the portfolio, if any.

Reinsurance contracts held are assessed for aggregation requirements on an individual reinsurance treaty basis.

## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (k) Insurance Service Result From Insurance Contracts Issued (continued)

###### Recognition

A group of insurance contracts issued by the Company is recognised from the earliest of:

- the beginning of its coverage period (i.e. the period during which the Company provides services in respect of any premiums within the boundary of the contract);
- when the first payment from the policyholder becomes due or, if there is no contractual due date, when it is received from the policyholder; and
- when facts and circumstances indicate that the contract is onerous.

The Company recognises a group of reinsurance contracts held from the earliest 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 when 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 in the group of reinsurance contracts held at or before that date.

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts are added. Composition of the groups is not reassessed in subsequent periods.

###### 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.

Fulfilment cash flows outside the boundary of the insurance contract are not recognised. Such amounts relate to future insurance contracts.

## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (k) Insurance Service Result From Insurance Contracts Issued (continued)

###### Contract boundary (continued)

For life insurance contracts with renewal periods, the Company assesses whether premiums and related cash flows that arise from the renewed contract are within the contract boundary. The pricing of the renewals is established by the Company by considering all the risks covered for the policyholder by the Company, that the Company would consider when underwriting equivalent contracts on the renewal dates for the remaining service. Therefore, the cash flows related to renewals of insurance contracts will not be included in the contract boundary.

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

A substantive right to receive services from the reinsurer ends either when the reinsurer can reprice the contract to fully reflect the reinsured risk, or when the reinsurer has a substantive right to terminate coverage.

The Company reassesses contract boundary of each group at the end of each reporting period.

###### Measurement

##### (i) Measurement – contracts not measured under the PAA

On initial recognition, the Company measures a group of insurance contracts as the total of (a) the fulfilment cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk; and (b) the CSM. The fulfilment cash flows of a group of insurance contracts do not reflect the Company's non-performance risk.

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and it reflects the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfils 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.

Methods and assumptions used to determine the risk adjustment for non-financial risk are discussed in Note 2.5.

On initial recognition of a group of insurance contracts, if the total of (a) the fulfilment cash flows, (b) any cash flows arising at that date and (c) any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group is a net inflow, then the group is not onerous. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition.

If the total is a net outflow, then the group is onerous. A loss from onerous insurance contracts is recognised in profit or loss immediately, with no CSM recognised on the balance sheet on initial recognition, and a loss component is established in the amount of loss recognised (refer to the Onerous contracts – Loss component section in Note 2.2(k)(iv) below).

## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (k) Insurance Service Result From Insurance Contracts Issued (continued)

###### Measurement (continued)

##### (ii) Fulfilment Cash Flows

The FCF are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Company expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows:

- (a) are based on a probability-weighted mean of the full range of possible outcomes;
- (b) are determined from the perspective of the Company, provided that the estimates are consistent with observable market prices for market variables; and
- (c) reflect conditions existing at the measurement date.

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgment and estimation. Refer to Note 2.5.

##### (iii) Contractual Service Margin

The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Company will recognise as it provides insurance contract services in the future.

At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous or insurance revenue and insurance service expenses are recognised as in (d) below) arising from:

- (a) the initial recognition of the FCF;
- (b) cash flows arising from the contracts in the group at that date;
- (c) the derecognition of any insurance acquisition cash flows asset; and
- (d) the derecognition of any other pre-recognition cash flows.

Insurance revenue and insurance service expenses are recognised immediately for any such assets derecognised.

## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (k) Insurance Service Result From Insurance Contracts Issued (continued)

###### Measurement (continued)

##### (iii) Contractual Service Margin (continued)

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Company recognises the net cost immediately in profit or loss. For reinsurance contracts held, the CSM represents a deferred gain or loss that the Company will recognise as a reinsurance expense as it receives insurance contract services from the reinsurer in the future and is calculated as the sum of:

- (a) the initial recognition of the FCF;
- (b) cash flows arising from the contracts in the group at that date;
- (c) the amount derecognised at the date of initial recognition of any asset or liability previously recognised for cash flows related to the group of reinsurance contracts held (other pre-recognition cash flows); and
- (d) any income recognised in profit or loss when the entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group.

##### (iv) Subsequent Measurement – Contracts Not Measured Under the PAA

Subsequently, the carrying amount of a group of insurance contracts at each reporting date is the sum of the liability for remaining coverage (“LRC”) and the liability for incurred claims (“LIC”). The LRC comprises (a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date. The LIC includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

- The fulfilment cash flows of groups of contracts 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. Changes in fulfilment cash flows are recognised as follows:

<b>Changes relating to future service</b>	Adjusted against CSM (or recognised in the insurance service result in profit or loss if the group is onerous)
<b>Changes relating to current or past</b>	Recognised in the insurance service result in profit or loss
<b>Effects of the time value of money, financial risk and changes therein on estimated cash flows</b>	Recognised as insurance finance income or expenses in profit or loss, except for certain portfolios measured using the GMM where the OCI option is applied.



## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (k) Insurance Service Result From Insurance Contracts Issued (continued)

###### Measurement (continued)

##### (iv) Subsequent Measurement – Contracts Not Measured Under the PAA (continued)

- The CSM is adjusted subsequently only for changes in FCF that relate to future services and other specified amounts and is recognised in profit or loss as services are provided. The CSM at each reporting date represents the profit in the group of contracts that has not yet been recognised in profit or loss because it relates to future services.

The Company reports its financial results on a quarterly basis. The Company has elected to treat every quarter as a discrete interim reporting period, and estimates made by the Company in previous interim financial results are not changed when applying MFRS 17 in subsequent interim periods or in the annual financial statements.

###### *Onerous contracts- Loss component*

When adjustments to the CSM exceed the amount of the CSM, the group of contracts becomes onerous and the Company recognises the excess in insurance service expenses, and it records the excess as a loss component of the LRC.

When a loss component exists, the Company allocates the following between the loss component and the remaining component of the LRC for the respective group of contracts, based on the ratio of the loss component to the FCF relating to the expected future cash outflows:

- expected incurred claims and other directly attributable expenses for the period;
- changes in the risk adjustment for non-financial risk for the risk expired; and
- finance income (expenses) from insurance contracts issued.

The amounts of the loss component allocation in (a) and (b) above reduce the respective components of insurance revenue and are reflected in insurance service expenses.

Decreases in the FCF in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Increases in the FCF in subsequent periods increase the loss component.

##### (v) Reinsurance Contracts

The Company will apply the same accounting policies to measure a group of reinsurance contracts, with the following modifications.

The carrying amount of a group of reinsurance contracts at each reporting date is the sum of the asset for remaining coverage (“ARC”) and the asset for incurred claims (“AIC”). The ARC comprises (a) the FCF that relate to services that will be received under the contracts in future periods and (b) any remaining CSM at that date.

The Company will measure the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss.

## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (k) Insurance Service Result From Insurance Contracts Issued (continued)

###### Measurement (continued)

##### (v) Reinsurance Contracts (continued)

The risk adjustment for non-financial risk represents the amount of risk being transferred by the Company to the reinsurer.

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Company recognises the net cost immediately in profit or loss. For reinsurance contracts held, the CSM represents a deferred gain or loss that the Company will recognise as a reinsurance income or expenses as it receives insurance contract services from the reinsurer in the future.

A loss-recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised above. This amount is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Company expects to recover from the reinsurance contracts held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

##### (vi) Insurance Acquisition Cash Flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts that are directly attributable to the portfolio of insurance contracts to which the group belongs. If insurance acquisition cash flows are directly attributable to a group of contracts, then they are allocated to that group.

Insurance acquisition cash flows are allocated to groups of insurance contracts on a systematic and rational basis. Insurance acquisition cash flows that are directly attributable to a group of insurance contracts are allocated to that group; and to groups that will include insurance contracts that are expected to arise from renewals of the insurance contracts in that group.

Insurance acquisition cash flows not directly attributable to a group of contracts but directly attributable to a portfolio of contracts are allocated to groups of contracts in the portfolio or expected to be in the portfolio.

The insurance acquisition cash flows that arise before the recognition of the related insurance contracts are recognised as separate assets and tested for recoverability, whereas other insurance acquisition cash flows are included in the estimates of the present value of future cash flows as part of the measurement of the related insurance contracts.

The Company assesses at each reporting date whether facts and circumstances indicate that an asset for insurance acquisition cash flows may be impaired, then the Company:

- (a) recognises an impairment in profit or loss so that the carrying amount of the asset does not exceed the expected net cash inflow for the related group; and
- (b) if the asset relates to future renewals, recognises an impairment loss in profit or loss to the extent that it expects those insurance acquisition cash flows to exceed the net cash inflow for the expected renewals and this excess has not already been recognised as an impairment loss under (a).

## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (k) Insurance Service Result From Insurance Contracts Issued (continued)

###### Measurement (continued)

##### (vi) Insurance Acquisition Cash Flows (continued)

The Company reverses any impairment losses in profit or loss and increases the carrying amount of the asset to the extent that the impairment conditions no longer exist or have improved.

##### (vii) Derecognition and Contract Modification

An insurance contract is derecognised when it is:

- extinguished (that is, when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- the contract is modified and certain additional criteria discussed below are met.

When an insurance contract is modified by the Company as a result of an agreement with the counterparties or due to a change in regulations, the Company treats changes in cash flows caused by the modification as changes in estimates of the FCF, unless the conditions for the derecognition of the original contract are met. The Company derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

- (a) if the modified terms had been included at contract inception and the Company would have concluded that the modified contract:
  - i. is not within the scope of MFRS 17;
  - ii. results in different separable components;
  - iii. results in a different contract boundary; or
  - iv. belongs to a different group of contracts;
- (b) the original contract represents an insurance contract with direct participation features, but the modified contract no longer meets that definition, or vice versa.

When a new contract is required to be recognised as a result of modification and it is within the scope of MFRS 17, the new contract is recognised from the date of modification and is assessed for, amongst other things, contract classification, including the VFA eligibility and component separation requirements and contract aggregation requirements.

When an insurance contract not accounted for under the PAA is derecognised from within a group of insurance contracts, the Company:

- (a) adjusts the FCF to eliminate the present value of future cash flows and risk adjustment for non-financial risk relating to the rights and obligations removed from the group;

## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (k) Insurance Service Result From Insurance Contracts Issued (continued)

###### Measurement (continued)

##### (vii) Derecognition and Contract Modification (continued)

When an insurance contract not accounted for under the PAA is derecognised from within a group of insurance contracts, the Company: (continued)

- (b) adjusts the CSM (unless the decrease in the FCF is allocated to the loss component of the LRC of the group) in the following manner, depending on the reason for the derecognition:
  - i. if the contract is extinguished, in the same amount as the adjustment to the FCF relating to future service;
  - ii. if the contract is transferred to a third party, in the amount of the FCF adjustment in (a) less the premium charged by the third party; or
  - iii. if the original contract is modified resulting in its derecognition, in the amount of the FCF adjustment in (a) adjusted for the premium that the Company would have charged if it had entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification; when recognising the new contract in this case, the Company assumes such a hypothetical premium as actually received; and
- (c) adjusts the number of coverage units for the expected remaining insurance contract services, to reflect the number of coverage units removed.

##### (viii) Presentation and Disclosure

Insurance service result comprises insurance revenue and insurance service expenses. Income and expenses from reinsurance contracts held, other than insurance finance income or expenses, are presented on a net basis as 'net expenses from reinsurance contracts' in the insurance service result.

## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (k) Insurance Service Result From Insurance Contracts Issued (continued)

###### Measurement (continued)

###### Insurance revenue

As the Company provides insurance contract services under the group of insurance contracts, it reduces the LRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration that the Company expects to be entitled to in exchange for those services.

Insurance revenue comprises the following:

- Amounts relating to the changes in the LRC:
  - (a) Expected claims and other directly attributable expenses incurred in the period excluding:
    - amounts allocated to the loss component;
    - repayments of investment components and policyholder rights to withdraw an amount;
    - amounts of transaction-based taxes collected in a fiduciary capacity;
    - insurance acquisition expenses; and
    - amounts related to the risk adjustment for non-financial risk (see (b));
  - (b) changes in the risk adjustment for non-financial risk, excluding:
    - changes included in insurance finance income (expenses);
    - changes that relate to future coverage (which adjust the CSM); and
    - amounts allocated to the loss component;
  - (c) amounts of the CSM recognised for the services provided in the period;
  - (d) experience adjustments – arising from premiums received in the period other than those that relate to future service; and
  - (e) other amounts, including any other pre-recognition cash flows assets derecognised at the date of initial recognition.
- Insurance acquisition cash flows recovery is determined by allocating the portion of premiums related to the recovery of those cash flows on the basis of the passage of time over the expected coverage of a group of contracts.



## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (k) Insurance Service Result From Insurance Contracts Issued (continued)

###### Insurance service expenses

Insurance service expenses include the following:

- (a) incurred claims and benefits, excluding investment components reduced by loss component allocations;
- (b) other incurred directly attributable expenses, including amounts of any other pre-recognition cash flows assets (other than insurance acquisition cash flows) derecognised at the date of initial recognition;
- (c) insurance acquisition cash flows amortisation;
- (d) changes that relate to past service – changes in the FCF relating to the LIC; and
- (e) changes that relate to future service – changes in the FCF that results in onerous contract losses or reversals of those losses; and
- (f) insurance acquisition cash flows assets impairment.

For contracts not measured under the PAA, amortisation of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue, as described above.

Other expenses not meeting the above categories are included in other operating expenses in the consolidated statement of profit or loss.

##### (l) Insurance Service Result from Reinsurance Contracts Held

###### Net income (expenses) from reinsurance contracts held

The Company presents financial performance of groups of reinsurance contracts held on a net basis in net income (expenses) from reinsurance contracts held, comprising the following amounts:

- (a) reinsurance expenses;
- (b) for groups of reinsurance contracts measured under the PAA, broker fees are included within reinsurance expenses;
- (c) incurred claims recovery, excluding investment components reduced by loss-recovery component allocations;
- (d) other incurred directly attributable expenses;
- (e) changes that relate to past service – changes in the FCF relating to incurred claims recovery; and
- (f) amounts relating to accounting for onerous groups of underlying insurance contracts issued:
  - (i) income on initial recognition of onerous underlying contracts;
  - (ii) reinsurance contracts held under the GMM: reversals of a loss-recovery
  - (iii) component other than changes in the FCF of reinsurance contracts held; and reinsurance contracts held under the GMM: changes in the FCF of reinsurance contracts held from onerous underlying contracts.

## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (l) Insurance Service Result from Reinsurance Contracts Held (continued)

###### Net income (expenses) from reinsurance contracts held (continued)

Reinsurance expenses are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received insurance contract services at an amount that reflects the portion of ceding premiums that the Company expects to pay in exchange for those services. Additionally, for reinsurance contracts held measured under the PAA, broker fees are included in reinsurance expenses.

For contracts not measured under the PAA, reinsurance expenses comprise the following amounts relating to changes in the remaining coverage:

- (a) claims and other directly attributable expenses recovery in the period, measured at the amounts expected to be incurred at the beginning of the period, excluding:
  - amounts allocated to the loss-recovery component;
  - repayments of investment components; and
  - amounts related to the risk adjustment for non-financial risk (see (b));
- (b) changes in the risk adjustment for non-financial risk, excluding:
  - changes included in finance income (expenses) from reinsurance contracts held;
  - changes that relate to future coverage (which adjust the CSM); and
  - amounts allocated to the loss-recovery component;
- (c) amounts of the CSM recognised for the services received in the period; and
- (d) experience adjustments – arising from premiums paid in the period other than those that relate to future service.

For groups of reinsurance contracts held measured under the PAA, the Group recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance expenses. Ceding commissions that are contingent on claims of the underlying contracts issued reduce incurred claims recovery.

##### (m) Insurance Finance Income or Expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- (a) the effect of the time value of money and changes in the time value of money; and
- (b) the effect of financial risk and changes in financial risk.

For contracts measured under the GMM, the main amounts within insurance finance income or expenses are:

- (a) interest accreted on the FCF and the CSM;
- (b) the effect of changes in interest rates and other financial assumptions, and
- (c) foreign exchange differences.

## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (m) Insurance Finance Income or Expenses (continued)

For contracts measured under the VFA, insurance finance income or expenses comprise changes in the value of underlying items (excluding additions and withdrawals).

The Company disaggregates changes in the risk adjustment for non-financial risk between insurance service results and insurance finance income or expenses for life insurance.

For conventional life, the Company includes all insurance finance income or expenses for the period in profit or loss, except for certain portfolios measured using the GMM where the Other Comprehensive Income (“OCI”) option is applied. This is expected to reduce accounting mismatches in profit or loss, considering that many of the supporting financial assets will be debt investments measured at fair value through other comprehensive income (“FVOCI”).

The Company systematically allocates expected total insurance finance income or expenses over the duration of the group of contracts to profit or loss using discount rates determined on initial recognition of the group of contracts.

In the event of transfer of a group of insurance contracts or derecognition of an insurance contract, the Company reclassifies the insurance finance income or expenses to profit or loss as a reclassification adjustment to any remaining amounts for the group (or contract) that were previously recognised in other comprehensive income.

The groups of insurance contracts, including the CSM, that generate cash flows in a foreign currency are treated as monetary items.

##### (n) Other Revenue Recognition

Interest income is recognised on a time proportion basis that takes into account the effective yield of the asset.

Rental is recognised on an accrual basis.

Dividend is recognised when the right to receive payment is established.

All sales of investments are recognised on their trade dates i.e., the date the Company commits to sell the assets. Gains or losses arising from the sale of investments are calculated as the difference between net sales proceeds and the original or carrying amount and are credited or charged to the statement of profit or loss.

##### (o) Fees and Commission Income

Fees and commission income comprise mainly of management fee and reinsurance commission income. Management fee includes income earned from provision of investment management services for investment linked businesses. These fees income are recognised as revenue over the period in which the services are rendered.

##### (p) 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 Company operates (“the functional currency”). The financial statements are presented in Ringgit Malaysia (“RM”), which is also the Company’s functional and presentation currency.

## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (p) Foreign Currencies (continued)

##### (ii) Foreign Currency Transactions

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency ("foreign currencies") are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. Exchange differences arising on the settlement of monetary items and on the translation of monetary items are included in the statement of profit or loss. Exchange differences on equity investments classified as Fair Value Through Comprehensive Income financial assets are included in the fair value reserve in equity.

The principal exchange rates of foreign currency ruling at reporting date used are as follows:

	2023 RM	2022 RM
Singapore Dollar	<b>3.48</b>	3.28
United States Dollar	<b>4.59</b>	4.40
British Pound	<b>5.84</b>	5.29
Australian Dollar	<b>3.13</b>	2.99
Hong Kong Dollar	<b>0.59</b>	0.56
Japanese Yen	<b>0.03</b>	0.03
China Yuan	<b>0.64</b>	0.63

##### (q) Income Tax

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

In addition to paying tax on shareholder's profit, the life insurance business pays tax on policyholders' investment returns at a tax rate of 8%. Tax on policyholders is recognised as an expense and disclosed separately under taxation of life insurance business in the statement of profit or loss.

Deferred tax is provided for, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. 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 profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

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 in the statement of profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (r) Employee Benefits

###### (i) Defined Contribution Plans Under Statutory Regulations

As required by law, companies in Malaysia make contributions to the national pension scheme, the Employees Provident Fund (“EPF”). Such contributions are recognised as an expense in the statement of profit or loss as incurred.

###### (ii) Employee Leave Entitlements

An employee’s entitlement to annual leave is estimated and accrued according to the Company’s Human Resource policy.

###### (iii) Share Options

Senior executives of the Company are granted share options in the OCBC Bank’s Share Option Scheme as consideration for services rendered. Options granted generally vest in one-third increments over a 3-year period and expire between 5 and 10 years from date of grant. The cost of these equity-settled share based payment transactions with the senior executives is measured by reference to the fair value of the options at the date on which the options are granted which takes into account market conditions and non-vesting conditions. The cost is recognised in the statement of profit or loss of the respective insurance funds, with a corresponding increase in the intercompany balance with the ultimate holding company, over the vesting period.

The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company’s best estimate of the number of options that will ultimately vest. The charge or credit to statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market condition or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. In the case where the option does not vest as a result of a failure to meet a non-vesting condition that is within the control of the Company or the senior executives, it is accounted for as a cancellation. In such case, the amount of the compensation cost that otherwise would be recognised over the remainder of the vesting period is recognised immediately in the statement of profit or loss upon cancellation.

###### (iv) Deferred Share Plan

In addition to the OCBC Bank’s Share Option Scheme, certain employees within the Company are granted OCBC shares under the OCBC Deferred Share Plan (“DSP”). For deferred share awards granted as part of variable performance bonus, half of the share awards will vest two years from the grant date and the remaining half will vest at the end of three years from the grant date. The cost of the DSP is recognised in the statement of profit or loss on the straight-line basis over the vesting period of the DSP.

At each reporting date, the cumulative expense is adjusted for the estimated number of shares granted under the DSP that have vested and/or lapsed.



## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**(s) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term, highly liquid investments with original maturity of three months or less from the date of acquisition, or are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

**(t) 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. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provision is discounted using a current pre-tax rate that reflects the risk specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

**(u) Offsetting of Financial Assets and Financial Liabilities**

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 expenses are not offset in the statement of profit or loss unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Company.

**(v) Investment in subsidiary**

A subsidiary is an entity 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 financial statements, investment in subsidiary, which relates to investment in collective investment scheme, is carried at fair value.

On disposal of such investment, the difference between the net disposal proceeds and its carrying amount is recognised as gain or loss on disposal in the statement of profit or loss.

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

The immediate holding company, Great Eastern Capital (Malaysia) Sdn. Bhd., prepares the consolidated financial statements in accordance with MFRS in Malaysia, which are available for inspection at the registered office of the immediate holding company.

## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

On 1 January 2023, the Company adopted the following amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2023.

- Amendments to MFRS 101 *Classification of liabilities as current or non-current*
- Amendments to MFRS 101, MFRS Practice Statement 2 *Disclosure of Accounting Policies* and MFRS 108 *Definition of Accounting Estimates*
- MFRS 17 *Insurance Contracts* and its amendments
- Amendment to MFRS 112 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendment to MFRS 17 *Initial Application of MFRS 17 and MFRS 9 - Comparative Information*

The adoption of the amendments to MFRS 101, MFRS 108 and MFRS 112 did not have any significant effects on the financial statements upon their initial recognition.

The adoption of MFRS 17 including any consequential amendments to other standards have brought significant changes to the accounting for insurance and reinsurance contracts. As a result, the Company has restated comparative information for the financial year 2022. The nature and effects of the changes in the accounting policies are summarised below.

#### **MFRS 17 Insurance Contracts**

MFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and reinsurance contracts held by the Company. It introduces a model that measures groups of contracts based on the Company's estimates of the present value of future cash flows that are expected to arise as the Company fulfils contracts, an explicit risk adjustment for non-financial risk and a Contractual Service Margin ("CSM").

For an explanation of the accounting policy for insurance and reinsurance contracts under MFRS 17, see note 2.2(k) and 2.2(1).

#### **Changes to Classification and Measurement**

The adoption of MFRS 17 did not change the classification of the Company's insurance contracts.

MFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Company.

The key principles of MFRS 17 are that the Company:

- Identifies insurance contracts as those under which the Company accepts significant risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder;
- Separates specified embedded derivatives, distinct investment components and distinct noninsurance goods or services from insurance contracts and accounts for them in accordance with other standards;
- Divides the insurance and reinsurance contracts into groups it will recognise and measure;
- Recognises and measures groups of insurance contracts at:
  - A risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all available information about the fulfilment cash flows in a way that is consistent with observable market information; plus
  - An amount representing the unearned profit in the group of contracts (the contractual service margin or CSM);

## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

##### **MFRS 17 Insurance Contracts (continued)**

##### **Changes to Classification and Measurement (continued)**

The key principles of MFRS 17 are that the Company: (continued)

- Recognises profit from a group of insurance contracts over the period the Company provides insurance coverage, as the Company is released from risk. If a group of contracts is expected to be onerous (i.e., loss-making) over the remaining coverage period, the Company recognises the loss immediately.

##### **Changes to Presentation and Disclosure**

The Company aggregates portfolios of insurance and reinsurance contracts held and present separately in the statement of financial position:

- Portfolios of insurance contracts that are assets;
- Portfolios of reinsurance contracts held that are assets;
- Portfolios of insurance contracts that are liabilities; and
- 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.

The descriptions of the line items in the Statement of Profit or Loss have been changed significantly compared with the previous year. Previously the Company reported the following line items: gross premiums, gross claims, maturities, surrenders and annuities and change in insurance contract liabilities. MFRS 17 requires separate presentation of:

- Insurance revenue
- Insurance service expense
- Insurance finance income or expense; and
- Income or expenses from reinsurance contracts held.

The Company will provide disaggregated qualitative and quantitative information in the notes to the financial statements about:

- The amounts recognised in its financial statements from insurance contracts and reinsurance contracts; and
- Significant judgments, and changes in those judgments made when applying the standard.

##### **Transition**

The Company has restated the comparative information based on the transition approaches taken on adoption of MFRS 17.

Changes in accounting policies resulting from the adoption of MFRS 17 was applied using the full retrospective approach to the extent practicable. The full retrospective approach was applied to insurance contracts that were originated less than one year prior to the effective date. Where it was not possible to obtaining all required historical data without undue cost and effort, the modified retrospective approach or fair value approach was applied. The modified retrospective approach was applied to certain groups of insurance contracts that were originated less than 10 years prior to the transition date. The fair value approach was applied to the remaining insurance contracts in force at transition date.

## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

##### **MFRS 17 Insurance Contracts (continued)**

##### **Transition (continued)**

On transition date, 1 January 2022, the Company:

- identified, recognised and measured each group of insurance and reinsurance contracts as if MFRS 17 had always applied (unless impracticable – refer to Notes 2.3 (i) and 2.3 (iii));
- Derecognised previously reported balances that would not have existed if MFRS 17 had always been applied;
- Redesignated certain financial assets to address possible accounting mismatches between financial assets and insurance contract liabilities and applied classification overlay for the financial assets in the comparative period (refer to Note 2.3 (iii)); and
- Recognised any resulting net difference in equity.

The Company has applied the transition provisions in MFRS 17 and has not disclosed the impact of the adoption of MFRS 17 on each financial statement line item and Earnings per share (“EPS”). The effects of adopting MFRS 17 on the financial statements at 1 January 2022 are presented in the statement of changes in equity.

##### **(i) Modified retrospective approach**

The modified retrospective approach was applied to certain groups of insurance contracts that were originated less than 10 years prior to the transition date. The Company has used the following procedures to determine the CSM at initial recognition for these contracts:

- Estimated future cash flows at the date of initial recognition as the amount of the future cash flows at transition date, adjusted by the cash flows that have occurred between the date of initial recognition and the transition date. The cash flows that are known to have occurred include cash flows resulting from contracts that ceased to exist before the transition date.
- Estimated historical discount rates applied to some cash flows in the period prior to 2012 using an observable market interest curve for that period, adjusted by the spread between observable market yield curves and the yield curve used to determine current discount rates for the years between 1 January 2012 and 1 January 2022.
- Estimated the risk adjustment for non-financial risk at the date of initial recognition by adjusting the risk adjustment at transition date by the expected release of risk in the periods before the transition date. The expected release of risk was determined with reference to the release of risk for similar contracts that the Company has issued subsequent to the transition date.

## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

##### **MFRS 17 Insurance Contracts (continued)**

##### **Transition (continued)**

##### **(i) Modified retrospective approach (continued)**

The CSM at transition date has been further determined by:

- Using the modified discount rates determined at initial recognition to accrete interest on the CSM
- Applying the amount of the CSM recognised in profit or loss because of the transfer of services before the transition date, by comparing the remaining coverage units at that date with the coverage units provided under the group of contracts before the transition date.

##### **(ii) Fair value approach**

The Company applied the fair value approach to the remaining insurance contracts. Under the fair value approach, the Company has determined the CSM of the liability for remaining coverage at the date of transition, as the difference between the fair value of a group of insurance contracts, measured in accordance with MFRS 13 Fair Value Measurement, and its fulfilment cash flows ("FCF") at that date.

The Company has aggregated contracts issued more than one year apart in determining groups of insurance contracts under the fair value approach at transition.

For the application of the fair value approach, the Company has used reasonable and supportable information available at the transition date in order to:

- Identify groups of insurance contracts
- Determine whether any contracts are direct participating insurance contracts
- Identify any discretionary cash flows for insurance contracts without direct participation features

The discount rate for the group of contracts inceptioned after 2012 applying the fair value approach was determined based on the inception year discount rate. Whereas, the discount rate for the group of contracts inceptioned before 2012 applying the fair value approach was determined on transition date.

The discount rate used for accretion of interest on the CSM is determined using the bottom-up approach at inception.

The Company used the income approach to determine the fair value amount used for establishing the insurance contract liabilities at the transition date.



## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

##### MFRS 17 Insurance Contracts (continued)

##### Transition (continued)

##### (iii) Impact on Transition

The effects from applying MFRS 17 resulted in a reduction of equity amounting to RM2,287,000. The net transition impact to equity consisted of the following effects.

Measurement adjustments	Description of impact
	Contracts not measured under Premium Allocation Approach ("PAA")
CSM	A CSM will be recognised for the unearned profit for insurance contracts.
Contract Measurement	Other components of insurance contracts are also remeasured: <ul style="list-style-type: none"> <li>• Risk adjustment: recognition of a separate risk adjustment for non-financial risk which is higher than the risk margin under MFRS 4 as a result of recalibration of the measurement techniques to conform with the MFRS 17 requirements.</li> <li>• Discount rates: Changes in the discount rates because of the MFRS 17 requirements to measure future cash flows using current discount rates.</li> <li>• Deferred acquisition costs: Under MFRS 17, the Group now recognises separately eligible insurance acquisition cash flows when they are incurred.</li> <li>• Other changes: Include the changes to the provisions for future taxes, and other changes related to the application of MFRS 17.</li> </ul>
Insurance Finance Reserve	Under MFRS 17, changes in the carrying amounts of groups of contracts arising from the effects of the time value of money, financial risk and changes therein are generally presented as insurance finance or expenses in profit or loss. The Group has elected the option to include these changes for certain portfolios measured under GMM under insurance finance reserve in equity.

Besides the impact to equity upon transition, there are also other changes in the balance sheet mainly resulting from insurance related receivables and payables now included within fulfilment cash flows instead of being presented separately.

## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

##### MFRS 17 *Insurance Contracts* (continued)

##### Transition (continued)

##### (iv) Redesignation and Classification Overlay for Financial Assets

MFRS 17 allows for entities that had applied MFRS 9 to annual periods before the initial application of MFRS 17, to redesignate its financial assets to address possible accounting mismatches between financial assets and insurance contract liabilities. Accordingly, the Company has redesignated certain debt instruments which were previously measured at fair value through profit and loss to fair value through other comprehensive income. A transition option was elected to apply a classification overlay for the financial assets as if the classification and measurement requirements of MFRS 9 had been applied to that financial asset during the comparative period. At the transition date, debt instruments amounting to RM1,934,384,008 in fair value which were previously presented at fair value through profit or loss was reclassified to fair value through other comprehensive income, recognising a fair value loss, net of tax of RM2,419,809 and an expected credit loss, net of tax of RM30,607,096, resulting in a reclassification of RM28,187,287 from the opening retained earnings to fair value reserve.

#### 2.4 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following are standards, amendments to standards and interpretations to standards issued by MASB, but not yet effective, up to the date of issuance of the Company's financial statements. The Company intends to adopt these standards, amendments to standards and interpretations to standards, if applicable, when they become effective:

##### Effective for financial periods beginning on or after 1 January 2024

- Amendments to MFRS 101 *Classification of liabilities as current or non-current*
- Amendments to MFRS 16 *Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101 *Non-current Liabilities with Covenants*
- Amendments to MFRS 107 and MFRS 7 *Supplier Finance Arrangement*

##### Effective for financial periods beginning on or after 1 January 2024

- Amendments to MFRS 121 *Lack of Exchangeability*

##### 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 standards, amendments to standards and interpretations to standards issued by MASB, but not yet effective, will have no material impact on the financial statements in the period of initial application.

## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the preparation of the Company's financial statements, management makes estimates, assumptions and judgements that affect the reported amounts of revenues, expenses, assets and liabilities at reporting date. Estimates, assumptions and judgements are continually evaluated and based on internal studies of actual historical experience and other factors. Best estimates and assumptions are constantly reviewed to ensure that they remain relevant and valid. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

##### (a) Critical Judgements Made in Applying Accounting Policies

The following are judgements made by management in the process of applying the Company's accounting policies that have significant effect on the amounts recognised in the financial statements.

##### (i) Classification Between Investment Properties and Property and Equipment (Notes 3 and 5)

The Company has developed certain criteria based on MFRS 140 *Investment Property* in making judgement whether a property qualifies to be classified as an investment property. Investment property is a property held to earn rental or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes.

If these portions could be sold separately (or leased out separately under a finance lease), the Company would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

##### (ii) Impairment of Financial Assets (Note 29(g))

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

##### (iii) Insurance Contract Classification

Contracts are classified as insurance contracts where they transfer significant insurance risk from the policyholder to the Company. The Company exercises judgement about the level of insurance risk transferred. As a general guideline, the Company determines whether it has significant insurance risk by comparing benefits paid with benefits payable if the insured event did not occur. These additional benefits include claims liability and assessment costs, but exclude loss of the ability to charge the policyholder for future services. The assessment covers the whole of the expected term of the contract where such additional benefits could be payable.

##### (iv) Insurance business

The Company makes estimates, assumptions and judgments in its estimates of FCF, discount rates used, risk adjustments for non-financial risk, and CSM.

## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

##### (a) Critical Judgements Made in Applying Accounting Policies (continued)

##### (iv) Insurance business (continued)

##### Discount rates

Insurance contract liabilities 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 observable market yields of Government Securities in the currency of the insurance contract liabilities. The illiquidity premium is determined by reference to observable market rates.

The Company adopts a bottom-up approach in which discount rates are based on risk-free yield curve and an adjustment for illiquidity premium.

- (a) For risk-free yield curves and Ultimate Forward Rate (“UFR”), references are made in particular to the Bank Negara Malaysia Risk Based Capital Framework (“BNM RBC”) which is also aligned with the approach taken by the International Associations of Insurance Supervisors (“IAIS”) on the design of the global insurance capital standards (“ICS”).
- (b) For illiquidity premium, illiquidity buckets (“illiquidity application ratio”) are assigned using an objective scoring system that is based on illiquidity characteristics of products on each portfolio. Market observable illiquidity premium levels are derived every month-end based on a credit-risk adjusted market spread of reference assets for each currency.

The adjustment of illiquidity premium in (b) is added as a layer in addition to the risk-free yield curve in (a) based on the illiquidity application ratio of each portfolio.

The yield curves that were used to discount the estimates of future cash flows that do not vary based on the returns of the underlying items are as follows:

		2023					
		1 year	5 years	10 years	15 years	20 years	30 years
Whole life	MYR	3.453% - 3.606%	3.805% - 3.958%	3.894% - 4.047%	4.206% - 4.359%	4.440% - 4.593%	4.677% - 4.830%
Endowment	MYR	3.453% - 3.606%	3.805% - 3.958%	3.894% - 4.047%	4.206% - 4.359%	4.440% - 4.593%	4.677% - 4.830%
Term	MYR	3.300% - 3.453%	3.652% - 3.805%	3.741% - 3.894%	4.053% - 4.206%	4.287% - 4.440%	4.524% - 4.677%
Annuity	MYR	3.453%	3.805%	3.894%	4.206%	4.440%	4.677%

## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

##### (a) Critical Judgements Made in Applying Accounting Policies (continued)

##### (iv) Insurance business (continued)

##### Discount rates (continued)

The yield curves that were used to discount the estimates of future cash flows that do not vary based on the returns of the underlying items are as follows: (continued)

		2022					
		1 year	5 years	10 years	15 years	20 years	30 years
Whole life	MYR	3.324% - 3.397%	3.955% - 4.028%	4.162% - 4.235%	4.432% - 4.505%	4.616% - 4.689%	4.784% - 4.856%
Endowment	MYR	3.324% - 3.397%	3.955% - 4.028%	4.162% - 4.235%	4.432% - 4.505%	4.616% - 4.689%	4.784% - 4.856%
Term	MYR	3.251% - 3.324%	3.882% - 3.955%	4.089% - 4.162%	4.359% - 4.432%	4.544% - 4.616%	4.711% - 4.784%
Annuity	MYR	3.324%	3.955%	4.162%	4.432%	4.616%	4.784%

##### Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled. Because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favourable and unfavourable outcomes in a way that reflects the Company's degree of risk aversion. The Company estimates an adjustment for non-financial risk separately from all other estimates. The Company does not consider the effect of reinsurance in the risk adjustment for non-financial risk of the underlying insurance contracts.

The confidence level technique was used to derive the overall risk adjustment for non-financial risk. Applying a confidence level technique, the Company estimates the probability distribution of the expected present value of the future cash flows from the contracts at each reporting date and calculate the risk adjustment for non-financial risk as the excess of the value at risk at the target confidence level over the expected present value of the future cash flows allowing for the associate risks over all future years. The target confidence level will be at 85th percentile.

##### Estimates of future cash flows

In estimating future cash flows, the Company incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience updated to reflect current expectations of future events.

The estimates of future cash flows will reflect the Company's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.



## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

##### (a) Critical Judgements Made in Applying Accounting Policies (continued)

##### (iv) Insurance business (continued)

##### Estimates of future cash flows (continued)

When estimating future cash flows, the Company takes into account current expectations of future events that might affect cash flows. Cash flows within the boundary of a contract are those that relate directly to the fulfilment of the contract, including those for which the Company has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts. Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads.

Cash flows will be attributed to acquisition activities, other fulfilment activities and other activities at local entity level using activity-based costing techniques. Cash flows attributable to acquisition and other fulfilment activities will be allocated to groups of contracts using methods that are systematic and rational and will be consistently applied to all costs that have similar characteristics.

##### Coverage units

The number of coverage units in a group is the quantity of coverage provided by the contracts in the group, determined by considering for each contract the quantity of the benefits provided under a contract and its expected coverage duration. The coverage units are assessed at each reporting period-end prospectively by considering:

- a. the quantity of benefits provided by contracts in the group;
- b. the expected coverage period of contracts in the group; and
- c. the likelihood of insured events occurring, only to the extent that they affect the expected coverage period of contracts in the group.

The Company uses the amount that it expects the policyholder to be able to validly claim in each period if an insured event occurs as the basis for the quantity of benefits with respect to insurance coverage.

##### (b) Key Sources of Estimation Uncertainty

##### (i) Agents' Retirement Benefits

The carrying amount for agents' retirement benefits is calculated in accordance with the terms and conditions of the agreement, which stipulate that upon the agent maintaining his position for the qualifying year and achieving the required personal sales and minimum new business, the Company shall allocate to the agent a deferred benefit/retirement benefit. Interest will be accrued based on an estimated rate at the end of the financial year on the deferred benefit/retirement benefit accumulated with adjustment made subsequent to the year end when the participating fund rate of return is known or when the dividend rate is declared by the Employees' Provident Fund ("EPF").

The Company will adjust the carrying amount of ARB to reflect the actual and revised estimated cash flows, to cover estimated liability for future benefits payable. The ARB shall become vested and payable upon fulfilment of the stipulated conditions.

## Notes to the Financial Statements

31 December 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

##### (b) Key Sources of Estimation Uncertainty (continued)

###### (i) Agents' Retirement Benefits (continued)

Judgement is required to:

- (i) determine whether the Agreements contain significant insurance risk; and
- (ii) estimate the changes in ARB to be made, based upon the likely fulfilment of the conditions and occurrence of the claimable event.

At each reporting year, these estimates are reassessed for adequacy and changes will be reflected as adjustments to the carrying amount.

###### (ii) Deferred Tax

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production and sales volume, operating costs, capital expenditure, dividends and other capital management transactions. Judgment is also required about application of income tax legislation. These judgments and assumptions are subject to risks and uncertainties hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statement of financial position and the amount of unrecognised tax losses and unrecognised temporary differences.

## Notes to the Financial Statements

31 December 2023

### 3. PROPERTY AND EQUIPMENT

#### (a) OWNED

	Freehold Land RM'000	Properties Buildings on Freehold Land RM'000	Buildings on Leasehold Land RM'000	Capital Work-in-Progress RM'000	Motor Vehicles RM'000	Office Machinery RM'000	Office Furniture and Fittings RM'000	Computer Equipment RM'000	Total RM'000
<b>Cost</b>									
At 1 January 2023	11,907	341,363	100,933	-	1,621	92,128	39,397	262,073	849,422
Additions	-	-	183	532	169	1,871	2,286	11,327	16,368
Disposals	-	-	-	-	(142)	-	-	(550)	(692)
At 31 December 2023	11,907	341,363	101,116	532	1,648	93,999	41,683	272,850	865,098
<b>Accumulated Depreciation and Impairment</b>									
At 1 January 2023	-	163,080	33,666	-	1,126	87,375	29,818	244,521	559,586
Depreciation charge for the year (Note 21)	-	8,855	-	-	257	2,268	2,191	10,789	24,360
Disposals	-	-	-	-	(142)	-	-	(550)	(692)
At 31 December 2023	-	171,935	33,666	-	1,241	89,643	32,009	254,760	583,254
<b>Net Book Value</b>									
At 31 December 2023	11,907	169,428	67,450	532	407	4,356	9,674	18,090	281,844
<b>Cost</b>									
At 1 January 2022	11,907	341,363	100,933	49	1,750	90,645	38,602	255,713	840,962
Additions	-	-	-	25	200	1,483	821	7,099	9,628
Disposals	-	-	-	-	(329)	-	(26)	(739)	(1,094)
Transfer to investment properties (Note 5)	-	-	-	(25)	-	-	-	-	(25)
Write-offs	-	-	-	(49)	-	-	-	-	(49)
At 31 December 2022	11,907	341,363	100,933	-	1,621	92,128	39,397	262,073	849,422
<b>Accumulated Depreciation and Impairment</b>									
At 1 January 2022	-	154,231	33,666	-	1,241	85,097	27,631	235,114	536,980
Depreciation charge for the year (Note 21)	-	8,849	-	-	214	2,278	2,190	10,146	23,677
Disposals	-	-	-	-	(329)	-	(3)	(739)	(1,071)
At 31 December 2022	-	163,080	33,666	-	1,126	87,375	29,818	244,521	559,586
<b>Net Book Value</b>									
At 31 December 2022	11,907	178,283	67,267	-	495	4,753	9,579	17,552	289,836

Included in property and equipment are the cost of fully depreciated assets which are still in use amounting to RM346,159,990 (2022: RM328,286,001).

Included in property and equipment are properties with a total net book value amounting to RM29,647,637 (2022: RM30,340,984) for which title deeds are still in the process of being transferred to the Life Insurance Fund.

## Notes to the Financial Statements

31 December 2023

### 3. PROPERTY AND EQUIPMENT (CONTINUED)

#### (b) RIGHT-OF-USE ASSETS

	Long Term Leasehold Land RM'000	Other Right-of- Use Assets RM'000	Total RM'000
<b>Cost</b>			
At 1 January 2023	17,906	5,804	23,710
Additions	-	553	553
At 31 December 2023	17,906	6,357	24,263
<b>Accumulated amortisation/depreciation</b>			
At 1 January 2023	(2,205)	(4,075)	(6,280)
Charge for the year (Note 21)	(138)	(940)	(1,078)
At 31 December 2023	(2,343)	(5,015)	(7,358)
<b>Net Book Value</b>			
At 31 December 2023	15,563	1,342	16,905
<b>Cost</b>			
At 1 January 2022	17,906	5,523	23,429
Additions	-	281	281
At 31 December 2022	17,906	5,804	23,710
<b>Accumulated amortisation/depreciation</b>			
At 1 January 2022	(2,067)	(3,086)	(5,153)
Charge for the year (Note 21)	(138)	(989)	(1,127)
At 31 December 2022	(2,205)	(4,075)	(6,280)
<b>Net Book Value</b>			
At 31 December 2022	15,701	1,729	17,430

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

The Company has entered into operating lease agreements for computer equipment and office rental. These non-cancellable leases have remaining non-cancellable lease terms of between 3 and 5 years. Several of these lease contracts also include extension and termination options.

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

## Notes to the Financial Statements

31 December 2023

### 3. PROPERTY AND EQUIPMENT (CONTINUED)

#### (b) RIGHT-OF-USE ASSETS (CONTINUED)

The following are the amounts recognised in profit or loss:

	2023 RM'000	2022 RM'000
Depreciation expense of right-of-use assets	940	989
Interest expense on lease liabilities	95	77
Expense relating to leases of low-value assets	83	80
Expense relating to short-term leases	5	4
<b>Total amount recognised in profit or loss</b>	<b>1,123</b>	<b>1,150</b>

The total cash outflow for leases in 2023 was RM1,093,537 (2022: RM1,036,171).

#### (c) LEASE LIABILITIES

	Lease Liabilities: Buildings RM'000	Lease Liabilities: Office equipment RM'000	Total RM'000
<b>Lease liabilities</b>			
At 1 January 2023	1,704	642	2,346
Additions	554	-	554
Payment of lease liabilities	(510)	(496)	(1,006)
Interest expense on lease liabilities (Note 21)	76	19	95
<b>At 31 December 2023</b>	<b>1,824</b>	<b>165</b>	<b>1,989</b>
At 1 January 2022	1,887	1,054	2,941
Additions	280	-	280
Payment of lease liabilities	(496)	(456)	(952)
Interest expense on lease liabilities (Note 21)	33	44	77
<b>At 31 December 2022</b>	<b>1,704</b>	<b>642</b>	<b>2,346</b>



## Notes to the Financial Statements

31 December 2023

### 4. INTANGIBLE ASSETS

	Distribution Platform RM'000	Computer Software RM'000	Total RM'000
<b>Cost</b>			
At 1 January 2023	4,372	495,459	499,831
Additions	-	40,387	40,387
Disposals	-	(25)	(25)
At 31 December 2023	4,372	535,821	540,193
<b>Accumulated Amortisation</b>			
At 1 January 2023	(2,074)	(329,043)	(331,117)
Amortisation for the year (Note 21)	(673)	(29,168)	(29,841)
At 31 December 2023	(2,747)	(358,211)	(360,958)
<b>Net Book Value</b>			
At 31 December 2023	1,625	177,610	179,235
<b>Cost</b>			
At 1 January 2022	4,372	456,603	460,975
Additions	-	39,037	39,037
Disposals	-	(181)	(181)
At 31 December 2022	4,372	495,459	499,831
<b>Accumulated Amortisation</b>			
At 1 January 2022	(1,401)	(297,397)	(298,798)
Amortisation for the year (Note 21)	(673)	(31,646)	(32,319)
At 31 December 2022	(2,074)	(329,043)	(331,117)
<b>Net Book Value</b>			
At 31 December 2022	2,298	166,416	168,714

### 5. INVESTMENT PROPERTIES

	2023 RM'000	2022 RM'000
<b>At 1 January</b>	<b>976,500</b>	1,214,270
Additions	2,859	2,096
Transfer from property and equipment (Note 3)	-	25
Disposals	-	(238,000)
Fair value (loss)/gain (Note 20)	(9,709)	(1,891)
<b>At 31 December</b>	<b>969,650</b>	976,500

The Company's investment properties consist of commercial and residential properties in Malaysia.

## Notes to the Financial Statements

31 December 2023

### 5. INVESTMENT PROPERTIES (CONTINUED)

As at 31 December 2023, the fair values of the properties are based on valuations performed by Messrs. C H Williams Talhar & Wong Sdn. Bhd. (2022: Messrs. C H Williams Talhar & Wong Sdn. Bhd.), an accredited independent firm of property valuers. The property valuers are specialists in valuing these types of investment properties. The valuation models applied are in accordance with that recommended by the International Valuation Standards Committee and meets the requirements of MFRS 13 *Fair Value Measurements*.

The amount of rental income and expenses recorded in the statement of profit or loss in respect of investment properties of the Company, is as follows:

	2023 RM'000	2022 RM'000
Rental income derived from investment properties	<b>43,544</b>	43,421
Direct operating expenses (including repairs and maintenance) incurred in generating rental income	<b>(19,224)</b>	(18,782)
	<b>24,320</b>	24,639

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value disclosures for investment properties have been provided in Note 30.

The Company has determined that the highest and best use of the properties used for commercial and residential purposes is its current use.

### 6. NON-CURRENT ASSETS HELD-FOR-SALE

	2023 RM'000	2022 RM'000
<b>At 1 January</b>	<b>238,000</b>	-
Disposal	<b>(238,000)</b>	-
Transferred from investment properties, at fair value (Note 5)	-	238,000
<b>At 31 December</b>	<b>-</b>	238,000

At the end of the current financial year, the Company has no property classified as held-for-sale as compared to one property in the previous financial year. The Company has completed the disposal of the property during the current financial year.

At the end of the current financial year, the Company has no property classified as held-for-sale. The property classified as held-for-sale in 2022 has been disposed in the current financial year.

## Notes to the Financial Statements

31 December 2023

### 7. INVESTMENTS

#### UNDERLYING ITEMS

The following table sets out the composition and the fair value of underlying items of the Company's contracts measured under the VFA.

	2023 RM'000	2022 RM'000
Property, plant and equipment	270,430	277,959
Investment property	898,280	904,308
Equity securities	24,337,131	24,389,343
Debt securities	47,992,359	43,119,629
Collective investment schemes	4,408,377	3,156,834
Loans	213,177	244,062
Derivative financial instruments	(21,411)	(17,149)
Cash and cash equivalents	1,958,850	3,635,093
<b>Total</b>	<b>80,057,193</b>	<b>75,710,079</b>

	2023			2022		
	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000
Malaysian government securities	228,330	13,751,551	13,979,881	181,327	11,161,376	11,342,703
Debt securities	705,205	40,615,032	41,320,237	773,355	37,681,818	38,455,173
Equity securities	599,853	25,615,670	26,215,523	574,844	25,543,779	26,118,623
Unit and property trust funds	-	3,540,678	3,540,678	-	2,439,780	2,439,780
Investment in subsidiary: Collective investment scheme	651,670	1,082,494	1,734,164	613,089	1,003,742	1,616,831
	<b>2,185,058</b>	<b>84,605,425</b>	<b>86,790,483</b>	<b>2,142,615</b>	<b>77,830,495</b>	<b>79,973,110</b>

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

FVOCI (Note 7(a))	1,413,620	5,691,564	7,105,184	1,430,688	5,158,564	6,589,252
FVTPL (Note 7(b))	771,438	78,913,861	79,685,299	711,927	72,671,931	73,383,858
	<b>2,185,058</b>	<b>84,605,425</b>	<b>86,790,483</b>	<b>2,142,615</b>	<b>77,830,495</b>	<b>79,973,110</b>

The following investments mature after 12 months:

FVOCI	712,419	4,663,829	5,376,248	814,577	4,364,789	5,179,366
FVTPL	119,769	46,134,219	46,253,988	95,808	42,941,258	43,037,066
	<b>832,188</b>	<b>50,798,048</b>	<b>51,630,236</b>	<b>910,385</b>	<b>47,306,047</b>	<b>48,216,432</b>

## Notes to the Financial Statements

31 December 2023

### 7. INVESTMENTS (CONTINUED)

#### (a) FVOCI

	2023			2022		
	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000
<b>At Fair Value:</b>						
Equity securities:						
Quoted in Malaysia						
- Kuala Lumpur Stock Exchange	<b>394,772</b>	<b>311,582</b>	<b>706,354</b>	387,292	305,160	692,452
Quoted outside Malaysia						
- Singapore Exchange	<b>68,191</b>	<b>168,708</b>	<b>236,899</b>	52,708	146,691	199,399
- Hong Kong Exchange	<b>122,937</b>	<b>200,329</b>	<b>323,266</b>	121,011	162,992	284,003
Unquoted in Malaysia						
	-	<b>68,674</b>	<b>68,674</b>	-	65,840	65,840
Malaysian government securities						
	<b>228,330</b>	<b>1,194,957</b>	<b>1,423,287</b>	181,327	807,190	988,517
Debt securities:						
Unquoted in Malaysia						
	<b>599,390</b>	<b>3,747,314</b>	<b>4,346,704</b>	688,350	3,670,691	4,359,041
	<b>1,413,620</b>	<b>5,691,564</b>	<b>7,105,184</b>	1,430,688	5,158,564	6,589,252

During the financial year ended 31 December 2023, the Company sold listed equity securities as the underlying investments are no longer aligned with the Company's long-term investment strategy. These investments had a fair value of RM137,914,368 (2022: RM278,240,503) at the date of disposal. The cumulative loss on disposal (net of tax) of RM10,732,036 (2022: cumulative loss on disposal (net of tax) of RM31,680,064) was reclassified from fair value reserve to retained earnings.

## Notes to the Financial Statements

31 December 2023

### 7. INVESTMENTS (CONTINUED)

#### (b) FVTPL

	2023			2022		
	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000
<b>At Fair Value:</b>						
<b>Mandatorily measured:</b>						
Equity securities:						
Quoted in Malaysia	-	20,733,749	20,733,749	-	20,600,687	20,600,687
Quoted outside Malaysia	-	3,173,151	3,173,151	-	3,510,190	3,510,190
Unquoted in Malaysia	13,953	822,412	836,365	13,833	623,334	637,167
Unquoted outside Malaysia	-	137,065	137,065	-	128,885	128,885
Debt securities:						
Quoted in Malaysia	-	827	827	-	769	769
Quoted outside Malaysia	-	294,589	294,589	-	271,132	271,132
Unquoted in Malaysia	105,815	3,723,579	3,829,394	85,005	3,083,679	3,168,684
Unquoted outside Malaysia	-	144,055	144,055	-	122,243	122,243
Unit and property trust funds:						
Quoted in Malaysia	-	492,701	492,701	-	436,564	436,564
Quoted outside Malaysia	-	330,493	330,493	-	322,638	322,638
Unquoted in Malaysia	-	211,702	211,702	-	195,149	195,149
Unquoted outside Malaysia	-	2,505,782	2,505,782	-	1,485,429	1,485,429
Collective investment schemes - subsidiary Unquoted in Malaysia	651,670	1,082,494	1,734,164	613,089	1,003,742	1,616,831
	<b>771,438</b>	<b>33,652,599</b>	<b>34,424,037</b>	<b>711,927</b>	<b>31,784,441</b>	<b>32,496,368</b>
<b>Designated upon initial recognition:</b>						
Malaysian government securities						
	-	12,556,594	12,556,594	-	10,354,186	10,354,186
Debt securities: Unquoted in Malaysia						
	-	32,704,668	32,704,668	-	30,533,304	30,533,304
	-	45,261,262	45,261,262	-	40,887,490	40,887,490
	<b>771,438</b>	<b>78,913,861</b>	<b>79,685,299</b>	<b>711,927</b>	<b>72,671,931</b>	<b>73,383,858</b>

## Notes to the Financial Statements

31 December 2023

### 7. INVESTMENTS (CONTINUED)

#### (c) Investment in subsidiary - collective investment scheme

	2023 RM'000	2022 RM'000
<b>At fair value:</b>		
FVTPL (Note 7(b))	<b>1,734,164</b>	1,616,831

Details of the Company's investment in subsidiary - collective investment scheme in Malaysia are as follows:

Name of wholesale unit trust fund	Principal activities	% of ownership interest held by the Company	
		2023	2022
Affin Hwang Wholesale Equity Fund 2 (i)	Investment in equity and collective investment schemes	<b>99.80%</b>	99.80%
Affin Hwang Wholesale Income Fund (ii)	Investment in debt securities and money market	<b>96.94%</b>	96.50%
Aminstitutional Income Bond Fund (iii)	Investment in debt securities and money market	<b>73.01%</b>	66.60%

The Company has determined that it has control over the Fund, based on the following rationale:

- (i) By virtue of clause 16.1.2 of the Deed signed between TMF Trustees Malaysia Berhad ("the Trustee") and Affin Hwang Asset Management Berhad ("the Fund Manager"), the Unitholders of the Fund may apply to the Fund Manager to summon a meeting for any purpose, without limitation, for the purpose of requiring the retirement or removal of the Fund Manager.
- (ii) By virtue of clause 17.1.2 of the Trust Deed signed between TMF Trustees Malaysia Berhad ("the Trustee") and Affin Hwang Asset Management Berhad ("the Fund Manager"), the Unitholders of the Fund may apply to the Fund Manager to summon a meeting for any purpose, without limitation, for the purpose of requiring the retirement or removal of the Fund Manager.
- (iii) By virtue of clause 17.1.2 of the Deed signed between AmanahRaya Trustees Berhad ("the Trustee") and AmFunds Management Berhad ("the Fund Manager"), the Unitholders of the Fund may apply to the Fund Manager to summon a meeting for any purpose, without limitation, for the purpose of requiring the retirement or removal of the Fund Manager.

The Company has determined that it is able to exert its power in order to influence returns from its investment in the Fund by virtue of clause 16.1.2 and 17.1.2 as disclosed above.

The Company by virtue of holding the units in the Fund also has exposure, or rights to variable returns from the investment.

The accounting policy on investment in subsidiary is set out in Note 2.2(v).



## Notes to the Financial Statements

31 December 2023

### 8. LOANS

	Shareholder's Fund RM'000	2023 Life Insurance Fund RM'000	Total RM'000	Shareholder's Fund RM'000	2022 Life Insurance Fund RM'000	Total RM'000
<b>Loans and other financial assets at amortised cost</b>						
<b>Loans comprise the following:</b>						
Mortgage loans	-	32	32	-	37	37
Secured loans	-	2,052	2,052	-	1,675	1,675
Unsecured loans	4,835	440,884	445,719	3,044	487,378	490,422
	4,835	442,968	447,803	3,044	489,090	492,134
less: Provision for impairment of unsecured loans (Note 29(g))	-	(28,131)	(28,131)	-	(20,101)	(20,101)
	4,835	414,837	419,672	3,044	468,989	472,033
The following investments mature after 12 months:						
Loans	4,360	414,699	419,059	2,287	445,882	448,169
If loans were carried at fair value, the carrying amounts would be as follows:						
Loans	4,835	460,756	465,591	3,044	483,674	486,718
<b>Loans and other financial assets at amortised cost:</b>						
Cash and cash equivalents	7,213	2,152,468	2,159,681	25,952	4,311,703	4,337,655
Other debtors	22,808	706,451	729,259	13,995	629,098	643,093
Loans	4,835	414,837	419,672	3,044	468,989	472,033
<b>Total loans and financial assets at amortised cost</b>	<b>34,856</b>	<b>3,273,756</b>	<b>3,308,612</b>	<b>42,991</b>	<b>5,409,790</b>	<b>5,452,781</b>
<b>Loans analysed by Interest Rate Sensitivity and Geography</b>						
<b>Fixed</b>						
Malaysia	4,835	414,837	419,672	3,044	468,989	472,033
	4,835	414,837	419,672	3,044	468,989	472,033
<b>Floating</b>						
Malaysia	-	-	-	-	-	-
<b>Total</b>	<b>4,835</b>	<b>414,837</b>	<b>419,672</b>	<b>3,044</b>	<b>468,989</b>	<b>472,033</b>

The analysis by interest rate sensitivity is based on where the transactions are booked and where the credit risk resides.

## Notes to the Financial Statements

31 December 2023

### 9. INSURANCE AND REINSURANCE CONTRACTS

The breakdown of groups of insurance and reinsurance contracts issued, and reinsurance contracts held, that are in an asset position and those in a liability position is set out in the table below:

	2023	2022
	RM'000	restated RM'000
<b>Insurance contracts issued</b>		
Insurance contract liabilities	<b>86,798,091</b>	83,226,767
Insurance contract assets	<b>16,456</b>	7,711
<b>Total insurance contracts issued</b>	<b>86,781,365</b>	83,219,056
<b>Reinsurance contracts held</b>		
Reinsurance contract assets	<b>145,603</b>	272,664
Reinsurance contract liabilities	<b>242,711</b>	231,853
<b>Total reinsurance contracts held</b>	<b>(97,108)</b>	40,811

Detailed reconciliations of changes in insurance contract balances during the year are included in Notes 9.1.

The carrying amounts disclosed above approximate fair values due to their relatively short term nature.

#### 9.1 Life insurance - insurance contracts issued

##### 9.1.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims

- A *Roll-forward of net asset or liability for life insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims.*

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

	2023				2022 restated			
	Liabilities for remaining coverage		Liabilities for incurred claims	Total	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component			Excluding loss component	Loss component		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Insurance contract liabilities as at 1 January	<b>69,101,765</b>	<b>278,049</b>	<b>13,846,953</b>	<b>83,226,767</b>	69,754,933	-	12,998,190	82,753,123
Insurance contract assets as at 1 January	<b>8,151</b>	-	<b>(15,862)</b>	<b>(7,711)</b>	(1,982)	-	(2,086)	(4,068)
<b>Net insurance contract (assets)/ liabilities as at 1 January</b>	<b>69,109,916</b>	<b>278,049</b>	<b>13,831,091</b>	<b>83,219,056</b>	69,752,951	-	12,996,104	82,749,055
Insurance revenue:								
Contracts under modified retrospective approach	<b>(2,483,010)</b>	-	-	<b>(2,483,010)</b>	(2,467,699)	-	-	(2,467,699)
Contracts under fair value transition approach	<b>(3,770,359)</b>	-	-	<b>(3,770,359)</b>	(3,935,695)	-	-	(3,935,695)
Other contracts	<b>(1,237,844)</b>	-	-	<b>(1,237,844)</b>	(473,450)	-	-	(473,450)

## Notes to the Financial Statements

31 December 2023

### 9. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

#### 9.1 Life insurance - insurance contracts issued (continued)

##### 9.1.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims (continued)

	2023				2022 restated			
	Liabilities for remaining coverage		Liabilities for incurred claims RM'000	Total RM'000	Liabilities for remaining coverage		Liabilities for incurred claims RM'000	Total RM'000
	Excluding loss component RM'000	Loss component RM'000			Excluding loss component RM'000	Loss component RM'000		
Insurance service expenses:								
Incurred claims and other expenses	-	-	5,443,010	5,443,010	-	-	4,486,732	4,486,732
Amortisation of insurance acquisition cash flows	516,405	-	-	516,405	431,875	-	-	431,875
Losses on onerous contracts and reversals of those losses	-	70,208	-	70,208	-	276,116	-	276,116
Changes to liabilities for incurred claims	-	-	43,463	43,463	-	-	97,124	97,124
Investment components	(3,740,122)	-	3,740,122	-	(3,232,957)	-	3,232,957	-
<b>Insurance service result</b>	<b>(10,714,930)</b>	<b>70,208</b>	<b>9,226,595</b>	<b>(1,418,127)</b>	<b>(9,677,926)</b>	<b>276,116</b>	<b>7,816,813</b>	<b>(1,584,997)</b>
<b>Insurance finance income/(expenses)</b>	<b>4,502,213</b>	<b>14,985</b>	<b>555,118</b>	<b>5,072,316</b>	<b>514,102</b>	<b>1,933</b>	<b>482,362</b>	<b>998,397</b>
<b>Effect of movements in exchange rates</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total changes in the statement of profit or loss and OCI</b>	<b>(6,212,717)</b>	<b>85,193</b>	<b>9,781,713</b>	<b>3,654,189</b>	<b>(9,163,824)</b>	<b>278,049</b>	<b>8,299,175</b>	<b>(586,600)</b>
<b>Cash flows</b>								
Premiums received	10,359,769	-	-	10,359,769	10,030,225	-	-	10,030,225
Claims and other expenses paid	-	-	(8,942,241)	(8,942,241)	-	-	(7,655,278)	(7,655,278)
Insurance acquisition cash flows	(1,558,592)	-	-	(1,558,592)	(1,545,656)	-	-	(1,545,656)
<b>Total cash flows</b>	<b>8,801,177</b>	<b>-</b>	<b>(8,942,241)</b>	<b>(141,064)</b>	<b>8,484,569</b>	<b>-</b>	<b>(7,655,278)</b>	<b>829,291</b>
<b>Other movements</b>	<b>3,079</b>	<b>(1,780)</b>	<b>48,155</b>	<b>49,454</b>	<b>36,220</b>	<b>-</b>	<b>191,090</b>	<b>227,310</b>
<b>Net insurance contract (assets)/ liabilities as at 31 December</b>	<b>71,701,455</b>	<b>361,462</b>	<b>14,718,719</b>	<b>86,781,635</b>	<b>69,109,916</b>	<b>278,049</b>	<b>13,831,091</b>	<b>83,219,056</b>
Insurance contract liabilities as at 31 December	71,688,253	361,462	14,748,376	86,798,091	69,101,765	278,049	13,846,953	83,226,767
Insurance contract assets as at 31 December	13,202	-	(29,658)	(16,456)	8,151	-	(15,862)	(7,711)
<b>Insurance contract (assets)/ liabilities as at 31 December</b>	<b>71,701,455</b>	<b>361,462</b>	<b>14,718,718</b>	<b>86,781,635</b>	<b>69,109,916</b>	<b>278,049</b>	<b>13,831,091</b>	<b>83,219,056</b>

## Notes to the Financial Statements

31 December 2023

### 9. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

#### 9.1 Life insurance - insurance contracts issued (continued)

##### 9.1.2 Reconciliation of the measurement components of insurance contract balances - contracts not measured under the PAA

B *Roll-forward of the net asset or liability for life insurance contracts issued showing estimates of the present value of future cash flows, risk adjustment and CSM.*

The table below presents a roll-forward of the net asset or liability for insurance contracts issued showing estimates of the present value of future cash flows, risk adjustment and CSM for portfolios included in the life insurance unit.

	2023				2022 restated			
	Estimates of the present value of future cash flows RM'000	Risk adjustment for non-financial risk RM'000	CSM RM'000	Total RM'000	Estimates of the present value of future cash flows RM'000	Risk adjustment for non-financial risk RM'000	CSM RM'000	Total RM'000
Insurance contract liabilities as at 1 January	64,267,489	8,988,943	9,970,335	83,226,767	64,541,069	7,431,111	10,780,943	82,753,123
Insurance contract assets as at 1 January	(8,518)	557	250	(7,711)	(4,960)	748	144	(4,068)
<b>Net insurance contract liabilities/(assets) as at 1 January</b>	<b>64,258,971</b>	<b>8,989,500</b>	<b>9,970,585</b>	<b>83,219,056</b>	<b>64,536,109</b>	<b>7,431,859</b>	<b>10,781,087</b>	<b>82,749,055</b>
Changes that relate to current services								
CSM recognised for services provided	-	-	(1,115,631)	(1,115,631)	-	-	(1,119,249)	(1,119,249)
Risk adjustment recognised for the risk expired	-	(1,076,353)	-	(1,076,353)	-	(874,750)	-	(874,750)
Experience adjustments	371,531	-	-	371,531	(139,338)	-	-	(139,338)
Changes that relate to future services								
Contracts initially recognised in the period	(1,990,280)	1,101,810	985,134	96,664	(1,644,228)	767,884	925,548	50,204
Changes in estimates that adjust the CSM	(516,367)	154,844	361,523	-	(602,413)	1,111,362	(508,949)	-
Changes that result in onerous losses or reversal of such losses	99,150	163,047	-	262,197	115,439	285,573	-	401,012
Changes that relate to past services								
Adjustments to liabilities for incurred claims	63,643	(20,180)	-	43,463	65,103	32,021	-	97,124
<b>Insurance service result</b>	<b>(1,972,323)</b>	<b>323,168</b>	<b>231,026</b>	<b>(1,418,129)</b>	<b>(2,205,437)</b>	<b>1,322,090</b>	<b>(701,650)</b>	<b>(1,584,997)</b>

## Notes to the Financial Statements

31 December 2023

### 9. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

#### 9.1 Life insurance - insurance contracts issued (continued)

##### 9.1.2 Reconciliation of the measurement components of insurance contract balances - contracts not measured under the PAA (continued)

	2023				2022 restated			
	Estimates of the present value of future cash flows RM'000	Risk adjustment for non-financial risk RM'000	CSM RM'000	Total RM'000	Estimates of the present value of future cash flows RM'000	Risk adjustment for non-financial risk RM'000	CSM RM'000	Total RM'000
<b>Insurance finance expenses</b>	<b>4,041,841</b>	<b>442,860</b>	<b>587,615</b>	<b>5,072,316</b>	871,698	235,551	(108,852)	998,397
<b>Total changes in the statement of profit or loss and OCI</b>	<b>2,069,519</b>	<b>766,029</b>	<b>818,641</b>	<b>3,654,189</b>	(1,333,738)	1,557,641	(810,502)	(586,599)
<b>Cash flows</b>								
Premiums received	10,359,769	-	-	10,359,769	10,030,225	-	-	10,030,225
Claims and other expenses paid	(8,942,241)	-	-	(8,942,241)	(7,655,278)	-	-	(7,655,278)
Insurance acquisition cash flows	(1,558,592)	-	-	(1,558,592)	(1,545,656)	-	-	(1,545,656)
<b>Total cash flows</b>	<b>(141,064)</b>	<b>-</b>	<b>-</b>	<b>(141,064)</b>	829,291	-	-	829,291
<b>Transfer to other items- in the statement of financial position</b>	<b>93,419</b>	<b>-</b>	<b>(43,965)</b>	<b>49,454</b>	227,309	-	-	227,309
<b>Net insurance contract (assets)/liabilities as at 31 December</b>	<b>66,280,845</b>	<b>9,755,529</b>	<b>10,745,261</b>	<b>86,781,635</b>	64,258,971	8,989,500	9,970,585	83,219,056
Insurance contract assets as at 31 December	66,297,358	9,755,529	10,745,204	86,798,091	64,267,489	8,988,943	9,970,335	83,226,767
Insurance contract liabilities as at 31 December	(16,513)	-	57	(16,456)	(8,518)	557	250	(7,711)
<b>Net insurance contract (assets)/liabilities as at 31 December</b>	<b>66,280,845</b>	<b>9,755,529</b>	<b>10,745,261</b>	<b>86,781,635</b>	64,258,971	8,989,500	9,970,585	83,219,056

## Notes to the Financial Statements

31 December 2023

### 9. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

#### 9.1 Life insurance - insurance contracts issued (continued)

##### 9.1.3 Impact of contracts recognised during the year - contracts not measured under the PAA

###### C The components of new business

The components of new business for insurance contracts issued included in the life insurance unit is disclosed in the table below:

	2023					2022 restated				
	Contracts issued		Contracts acquired		Total	Contracts issued		Contracts acquired		Total
	Non- onerous RM'000	Onerous RM'000	Non- onerous RM'000	Onerous RM'000		Non- onerous RM'000	Onerous RM'000	Non- onerous RM'000	Onerous RM'000	
<b>Estimate of present value of future cash outflows</b>										
Claims and other directly attributable expenses	7,518,615	788,460	-	-	8,307,075	6,723,502	453,668	-	-	7,177,170
Insurance acquisition cash flows	1,737,739	49,906	-	-	1,787,645	1,569,587	54,738	-	-	1,624,325
<b>Estimate of present value of future cash outflows</b>	<b>9,256,354</b>	<b>838,366</b>	<b>-</b>	<b>-</b>	<b>10,094,720</b>	<b>8,293,089</b>	<b>508,406</b>	<b>-</b>	<b>-</b>	<b>8,801,495</b>
<b>Estimates of present value of future cash inflows</b>	<b>(11,223,984)</b>	<b>(861,016)</b>	<b>-</b>	<b>-</b>	<b>(12,085,000)</b>	<b>(9,906,777)</b>	<b>(538,946)</b>	<b>-</b>	<b>-</b>	<b>(10,445,723)</b>
Risk adjustment	982,495	119,315	-	-	1,101,810	687,140	80,744	-	-	767,884
CSM	985,135	-	-	-	985,135	926,548	-	-	-	926,548
<b>Amount included in insurance contract liabilities for the year</b>	<b>-</b>	<b>96,665</b>	<b>-</b>	<b>-</b>	<b>96,665</b>	<b>-</b>	<b>50,204</b>	<b>-</b>	<b>-</b>	<b>50,204</b>



## Notes to the Financial Statements

31 December 2023

### 9. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

#### 9.1 Life insurance - insurance contracts issued (continued)

##### 9.1.4 Amounts determined on transition to MFRS 17

D *The impacts on the current period of transition approaches adopted to establishing CSMs*

The impact on the current period of the transition approaches adopted to establishing CSMs for insurance contracts portfolios included in the life insurance unit is disclosed in the table below:

	2023				2022 restated			
	Contracts using the modified retrospective approach RM'000	Contracts using the fair value approach RM'000	All other contracts RM'000	Total RM'000	Contracts using the modified retrospective approach RM'000	Contracts using the fair value approach RM'000	All other contracts RM'000	Total RM'000
<b>CSM as at 1 January</b>	<b>8,345,437</b>	<b>969,999</b>	<b>655,149</b>	<b>9,970,585</b>	9,614,339	1,166,748	-	10,781,087
Changes that relate to current services								
CSM recognised for services provided	(795,367)	(162,146)	(158,118)	(1,115,631)	(845,103)	(225,175)	(48,971)	(1,119,249)
Changes that relate to future services								
Contracts initially recognised in the period	-	-	985,134	985,134	-	-	926,548	926,548
Changes in estimates that adjust the CSM	(209,817)	549,511	21,829	361,523	(468,063)	187,730	(228,616)	(508,949)
<b>Insurance service result</b>	<b>(1,005,184)</b>	<b>387,365</b>	<b>848,845</b>	<b>231,026</b>	<b>(1,313,166)</b>	<b>(37,445)</b>	<b>648,961</b>	<b>(701,650)</b>
<b>Insurance finance expenses</b>	<b>420,483</b>	<b>138,156</b>	<b>28,976</b>	<b>587,615</b>	44,264	(159,303)	6,187	(108,852)
<b>Total changes in the statement of profit or loss and OCI</b>	<b>(584,701)</b>	<b>525,521</b>	<b>877,821</b>	<b>818,641</b>	<b>(1,268,902)</b>	<b>(196,748)</b>	<b>655,148</b>	<b>(810,502)</b>
Transfer to other items in the statement of financial position	(25,159)	(7,427)	(11,379)	(43,965)	-	-	-	-
<b>CSM as at 31 December</b>	<b>7,735,577</b>	<b>1,488,093</b>	<b>1,521,591</b>	<b>10,745,261</b>	8,345,437	970,000	655,148	9,970,585

## Notes to the Financial Statements

31 December 2023

### 9. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

#### 9.2 Life insurance - reinsurance contracts held

##### 9.2.1 Reconciliation of the liability for remaining coverage and incurred claims

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims arising business ceded to reinsurers in the life insurance unit is disclosed in the table below:

	2023				2022 restated			
	Assets for remaining coverage		Assets for incurred claims RM'000	Total RM'000	Assets for remaining coverage		Assets for incurred claims RM'000	Total RM'000
	Excluding loss-component RM'000	Loss-component RM'000			Excluding loss-component RM'000	Loss-component RM'000		
Reinsurance contract assets as at 1 January	134,188	-	138,476	272,664	450,593	-	146,467	597,060
Reinsurance contract liabilities as at 1 January	(259,291)	-	27,438	(231,853)	(275,061)	-	14,677	(260,384)
<b>Net reinsurance contract assets/ (liabilities) as at 1 January</b>	<b>(125,103)</b>	<b>-</b>	<b>165,914</b>	<b>40,811</b>	<b>175,532</b>	<b>-</b>	<b>161,144</b>	<b>336,676</b>
Allocation of reinsurance premiums	(615,730)	-	-	(615,730)	(508,191)	-	-	(508,191)
Amounts recoverable from reinsurers:								
Recoveries of incurred claims and other insurance service expenses	-	-	418,123	418,123	-	-	397,000	397,000
<b>Net income or expense from reinsurance contracts held</b>	<b>(615,730)</b>	<b>-</b>	<b>418,123</b>	<b>(197,607)</b>	<b>(508,191)</b>	<b>-</b>	<b>397,000</b>	<b>(111,191)</b>
Net finance income from reinsurance contracts	7,053	-	-	7,053	8,242	-	-	8,242
<b>Total changes in the statement of profit or loss and OCI</b>	<b>(608,677)</b>	<b>-</b>	<b>418,123</b>	<b>(190,554)</b>	<b>(499,949)</b>	<b>-</b>	<b>397,000</b>	<b>(102,949)</b>

## Notes to the Financial Statements

31 December 2023

### 9. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

#### 9.2 Life insurance - reinsurance contracts held (continued)

##### 9.2.1 Reconciliation of the liability for remaining coverage and incurred claims (continued)

	2023				2022 restated			
	Assets for remaining coverage		Assets for incurred claims RM'000	Total RM'000	Assets for remaining coverage		Assets for incurred claims RM'000	Total RM'000
	Excluding loss-component RM'000	Loss-component RM'000			Excluding loss-component RM'000	Loss-component RM'000		
<b>Cash flows</b>								
Premiums paid	438,646	-	-	438,646	166,021	-	-	166,021
Amounts received	(386,011)	-	-	(386,011)	(358,931)	-	-	(358,931)
<b>Total cash flows</b>	<b>52,635</b>	<b>-</b>	<b>-</b>	<b>52,635</b>	<b>(192,910)</b>	<b>-</b>	<b>-</b>	<b>(192,910)</b>
<b>Other movements</b>	<b>423,703</b>	<b>-</b>	<b>(423,703)</b>	<b>-</b>	<b>392,224</b>	<b>-</b>	<b>(392,230)</b>	<b>(6)</b>
<b>Net reinsurance contract assets/ (liabilities) as at 31 December</b>	<b>(257,442)</b>	<b>-</b>	<b>160,334</b>	<b>(97,108)</b>	<b>(125,103)</b>	<b>-</b>	<b>165,914</b>	<b>40,811</b>
Reinsurance contract assets as at 31 December	13,285	-	132,318	145,603	134,188	-	138,476	272,664
Reinsurance contract liabilities as at 31 December	(270,727)	-	28,016	(242,711)	(259,291)	-	27,438	(231,853)
<b>Net reinsurance contract assets/ (liabilities) as at 31 December</b>	<b>(257,442)</b>	<b>-</b>	<b>160,334</b>	<b>(97,108)</b>	<b>(125,103)</b>	<b>-</b>	<b>165,914</b>	<b>40,811</b>

## Notes to the Financial Statements

31 December 2023

### 9. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

#### 9.2 Life insurance - reinsurance contracts held (continued)

##### 9.2.2 Reconciliation of the measurement components of reinsurance contract balances - contracts not measured under the PAA

B *Roll-forward of the net asset or liability for life insurance contracts issued showing estimates of the present value of future cash flows, risk adjustment and CSM.*

The table below presents a roll-forward of the net asset or liability for reinsurance contracts held showing estimates of the present value of future cash flows, risk adjustment and CSM for reinsurance held portfolios included in life insurance unit.

	2023				2022 restated			
	Estimates of the present value of future cash flows RM'000	Risk adjustment for non-financial risk RM'000	CSM RM'000	Total RM'000	Estimates of the present value of future cash flows RM'000	Risk adjustment for non-financial risk RM'000	CSM RM'000	Total RM'000
Reinsurance contract assets as at 1 January	52,618	810,920	(590,874)	272,664	(55,119)	644,547	7,631	597,059
Reinsurance contract liabilities as at 1 January	(307,047)	29,448	45,746	(231,853)	(280,473)	17,828	2,261	(260,384)
<b>Net reinsurance contract assets/ (liabilities) as at 1 January</b>	<b>(254,429)</b>	<b>840,368</b>	<b>(545,128)</b>	<b>40,811</b>	<b>(335,592)</b>	<b>662,375</b>	<b>9,892</b>	<b>336,675</b>
Changes that relate to current service								
Contractual service margin recognised for services provided	-	-	119,083	119,083	-	-	48,433	48,433
Risk adjustment recognised for the risk expired	-	(125,801)	-	(125,801)	-	(81,128)	-	(81,128)
Experience adjustments	(185,310)	-	-	(185,310)	(83,266)	-	-	(83,266)
Changes that relate to future services								
Contracts initially recognised in the period	(20,416)	102,714	(82,299)	(1)	18,703	210,776	(229,479)	-
Changes in estimates that adjust the CSM	(70,027)	(27,870)	97,897	-	352,572	20,133	(372,705)	-
Changes that relate to past services								
Changes in amounts recoverable arising from changes in liability for incurred claims	(5,784)	205	-	(5,579)	1,311	3,461	-	4,772
<b>Net income or expense from reinsurance contracts held</b>	<b>(281,537)</b>	<b>(50,752)</b>	<b>134,681</b>	<b>(197,608)</b>	<b>289,320</b>	<b>153,242</b>	<b>(553,751)</b>	<b>(111,189)</b>
<b>Net finance income/ (expenses) from reinsurance contracts held</b>	<b>(24,314)</b>	<b>47,056</b>	<b>(15,688)</b>	<b>7,054</b>	<b>(15,241)</b>	<b>24,752</b>	<b>(1,269)</b>	<b>8,242</b>
<b>Total changes in the statement of profit or loss and OCI</b>	<b>(305,851)</b>	<b>(3,696)</b>	<b>118,993</b>	<b>(190,554)</b>	<b>274,079</b>	<b>177,994</b>	<b>(555,020)</b>	<b>(102,947)</b>

## Notes to the Financial Statements

31 December 2023

### 9. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

#### 9.2 Life insurance - reinsurance contracts held (continued)

##### 9.2.2 Reconciliation of the measurement components of reinsurance contract balances - contracts not measured under the PAA (continued)

	2023				2022 restated			
	Estimates of the present value of future cash flows RM'000	Risk adjustment for non-financial risk RM'000	CSM RM'000	Total RM'000	Estimates of the present value of future cash flows RM'000	Risk adjustment for non-financial risk RM'000	CSM RM'000	Total RM'000
<b>Cash flows</b>								
Premiums paid	438,646	-	-	438,646	166,021	-	-	166,021
Amounts received	(386,011)	-	-	(386,011)	(358,931)	-	-	(358,931)
<b>Total cash flows</b>	<b>52,635</b>	-	-	<b>52,635</b>	<b>(192,910)</b>	-	-	<b>(192,910)</b>
<b>Other movements</b>	-	-	-	-	(7)	-	-	(7)
<b>Net reinsurance contract assets/ (liabilities) as at 31 December</b>	<b>(507,645)</b>	<b>836,672</b>	<b>(426,135)</b>	<b>(97,108)</b>	<b>(254,430)</b>	<b>840,369</b>	<b>(545,128)</b>	<b>40,811</b>
Reinsurance contract assets as at 31 December	(128,552)	790,811	(516,656)	145,603	52,617	810,921	(590,874)	272,664
Reinsurance contract liabilities as at 31 December	(379,093)	45,861	90,521	(242,711)	(307,047)	29,448	45,746	(231,853)
<b>Net reinsurance contract assets/ (liabilities) as at 31 December</b>	<b>(507,645)</b>	<b>836,672</b>	<b>(426,135)</b>	<b>(97,108)</b>	<b>(254,430)</b>	<b>840,369</b>	<b>(545,128)</b>	<b>40,811</b>

##### 9.2.3 Impact of contracts recognised during the year - contracts not measured under the PAA

#### C The components of new business

The impacts on the current period of the transition approaches adopted to establishing CSMs for reinsurance contracts held portfolios included in life insurance unit is disclosed in the table below:

	2023			2022 restated		
	Contracts originated not in a net gain RM'000	Contracts originated in a net gain RM'000	Total RM'000	Contracts originated not in a net gain RM'000	Contracts originated in a net gain RM'000	Total RM'000
Estimate of present value of future cash outflows	(741,227)	-	(741,227)	(1,127,491)	-	(1,127,491)
Estimates of present value of future cash inflows	720,811	-	720,811	1,146,194	-	1,146,194
Risk adjustment	102,715	-	102,715	210,776	-	210,776
CSM	(82,299)	-	(82,299)	(229,479)	-	(229,479)
<b>Amount included in insurance contract liabilities for the year</b>	-	-	-	-	-	-

## Notes to the Financial Statements

31 December 2023

### 9. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

#### 9.2 Life insurance - reinsurance contracts held (continued)

##### 9.2.4 Amounts determined on transition to MFRS 17

D *The impacts on the current period of transition approaches adopted to establishing CSMs*

The impacts on the current period of the transition approaches adopted to establishing CSMs for reinsurance contracts held portfolios included in life insurance unit is disclosed in the table below:

	2023				2022 restated			
	Contracts using the modified retrospective approach RM'000	Contracts using the fair value approach RM'000	All other contracts RM'000	Total RM'000	Contracts using the modified retrospective approach RM'000	Contracts using the fair value approach RM'000	All other contracts RM'000	Total RM'000
<b>CSM as at 1 January</b>	-	-	<b>(545,128)</b>	<b>(545,128)</b>	-	-	9,892	9,892
Changes that relate to current services								
CSM recognised for services provided	-	-	<b>119,083</b>	<b>119,083</b>	-	-	48,433	48,433
Changes that relate to future services								
Contracts initially recognised in the period	-	-	<b>(82,299)</b>	<b>(82,299)</b>	-	-	(229,479)	(229,479)
Changes in estimates that adjust the CSM	-	-	<b>97,897</b>	<b>97,897</b>	-	-	(372,705)	(372,705)
	-	-	<b>134,681</b>	<b>134,681</b>	-	-	(553,751)	(553,751)
<b>Reinsurance finance income</b>	-	-	<b>(15,688)</b>	<b>(15,688)</b>	-	-	(1,269)	(1,269)
<b>Total changes in the statement of profit or loss and OCI</b>	-	-	<b>118,993</b>	<b>118,993</b>	-	-	(555,020)	(555,020)
Other movements	-	-	-	-	-	-	-	-
<b>CSM as at 31 December</b>	-	-	<b>(426,135)</b>	<b>(426,135)</b>	-	-	(545,128)	(545,128)



## Notes to the Financial Statements

31 December 2023

### 9. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

#### 9.3 Expected recognition of the contractual service margin

An analysis of the expected recognition of the CSM remaining at the end of the reporting period in profit or loss is provided in the following table:

	2023						
	Less than 1 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	Total RM'000
<b>Insurance contracts issued</b>							
Life	989,764	894,518	831,064	781,439	720,769	6,527,707	10,745,261
<b>Total insurance contracts issued</b>	<b>989,764</b>	<b>894,518</b>	<b>831,064</b>	<b>781,439</b>	<b>720,769</b>	<b>6,527,707</b>	<b>10,745,261</b>
<b>Reinsurance contracts held</b>							
Life	75,707	33,492	30,041	26,952	24,202	235,741	426,135
<b>Total reinsurance contracts held</b>	<b>75,707</b>	<b>33,492</b>	<b>30,041</b>	<b>26,952</b>	<b>24,202</b>	<b>235,741</b>	<b>426,135</b>
	2022 restated						
	Less than 1 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	Total RM'000
<b>Insurance contracts issued</b>							
Life	928,938	799,243	746,807	698,019	649,528	6,148,050	9,970,585
<b>Total insurance contracts issued</b>	<b>928,938</b>	<b>799,243</b>	<b>746,807</b>	<b>698,019</b>	<b>649,528</b>	<b>6,148,050</b>	<b>9,970,585</b>
<b>Reinsurance contracts held</b>							
Life	132,105	98,220	58,375	25,046	22,528	208,854	545,128
<b>Total reinsurance contracts held</b>	<b>132,105</b>	<b>98,220</b>	<b>58,375</b>	<b>25,046</b>	<b>22,528</b>	<b>208,854</b>	<b>545,128</b>

### 10. OTHER RECEIVABLES

	Life Shareholder's Fund RM'000	Insurance Fund RM'000	Total RM'000
<b>At 31 December 2023</b>			
<u>Non-financial assets</u>			
Prepayments	-	8,952	8,952
<u>Financial assets</u>			
Income due and accrued	11,416	683,288	694,704
Other receivables	-	14,394	14,394
Amount due from:			
- related companies	10,609	-	10,609
- intermediate holding company	596	-	596
- holding company	187	-	187
	22,808	697,682	720,490
Allowance for impairment	-	(183)	(183)
	22,808	697,499	720,307
<b>Total other receivables</b>	<b>22,808</b>	<b>706,451</b>	<b>729,259</b>
Receivable after 12 months	-	6,982	6,982

## Notes to the Financial Statements

31 December 2023

### 10. OTHER RECEIVABLES (CONTINUED)

	Life Shareholder's Fund RM'000	Insurance Fund RM'000	Total RM'000
<b>At 31 December 2022</b>			
<u>Non-financial assets</u>			
Prepayments	-	8,003	8,003
<u>Financial assets</u>			
Income due and accrued	11,801	610,781	622,582
Other receivables	-	10,604	10,604
Amount due from:			
- related companies	2,043	-	2,043
- holding company	151	-	151
	13,995	621,385	635,380
Allowance for impairment	-	(290)	(290)
	13,995	621,095	635,090
<b>Total other receivables</b>	<b>13,995</b>	<b>629,098</b>	<b>643,093</b>
Receivable after 12 months	-	2,568	2,568

Related companies in these financial statements refer to companies within Oversea-Chinese Banking Corporation Limited ("OCBC Group"). The amounts due from related companies and holding company are unsecured, interest-free and are repayable on demand.

	2023 RM'000	2022 RM'000

Movement in impairment allowance account:

Individual impairment:		
At 1 January	<b>290</b>	407
Reversal of impairment for the year	<b>(107)</b>	(117)
At 31 December	<b>183</b>	290

There were no collectively impaired other receivables for the years ended 31 December 2023 and 2022.

The carrying amounts disclosed above approximate fair values due to their relatively short term nature.

### 11. SHARE CAPITAL

	2023		2022	
	No. of shares ( '000)	RM'000	No. of shares ( '000)	RM'000
Ordinary shares				
At beginning and end of year	<b>100,000</b>	<b>100,000</b>	100,000	100,000

## Notes to the Financial Statements

31 December 2023

### 12. DERIVATIVES

	Asset		Liability	
	Notional Principal RM'000	Fair Value RM'000	Notional Principal RM'000	Fair Value RM'000
<b>31 December 2023</b>				
<b>Life Insurance Fund</b>				
Derivatives held for trading:				
Currency swaps	-	-	350,255	29,558
Bond Forward	720,000	7,600	310,000	2,863
	<b>720,000</b>	<b>7,600</b>	<b>660,255</b>	<b>32,421</b>
<b>31 December 2022</b>				
<b>Life Insurance Fund</b>				
Derivatives held for trading:				
Currency swaps	56,734	315	265,901	3,948
Bond Forward	50,000	852	710,000	15,650
	<b>106,734</b>	<b>1,167</b>	<b>975,901</b>	<b>19,598</b>
<b>Investment-linked</b>				
Derivatives held for trading:				
Currency swaps	-	-	27,620	544
Forward Foreign Exchange	-	-	17,840	66
	<b>106,734</b>	<b>1,167</b>	<b>1,021,361</b>	<b>20,208</b>

### 13. AGENTS' RETIREMENT BENEFITS

#### Life Insurance Fund

	2023 RM'000	2022 RM'000
At 1 January	948,623	884,985
Changes in ARB for the year	141,471	116,328
Paid during the year	(81,251)	(52,690)
At 31 December	<b>1,008,843</b>	948,623
Payable after 12 months	<b>506,160</b>	511,580

## Notes to the Financial Statements

31 December 2023

### 14. DEFERRED TAXATION

	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000
<b>At 1 January 2023</b>	<b>(12,735)</b>	<b>108,975</b>	<b>96,240</b>
Recognised in:			
Statement of Profit or Loss	10,670	196,323	206,993
Other comprehensive income	3,584	9,671	13,255
<b>At 31 December 2023</b>	<b>1,519</b>	<b>314,969</b>	<b>316,488</b>
<b>At 1 January 2022</b>	293,814	292,197	586,011
Adoption of MFRS 17	(308,187)	10,487	(297,700)
<b>At 1 January 2022, restated</b>	<b>(14,373)</b>	<b>302,684</b>	<b>288,311</b>
Recognised in:			
Statement of Profit or Loss	766	(192,670)	(191,904)
Other comprehensive income	872	(1,039)	(167)
<b>At 31 December 2022</b>	<b>(12,735)</b>	<b>108,975</b>	<b>96,240</b>

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 taxes relate to the same tax authority.

	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000
Presented after appropriate offsetting as follows:			
<b>At 31 December 2023</b>			
Deferred tax liabilities	9,843	318,331	328,174
Deferred tax assets	(8,324)	(3,362)	(11,686)
	<b>1,519</b>	<b>314,969</b>	<b>316,488</b>
<b>At 31 December 2022</b>			
Deferred tax liabilities	3,283	111,695	114,978
Deferred tax assets	(16,018)	(2,720)	(18,738)
	<b>(12,735)</b>	<b>108,975</b>	<b>96,240</b>

## Notes to the Financial Statements

31 December 2023

### 14. DEFERRED TAXATION (CONTINUED)

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

#### Deferred Tax Liabilities

	Fair value of investment assets RM'000	Other Temporary Difference RM'000	Unallocated Surplus of Non-Participating Funds RM'000	Total RM'000
<b>Shareholder's Fund</b>				
<b>At 1 January 2023</b>	-	<b>3,283</b>	-	<b>3,283</b>
Recognised in statement of profit or loss	-	<b>6,560</b>	-	<b>6,560</b>
<b>At 31 December 2023</b>	-	<b>9,843</b>	-	<b>9,843</b>
<b>At 1 January 2022</b>	-	-	314,133	314,133
Adoption of MFRS 17	-	-	(314,133)	(314,133)
<b>At 1 January 2022, restated</b>	-	-	-	-
Recognised in statement of profit or loss	-	<b>3,283</b>	-	<b>3,283</b>
<b>At 31 December 2022</b>	-	<b>3,283</b>	-	<b>3,283</b>

	Fair value of investment properties RM'000	Fair value of investment assets RM'000	Accelerated capital allowance on property and equipment RM'000	Insurance/reinsurance finance reserves RM'000	Temporary Difference RM'000	Total RM'000
<b>Life Insurance Fund</b>						
<b>At 1 January 2023</b>	<b>14,449</b>	<b>88,153</b>	<b>3,181</b>	<b>4,129</b>	<b>1,783</b>	<b>111,695</b>
Recognised in statement of profit or loss	<b>(6,602)</b>	<b>93,774</b>	<b>(275)</b>	-	<b>110,068</b>	<b>196,965</b>
Recognised in comprehensive income	-	<b>12,465</b>	-	<b>(2,794)</b>	-	<b>9,671</b>
<b>At 31 December 2023</b>	<b>7,847</b>	<b>194,392</b>	<b>2,906</b>	<b>1,335</b>	<b>111,851</b>	<b>318,331</b>
<b>At 1 January 2022</b>	14,611	275,253	4,763	-	-	294,627
Adoption of MFRS 17	-	(4,838)	-	-	16,440	11,602
<b>At 1 January 2022, restated</b>	14,611	270,415	4,763	-	16,440	306,229
Recognised in statement of profit or loss	(162)	(177,094)	(1,582)	-	(14,657)	(193,495)
Recognised in comprehensive income	-	(5,168)	-	4,129	-	(1,039)
<b>At 31 December 2022</b>	<b>14,449</b>	<b>88,153</b>	<b>3,181</b>	<b>4,129</b>	<b>1,783</b>	<b>111,695</b>

## Notes to the Financial Statements

31 December 2023

### 14. DEFERRED TAXATION (CONTINUED)

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

#### Deferred Tax Assets

	Accretion of discounts on investments RM'000	Fair value of investment assets RM'000	Provision for impairment of investments RM'000	Total RM'000
<b>Shareholder's Fund</b>				
<b>At 1 January 2023</b>	<b>(3,272)</b>	<b>(12,317)</b>	<b>(429)</b>	<b>(16,018)</b>
Recognised in statement of profit or loss	(166)	4,276	-	4,110
Recognised in comprehensive income	-	3,503	81	3,584
<b>At 31 December 2023</b>	<b>(3,438)</b>	<b>(4,538)</b>	<b>(348)</b>	<b>(8,324)</b>
<b>At 1 January 2022</b>				
Adoption of MFRS 17	(3,090)	(15,257)	(1,972)	(20,319)
	-	4,831	1,115	5,946
<b>At 1 January 2022, restated</b>	<b>(3,090)</b>	<b>(10,426)</b>	<b>(857)</b>	<b>(14,373)</b>
Recognised in statement of profit or loss	(182)	(2,335)	-	(2,517)
Recognised in comprehensive income	-	444	428	872
<b>At 31 December 2022</b>	<b>(3,272)</b>	<b>(12,317)</b>	<b>(429)</b>	<b>(16,018)</b>

	Provision for impairment of investments RM'000

#### Life Insurance Fund

<b>At 1 January 2023</b>	<b>(2,720)</b>
Recognised in statement of profit or loss	(642)
<b>At 31 December 2023</b>	<b>(3,362)</b>
<b>At 1 January 2022</b>	
Adoption of MFRS 17	(2,430)
	(1,115)
<b>At 1 January 2022, restated</b>	<b>(3,545)</b>
Recognised in statement of profit or loss	825
<b>At 31 December 2022</b>	<b>(2,720)</b>

### 15. OTHER FINANCIAL LIABILITIES

	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000
<b>31 December 2023</b>			
Outstanding purchases of investment securities	-	420,796	420,796
Interest payable	-	21,369	21,369
	-	442,165	442,165
<b>31 December 2022</b>			
Outstanding purchases of investment securities	-	120,548	120,548
Interest payable	-	15,807	15,807
	-	136,355	136,355

The carrying amounts disclosed above approximate fair values at the reporting date due to their relatively short term nature.



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### 16. OTHER PAYABLES

	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000
<b>31 December 2023</b>			
<u>Non-financial liabilities</u>			
Accrued expenses	27,355	140,485	167,840
Premium suspense	-	148,735	148,735
	<b>27,355</b>	<b>289,220</b>	<b>316,575</b>
<u>Financial liabilities</u>			
Deposits from tenants	-	17,854	17,854
Dividends payable	3,203	-	3,203
Advance premium	-	-	-
Amount due to ultimate holding company	303	-	303
Amount due to intermediate holding company	-	-	-
Due to agents and intermediaries	-	269,737	269,737
Others	8,570	61,588	70,158
	<b>12,076</b>	<b>349,179</b>	<b>361,255</b>
<b>Total payables</b>	<b>39,431</b>	<b>638,399</b>	<b>677,830</b>
<b>31 December 2022</b>			
<u>Non-financial liabilities</u>			
Accrued expenses	13,019	118,459	131,478
Premium suspense	-	138,715	138,715
	<b>13,019</b>	<b>257,174</b>	<b>270,193</b>
<u>Financial liabilities</u>			
Deposits from tenants	-	18,591	18,591
Dividends payable	3,196	-	3,196
Advance premium	-	-	-
Amount due to ultimate holding company	1,274	-	1,274
Amount due to intermediate holding company	9,786	-	9,786
Due to agents and intermediaries	-	271,636	271,636
Others	9,562	91,963	101,525
	<b>23,818</b>	<b>382,190</b>	<b>406,008</b>
<b>Total payables</b>	<b>36,837</b>	<b>639,364</b>	<b>676,201</b>

The amounts due to intermediate holding and ultimate holding companies are unsecured, interest-free and are repayable on demand.

## Notes to the Financial Statements

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### 17. INSURANCE REVENUE

The table below presents an analysis of the total insurance revenue recognised in the period:

	2023 RM'000	2022 RM'000
<b>Life insurance contracts</b>		
<b>Contracts not measured under the PAA</b>		
Amounts relating to the changes in the liability for remaining coverage:		
- Expected incurred claims and other insurance service expenses	4,906,198	4,487,868
- Change in the risk adjustment for non-financial risk for the risk expired	954,610	837,853
- CSM recognised in profit or loss for the services provided	1,115,631	1,119,249
- Other	592	-
Insurance acquisition cash flows recovery	514,182	431,874
<b>Insurance revenue from contracts not measured under the PAA</b>	<b>7,491,213</b>	<b>6,876,844</b>
<b>Total insurance revenue</b>	<b>7,491,213</b>	<b>6,876,844</b>

### 18. NET INVESTMENT AND INSURANCE FINANCIAL RESULT

The table below presents an analysis of net investment income and net insurance financial result recognised in profit or loss and OCI in the period:

	Note	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000
<b>2023</b>				
<b>Investment income</b>				
Interest income	18.1	44,453	2,214,463	2,258,916
Other investment income	18.2	83,707	2,961,750	3,045,457
Net impairment loss on financial assets		339	(31,193)	(30,854)
Amounts recognised at OCI	18.3	-	143,307	143,307
<b>Total investment income</b>		<b>128,499</b>	<b>5,288,327</b>	<b>5,416,826</b>
<b>Finance expenses from insurance contracts issued</b>				
Changes in value of underlying assets of contracts measured under the VFA		-	(4,086,425)	(4,086,425)
Interest accreted		-	(315,447)	(315,447)
Effect of changes in interest rates and other financial assumptions		-	(697,637)	(697,637)
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates		-	27,193	27,193
<b>Total finance expenses from insurance contracts issued</b>		<b>-</b>	<b>(5,072,316)</b>	<b>(5,072,316)</b>
Represented by:				
Amounts recognised in profit or loss			(5,024,020)	(5,024,020)
Amounts recognised in OCI			(48,296)	(48,296)
			<b>-</b>	<b>(5,072,316)</b>

## Notes to the Financial Statements

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### 18. NET INVESTMENT AND INSURANCE FINANCIAL RESULT (CONTINUED)

The table below presents an analysis of net investment income and net insurance financial result recognised in profit or loss and OCI in the period: (continued)

	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000
<b>2023</b>			
<b>Finance income/(expenses) from reinsurance contracts held</b>			
Interest accreted	-	(8,590)	(8,590)
Effect of changes in interest rates and other financial assumptions	-	15,565	15,565
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	-	78	78
<b>Total finance income from reinsurance contracts held</b>	-	<b>7,053</b>	<b>7,053</b>
Represented by:			
Amounts recognised in profit or loss	-	(6,322)	(6,322)
Amounts recognised in OCI	-	13,375	13,375
	-	<b>7,053</b>	<b>7,053</b>
<b>Total net investment and insurance financial result</b>	<b>83,707</b>	<b>(2,103,513)</b>	<b>(2,019,806)</b>
Represented by:			
Amounts recognised in profit or loss	<b>83,208</b>	<b>(2,081,092)</b>	<b>(1,997,884)</b>
Amounts recognised in OCI	<b>499</b>	<b>(22,421)</b>	<b>(21,922)</b>
	<b>83,707</b>	<b>(2,103,513)</b>	<b>(2,019,806)</b>
<b>18.1 Interest income</b>			
Financial assets measured at FVOCI	<b>36,918</b>	<b>181,289</b>	<b>218,207</b>
Financial assets measured at FVTPL	<b>3,022</b>	<b>1,943,768</b>	<b>1,946,790</b>
Financial assets measured at AC	<b>4,513</b>	<b>89,406</b>	<b>93,919</b>
<b>Total interest income</b>	<b>44,453</b>	<b>2,214,463</b>	<b>2,258,916</b>
<b>18.2 Other investment income</b>			
<u>Underlying assets</u>			
Dividend income from financial assets measured at FVTPL	-	<b>1,123,450</b>	<b>1,123,450</b>
Changes in fair value of investments			
- mandatorily measured at FVTPL	-	<b>69,212</b>	<b>69,212</b>
- designated as at FVTPL	-	<b>1,220,805</b>	<b>1,220,805</b>
Net gain on sale of financial assets measured at FVTPL	-	<b>38,196</b>	<b>38,196</b>
Net gain on sale of property and equipment	-	<b>33</b>	<b>33</b>
Net gain on sale of investment properties	-	<b>58,773</b>	<b>58,773</b>
Changes in fair value of investment properties	-	<b>(8,544)</b>	<b>(8,544)</b>
Rental income	-	<b>77,386</b>	<b>77,386</b>
Gain on exchange differences	-	<b>218,183</b>	<b>218,183</b>
	-	<b>2,797,494</b>	<b>2,797,494</b>

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### 18. NET INVESTMENT AND INSURANCE FINANCIAL RESULT (CONTINUED)

The table below presents an analysis of net investment income and net insurance financial result recognised in profit or loss and OCI in the period: (continued)

	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000
<b>2023</b>			
<b>18.2 Other investment income (continued)</b>			
<u>Other investments</u>			
Dividend income			
- Financial assets measured at FVOCI	39,230	47,471	86,701
- Financial assets measured at FVTPL	23,872	32,026	55,898
Changes in fair value of investments			
- mandatorily measured at FVTPL	19,266	14,935	34,201
- designated as at FVTPL	-	27,682	27,682
Net gain on sale of financial assets measured at FVTPL	(380)	14,368	13,988
Net gain on sale of financial assets measured at FVOCI	499	12,500	12,999
Net gain on sale of property and equipment	-	-	-
Net gain on sale of investment properties	-	8,015	8,015
Changes in fair value of investment properties	-	(1,165)	(1,165)
Rental income	-	3,588	3,588
Gain on exchange differences	1,220	4,836	6,056
	<b>83,707</b>	<b>164,256</b>	<b>247,963</b>
<b>Total other investment income</b>	<b>83,707</b>	<b>2,961,750</b>	<b>3,045,457</b>
Total amounts recognised in the profit or loss	83,208	2,949,250	3,032,458
Amounts recognised in OCI	499	12,500	12,999
<b>Net investment income</b>	<b>83,707</b>	<b>2,961,750</b>	<b>3,045,457</b>

### 18.3 Investment return in OCI related to insurance and reinsurance contracts measured under the modified retrospective or fair value transition approach

On transition to MFRS 17, for certain groups of insurance and reinsurance contracts measured using the GMM where the OCI option is applied, the Company determined the cumulative insurance finance income and expenses recognised in OCI at 1 January 2022 using the modified retrospective approach or the fair value approach. The movement in the fair value reserve for the debt investments at FVOCI related to those groups of contracts was as follows.

	RM'000
Balance at 1 January 2023	(66,429)
Net gains on investments in debt securities measured at FVOCI	157,736
Changes in allowance for expected credit losses	(1,929)
Net gains on investments in debt securities measured at FVOCI reclassified to profit or loss	(12,500)
Income tax relating to these items	(11,465)
Balance at 31 December 2023	65,413

## Notes to the Financial Statements

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### 18. NET INVESTMENT AND INSURANCE FINANCIAL RESULT (CONTINUED)

The table below presents an analysis of net investment income and net insurance financial result recognised in profit or loss and OCI in the period: (continued)

	Note	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000
<b>2022</b>				
<b>Investment income</b>				
Interest income	18.1	43,443	2,067,211	2,110,654
Other investment income	18.2	45,512	(1,313,758)	(1,268,246)
Net impairment loss on financial assets		1,785	16,981	18,766
Amounts recognised at OCI	18.3	-	(95,368)	(95,368)
<b>Total investment income</b>		<b>90,740</b>	<b>675,066</b>	<b>765,806</b>
<b>Finance income/(expenses) from insurance contracts issued</b>				
Changes in value of underlying assets of contracts measured under the VFA		-	(800,917)	(800,917)
Interest accreted		-	328,679	328,679
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates		-	(475,088)	(475,088)
Effect of changes in interest rates and other financial assumptions		-	(51,071)	(51,071)
<b>Total finance income from insurance contracts issued</b>		<b>-</b>	<b>(998,397)</b>	<b>(998,397)</b>
Represented by:				
Amounts recognised in profit or loss		-	(946,435)	(946,435)
Amounts recognised in OCI		-	(51,962)	(51,962)
		-	(998,397)	(998,397)
<b>Finance income/(expenses) from reinsurance contracts held</b>				
Interest accreted		-	6,504	6,504
Effect of changes in interest rates and other financial assumptions		-	1,709	1,709
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates		-	28	28
<b>Total finance income from reinsurance contracts held</b>		<b>-</b>	<b>8,241</b>	<b>8,241</b>
Represented by:				
Amounts recognised in profit or loss		-	7,349	7,349
Amounts recognised in OCI		-	892	892
		-	8,241	8,241
<b>Total net investment and insurance financial result</b>		<b>45,512</b>	<b>(2,303,914)</b>	<b>(2,258,402)</b>
Represented by:				
Amounts recognised in profit or loss		46,253	(2,241,400)	(2,195,147)
Amounts recognised in OCI		(741)	(62,514)	(63,255)
		<b>45,512</b>	<b>(2,303,914)</b>	<b>(2,258,402)</b>

## Notes to the Financial Statements

31 December 2023

### 18. NET INVESTMENT AND INSURANCE FINANCIAL RESULT (CONTINUED)

The table below presents an analysis of net investment income and net insurance financial result recognised in profit or loss and OCI in the period: (continued)

	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000
<b>2022</b>			
<b>18.1 Interest income</b>			
Financial assets measured at FVOCI	32,960	176,170	209,130
Financial assets measured at FVTPL	4,059	1,752,825	1,756,884
Financial assets measured at AC	6,424	138,216	144,640
<b>Total interest income</b>	<b>43,443</b>	<b>2,067,211</b>	<b>2,110,654</b>
<b>18.2 Other investment income</b>			
<u>Underlying assets</u>			
Dividend income from financial assets measured at FVTPL	-	1,153,326	1,153,326
Changes in fair value of investments			
- mandatorily measured at FVTPL	-	(1,686,857)	(1,686,857)
- designated as at FVTPL	-	(910,951)	(910,951)
Net loss on sale of financial assets measured at FVTPL	-	(67,109)	(67,109)
Net gain on sale of property and equipment	-	92	92
Changes in fair value of investment properties	-	(1,664)	(1,664)
Rental income	-	75,332	75,332
Gain on exchange differences	-	133,272	133,272
	-	(1,304,559)	(1,304,559)
<u>Other investments</u>			
<u>Dividend income</u>			
- Financial assets measured at FVOCI	36,855	49,014	85,869
- Financial assets measured at FVTPL	21,140	30,042	51,182
Changes in fair value of investments			
- mandatorily measured at FVTPL	(11,558)	(45,100)	(56,658)
- designated as at FVTPL	-	(41,308)	(41,308)
Net (loss)/gain on sale of financial assets measured at FVTPL	(1,245)	1,542	297
Net loss on sale of financial assets measured at FVOCI	(741)	(11,444)	(12,185)
Changes in fair value of investment properties	-	(227)	(227)
Rental income	-	3,541	3,541
Gain/(loss) on exchange differences	1,061	4,741	5,802
	45,512	(9,199)	36,313
<b>Total other investment income</b>	<b>45,512</b>	<b>(1,313,758)</b>	<b>(1,268,246)</b>
Total amounts recognised in the profit or loss	46,253	(1,302,314)	(1,256,061)
Amounts recognised in OCI	(741)	(11,444)	(12,185)
<b>Net investment income</b>	<b>45,512</b>	<b>(1,313,758)</b>	<b>(1,268,246)</b>

During the year ended 31 December 2023, RM4,511,000 (31 December 2022: RM12,289,000) of the dividend income relates to equity investments measured at FVOCI which were derecognised during the reporting period.



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### 18. NET INVESTMENT AND INSURANCE FINANCIAL RESULT (CONTINUED)

#### 18.3 Investment return in OCI related to insurance and reinsurance contracts measured under the modified retrospective or fair value transition approach

On transition to MFRS 17, for certain groups of insurance and reinsurance contracts measured using the GMM where the OCI option is applied, the Company determined the cumulative insurance finance income and expenses recognised in OCI at 1 January 2022 using the modified retrospective approach or the fair value approach. The movement in the fair value reserve for the debt investments at FVOCI related to those groups of contracts was as follows.

	RM'000
Balance at 1 January 2022	21,310
Net losses on investments in debt securities measured at FVOCI	(100,258)
Changes in allowance for expected credit losses	(6,554)
Net losses on investments in debt securities measured at FVOCI reclassified to profit or loss	11,444
Income tax relating to these items	7,629
Balance at 31 December 2022 restated	(66,429)

### 19. REALISED GAINS AND LOSSES

	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000
<b>2023</b>			
<b>Property and equipment</b>			
Realised gains	-	33	33
<b>Investment properties</b>			
Realised gains	-	66,788	66,788
<b>FVOCI financial assets*</b>			
Realised gains:			
Debt securities:			
- unquoted in Malaysia	499	12,500	12,999
Total realised gains for FVOCI financial assets	499	12,500	12,999
<b>FVTPL financial assets</b>			
Realised (losses)/gains:			
Mandatorily measured:			
Debt securities:			
- unquoted in Malaysia	(443)	5,323	4,880
- quoted outside Malaysia	-	-	-
- unquoted outside Malaysia	-	-	-
Equity securities:			
- quoted in Malaysia	63	(8,822)	(8,759)
- quoted outside Malaysia	-	(360)	(360)
- unquoted in Malaysia	-	4	4
- unquoted outside Malaysia	-	(629)	(629)
	(380)	(4,484)	(4,864)

## Notes to the Financial Statements

31 December 2023

### 19. REALISED GAINS AND LOSSES (CONTINUED)

	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000
<b>2023 (CONTINUED)</b>			
<u>Designated upon initial recognition:</u>			
Debt securities:			
- unquoted in Malaysia	-	57,048	57,048
- unquoted outside Malaysia	-	-	-
	-	57,048	57,048
Total realised losses for FVTPL financial assets	(380)	52,564	52,184
Total realised gains/(losses)	119	131,885	132,004
<b>2022</b>			
<b>Property and equipment</b>			
Realised gains	-	92	92
<b>FVOCI financial assets*</b>			
Realised losses:			
Debt securities:			
- unquoted in Malaysia	(741)	(11,444)	(12,185)
Total realised losses for FVOCI financial assets	(741)	(11,444)	(12,185)
<b>FVTPL financial assets</b>			
Realised (losses)/gains:			
<u>Mandatorily measured:</u>			
Debt securities:			
- unquoted in Malaysia	150	17	167
Equity securities:			
- quoted in Malaysia	(1,393)	(62,942)	(64,335)
- quoted outside Malaysia	-	(9,622)	(9,622)
- unquoted in Malaysia	(2)	64	62
- unquoted outside Malaysia	-	(4,785)	(4,785)
	(1,245)	(77,268)	(78,513)
<u>Designated upon initial recognition:</u>			
Debt securities:			
- unquoted in Malaysia	-	11,701	11,701
	-	11,701	11,701
Total realised losses for FVTPL financial assets	(1,245)	(65,567)	(66,812)
Total realised losses	(1,986)	(76,919)	(78,905)

\* Included in realised gains/(losses) from FVOCI financial assets of the Life Insurance Fund is net realised gain of RM12,500,000 (2022: realised loss of RM11,443,998) arising from the Non-participating Fund.

## Notes to the Financial Statements

31 December 2023

### 20. FAIR VALUE GAINS AND LOSSES

	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000
<b>2023</b>			
Investment properties (Note 5)	-	(9,709)	(9,709)
Financial investments - FVTPL:			
- mandatorily measured	19,266	84,147	103,413
- designated upon initial recognition	-	1,248,488	1,248,488
	<b>19,266</b>	<b>1,322,926</b>	<b>1,342,192</b>
<b>2022</b>			
Investment properties (Note 5)	-	(1,891)	(1,891)
Financial investments - FVTPL:			
- mandatorily measured	(11,558)	(1,731,957)	(1,743,515)
- designated upon initial recognition	-	(952,260)	(952,260)
	<b>(11,558)</b>	<b>(2,686,108)</b>	<b>(2,697,666)</b>

### 21. OTHER EXPENSES

	Note	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000
<b>2023</b>				
Employee benefits expense	21(a)	332	322,660	322,992
Non-executive directors' remuneration	21(b)	-	1,369	1,369
Auditors' remuneration:				
- statutory audits		11	1,169	1,180
- regulatory related fees		-	619	619
- other services		-	1,564	1,564
Depreciation of:				
- property and equipment	3(a)	-	24,360	24,360
- right-of-use assets	3(b)	-	940	940
Amortisation of:				
- right-of-use assets	3(b)	-	138	138
- intangible assets	4	673	29,168	29,841
Rental of properties		43	10,137	10,180
Advertising and promotion		143	32,587	32,730
Finance charges		121	52,139	52,260
IT and computer expenses		-	72,933	72,933
Policyholder expenses		36	14,525	14,561
Postal and telecommunication		-	16,563	16,563
Printing and stationery		-	1,091	1,091
Professional fees		1	16,169	16,170
Repairs and maintenance		-	3,140	3,140
Transport and travelling		-	1,140	1,140
Utilities		-	6,056	6,056
Interest expense on lease liabilities		-	95	95
Expense relating to leases of low-value assets		-	83	83
Expense relating to short-term leases		-	5	5

## Notes to the Financial Statements

31 December 2023

### 21. OTHER EXPENSES (CONTINUED)

	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000
<b>2023 (CONTINUED)</b>			
Investment related expenses	356	89,984	90,340
Claims and benefits	-	4,639,174	4,639,174
Commissions and distribution expenses	165	1,821,252	1,821,417
Agent retirement benefits	-	141,470	141,470
Loss on onerous contract	-	50,028	50,028
Income and deferred tax expense	-	265,460	265,460
Other expenses	53	(444,512)	(444,459)
	<b>1,934</b>	<b>7,171,506</b>	<b>7,173,440</b>
Amounts attributed to insurance acquisition cash flows incurred during the year	-	(1,602,557)	(1,602,557)
Amortisation of insurance acquisition cash flows	-	516,405	516,405
	-	<b>(1,086,152)</b>	<b>(1,086,152)</b>
<b>Represented by:</b>			
Insurance service expenses	-	6,073,087	6,073,087
Other operating expenses	1,934	12,267	14,201
	<b>1,934</b>	<b>6,085,354</b>	<b>6,087,288</b>
<b>(a) Employee Benefits Expense</b>			
Wages and salaries	332	256,562	256,894
Short term accumulating compensated absences	-	365	365
Social security contributions	-	1,955	1,955
Defined contribution plans - EPF	-	43,333	43,333
Other employee benefits expense	-	20,445	20,445
	<b>332</b>	<b>322,660</b>	<b>322,992</b>
<b>(b) CEO and Directors' Remuneration</b>			
The details of remuneration received by CEO and Directors during the year are as follows:			
	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000
<b>2023</b>			
CEO:			
Salaries and other emoluments	-	4,892	4,892
Bonus	-	1,080	1,080
Estimated money value of benefits-in-kind	-	35	35
	-	<b>6,007</b>	<b>6,007</b>
Non-executive:			
Fees	-	1,369	1,369
Total directors' remuneration	-	<b>7,376</b>	<b>7,376</b>
<b>Represented by:</b>			
Directors' fees	-	1,369	1,369
Amount included in employee benefits expense	-	6,007	6,007
	-	<b>7,376</b>	<b>7,376</b>

## Notes to the Financial Statements

31 December 2023

### 21. OTHER EXPENSES (CONTINUED)

	Note	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000
<b>2022 restated</b>				
Employee benefits expense	21(a)	319	265,953	266,272
Non-executive directors' remuneration	21(b)	-	1,428	1,428
Auditors' remuneration:				
- statutory audits		11	710	721
- regulatory related fees		-	308	308
- other services		-	1,288	1,288
Depreciation of:				
- property and equipment	3(a)	-	23,677	23,677
- right-of-use assets	3(b)	-	989	989
Amortisation of:				
- right-of-use assets	3(b)	-	138	138
- intangible assets	4	673	31,646	32,319
Rental of properties		41	10,501	10,542
Advertising and promotion		417	20,283	20,700
Finance charges		154	50,103	50,257
IT and computer expenses		-	69,475	69,475
Policyholder expenses		501	12,091	12,592
Postal and telecommunication		-	15,051	15,051
Printing and stationery		-	793	793
Professional fees		1	13,426	13,427
Repairs and maintenance		-	2,806	2,806
Transport and travelling		-	1,135	1,135
Utilities		-	4,261	4,261
Interest expense on lease liabilities		-	77	77
Expense relating to leases of low-value assets		-	80	80
Expense relating to short-term leases		-	4	4
Investment related expenses		218	89,346	89,346
Claims and benefits		-	4,086,862	4,086,862
Commissions and distribution expenses		148	1,733,546	1,733,694
Agent retirement benefits		-	116,329	116,329
Loss on onerous contract		-	308,137	308,137
Income and deferred tax expense		-	(48,651)	(48,651)
Other expenses		(576)	(387,908)	(388,484)
		1,907	6,423,884	6,425,791
Amounts attributed to insurance acquisition cash flows				
incurred during the year		-	(1,545,656)	(1,545,656)
Amortisation of insurance acquisition cash flows		-	431,875	431,875
		-	(1,113,781)	(1,113,781)
<b>Represented by:</b>				
Insurance service expenses		-	5,291,847	5,291,847
Other operating expenses		1,907	18,256	20,163
		1,907	5,310,103	5,312,010

## Notes to the Financial Statements

31 December 2023

### 21. OTHER EXPENSES (CONTINUED)

	Life Shareholder's Fund RM'000	Insurance Fund RM'000	Total RM'000
<b>2022 restated (continued)</b>			
<b>(a) Employee Benefits Expense</b>			
Wages and salaries	319	200,254	200,573
Short term accumulating compensated absences	-	144	144
Social security contributions	-	1,571	1,571
Defined contribution plans - EPF	-	34,329	34,329
Other employee benefits expense	-	29,655	29,655
	<b>319</b>	<b>265,953</b>	<b>266,272</b>

#### (b) CEO and Directors' Remuneration

The details of remuneration received by CEO and Directors during the year are as follows:

	Life Shareholder's Fund RM'000	Insurance Fund RM'000	Total RM'000
<b>2022</b>			
CEO:			
Salaries and other emoluments	-	4,368	4,368
Bonus	-	1,020	1,020
Estimated money value of benefits-in-kind	-	35	35
	-	<b>5,423</b>	<b>5,423</b>
Non-executive:			
Fees	-	1,428	1,428
<b>Total directors' remuneration</b>	-	<b>6,851</b>	<b>6,851</b>
Represented by:			
Directors' fees	-	1,428	1,428
Amount included in employee benefits expense	-	5,423	5,423
	-	<b>6,851</b>	<b>6,851</b>

The Directors' fees are subject to the recommendation of the Board Nominations and Remuneration Committee to the Board of Directors for endorsement and approval by the shareholder at the AGM.

The number of Directors whose total remuneration received from the Company during the year fall within the following bands is analysed below:

	Number of Directors	
	2023	2022
<b>Non-Executive Directors</b>		
Below RM50,000	-	-
RM50,001 - RM100,000	<b>1</b>	-
RM100,001 - RM150,000	-	<b>1</b>
RM150,001 - RM200,000	<b>1</b>	<b>3</b>
RM200,001 - RM250,000	<b>4</b>	<b>2</b>
RM250,001 - RM300,000	<b>1</b>	<b>1</b>

The Executive Director does not receive any director fees.



## Notes to the Financial Statements

31 December 2023

### 21. OTHER EXPENSES (CONTINUED)

#### (b) CEO and Directors' Remuneration (continued)

Name		Salaries RM'000	Bonus RM'000	2023 Benefits in kind RM'000	Fees RM'000	Total RM'000
Y Bhg Dato Koh Yaw Hui	CEO	4,892	1,080	35	-	6,007
<b>Total CEO's remuneration</b>		<b>4,892</b>	<b>1,080</b>	<b>35</b>	<b>-</b>	<b>6,007</b>

	Status of directorship	Salaries RM'000	Bonus RM'000	Benefits in kind RM'000	Fees RM'000	Total RM'000
Mr Norman Ka Cheung Ip	Non-Executive	-	-	-	288	288
Mr Tan Yam Pin	Non-Executive	-	-	-	179	179
Mr Koh Poh Tiong	Non-Executive	-	-	-	76	76
Mr Siew Kah Toong	Non-Executive	-	-	-	204	204
Mr Ng Hon Soon	Non-Executive	-	-	-	206	206
Mr Ou Shian Waei	Non-Executive	-	-	-	215	215
Mr Foong Soo Hah	Non-Executive	-	-	-	201	201
<b>Total Non-Executive Directors' remuneration</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>1,369</b>	<b>1,369</b>
<b>Total remuneration</b>		<b>4,892</b>	<b>1,080</b>	<b>35</b>	<b>1,369</b>	<b>7,376</b>

Name		Salaries RM'000	Bonus RM'000	2022 Benefits in kind RM'000	Fees RM'000	Total RM'000
Y Bhg Dato Koh Yaw Hui	CEO	4,368	1,020	35	-	5,423
<b>Total CEO's remuneration</b>		<b>4,368</b>	<b>1,020</b>	<b>35</b>	<b>-</b>	<b>5,423</b>

	Status of directorship	Salaries RM'000	Bonus RM'000	Benefits in kind RM'000	Fees RM'000	Total RM'000
Mr Norman Ka Cheung Ip	Non-Executive	-	-	-	277	277
Mr Tan Yam Pin	Non-Executive	-	-	-	189	189
Mr Koh Poh Tiong	Non-Executive	-	-	-	169	169
Mr Siew Kah Toong	Non-Executive	-	-	-	198	198
Mr Ng Hon Soon	Non-Executive	-	-	-	241	241
Mr Ou Shian Waei	Non-Executive	-	-	-	210	210
Mr Foong Soo Hah	Non-Executive	-	-	-	144	144
<b>Total Non-Executive Directors' remuneration</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>1,428</b>	<b>1,428</b>
<b>Total remuneration</b>		<b>4,368</b>	<b>1,020</b>	<b>35</b>	<b>1,428</b>	<b>6,851</b>

## Notes to the Financial Statements

31 December 2023

### 22. TAXATION

	Note	2023 RM'000	2022 RM'000
Taxation of life insurance business	(a)	<b>6,347</b>	(91,171)
Taxation of the Company	(b)	<b>321,707</b>	429,854
		<b>328,054</b>	338,683

#### (a) Taxation of life insurance business

Current income tax:			
Malaysian income tax		<b>82,856</b>	65,768
Under/(over) provided in prior years		<b>789</b>	(74,097)
Tax on foreign dividend income		<b>3,157</b>	3,539
Double taxation relief		<b>(61,637)</b>	(48,837)
		<b>25,165</b>	(53,627)
Deferred tax:			
Relating to origination and reversal of temporary differences		<b>(18,818)</b>	(37,544)
		<b>6,347</b>	(91,171)

The Malaysian tax charge on the life business is based on the method prescribed under the Income Tax Act 1967 for life business.

The income tax for the life fund is calculated based on tax rate of 8% (2022: 8%) of the assessable investment income net of allowable deductions for the financial year.

#### (b) Taxation of the Company

	2023 RM'000	2022 RM'000
Current income tax:		
Malaysian income tax	<b>194,858</b>	458,242
Under provided in prior years	-	(15,802)
Tax on foreign dividend income	<b>361</b>	635
Double taxation relief	-	-
	<b>195,219</b>	443,075
Deferred tax:		
Relating to origination and reversal of temporary differences	<b>126,488</b>	(13,221)
	<b>321,707</b>	429,854

The current income tax is calculated at 24% (2022: 24%) of the estimated assessable profit for the financial year.

The deferred tax for the Shareholder's Fund is calculated based on the tax rate of 24% (2022: 24%).

## Notes to the Financial Statements

31 December 2023

### 22. TAXATION (CONTINUED)

#### (b) Taxation of the Company (continued)

A reconciliation of income tax expenses applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Company are as follows:

	2023 RM'000	2022 RM'000
Profit before taxation	<b>1,451,749</b>	1,376,956
Taxation at Malaysian statutory tax rate of 24% (2022: 24%)	<b>348,420</b>	330,469
Income not subject to tax	<b>(48,647)</b>	(16,320)
Cukai makmur	-	118,146
Expenses not deductible for tax purposes	<b>83,210</b>	61,652
Foreign tax not recoverable	<b>362</b>	635
Estimated double taxation relief	<b>(61,638)</b>	(48,836)
Effect of tax attributable to life insurance business	<b>6,347</b>	(91,171)
(Over)/underprovided in prior years	-	(15,802)
<b>Tax expense for the year</b>	<b>328,054</b>	338,683

### 23. EARNINGS PER SHARE - BASIC AND DILUTED

Earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holder of the Company by the number of ordinary shares in issue during the year.

	2023 RM'000	2022 RM'000
Profit attributable to ordinary equity holder (RM'000)	<b>1,123,695</b>	1,038,272
Number of shares in issue ('000)	<b>100,000</b>	100,000
<b>Basic earnings per share (sen)</b>	<b>1,124</b>	1,038

There were no dilutive potential ordinary shares as at the reporting date. There have been no other transactions involving ordinary shares between the reporting date and the date of completion of these financial statements.

### 24. DIVIDENDS

	2023 RM'000	2022 RM'000
<b>Recognised during the financial year:</b>		
Dividend on ordinary shares:		
- Final single tier dividend for 2022 of RM3.85 (2021: RM3.20) per share	<b>385,000</b>	320,000
- Interim single tier dividend for 2023 of RM5.90 (2022: RM5.89) per share	<b>590,000</b>	589,000
	<b>975,000</b>	909,000

At the forthcoming Annual General Meeting, the directors do not recommend any final dividend in respect of the financial year ended 31 December 2023.

## Notes to the Financial Statements

31 December 2023

### 25. OPERATING LEASE ARRANGEMENTS

#### (a) The Company as lessee

The Company has recognised right-of-use assets for these leases, except for short term and low-value leases, see Note 21 and Note 2.2(c)(i) for further information.

Future minimum lease payments payable under non-cancellable operating leases contracted for as at 31 December but not recognised as liabilities, are payable as follows:

	2023 RM'000	2022 RM'000
Not later than 1 year	(43)	(48)
Later than 1 year and not later than 5 years	(20)	(40)
	<b>(63)</b>	<b>(88)</b>

#### (b) The Company as lessor

The Company, as lessor, has entered into operating lease agreements on its investment properties portfolio and certain self-occupied properties. These leases have remaining lease terms of between 1 and 5 years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions and certain contracts include contingent rental arrangements computed based on sales achieved by tenants.

The rental income including contingent rent recognised in the statement of profit or loss during the financial year are disclosed in Note 18.

The future minimum lease payments receivable under operating leases contracted for as at the reporting date but not recognised as receivables, are as follows:

	2023 RM'000	2022 RM'000
Not later than 1 year	50,163	50,969
Later than 1 year and not later than 5 years	25,966	36,215
	<b>76,129</b>	<b>87,184</b>

### 26. COMMITMENTS AND OTHER CONTINGENCIES

#### (a) Capital commitments

	2023 RM'000	2022 RM'000
<b>Capital expenditure</b>		
Approved and contracted for:		
- Investment properties	-	4,501
- Property and equipment	82,510	70,906
Approved but not contracted for:		
Investment properties	-	9,830
	<b>82,510</b>	<b>85,237</b>

## Notes to the Financial Statements

31 December 2023

### 27. RELATED PARTY DISCLOSURES

- (a) In addition to the transactions detailed elsewhere in the financial statements, the Company had the following transactions and balances with related parties during the financial year:

	2023 RM'000	2022 RM'000
<b>Transactions with related parties during the year:</b>		
Income/(expense):		
Property rentals received (note i)		
- OCBC Bank (Malaysia) Berhad	839	839
- Great Eastern General Insurance (Malaysia) Berhad	3,100	3,072
- Great Eastern Takaful Berhad	1,672	1,446
Service charges paid (note ii)		
- OCBC Bank (Malaysia) Berhad	(28,670)	(33,275)
- E2 Power Sdn Bhd	(2,340)	(8,239)
- E2 Power Pte Ltd	(3,967)	(3,341)
- OCBC Wing Hang Bank (China) Limited	(490)	(277)
Service charges received (note ii)		
- Great Eastern General Insurance (Malaysia) Berhad	8,144	7,667
- Great Eastern Takaful Berhad	15,545	13,677
Premium paid (note iii)		
- Great Eastern General Insurance (Malaysia) Berhad	(2,005)	(2,015)
Premium received (note iii)		
- Great Eastern General Insurance (Malaysia) Berhad	1,436	1,215
- OCBC Bank (Malaysia) Berhad	31,700	54,432
- PAC Lease Berhad	310	417
(formerly Pacific Mutual Fund Bhd)		
- BOS Wealth Management Malaysia Berhad	154	170
- Key Management Personnel	3,034	1,646
Claims paid		
- Key Management Personnel	(1,630)	(1,876)
Commission received		
- Great Eastern General Insurance (Malaysia) Berhad	-	288
Commission fees paid		
- OCBC Bank (Malaysia) Berhad	(42,848)	(52,578)
- OCBC Securities Private Limited	(315)	(330)
- PAC Lease Berhad	(14)	(26)
- Axiata Digital Capital Sdn Bhd	-	(3)
Interest income (note iv)		
- OCBC Bank (Malaysia) Berhad	3,259	20,346
- OCBC Al-Amin Bank Berhad	674	533
- PAC Lease Berhad	1,640	1,640

## Notes to the Financial Statements

31 December 2023

### 27. RELATED PARTY DISCLOSURES (CONTINUED)

- (a) In addition to the transactions detailed elsewhere in the financial statements, the Company had the following transactions and balances with related parties during the financial year: (continued)

	2023 RM'000	2022 RM'000
<b>Transactions with related parties during the year: (continued)</b>		
Income/(expense): (continued)		
Dividend income (note v)		
- Affin Hwang Wholesale Income Fund	<b>34,943</b>	21,444
- Aminstitutional Income Bond	<b>11,308</b>	10,829
- Affin Hwang Wholesale Equity Fund 2	<b>18,479</b>	-
Bank charges		
- OCBC Bank (Malaysia) Berhad	<b>(223)</b>	(189)
Employee Share Purchase Plan		
- Oversea-Chinese Banking Corporation Ltd.	<b>(758)</b>	(750)
Deferred Share Plan		
- Oversea-Chinese Banking Corporation Ltd.	<b>(1,580)</b>	(1,532)
Charges for group services (note vi)		
- The Great Eastern Life Assurance Company Limited	<b>1,884</b>	(9,300)
Disposal of investment from		
- Affin Hwang Wholesale Income Fund	<b>290,000</b>	235,000
Purchase of investments from		
- Great Eastern General Insurance (Malaysia) Berhad	<b>(3,509)</b>	-
- Affin Hwang Wholesale Income Fund	<b>(134,943)</b>	(272,444)
- Aminstitutional Income Bond	<b>(201,823)</b>	(46,591)
- PAC Lease Berhad	<b>(89,704)</b>	(800,189)
- Affin Hwang Wholesale Equity Fund 2	<b>(18,479)</b>	-
Sales/maturity of medium term note		
- PAC Lease Berhad	<b>89,696</b>	802,000
Purchase of Structured Deposit		
- OCBC Bank (Malaysia) Berhad	-	(94,000)
Marketing and promotion expenses		
- Axiata Digital eCode Sdn Bhd	-	(8)
Dividend payment		
- Great Eastern Capital (Malaysia) Sdn Bhd	<b>(975,000)</b>	(909,000)
Rebate on Management Fee		
- Lion Global Investors Limited	<b>5,407</b>	6,733



## Notes to the Financial Statements

31 December 2023

### 27. RELATED PARTY DISCLOSURES (CONTINUED)

- (a) In addition to the transactions detailed elsewhere in the financial statements, the Company had the following transactions and balances with related parties during the financial year: (continued)

	2023 RM'000	2022 RM'000
<b>Balances with related parties at year end:</b>		
Due from/(due to):		
Investment in wholesale unit trust fund		
- Affin Hwang Wholesale Income Fund	669,428	813,236
- Aminstitutional Income Bond	567,880	351,575
- Affin Hwang Wholesale Equity Fund 2	496,857	452,020
Investment in medium term note		
- Pac Lease Berhad	49,959	49,341
Investment in Structure Deposit		
- OCBC Bank (Malaysia) Berhad	309,323	87,786
Investment in Bond forward		
- OCBC Bank (Malaysia) Berhad	1,510	-
Investment in Equity Linked Note		
- OCBC Bank (Malaysia) Berhad	-	233,764
Cash and bank balances		
- OCBC Bank (Malaysia) Berhad	164,911	128,794
- OCBC Al-Amin Bank Berhad	(26,433)	38,356
Fixed deposits and repurchase agreements		
- OCBC Bank (Malaysia) Berhad	150,000	500,000
- OCBC Al-Amin Bank Berhad	154,400	-
Accrued interest		
- OCBC Bank (Malaysia) Berhad	1,309	1,332
- OCBC Al-Amin Bank Berhad	310	-
- Pac Lease Berhad	629	625
Amount due (to)/from related companies:		
- Great Eastern General Insurance (Malaysia) Berhad	(2,791)	(2,059)
- Great Eastern Takaful Berhad	13,400	4,101
Amount due to ultimate holding company:		
- Oversea-Chinese Banking Corporation Ltd	(303)	(1,274)
Amount due to intermediate holding company:		
- The Great Eastern Life Assurance Company Limited	596	(9,786)
Amount due to holding company:		
- Great Eastern Capital (Malaysia) Sdn Bhd	(3,016)	(3,045)

## Notes to the Financial Statements

31 December 2023

### 27. RELATED PARTY DISCLOSURES (CONTINUED)

- (a) In addition to the transactions detailed elsewhere in the financial statements, the Company had the following transactions and balances with related parties during the financial year: (continued)

Related companies are companies within the OCBC Group:

- (i) Rental of property to related parties are made according to normal market prices, terms and conditions.
- (ii) Payment of service charges to/from related parties are made according to normal market prices.
- (iii) The sale and purchase of insurance policies to/from related companies are made according to normal market prices and at terms and conditions no more favourable than those to other customers and employees.
- (iv) The interest income arose mainly from investment in fixed deposits, repurchase agreements, other debt securities and medium term notes which are made according to prevailing market rates, terms and conditions.
- (v) The dividend income arose from investment in wholesale unit trust fund which are made according to prevailing market terms and conditions.
- (vi) Payment of group function costs based on allocation rates governed by corporate service agreement and in line with Malaysian Transfer Pricing Guidelines and Organisation for Economic Co-operation and Development (“OECD”) Transfer Pricing Guidelines. Group function services are derived from the immediate parent company in Singapore.

The table below shows the breakdown by type of services received and geographical location for inter company charges:

Geographical Location	Type of Services	2023 RM'000	2022 RM'000
Singapore	Group service charges for services rendered, which include those in respect of finance, legal, actuarial, support, human resources, operations, investment management, IT, internal audit and risk management services.	(1,884)	9,300
		(1,884)	9,300

## Notes to the Financial Statements

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### 27. RELATED PARTY DISCLOSURES (CONTINUED)

#### (b) Compensation of Key Management Personnel

The remuneration of Directors and other members of key management during the year was as follows:

	2023 RM'000	2022 RM'000
Non-Executive Directors' fees	1,369	1,428
Short-term employee benefits	12,431	12,094
Post-employments benefits:		
Defined contribution plan - EPF	1,804	1,752
Share-based payment	3,121	2,855
	<b>18,725</b>	<b>18,129</b>
<b>Share-based payment (in units)</b>	<b>45,308</b>	<b>51,453</b>

Included in the total key management personnel remuneration are:

CEO's and Directors' remuneration (Note 21(b))	7,376	6,851
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Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel include all Directors, CEO, Senior Management Team, Chief Internal Auditor and Head of Compliance of the Company.

### 28. FINANCIAL INSTRUMENTS BY CATEGORY

	Note	FVTPL RM'000	FVOCI RM'000	AC RM'000	Sub-total RM'000	Assets not in scope of MFRS 9 RM'000	Total RM'000
<b>2023</b>							
<b>Assets</b>							
Property and equipment							
- Owned	3(a)	-	-	-	-	281,844	281,844
- Right-of-use assets	3(b)	-	-	-	-	16,905	16,905
Intangible assets	4	-	-	-	-	179,235	179,235
Investment properties	5	-	-	-	-	969,650	969,650
Asset held for sale	6	-	-	-	-	-	-
Investments	7	79,685,299	7,105,184	-	86,790,483	-	86,790,483
Loans	8	-	-	419,672	419,672	-	419,672
Derivatives	12	7,600	-	-	7,600	-	7,600
Reinsurance contract assets	9	-	-	-	-	145,603	145,603
Insurance contract assets	9	-	-	-	-	16,456	16,456
Other receivables	10	-	-	720,307	720,307	8,952	729,259
Cash and bank equivalents		-	-	2,159,681	2,159,681	-	2,159,681
<b>Total assets</b>		<b>79,692,899</b>	<b>7,105,184</b>	<b>3,299,660</b>	<b>90,097,743</b>	<b>1,618,645</b>	<b>91,716,388</b>

## Notes to the Financial Statements

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### 28. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

	Note	FVTPL RM'000	FVOCI RM'000	AC RM'000	Sub-total RM'000	Liabilities not in scope of MFRS 9 RM'000	Total RM'000
<b>2023 (continued)</b>							
<b>Liabilities</b>							
Insurance contract liabilities	9	-	-	-	-	86,798,091	86,798,091
Reinsurance contract liabilities	9	-	-	-	-	242,711	242,711
Derivatives	12	32,421	-	-	32,421	-	32,421
Agents' retirement benefits	13	-	1,008,843	-	1,008,843	-	1,008,843
Deferred tax liabilities	14	-	-	-	-	316,488	316,488
Other financial liabilities	15	-	-	442,165	442,165	-	442,165
Provision for taxation		-	-	-	-	7,806	7,806
Lease liabilities	3(c)	-	-	-	-	1,989	1,989
Other payables	16	-	-	361,255	361,255	316,575	677,830
<b>Total liabilities</b>		<b>32,421</b>	<b>1,008,843</b>	<b>803,420</b>	<b>1,844,684</b>	<b>87,683,660</b>	<b>89,528,344</b>

	Note	FVTPL RM'000	FVOCI RM'000	AC RM'000	Sub-total RM'000	Assets not in scope of MFRS 9 RM'000	Total RM'000
<b>2022</b>							
<b>Assets</b>							
Property and equipment							
- Owned	3(a)	-	-	-	-	289,836	289,836
- Right-of-use assets	3(b)	-	-	-	-	17,430	17,430
Intangible Assets	4	-	-	-	-	168,714	168,714
Investment properties	5	-	-	-	-	976,500	976,500
Asset held for sale	6	-	-	-	-	238,000	238,000
Investments	7	73,383,858	6,589,252	-	79,973,110	-	79,973,110
Loans	8	-	-	472,033	472,033	-	472,033
Derivatives	12	1,167	-	-	1,167	-	1,167
Reinsurance contract assets	9	-	-	-	-	272,664	272,664
Insurance contract assets	9	-	-	-	-	7,711	7,711
Other receivables	10	-	-	635,090	635,090	8,003	643,093
Cash and cash equivalents		-	-	4,337,655	4,337,655	-	4,337,655
<b>Total assets</b>		<b>73,385,025</b>	<b>6,589,252</b>	<b>5,444,778</b>	<b>85,419,055</b>	<b>1,978,858</b>	<b>87,397,913</b>

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### 28. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

	Note	FVTPL RM'000	FVOCI RM'000	AC RM'000	Sub-total RM'000	Assets not in scope of MFRS 9 RM'000	Total RM'000
<b>2022 (continued)</b>							
<b>Liabilities</b>							
Insurance contract liabilities	9	-	-	-	-	83,226,767	83,226,767
Reinsurance contract liabilities	9	-	-	-	-	231,853	231,853
Derivatives	12	20,208	-	-	20,208	-	20,208
Agents' retirement benefits	13	-	948,623	-	948,623	-	948,623
Deferred tax liabilities	14	-	-	-	-	96,240	96,240
Other financial liabilities	15	-	-	136,355	136,355	-	136,355
Provision for taxation	-	-	-	-	-	131,807	131,807
Lease liabilities	3(c)	-	-	-	-	2,346	2,346
Other payables	16	-	-	406,008	406,008	270,193	676,201
<b>Total liabilities</b>		<b>20,208</b>	<b>948,623</b>	<b>542,363</b>	<b>1,511,194</b>	<b>83,959,206</b>	<b>85,470,400</b>

### 29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES

#### Governance Framework

Managing risk is an integral part of the Company's core business. As stated in the Enterprise Risk Management ("ERM") Framework, the Company shall:

- Operate within parameters and limits that have been set based on the risk appetite approved by the Board; and
- Pursue appropriate risk-adjusted returns.

The Risk Management Department spearheads the development and implementation of the ERM Framework for the Company.

The Board Risk Management Committee ("BRMC"), constituted in 2003, provides the oversight on the risk management initiatives. Detailed risk management and oversight activities are undertaken by the following Management Committees comprising the Chief Executive Officer and key Senior Management Executives:"

- Senior Management Team ("SMT")
- Asset-Liability Committee ("ALC")
- Product Development Committee ("PDC")
- IT Steering Committee ("ITSC")
- Financial Crime Committee ("FCC")

The SMT is responsible for providing leadership, direction and functional oversight with regards to all matters of the Company. The SMT is also responsible for ensuring compliance and alignment with governance and oversight frameworks, i.e. standards and guidelines, and ensuring the business operates within the risk appetite in delivering annual business targets.

The ALC is responsible for balance sheet management. Specifically, the ALC reviews and formulates technical frameworks, policies and methodologies relating to balance sheet management.

The PDC oversees the product development and launch process. In addition, the PDC regularly reviews and monitors the performance of new and existing products.

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### 29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

#### Governance Framework (continued)

The ITSC is responsible for providing the overall strategic direction and approval of all IT related initiatives to support the Company's strategic growth into the future.

The FCC provides an independent oversight of fraud investigation and anti-money laundering/counter financing of terrorism ("AML/CFT") review, and ensures that investigations and reviews are conducted in a manner that is fair, consistent and transparent.

#### Regulatory Framework

As set out in its Compliance Risk Management Framework, the Company operates its business on a sound and responsible basis, which entails compliance with the applicable laws, regulations, rules and standards.

Insurers are regulated by the Financial Services Act 2013 ("FSA") which came into force on 30 June 2013, and other relevant regulations issued by regulators from time to time.

#### Capital Management Framework

The Company's capital management policy aims to support balance sheet growth by maintaining a strong capital position with sufficient buffer to meet obligations to policyholders and regulatory requirements, and to make strategic investments for business growth. The Company has had no significant changes in the policies and processes relating to its capital structure during the year.

Under the Risk-Based Capital Framework for Insurers ("RBC"), the insurer has to maintain a capital adequacy level that commensurates with its risk profiles. The Capital Adequacy Ratios of the Company remained at well above the minimum capital requirement of 130% under the RBC Framework as prescribed by BNM.

The Internal Capital Adequacy Assessment Process ("ICAAP") Framework came into effect on 1 September 2012. Under this Framework, the Company has to ensure adequate capital to meet its capital requirements on an ongoing basis. The key elements supporting the Framework include Board and Senior Management oversight, comprehensive risk assessment, individual target capital level and stress testing, sound capital management as well as ongoing monitoring, reporting and review of capital position. Capital management and contingencies policies have been further developed and refined under the Framework to outline the approaches and principles under which the Company's capital will be monitored and managed, as well as the corrective actions to be implemented at various critical capital levels. In addition, a risk appetite statement has been established to outline the Company's capacity to take on risks to achieve its business objectives while managing the expectations of key stakeholders.

The following sections provide details regarding the exposure to the key risks faced by the Company and the objectives, policies and processes for the management of these risks. There has been no major change to the Company's exposure to these key risks or the manner in which it manages and measures these risks.

#### Insurance Risk

The principal activity of the Company is in the underwriting of life insurance business including investment-linked business.

The Company's underwriting strategy is designed to ensure that these risks are well diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification of policyholders across industry sectors and geography, selective use of medical screening in order to ensure that product pricing takes into account the current health conditions and family medical history, and regular review of the actual claims experience as well as detailed claims handling procedures. Underwriting limits are also set in place to enforce appropriate risk selection criteria.



## Notes to the Financial Statements

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### 29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

#### Insurance Risk (continued)

Insurance risk comprises both actuarial and underwriting risks resulting from the pricing and acceptance of insurance contracts. Should the actual claims experience be worse than the assumptions used in pricing the products and establishing the provisions and liabilities for claims, there may be potential shortfalls in provision for future claims and expenses. Assumptions that may cause insurance risks to be underestimated include assumptions on policy lapses, mortality, morbidity and expenses.

The Company utilises reinsurance arrangements to manage mortality and morbidity risks. The Company's reinsurance management strategy and policy are reviewed annually by the SMT, BRMC, and the Board as appropriate. Reinsurance structures are set based on the type of risk. Catastrophe reinsurance is procured to limit catastrophic losses.

Only reinsurers meeting a minimum credit rating of Standard & Poor's "A-", or its equivalent, including internal credit rating, are considered. The Company limits its risk to any one reinsurer by ceding different risks to different reinsurers or to a panel of reinsurers.

The SMT reviews the actual experience of mortality, morbidity, lapses and surrenders, as well as expenses to ensure that the policies, guidelines and limits put in place to manage these risks remain adequate and appropriate.

A substantial portion of the Company's life insurance funds is participating in nature. In the event of volatile investment climate and/or unusual claims experience, the insurer has the option of revising the bonuses payable to the policyholders.

For non-participating funds, the risk is that the guaranteed policy benefits must be met even when the investment markets perform below expectations, or claims experience is higher than expected.

For investment-linked business, the risk exposure for the Company is predominantly limited to the underwriting aspect as investment risks are borne by the policyholders. Nevertheless, the fees earned by the Company for managing the investment-linked funds would fluctuate with the changes in underlying fund values.

Stress Testing ("ST") is performed in accordance with BNM requirements. The purpose of the ST is to test the solvency of the life insurance funds under various scenarios (i.e. U.S. Interest Rate Hike Leading to Global Recession, Uncertainty to Local Economic Agenda, and Global Outbreak of Coronavirus and Influenza) according to regulatory guidelines on stress testing, simulating drastic changes in major parameters such as new business volume, market volatilities, expense patterns, mortality/morbidity patterns and lapse rates.

Table 29(A): The table below sets out the distribution of the various life insurance risk as at the statement of financial position date:

#### (i) by Class of business:

	Gross			Reinsurance			Net Total RM'000
	With DPF <sup>(1)</sup> RM'000	Without DPF RM'000	Total RM'000	With DPF RM'000	Without DPF RM'000	Total RM'000	
<b>2023</b>							
Whole life	44,434,445	16,690,707	61,125,152	204,992	(66,026)	138,966	61,264,118
Endowment	11,599,784	12,896,103	24,495,887	-	(68,495)	(68,495)	24,427,392
Term	-	940,054	940,054	-	24,951	24,951	965,005
Accident and health	-	-	-	-	-	-	-
Annuity	-	220,542	220,542	-	-	-	220,542
Others	-	-	-	-	1,686	1,686	1,686
<b>Total</b>	<b>56,034,229</b>	<b>30,747,406</b>	<b>86,781,635</b>	<b>204,992</b>	<b>(107,884)</b>	<b>97,108</b>	<b>86,878,743</b>

#### Note:

(1) DPF is defined as Contracts with Discretionary Participating Features.

## Notes to the Financial Statements

31 December 2023

### 29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

#### Insurance Risk (continued)

Table 29(A): The table below sets out the distribution of the various life insurance risk as at the statement of financial position date: (continued)

#### (i) by Class of business: (continued)

	Gross		Total RM'000	Reinsurance		Total RM'000	Net Total RM'000
	With DPF <sup>(1)</sup> RM'000	Without DPF RM'000		With DPF RM'000	Without DPF RM'000		
<b>2022 (restated)</b>							
Whole life	43,475,357	15,557,454	59,032,811	206,530	(211,000)	(4,470)	59,028,341
Endowment	11,568,774	11,487,644	23,056,418	-	(57,048)	(57,048)	22,999,370
Term	-	933,442	933,442	-	19,045	19,045	952,487
Accident and health	-	-	-	-	-	-	-
Annuity	-	196,385	196,385	-	-	-	196,385
Others	-	-	-	-	1,662	1,662	1,662
<b>Total</b>	<b>55,044,131</b>	<b>28,174,925</b>	<b>83,219,056</b>	<b>206,530</b>	<b>(247,341)</b>	<b>(40,811)</b>	<b>83,178,245</b>

#### (ii) by Country:

	Gross		Total RM'000	Reinsurance		Total RM'000	Net Total RM'000
	With DPF <sup>(1)</sup> RM'000	Without DPF RM'000		With DPF RM'000	Without DPF RM'000		
<b>2023</b>							
Malaysia	56,034,229	30,747,406	86,781,635	204,992	(107,884)	97,108	86,878,743
<b>Total</b>	<b>56,034,229</b>	<b>30,747,406</b>	<b>86,781,635</b>	<b>204,992</b>	<b>(107,884)</b>	<b>97,108</b>	<b>86,878,743</b>
<b>2022 (restated)</b>							
Malaysia	55,044,131	28,174,925	83,219,056	206,530	(247,341)	(40,811)	83,178,245
<b>Total</b>	<b>55,044,131</b>	<b>28,174,925</b>	<b>83,219,056</b>	<b>206,530</b>	<b>(247,341)</b>	<b>(40,811)</b>	<b>83,178,245</b>

#### Note:

(1) DPF is defined as Contracts with Discretionary Participating Features.

#### Sensitivity analysis

The sensitivity analysis below shows the impact of changes in key parameters on the value of insurance contract liabilities, and hence on the Statement of Profit or Loss and shareholders' Equity.

Sensitivity analysis produced is based on parameters set out as follows:

	Change in Assumptions
(a) Scenario 1 – Mortality and major illness	+ 25% for all future years
(b) Scenario 2 – Mortality and major illness	- 25% for all future years
(c) Scenario 3 – Health and disability	+ 25% for all future years
(d) Scenario 4 – Health and disability	- 25% for all future years
(e) Scenario 5 – Lapse and surrender rates	+ 25% for all future years
(f) Scenario 6 – Lapse and surrender rates	- 25% for all future years
(g) Scenario 7 – Expenses	+ 30% for all future years

## Notes to the Financial Statements

31 December 2023

### 29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

#### Insurance Risk (continued)

#### Sensitivity analysis (continued)

Table 29(B): Profit/(Loss) After Tax and Shareholders' Equity sensitivity

Impact on 1-year's Profit/(Loss) After Tax and Equity

	Impact on Profit/(Loss) After Tax		Impact on Equity	
	Gross RM'000	Net RM'000	Gross RM'000	Net RM'000
	← (Decrease)/Increase →			
<b>2023</b>				
Scenario 1 – Mortality and major illness	(646,000)	(514,000)	(711,000)	(543,000)
Scenario 2 – Mortality and major illness	107,000	79,000	157,000	97,000
Scenario 3 – Health and disability	(789,000)	(749,000)	(986,000)	(942,000)
Scenario 4 – Health and disability	39,000	34,000	236,000	227,000
Scenario 5 – Lapse and surrender rates	(184,000)	(168,000)	(221,000)	(209,000)
Scenario 6 – Lapse and surrender rates	(33,000)	(34,000)	24,000	28,000
Scenario 7 – Expenses	(156,000)	(145,000)	(197,000)	(186,000)
<b>2022 (restated)</b>				
Scenario 1 – Mortality and major illness	(691,000)	(552,000)	(743,000)	(582,000)
Scenario 2 – Mortality and major illness	105,000	81,000	158,000	111,000
Scenario 3 – Health and disability	(755,000)	(703,000)	(897,000)	(839,000)
Scenario 4 – Health and disability	35,000	26,000	178,000	163,000
Scenario 5 – Lapse and surrender rates	(215,000)	(195,000)	(251,000)	(234,000)
Scenario 6 – Lapse and surrender rates	(35,000)	(37,000)	20,000	24,000
Scenario 7 – Expenses	(167,000)	(154,000)	(199,000)	(186,000)

The above tables demonstrate the sensitivity of the Company's profit and loss after tax and equity to a reasonably possible change in actuarial valuation assumptions on an individual basis with all other variables held constant.

The method for deriving sensitivity information and significant variables is enhanced from previous year to more accurately estimate the change in liabilities due to change in variables. Comparative figures have been revised using the new computation method.

#### Market and Credit Risk

Market risk arises when the market values of assets and liabilities are adversely affected by changes in financial markets. Changes in interest rates, foreign exchange rates, equity prices and alternative investment prices can impact present and future investment earnings of the insurance operations as well as shareholder's equity.

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31 December 2023

### 29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

#### Market and Credit Risk (continued)

The Company is exposed to market risk in the Shareholder's Fund as well as market mismatch risk between the assets and liabilities of the Life Insurance Funds. The ALC actively manages market risk through setting and monitoring of the investment policy, asset allocation, portfolio construction, risk measurement and approving hedging strategies. In the case of the investment linked funds, investment risks are borne by the policyholders.

Investment limits are monitored at various levels to ensure that all investment activities are conducted within the Company's risk appetite and in line with the Company's risk management principles and philosophies. Compliance with established limits forms an integral part of the risk governance and financial reporting framework. The approach adopted by the Company in managing the various types of risk, including interest rate risk, foreign exchange risk, equity price risk, credit spread risk, alternative investment risk, liquidity risk, credit risk and concentration risk, is briefly described as follows:

#### (a) Interest rate risk (including asset liability mismatch)

The Company is exposed to interest rate risk through (i) investments in fixed income instruments and money market instruments and (ii) insurance contract liabilities in the Life Insurance Funds. Since the Shareholder's Fund has exposure to investments in fixed income instruments but no exposure to insurance contract liabilities, it will incur an economic loss when interest rates rise. For the Life Insurance Funds, given the long duration of contract liabilities and the uncertainty of cash flows, it is difficult to source assets that will perfectly match the insurance contract liabilities. This results in a net interest rate risk or asset liability mismatch risk, which is managed and monitored by the ALCO. (Refer to Table 29(F)).

Where the liabilities of the portfolios are predominantly measured using the Variable Fee Approach ("VFA") and the backing assets are measured using the Fair Value Through Profit and Loss ("FVTPL"), the changes in liabilities due to interest rates are expected to closely match the changes in assets.

For portfolios whose liabilities are predominantly measured using the General Measurement Model ("GMM") and Modified GMM and elect to disaggregate the insurance finance income and expenses between Profit or Loss and Other Comprehensive Income, the backing assets would predominantly be measured using Fair Value Through Other Comprehensive Income ("FVOCI"). This leads to lower volatility of profits or losses being reported in the Company's Profit or Loss Statement caused by interest rate changes.

#### (b) Foreign currency risk

Investments denominated in foreign currencies are limited to 10% of individual funds regardless of country, subject to the foreign investments being in jurisdictions with sovereign ratings at least equivalent to that of Malaysia, as prescribed by the regulator. In addition, net foreign currency exposure at the Company-level is limited to 10% of the total invested assets. (Refer to Table 29(C)).

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### 29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

#### (b) Foreign currency risk (continued)

Table 29(C): The table below shows the foreign exchange position of the Company's financial/insurance assets and liabilities by major currencies.

	RM RM'000	SGD RM'000	USD RM'000	Others RM'000	Total RM'000
<b>2023</b>					
<b>Assets</b>					
Property and equipment					
- Owned	281,844	-	-	-	281,844
- Right-of-use assets	16,905	-	-	-	16,905
Intangible assets	179,235	-	-	-	179,235
Investment properties	969,650	-	-	-	969,650
Asset held for sale	-	-	-	-	-
Investments					
Malaysian government securities	13,979,881	-	-	-	13,979,881
Debt securities	40,881,593	-	-	438,644	41,320,237
Equity securities	22,345,144	1,264,476	335,836	2,270,067	26,215,523
Unit and property trust funds	704,403	166,688	694,756	1,974,831	3,540,678
Investment in subsidiary:					
Collective investment schemes	1,734,164	-	-	-	1,734,164
Loans	419,672	-	-	-	419,672
Derivatives	7,600	-	-	-	7,600
Reinsurance contract assets	145,603	-	-	-	145,603
Insurance contract assets	16,456	-	-	-	16,456
Other receivables	720,424	-	5,188	3,647	729,259
Cash and bank balances	2,119,996	4,843	9,770	25,072	2,159,681
<b>Total assets</b>	<b>84,522,570</b>	<b>1,436,007</b>	<b>1,045,550</b>	<b>4,712,261</b>	<b>91,716,388</b>
<b>Liabilities</b>					
Insurance contract liabilities	86,798,091	-	-	-	86,798,091
Reinsurance contract liabilities	242,711	-	-	-	242,711
Derivatives	(352,691)	-	13,861	371,251	32,421
Agents' retirement benefits	1,008,843	-	-	-	1,008,843
Deferred tax liabilities	316,488	-	-	-	316,488
Other financial liabilities	428,607	184	285	13,089	442,165
Provision for taxation	7,806	-	-	-	7,806
Lease liabilities	1,989	-	-	-	1,989
Other payables	677,830	-	-	-	677,830
<b>Total liabilities</b>	<b>89,129,674</b>	<b>184</b>	<b>14,146</b>	<b>384,340</b>	<b>89,528,344</b>

## Notes to the Financial Statements

31 December 2023

### 29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

#### Market and Credit Risks (continued)

#### (b) Foreign currency risk (continued)

Table 29(C): The table below shows the foreign exchange position of the Company's financial/insurance assets and liabilities by major currencies. (continued)

	RM RM'000	SGD RM'000	USD RM'000	Others RM'000	Total RM'000
<b>2022</b>					
<b>Assets</b>					
Property and equipment					
- Owned	289,836	-	-	-	289,836
- Right-of-use assets	17,430	-	-	-	17,430
Intangible assets	168,714	-	-	-	168,714
Investment properties	976,500	-	-	-	976,500
Asset held for sale	238,000	-	-	-	238,000
Investments					
Malaysian government securities	11,342,703	-	-	-	11,342,703
Debt securities	38,061,797	-	-	393,376	38,455,173
Equity securities	21,996,146	1,309,719	314,644	2,498,114	26,118,623
Unit and property trust funds	631,714	196,657	100,380	1,511,029	2,439,780
Investment in subsidiary:					
Collective investment schemes	1,616,831	-	-	-	1,616,831
Loans	472,033	-	-	-	472,033
Derivatives	59,890	-	-	(58,723)	1,167
Reinsurance contract assets	272,664	-	-	-	272,664
Insurance contract assets	7,711	-	-	-	7,711
Other receivables	637,619	-	2,935	2,539	643,093
Cash and bank balances	4,310,143	5,485	12,210	9,817	4,337,655
<b>Total assets</b>	<b>81,099,731</b>	<b>1,511,861</b>	<b>430,169</b>	<b>4,356,152</b>	<b>87,397,913</b>
<b>Liabilities</b>					
Insurance contract liabilities	83,226,767	-	-	-	83,226,767
Reinsurance contract liabilities	231,853	-	-	-	231,853
Derivatives	(268,908)	-	13,416	275,700	20,208
Agents' retirement benefits	948,623	-	-	-	948,623
Deferred tax liabilities	96,240	-	-	-	96,240
Other financial liabilities	114,397	-	273	21,685	136,355
Provision for taxation	131,807	-	-	-	131,807
Lease liabilities	2,346	-	-	-	2,346
Other payables	676,201	-	-	-	676,201
<b>Total liabilities</b>	<b>85,159,326</b>	<b>-</b>	<b>13,689</b>	<b>297,385</b>	<b>85,470,400</b>



## Notes to the Financial Statements

31 December 2023

### 29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

#### Market and Credit Risk (continued)

##### (c) Equity price risk

Exposure to equity price risk exists in investment assets through equity direct investment, and fund investments, where the Company bears the volatility in returns and investment performance risk. Equity price risk also exists in investment-linked products where revenues of the insurance operations are linked to the performances of underlying equity funds since this has an impact on the level of fees earned.

A robust monitoring process is in place to manage equity risk by having appropriate risk management strategies to limit the downside risk at certain pre-determined levels. Limits are set for single security holdings as a percentage of equity holdings.

##### (d) Credit spread risk

Exposure to credit spread risk exists in the Company's investments in corporate bonds. Credit spread is the difference between the corporate yields against the risk-free rate of the similar tenure. When spreads widen, it generally implies that the market is factoring a deterioration in the creditworthiness of the bonds. A widening in credit spreads will generally result in a fall in the values of the Company's bond portfolio.

##### (e) Alternative investment risk

The Company is exposed to alternative investment risk through investments in real estate and private equities. Transactions for property and private equity may be subject to review by the BRMC and approval by the Board in accordance with the Authority Grid. The relevant Management Committees assist in deliberating matters relating to property and private equity, including property investment policy, risk management, performance, expenditure, operations and facilities management.

##### (f) Liquidity risk

Liquidity risk arises when a company is unable to meet the cash flow needs of its financial liabilities, or if the assets backing the liabilities cannot be sold quickly enough to meet its financial obligations without incurring significant losses. For an insurance company, the greatest liquidity needs typically arise from its insurance liabilities. Demands for funds can usually be met through ongoing normal operations, premiums received, sale of assets or borrowings. Unexpected demands for liquidity may be triggered by mass surrender of insurance policies due to negative publicity, deterioration of the economy, reports of problems in other companies in the same or similar lines of business, unanticipated policy claims, or other unexpected cash demands from policyholders.

Expected liquidity demands are managed through a combination of treasury, investment and asset-liability management practices, which are monitored on an ongoing basis. Actual and projected cash inflows and outflows are monitored and a reasonable amount of assets are kept in liquid instruments at all times.

The projected cash flows from the in-force insurance contract liabilities consist of renewal premiums, expenses, commissions, claims, maturities and surrenders. Renewal premiums, expenses, commissions, claims and maturities are generally stable and predictable. Surrenders can be more uncertain although it has been quite stable over the past several years.

Unexpected liquidity demands are managed through a combination of product design, investment diversification limits, credit facilities, investment strategies and systematic monitoring. The existence of surrender penalty in certain insurance contracts also protects the Company from losses due to unexpected surrender trends as well as reduces the sensitivity of surrenders to changes in interest rates (Refer to Table 29(D1) and (D2)).

## Notes to the Financial Statements

31 December 2023

### 29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

#### Market and Credit Risk (continued)

#### (f) Liquidity risk (continued)

##### Maturity profiles

Table 29(D1): The following table shows the maturity profile of the Company's financial/insurance liabilities and the expected recovery or settlement of financial/insurance assets based on the remaining undiscounted contractual cash flows.

	Carrying value RM'000	Up to a Year* RM'000	1 - 5 Years RM'000	> 5 Years RM'000	No maturity date RM'000	Total RM'000
<b>2023</b>						
Investments:						
FVOCI	7,105,184	696,522	2,736,674	4,492,570	1,335,194	9,260,960
FVTPL	79,685,299	5,973,355	21,811,277	38,918,323	31,122,360	97,825,315
Loans	419,672	30,355	459,322	42,133	-	531,810
Derivatives	7,600	7,600	-	-	-	7,600
Other receivables	729,259	722,277	6,982	-	-	729,259
Cash and cash equivalents	2,159,681	2,159,681	-	-	-	2,159,681
<b>Total undiscounted financial/insurance assets</b>	<b>90,106,695</b>	<b>9,589,790</b>	<b>5,014,255</b>	<b>43,453,026</b>	<b>32,457,554</b>	<b>110,514,625</b>
Derivatives	32,421	24,562	7,859	-	-	32,421
Agents' retirement benefits	1,008,843	502,682	193,919	312,242	-	1,008,843
Other financial liabilities	442,165	442,165	-	-	-	442,165
Lease liabilities	1,989	236	1,870	-	-	2,106
Other payables	361,255	343,401	17,854	-	-	361,255
<b>Total undiscounted financial/insurance liabilities</b>	<b>1,846,673</b>	<b>1,313,046</b>	<b>221,502</b>	<b>312,242</b>	<b>-</b>	<b>1,846,790</b>
<b>Total liquidity surplus/(gap)</b>	<b>88,260,022</b>	<b>8,276,744</b>	<b>24,792,753</b>	<b>43,140,784</b>	<b>32,457,554</b>	<b>108,667,835</b>

\* Expected utilisation or settlement within 12 months from the reporting date.

## Notes to the Financial Statements

31 December 2023

### 29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

#### Market and Credit Risks (continued)

#### (f) Liquidity risk (continued)

#### Maturity profiles (continued)

Table 29(D1): The following table shows the maturity profile of the Company's financial/insurance liabilities and the expected recovery or settlement of financial/insurance assets based on the remaining undiscounted contractual cash flows. (continued)

	Carrying value RM'000	Up to a Year* RM'000	1 - 5 Years RM'000	> 5 Years RM'000	No maturity date RM'000	Total RM'000
<b>2022</b>						
Investments:						
FVOCI	6,589,252	461,127	2,928,742	4,124,555	1,241,694	8,756,118
FVTPL	73,383,858	4,042,924	21,510,451	35,326,409	29,840,121	90,719,905
Loans	472,033	58,252	506,527	46,671	-	611,450
Derivatives	1,167	852	315	-	-	1,167
Other receivables	643,093	640,525	2,568	-	-	643,093
Cash and cash equivalents	4,337,655	4,337,655	-	-	-	4,337,655
<b>Total undiscounted financial/insurance assets</b>	<b>85,427,058</b>	<b>9,541,335</b>	<b>24,948,603</b>	<b>39,497,635</b>	<b>31,081,815</b>	<b>105,069,388</b>
Derivatives	20,208	15,716	4,492	-	-	20,208
Agents' retirement benefits	948,623	437,044	185,896	325,683	-	948,623
Other financial liabilities	136,355	136,355	-	-	-	136,355
Lease liabilities	2,346	952	1,479	114	-	2,545
Other payables	406,008	387,417	18,591	-	-	406,008
<b>Total undiscounted financial/insurance liabilities</b>	<b>1,513,540</b>	<b>977,484</b>	<b>210,458</b>	<b>325,797</b>	<b>-</b>	<b>1,513,739</b>
<b>Total liquidity surplus/(gap)</b>	<b>83,913,518</b>	<b>8,563,851</b>	<b>24,738,145</b>	<b>39,171,838</b>	<b>31,081,815</b>	<b>103,555,649</b>

\* Expected utilisation or settlement within 12 months from the reporting date.

## Notes to the Financial Statements

31 December 2023

### 29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

#### Market and Credit Risks (continued)

##### (f) Liquidity risk (continued)

#### Maturity Profile for insurance and reinsurance contract liabilities

Table 29(D2): The following tables show the maturity profile of insurance contracts issued and reinsurance contracts held that are liabilities of the Company based on the estimates of the present value of the future cash flows expected to be paid out in the periods presented.

	Up to 1 Year RM'000	1 - 2 Years RM'000	2 - 3 Years RM'000	3 - 4 Years RM'000	4 - 5 Years RM'000	> 5 Years RM'000	Total RM'000
<b>2023</b>							
Insurance contract liabilities	9,751,388	937,612	1,415,169	1,560,994	1,852,033	50,763,649	66,280,845
Reinsurance contract liabilities held	214,481	25,395	24,214	23,367	22,059	198,129	507,645
<b>Total</b>	<b>9,965,869</b>	<b>963,007</b>	<b>1,439,383</b>	<b>1,584,361</b>	<b>1,874,092</b>	<b>50,961,778</b>	<b>66,788,490</b>
<b>2022 (restated)</b>							
Insurance contract liabilities	9,122,835	1,035,126	897,014	1,200,189	1,552,494	50,451,312	64,258,970
Reinsurance contract liabilities held	(10,049)	21,551	22,617	21,330	20,579	178,402	254,430
<b>Total</b>	<b>9,112,786</b>	<b>1,056,677</b>	<b>919,631</b>	<b>1,221,519</b>	<b>1,573,073</b>	<b>50,629,714</b>	<b>64,513,400</b>

#### Amounts payable on demand

Term life contracts issued and reinsurance contracts held have zero amounts payable on demand.

The amounts payable on demand representing the policyholders' account values less applicable surrender fees are as follows:

	2023		2022	
	Amounts payable on demand RM'000	Carrying Amount RM'000	Amounts payable on demand RM'000	Carrying Amount RM'000
Universal life contracts	4,093,931	4,367,814	3,205,329	3,445,034
PAR	50,864,850	48,249,145	50,097,905	48,285,663
ILP	14,222,370	14,217,819	12,490,218	12,488,030
<b>Total</b>	<b>69,181,151</b>	<b>66,834,778</b>	<b>65,793,452</b>	<b>64,218,727</b>

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31 December 2023

### 29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

#### Market and Credit Risk (continued)

#### Maturity analysis on expected maturity bases

Table 29(D3): The following table shows the current and non-current classification of assets and liabilities of the Company.

	Current* RM'000	Non-current RM'000	Total RM'000
<b>2023</b>			
Property and equipment			
- Owned	-	281,844	281,844
- Right-of-use assets	-	16,905	16,905
Intangible assets	-	179,235	179,235
Investment properties	-	969,650	969,650
Investments:			
FVOCI	393,741	6,711,443	7,105,184
FVTPL	34,853,838	44,831,461	79,685,299
Loans	614	419,058	419,672
Derivatives	7,600	-	7,600
Reinsurance contract assets	(173,157)	318,760	145,603
Insurance contract assets	16,456	-	16,456
Other receivables	722,277	6,982	729,259
Cash and cash equivalents	2,159,681	-	2,159,681
<b>Total assets</b>	<b>37,981,050</b>	<b>53,735,338</b>	<b>91,716,388</b>
Insurance contract liabilities	11,818,942	74,979,149	86,798,091
Reinsurance contract liabilities	69,040	173,671	242,711
Derivatives	24,562	7,859	32,421
Agents' retirement benefits	502,682	506,161	1,008,843
Deferred tax liabilities	316,488	-	316,488
Other financial liabilities	442,165	-	442,165
Provision for taxation	7,806	-	7,806
Lease liabilities	821	1,168	1,989
Other payables	659,976	17,854	677,830
<b>Total liabilities</b>	<b>13,842,482</b>	<b>75,685,862</b>	<b>89,528,344</b>

\* Expected utilisation or settlement within 12 months from the reporting date.

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31 December 2023

### 29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

#### Market and Credit Risk (continued)

#### Maturity analysis on expected maturity bases (continued)

Table 29(D3): The following table shows the current and non-current classification of assets and liabilities of the Company.

	Current* RM'000	Non-current RM'000	Total RM'000
<b>2022 (restated)</b>			
Property and equipment			
- Owned	-	289,836	289,836
- Right-of-use assets	-	17,430	17,430
Intangible assets	-	168,714	168,714
Investment properties	-	976,500	976,500
Non-current assets held-for-sale	-	238,000	238,000
Investments:			
FVOCI	168,190	6,421,062	6,589,252
FVTPL	31,699,873	41,683,985	73,383,858
Loans	23,865	448,168	472,033
Derivatives	852	315	1,167
Reinsurance contract assets	118,432	154,232	272,664
Insurance contract assets	6,136	1,575	7,711
Other receivables	640,524	2,569	643,093
Cash and cash equivalents	4,337,655	-	4,337,655
<b>Total assets</b>	<b>36,995,527</b>	<b>50,402,386</b>	<b>87,397,913</b>
Insurance contract liabilities	10,994,534	72,232,233	83,226,767
Reinsurance contract liabilities	43,492	188,361	231,853
Derivatives	15,717	4,491	20,208
Agents' retirement benefits	437,043	511,580	948,623
Deferred tax liabilities	96,240	-	96,240
Other financial liabilities	136,355	-	136,355
Provision for taxation	131,807	-	131,807
Lease liabilities	996	1,350	2,346
Other payables	657,607	18,594	676,201
<b>Total liabilities</b>	<b>12,513,791</b>	<b>72,956,609</b>	<b>85,470,400</b>

\* Expected utilisation or settlement within 12 months from the reporting date.

#### (g) Credit risk

Credit risk is the risk that one party to a financial contract will cause financial loss to the other party by failing to discharge an obligation. The Company is exposed to credit risk mainly through (i) investment in cash, deposits and bonds, (ii) corporate lending activities, (iii) exposure to counterparty's credit in derivatives transactions and reinsurance contracts and (iv) non-payment of premiums. For all four types of exposures, financial loss may materialise as a result of credit default by the borrower or counterparty. For investment in bonds, financial loss may materialise as a result of the widening credit spread or downgrade of credit rating.

## Notes to the Financial Statements

31 December 2023

### 29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

#### Market and Credit Risk (continued)

##### (g) Credit risk (continued)

The task of evaluating and monitoring credit risk arising from financial instruments is undertaken by the Credit Risk Committee (“CRC”), which in turn reports to the ALC. The Company has internal limits by issuer and counterparty according to their investment credit ratings, which are actively monitored to manage the credit and concentration risk, and are being reviewed on a regular basis. The creditworthiness of reinsurers, issuers and banks is assessed on an annual basis by reviewing their financial strength through published credit ratings and other publicly available financial information (Refer to Table 29(E1) and (E2)).

Reinsurance arrangements are placed with counterparties that have a good credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties’ limits that are set each year.

Credit risk in respect of non-payment of premiums by customers predominantly persists during the grace period specified in the policy document until the policy is either paid up or terminated. Credit risk in respect of group insurance outstanding premium is being actively monitored and guided by strict credit control guidelines.

The Company issues investment-linked policies in which policyholders bear the investment risk of assets held in investment-linked funds as the policy benefits are directly linked to the values of these assets. Therefore, the Company has no material credit or market risk on investment-linked financial assets.

For corporate lending, the amount and type of collateral required depends on the assessment of the credit risk of the counterparty. Credit risk is mitigated by entering into collateral agreements and collaterals are revalued on a regular basis. The Company monitors the market value of the collateral, requests additional collateral when needed and performs an impairment valuation, whenever applicable. The fair value of collateral, held by the Company as a lender, for which it is entitled to sell or pledge in the event of default is as follows:

RM'000	Type of Collateral	Carrying Amount of Loans	Fair Value of Collateral
<b>2023</b>			
Mortgage loans	Properties	32	80
Secured loans			
- Vehicle loans	Vehicle	2,052	2,052
		<b>2,084</b>	<b>2,132</b>
<b>2022</b>			
Mortgage loans	Properties	37	80
Secured loans			
- Vehicle loans	Vehicle	1,675	1,675
		<b>1,712</b>	<b>1,755</b>

Transactions are conducted under terms and conditions that are usual and customary to standard securities borrowing and lending activities.



## Notes to the Financial Statements

31 December 2023

### 29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

#### Market and Credit Risks (continued)

##### (g) Credit risk (continued)

Table 29(E1): The table below shows the maximum exposure to credit risk for the components of the Statement of Financial Position. For derivatives, the fair value shown on the Statement of Financial Position represents the current risk exposure but not the maximum risk exposure that would arise in the future as a result of the change in value.

	Note	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000
<b>2023</b>				
Financial investments at FVOCI:	7(a)			
Malaysian government securities		228,330	1,194,957	1,423,287
Debt securities		599,390	3,747,314	4,346,704
Financial investments at FVTPL:	7(b)			
Malaysian government securities		-	12,556,594	12,556,594
Debt securities		105,815	36,867,718	36,973,533
Loans	8	4,835	414,837	419,672
Derivatives	12	-	7,600	7,600
Reinsurance contract assets	9	-	145,603	145,603
Insurance contract assets	9	-	16,456	16,456
Other receivables	10	22,808	706,451	729,259
		<b>961,178</b>	<b>55,657,530</b>	<b>56,618,708</b>
<b>2022</b>				
Financial investments at FVOCI:	7(a)			
Malaysian government securities		181,327	807,190	988,517
Debt securities		688,350	3,670,691	4,359,041
Financial investments at FVTPL:	7(b)			
Malaysian government securities		-	10,354,186	10,354,186
Debt securities		85,005	34,011,127	34,096,132
Loans	8	3,044	468,989	472,033
Derivatives	12	-	1,167	1,167
Reinsurance contract assets	9	-	272,664	272,664
Insurance contract assets	9	-	7,711	7,711
Other receivables	10	13,995	629,098	643,093
		<b>971,721</b>	<b>50,222,823</b>	<b>51,194,544</b>

## Notes to the Financial Statements

31 December 2023

### 29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

#### Market and Credit Risks (continued)

##### (g) Credit risk (continued)

Table 29(E2): The following table sets out information about the credit quality of financial assets measured at amortised cost and debt securities at FVOCI for which ECL was provided. The maximum exposure is shown gross, before the effect of mitigation through the use of master netting or collateral agreements and the use of credit derivatives.

For explanation of the terms: '12-month ECL', 'lifetime ECL' and 'credit-impaired', refer to Note 2.2 (h).

	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000
<b>2023</b>				
<b>Loans at amortised cost</b>				
Government guaranteed loan	-	-	-	-
Investment Grade* (BBB to AAA)	35,153	405,706	-	440,859
	35,153	405,706	-	440,859
Loss allowance	(70)	(28,061)	-	(28,131)
Carrying amount	35,083	377,645	-	412,728
<b>Debt securities at FVOCI</b>				
Government guaranteed and Low risk bonds	2,396,625	-	-	2,396,625
Investment Grade* (BBB to AAA)	3,204,023	169,343	-	3,373,366
	5,600,648	169,343	-	5,769,991
<b>2022</b>				
<b>Loans at amortised cost</b>				
Government guaranteed loan	-	-	-	-
Investment Grade* (BBB to AAA)	63,153	424,206	-	487,359
	63,153	424,206	-	487,359
Loss allowance	(127)	(19,974)	-	(20,101)
Carrying amount	63,026	404,232	-	467,258
<b>Debt securities at FVOCI</b>				
Government guaranteed and Low risk bonds	2,016,854	-	-	2,016,854
Investment Grade* (BBB to AAA)	3,077,225	253,479	-	3,330,704
	5,094,079	253,479	-	5,347,558

\* Based on internal rating grades which are equivalent to grades of external rating agencies.

## Notes to the Financial Statements

31 December 2023

### 29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

#### Market and Credit Risks (continued)

#### (g) Credit risk (continued)

Table 29(E2): The following table sets out the credit analysis for reinsurance contract assets and financial assets that are not subjected to ECL.

	Neither past-due nor impaired			Not rated RM'000	Not subject to credit risk RM'000	Total RM'000
	Government guaranteed and low risk bonds RM'000	Investment grade* (BBB to AAA) RM'000	Non- Investment grade* (C to BB) RM'000			
<b>2023</b>						
Financial investments at FVOCI:						
Equity securities	-	-	-	-	1,335,193	1,335,193
Financial investments at FVTPL:						
Malaysian government securities	12,556,594	-	-	-	-	12,556,594
Debt securities	10,633,088	26,340,445	-	-	-	36,973,533
Equity securities	-	-	-	-	24,880,330	24,880,330
Unit and property trust funds	-	-	-	-	3,540,678	3,540,678
Collective investment schemes						
- subsidiary	-	-	-	-	1,734,164	1,734,164
Loans	-	-	-	6,944	-	6,944
Derivatives	-	7,600	-	-	-	7,600
Reinsurance						
contract assets	-	145,603	-	-	-	145,603
Other receivables	255,472	347,896	-	116,939	-	720,307
Cash and cash equivalents	-	2,159,681	-	-	-	2,159,681
<b>Total credit risk exposure</b>	<b>23,445,154</b>	<b>29,001,225</b>	<b>-</b>	<b>123,883</b>	<b>31,490,365</b>	<b>84,060,627</b>

\* Based on internal rating grades which are equivalent to grades of external rating agencies.

## Notes to the Financial Statements

31 December 2023

### 29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

#### Market and Credit Risks (continued)

#### (g) Credit risk (continued)

Table 29(E2): The following table sets out the credit analysis for reinsurance contract assets and financial assets that are not subjected to ECL. (continued)

	Neither past-due nor impaired			Not rated RM'000	Not subject to credit risk RM'000	Total RM'000
	Government guaranteed and low risk bonds RM'000	Investment grade* (BBB to AAA) RM'000	Non- Investment grade* (C to BB) RM'000			
<b>2022 (restated)</b>						
Financial investments at FVOCI:						
Equity securities	-	-	-	-	1,241,694	1,241,694
Financial investments at FVTPL:						
Malaysian government securities	10,354,186	-	-	-	-	10,354,186
Debt securities	11,315,051	22,781,081	-	-	-	34,096,132
Equity securities	-	-	-	-	24,876,929	24,876,929
Unit and property trust funds	-	-	-	-	2,439,780	2,439,780
Collective investment schemes						
- subsidiary	-	-	-	-	1,616,831	1,616,831
Loans	-	-	-	4,775	-	4,775
Derivatives	-	1,167	-	-	-	1,167
Reinsurance						
contract assets	-	272,664	-	-	-	272,664
Other receivables	241,814	297,073	-	96,203	-	635,090
Cash and cash equivalents	-	4,337,655	-	-	-	4,337,655
<b>Total credit risk exposure</b>	<b>21,911,051</b>	<b>27,689,640</b>	<b>-</b>	<b>100,978</b>	<b>30,175,234</b>	<b>79,876,903</b>

\* Based on internal rating grades which are equivalent to grades of external rating agencies.

## Notes to the Financial Statements

31 December 2023

### 29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

#### Market and Credit Risks (continued)

##### (g) Credit risk (continued)

This disclosure below relates to MFRS 9 which came into effect in 2018.

#### Amounts arising from Expected Credit Loss (“ECL”)

##### Measurement of ECL - Explanation of inputs, assumptions and estimation techniques

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (“PD”);
- loss given default (“LGD”); and
- exposure at default (“EAD”).

These parameters are derived from the statistical models which are internally developed by the Company based on the historical data. They are adjusted to reflect forward-looking information.

PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (“12M PD”), or over the remaining lifetime (‘Lifetime PD’) of the obligation. They are estimates at a certain date, which are calculated based on the statistical rating models. These statistical models are based on internally and externally compiled data comprising both quantitative and qualitative factors.

If a counterparty or exposure migrates between rating classes, this will lead to a change in the estimate of the associated PD. The ECL considers the contractual maturities of exposures.

LGD is the magnitude of the likely loss if there is a default. LGD is expressed as a percentage per loss per unit of exposure at the time of default and varies by type and seniority of claims, availability and quality of collateral, legal enforceability of processes in the jurisdiction, industry of borrower and prevailing market conditions. They are estimates at a certain date, which are calculated based on the statistical rating models. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors.

EAD represents the expected exposure in the event of a default. The Company derives the EAD from the current and potential future exposure to the counterparty. The EAD of a financial asset is its gross carrying amount.

The ECL is determined by projecting PD, LGD and EAD for each individual exposure. These three components are multiplied together and adjusted for forward-looking information. This is then discounted back to the reporting date. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The trade and lease receivables are in scope for ECL impairment provisions using the simplified assumption of lifetime ECL.

##### Significant increase in credit risk

To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Company considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty’s ability to meet its obligations.

## Notes to the Financial Statements

31 December 2023

### 29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

#### Market and Credit Risks (continued)

##### (g) Credit risk (continued)

##### Significant increase in credit risk (continued)

A movement of an instrument's credit rating along the rating scale will represent changes in credit risk, measured by the change in PD.

The criteria for assessing whether credit risk has increased significantly will be determined by both quantitative changes in 12M PDs and qualitative factors. The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Company's quantitative model, the 12M PD is determined to have increased by more than 100% since origination. The criteria as described above would only apply if the financial instrument does not have an investment grade rating.

Using its experienced credit judgement and, where possible, relevant historical experience, the Company may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative factors that are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis. The Company uses the watch-list as an additional trigger for the identification of significant increase in credit risk.

The Company considers "low credit risk" to be an investment grade credit rating using a combination of internal and external credit rating models.

##### Definition of default

The Company considers a financial asset to be in default by assessing the following criteria:

##### Quantitative criteria

For insurance receivables, the counterparty fails to make a contractual payment 6 months after it falls due (i.e. after expiration of the maximum granted credit terms). For bonds and loans, the instrument is in overdue status and there are non-payments on another debt obligation of the same issuer to the Company.

The counterparty is either bankrupt or has indications of potentially significant financial difficulty such as lawsuits or similar actions that threaten the financial viability of the counterparty; distressed exchange, merger or amalgamation without assumption, restructuring with expected principal haircut or a breach in material loan covenant that is not rectified within a given timeframe.

The criteria above have been applied to all financial instruments held by the Company and are consistent with the definition of default used for credit risk management purposes. The default definition has been applied consistently to model the PD, EAD and LGD throughout the Company's expected loss calculations.

##### Incorporating of forward-looking information

The Company incorporates forward-looking information in both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and in its measurement of ECL. The Company has performed historical analysis and identified key economic variables impacting credit risk and ECL for each portfolio.

## Notes to the Financial Statements

31 December 2023

### 29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

#### Market and Credit Risks (continued)

##### (g) Credit risk (continued)

##### Incorporating of forward-looking information (continued)

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Experienced judgement has also been applied in this process. Forecasts of these economic variables (the “base economic scenario”) are obtained from publicly available economic databases published on a quarterly basis and provide the best estimate view of the economy over the next four to five years, and based on such information, to project the economic variables for the full remaining lifetime of each instrument, a mean reversion approach is used. The impact of these economic variables on the PD, EAD and LGD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates and the components of LGD and EAD.

In addition to the base economic scenario, the Company uses multiple scenarios to ensure non-linear risks are captured. The number of scenarios and their respective scenario attributes are reviewed at each reporting date. At 31 December 2023, the Company concluded that two particular scenarios are capable of capturing non-linear risks inherent in all portfolios. The scenario weightings are determined by expert judgement, taking into account the range of possible outcomes presented by the chosen scenarios. The assessment of significant increase in credit risk is performed using the 12M PD under each scenario multiplied by the associated scenario weights. This determines whether the financial instrument is in Stage 1, 2 or 3, and hence whether 12M or lifetime ECL should be applied. Following this assessment, the Company measures ECL as either a probability-weighted 12M ECL (Stage 1), or a probability-weighted lifetime ECL (Stages 2 and 3). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weight (as opposed to weighting the inputs).

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and the actual outcomes may be significantly different from those projected. The Company considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Company’s different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

The sensitivity of the ECL to the economic variable assumptions affecting the calculation of ECL was not material to the Company for the year ended 31 December 2023.



## Notes to the Financial Statements

31 December 2023

### 29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

#### Market and Credit Risks (continued)

##### (g) Credit risk (continued)

#### Loss allowance - Provision for ECL

Table 29(E3): The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instruments.

	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000
<b>2023</b>				
<b>Loans at amortised cost</b>				
Opening balance	127	19,974	-	20,101
Additional loss allowance due to transfer	-	-	-	-
Net remeasurement of loss allowance	140	6,810	-	6,950
New financial assets purchased	-	-	-	-
Financial assets that have been derecognised	(84)	(762)	-	(846)
Changes in models/risk parameters	(113)	2,039	-	1,926
Closing balance	70	28,061	-	28,131
<b>2022</b>				
<b>Loans at amortised cost</b>				
Opening balance	1,168	29,246	-	30,414
Net remeasurement of loss allowance	75	3,878	-	3,953
New financial assets purchased	42	-	-	42
Financial assets that have been derecognised	(415)	(349)	-	(764)
Changes in models/risk parameters	77	806	-	883
Management overlay	(820)	(13,607)	-	(14,427)
Closing balance	127	19,974	-	20,101

## Notes to the Financial Statements

31 December 2023

### 29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

#### (g) Credit risk (continued)

##### Loss allowance - Provision for ECL (continued)

Table 29(E3): The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instruments. (continued)

	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000
<b>2023</b>				
<b>Debt investment securities at FVOCI</b>				
Opening balance	8,083	34,358	-	42,441
Transfer to lifetime ECL not credit-impaired	3,883	(3,883)	-	
Additional loss allowance due to transfer	(3,479)	-	-	(3,479)
Net remeasurement of loss allowance	320	1,687	-	2,007
New financial assets purchased	2,912	(1,324)	-	1,588
Financial assets that have been derecognised	(2,051)	(1,182)	-	(3,233)
Changes in models/risk parameters	332	516	-	848
Closing balance	10,000	30,172	-	40,172
<b>2022</b>				
<b>Debt investment securities at FVOCI</b>				
Balance as at 31 December 2021 as previously reported	9,333	8,177	-	17,510
Redesignation and classification overlay for financial assets	4,091	29,177	-	33,268
Balance as at 1 January 2022, restated	13,424	37,354	-	50,778
Transfer to lifetime ECL not credit-impaired	(100)	100	-	-
Transfer to 12-month ECL not credit-impaired	91	(91)	-	-
Additional loss allowance due to transfer	(59)	1,544	-	1,485
Net remeasurement of loss allowance	554	1,968	-	2,522
New financial assets purchased	2,376	-	-	2,376
Financial assets that have been derecognised	(1,234)	(1,204)	-	(2,438)
Changes in models/risk parameters	521	151	-	672
Management overlay	(7,490)	(5,464)	-	(12,954)
Closing balance	8,083	34,358	-	42,441

The above loss allowance as at 31 December 2023 for debt securities at FVOCI is not recognised in the statement of financial position because the carrying amount of debt securities at FVOCI is their fair value.

## Notes to the Financial Statements

31 December 2023

### 29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

#### (h) Concentration risk

An important element of managing both market and credit risk is to actively manage concentration to specific issuers, counterparties, industry sectors, countries and currencies. Both internal and regulatory limits are put in place and monitored to manage this risk. These limits are reviewed on a regular basis by the ALC. The Company's exposures are within the concentration limits set by the regulator. The Company actively manages its asset mix to ensure that there is no significant concentration of market and credit risk.

#### (i) Sensitivity analysis on financial risks

The sensitivity analysis below shows the impact on the Company's net profit after taxation by applying possible shocks to each key variable, with all other variables held constant. While the co-movement of key variables can significantly affect the fair values and/or amortised cost of financial assets, to demonstrate the impact due to changes in each key variable, the variables are changed individually.

The impact on net profit after taxation represents the effect caused by changes in fair value of financial assets whose fair values are recorded in the statement of profit or loss, and changes in valuation of insurance contract liabilities. The impact on equity represents the impact on net profit after taxation and the effect on changes in fair value of financial assets measured at FVOCI.

**Table 29(F):**

RM (millions)	Impact on profit/(loss) after tax				Impact on Equity <sup>(1)</sup>			
	31 December 2023		31 December 2022 (restated)		31 December 2023		31 December 2022 (restated)	
	Financial assets	Insurance & reinsurance contracts	Financial assets	Insurance & reinsurance contracts	Financial assets	Insurance & reinsurance contracts	Financial assets	Insurance & reinsurance contracts
<b>Change in variables</b>								
<b>(a) Interest rate</b>								
+ 100 basis points	<b>(2,325.02)</b>	<b>2,220.46</b>	(1,876.87)	1,807.70	<b>(2,649.14)</b>	<b>2,573.67</b>	(2,174.50)	2,054.67
- 100 basis points	<b>2,617.36</b>	<b>(2,622.73)</b>	2,087.16	(2,105.06)	<b>2,975.00</b>	<b>(3,026.42)</b>	2,414.52	(2,380.89)
<b>(b) Foreign currency</b>								
5% increase in market value of USD denominated assets	<b>39.30</b>	<b>(39.37)</b>	11.13	(11.13)	<b>39.30</b>	<b>(39.34)</b>	11.13	(11.13)
5% decrease in market value of USD denominated assets	<b>(39.30)</b>	<b>38.92</b>	(11.13)	11.20	<b>(39.30)</b>	<b>38.89</b>	(11.13)	21.36

**Note:**

(1) The impact on equity reflects the after taxation impact, when applicable.

## Notes to the Financial Statements

31 December 2023

### 29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

#### (i) Sensitivity analysis on financial risks (continued)

Table 29(F): (continued)

RM (millions)	Impact on profit/(loss) after tax				Impact on Equity <sup>(1)</sup>			
	31 December 2023		31 December 2022 (restated)		31 December 2023		31 December 2022 (restated)	
	Insurance & Financial reinsurance assets	Insurance & contracts	Insurance & Financial reinsurance assets	Insurance & contracts	Insurance & Financial reinsurance assets	Insurance & contracts	Insurance & Financial reinsurance assets	Insurance & contracts
<b>Change in variables (continued)</b>								
<b>(c) Equity</b>								
20% increase in market indices:								
- STI	<b>156.57</b>	<b>(156.73)</b>	159.35	(159.35)	<b>192.57</b>	<b>(192.67)</b>	189.65	(189.68)
- KLCI	<b>3,302.99</b>	<b>(3,315.56)</b>	2,231.05	(2,232.63)	<b>3,420.78</b>	<b>(3,427.67)</b>	2,346.31	(2,343.40)
20% decrease in market indices:								
- STI	<b>(156.57)</b>	<b>155.78</b>	(159.35)	159.34	<b>(192.57)</b>	<b>191.75</b>	(189.65)	189.67
- KLCI	<b>(3,302.99)</b>	<b>3,231.56</b>	(2,231.05)	2,150.24	<b>(3,420.78)</b>	<b>3,343.62</b>	(2,346.31)	2,261.00
<b>(d) Credit</b>								
Spread + 100 basis points	<b>(1,370.56)</b>	<b>1,357.99</b>	(1,205.87)	1,214.87	<b>(1,581.79)</b>	<b>1,585.58</b>	(1,421.43)	1,403.46
Spread - 100 basis points	<b>1,513.38</b>	<b>(1,515.29)</b>	1,335.06	(1,337.52)	<b>1,742.22</b>	<b>(1,750.42)</b>	1,569.27	(1,567.74)
<b>(e) Alternative Investments <sup>(2)</sup></b>								
10% increase in market value of all alternative investments	<b>85.48</b>	<b>(85.59)</b>	66.22	(66.25)	<b>143.81</b>	<b>(143.88)</b>	143.20	(143.19)
10% increase in market value of all alternative investments	<b>(85.48)</b>	<b>84.87</b>	(66.22)	65.17	<b>(143.81)</b>	<b>143.17</b>	(143.20)	142.09

#### Notes:

(1) The impact on equity reflects the after taxation impact, when applicable.

(2) Alternative Investments comprise investments in real estate, private equity, infrastructure and hedge funds.

The method for deriving sensitivity information and significant variables is enhanced from previous year to more accurately estimate the change in liabilities due to change in variables. Comparative figures have been revised using the new computation method.

## Notes to the Financial Statements

31 December 2023

### 29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

#### Operational, Market Conduct and Compliance Risk

Operational risk is an event or action that may potentially impact partly or completely the achievement of the Company's objectives arising from inadequate or failed internal processes and systems, human factors or external events.

Market conduct risk is an event or action that may potentially impact partly or completely the achievement of the Company's objectives arising from its personnel and intermediaries not conducting themselves in accordance with the ethical standards and in compliance with the relevant laws and regulations governing insurance and investment product for pre-sales, during sales and after sales process. It is synonymous with professional behaviour and customer's protection. There are four areas in which the Company continuously strengthens:

- Fit and Proper;
- Sales Advisory Process;
- Training and Competency; and
- Business Conduct.

Compliance risk is any event or action that may potentially impact partly or completely the achievement of the Company's objectives as a result of its failure to comply with the following applicable laws, regulations and standards:

- Laws, regulations and rules governing insurance business and regulated financial licensed activities undertaken by the Company;
- Codes of practice promoted by industry associations of which the Company is a member of; and
- Any other applicable regulations which do not specifically govern the licensed activities undertaken by the Company but can expose the organisation to legal, regulatory or reputational loss.

The day-to-day management of operational, market conduct and compliance risks is effected through the maintenance of comprehensive internal controls, supported by an infrastructure of systems and procedures to monitor processes and transactions. The SMT regularly reviews and monitors these issues at its monthly meetings. The Internal Audit team regularly reviews the systems of internal control to assess their ongoing relevance and effectiveness, and reports at least quarterly to the Board Audit Committee. As an added measure, the risk appetite statement explicitly sets the Company's tolerance level to financial loss arising from operational, market conduct and compliance risks.

#### Technology, Information and Cyber Risks

Technology risk is defined as risk related to any potential adverse outcome, damage, loss, disruption, violation, system/hardware failure, and capacity deficiency arising from the use of technologies such as electronic hardware/devices, software, and online networks and telecommunication systems.

Information Risk is defined as risk related to confidentiality, integrity and availability of information (in physical or digital form).

Cyber Risk is defined as risk related to acts perpetrated by malicious threat actors including internal sabotage, espionage, malicious attacks, hacking incidents, fraudulent conduct using information and communication technologies.

The Company adopts a risk based approach in managing technology risks relating to IT disruption, cyber threats, data loss and third parties. The Company has put in place technological and procedural risk controls to defend against external and internal threats. Key risk indicators related to technology, information and cyber risks are reported to the Board on a regular basis. Independent assessment is performed by the Internal Audit team on the adequacy and effectiveness of the processes to manage technology, information and cyber risks. The risk appetite statement also explicitly sets the Company's tolerance level to financial loss arising from technology risks.

## Notes to the Financial Statements

31 December 2023

### 29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

#### Sustainability risk

Sustainability risk is defined as any environmental, social or governance (ESG) event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment and enterprise value. The Company has integrated ESG considerations into investment and its own operational activities.

At present, the Company manages social and governance-related risk through existing frameworks and policies. In order to build resilience as the world transits to a low-carbon economy, the Company has formalised the Environmental Risk Management Policy which sets forth guiding principles and minimum standards in managing environmental risk within the Company. Environmental risk arises from the potential adverse impact to the Company's business, operations and balance sheet due to changes in the environment that impact economic activities and human well-being. Environmental issues that are of concern include climate change, loss of biodiversity, pollution and changes in land use. Environmental risk can manifest in three dimensions of risk as follows:

- Physical risk – impact of weather events and long-term or widespread environmental changes. It arises from acute (event-driven) and chronic (long term shift) climate-related events that damage property, reduce productivity and disrupt trade.
- Transition risk – arises from the process of adjustment to an environmentally sustainable economy, including change in public policies, disruptive technological developments, and shifts in consumer and investor preferences.
- Liability risk – arises from legal risk and claims on damages and losses incurred from inaction or lack of action that results in the effects of physical and transition risks.

The Company's risk assessment considers the financial and non-financial impacts from physical and transition risks arising from climate change. With this, the organisation has put in place processes, methodology, and both qualitative and quantitative tools to identify and assess environmental risk for investment portfolios. For investment portfolio, the objective is to build resilient investment portfolios whilst striking a balance between ESG considerations, impact and financial returns.

### 30. FAIR VALUES OF ASSETS AND LIABILITIES

The management assessed that cash and short-term deposits, insurance and other receivables, insurance and other payables and other liabilities approximate their carrying amounts largely due to the short-term maturities of these assets and liabilities.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The carrying amounts of the Company's assets and liabilities approximate their respective fair values.

The following methods and assumptions were used to estimate the fair values which are carried or disclosed in the financial statements:

- The fair value of financial assets that are actively traded in organised financial markets is determined by reference to quoted market bid prices and closing prices as appropriate for assets at the close of business on the reporting date.
- For investments in quoted unit and real estate investment trusts, fair value is determined by reference to published net asset values. Investments in equity that do not have quoted market prices in an active market will be stated at adjusted net asset value.
- For financial instruments where there is no active market such as unquoted fixed income securities i.e. unquoted bonds, fair value is obtained from Bond Pricing Agency Malaysia Sdn. Bhd. ("BPAM") while for foreign bonds, fair value is obtained from ICE Data Service (IDC).
- For unquoted and unrated bonds, fair value is obtained from Bond Pricing Agency Malaysia Sdn. Bhd. ("BPAM").
- For structured deposits and derivatives, the fair value is obtained from Markit and banks.
- For investment properties, the fair value is obtained from valuations as performed by the external valuers using the income method and comparison method.

## Notes to the Financial Statements

31 December 2023

### 30. FAIR VALUES OF ASSETS AND LIABILITIES (CONTINUED)

If the fair value cannot be measured reliably, these financial instruments are measured at cost, being the fair value of the consideration paid for the acquisition of the instrument or the amount received on issuing the financial liability. All transaction costs directly attributable to the acquisition are also included in the cost of the investment.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

		Level 1	Level 2	Level 3	Total Fair Value
	Date of valuation	Quoted Market Price RM'000	Valuation Techniques - Market Observable Inputs RM'000	Valuation Techniques - Unobservable Inputs RM'000	RM'000
<b>2023</b>					
<b>(a) Assets measured at fair value:</b>					
<b>Financial assets:</b>					
<u>FVOCI financial assets (Note 7(a)):</u>					
Equity securities:					
Quoted in Malaysia					
- Kuala Lumpur Stock Exchange	31 December 2023	<b>706,354</b>	-	-	<b>706,354</b>
Quoted outside Malaysia					
- Singapore Exchange	31 December 2023	<b>236,899</b>	-	-	<b>236,899</b>
- Hong Kong Exchange	31 December 2023	<b>323,266</b>	-	-	<b>323,266</b>
Unquoted in Malaysia	31 December 2023	-	-	<b>68,674</b>	<b>68,674</b>
Malaysian government securities	31 December 2023	-	<b>1,423,287</b>	-	<b>1,423,287</b>
Debt securities:					
Unquoted in Malaysia	31 December 2023	-	<b>4,346,704</b>	-	<b>4,346,704</b>
<u>FVTPL financial assets (Note 7(b)):</u>					
<u>Mandatorily measured</u>					
Equity securities:					
Quoted in Malaysia	31 December 2023	<b>20,733,749</b>	-	-	<b>20,733,749</b>
Quoted outside Malaysia	31 December 2023	<b>3,173,151</b>	-	-	<b>3,173,151</b>
Unquoted in Malaysia	31 December 2023	-	<b>761,857</b>	<b>74,508</b>	<b>836,365</b>
Unquoted outside Malaysia	31 December 2023	-	<b>137,065</b>	-	<b>137,065</b>
Debt securities:					
Quoted in Malaysia	31 December 2023	<b>827</b>	-	-	<b>827</b>
Quoted outside Malaysia	31 December 2023	<b>294,589</b>	-	-	<b>294,589</b>
Unquoted in Malaysia	31 December 2023	-	<b>3,829,394</b>	-	<b>3,829,394</b>
Unquoted outside Malaysia	31 December 2023	-	<b>144,055</b>	-	<b>144,055</b>
Unit and property trust funds:					
Quoted in Malaysia	31 December 2023	<b>492,701</b>	-	-	<b>492,701</b>
Quoted outside Malaysia	31 December 2023	<b>330,493</b>	-	-	<b>330,493</b>
Unquoted in Malaysia	31 December 2023	-	<b>211,702</b>	-	<b>211,702</b>
Unquoted outside Malaysia	31 December 2023	-	<b>2,332,063</b>	<b>173,719</b>	<b>2,505,782</b>
Investment in subsidiary:					
Collective investment schemes					
Unquoted in Malaysia	31 December 2023	-	<b>1,734,164</b>	-	<b>1,734,164</b>



## Notes to the Financial Statements

31 December 2023

### 30. FAIR VALUES OF ASSETS AND LIABILITIES (CONTINUED)

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities. (continued)

		Level 1	Level 2	Level 3	
			Valuation Techniques - Market Observable Inputs	Valuation Techniques - Unobservable Inputs	Total Fair Value
	Date of valuation	Quoted Market Price RM'000	RM'000	RM'000	RM'000
<b>2023 (continued)</b>					
<b>(a) Assets measured at fair value:</b>					
<b>(continued)</b>					
<b>Financial assets: (continued)</b>					
FVOCI financial assets (Note 7(a)):					
(continued)					
Designated upon initial recognition:					
Malaysian government securities	31 December 2023	-	<b>12,556,594</b>	-	<b>12,556,594</b>
Debt securities:					
Unquoted in Malaysia	31 December 2023	-	<b>32,704,668</b>	-	<b>32,704,668</b>
<b>Financial assets</b>		<b>26,292,029</b>	<b>60,181,553</b>	<b>316,901</b>	<b>86,790,483</b>
Derivatives (Note 12):					
Currency swaps	31 December 2023	-	-	-	-
Bond Forward	31 December 2023	-	<b>7,600</b>	-	<b>7,600</b>
		-	<b>7,600</b>	-	<b>7,600</b>
<b>Non financial assets:</b>					
Investment Properties (Note 5):					
Commercial	16 November 2023	-	-	<b>734,650</b>	<b>734,650</b>
Residential	16 November 2023	-	-	<b>235,000</b>	<b>235,000</b>
<b>Non financial assets</b>		-	-	<b>969,650</b>	<b>969,650</b>
<b>(b) Liabilities measured at fair value:</b>					
<b>Financial liabilities</b>					
Derivatives (Note 12):					
Currency swaps	31 December 2023	-	<b>29,558</b>	-	<b>29,558</b>
Bond Forward	31 December 2023	-	<b>2,863</b>	-	<b>2,863</b>
		-	<b>32,421</b>	-	<b>32,421</b>

## Notes to the Financial Statements

31 December 2023

### 30. FAIR VALUES OF ASSETS AND LIABILITIES (CONTINUED)

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities. (continued)

		Level 1	Level 2	Level 3	
			Valuation Techniques - Market Observable Inputs	Valuation Techniques - Unobservable Inputs	Total Fair Value
	Date of valuation	Quoted Market Price RM'000	RM'000	RM'000	RM'000
<b>2022</b>					
<b>(a) Assets measured at fair value:</b>					
<b>Financial assets:</b>					
<u>FVOCI financial assets (Note 7(a)):</u>					
Equity securities:					
Quoted in Malaysia					
- Kuala Lumpur Stock Exchange	31 December 2022	692,452	-	-	692,452
Quoted outside Malaysia					
- Singapore Exchange	31 December 2022	199,399	-	-	199,399
- Hong Kong Exchange	31 December 2022	284,003	-	-	284,003
Unquoted in Malaysia	31 December 2022	-	-	65,840	65,840
Malaysian government securities	31 December 2022	-	988,517	-	988,517
Debt securities:					
Unquoted in Malaysia	31 December 2022	-	4,359,041	-	4,359,041
<u>FVTPL financial assets (Note 7(b)):</u>					
<u>Mandatorily measured</u>					
Equity securities:					
Quoted in Malaysia					
	31 December 2022	20,600,687	-	-	20,600,687
Quoted outside Malaysia					
	31 December 2022	3,510,190	-	-	3,510,190
Unquoted in Malaysia					
	31 December 2022	-	565,599	71,568	637,167
Unquoted outside Malaysia					
	31 December 2022	-	128,885	-	128,885
Debt securities:					
Quoted in Malaysia					
	31 December 2022	769	-	-	769
Quoted outside Malaysia					
	31 December 2022	271,132	-	-	271,132
Unquoted in Malaysia					
	31 December 2022	-	3,168,684	-	3,168,684
Unquoted outside Malaysia					
	31 December 2022	-	122,243	-	122,243
Unit and property trust funds:					
Quoted in Malaysia					
	31 December 2022	436,564	-	-	436,564
Quoted outside Malaysia					
	31 December 2022	322,638	-	-	322,638
Unquoted in Malaysia					
	31 December 2022	-	195,149	-	195,149
Unquoted outside Malaysia					
	31 December 2022	-	1,398,369	87,060	1,485,429
Investment in subsidiary:					
Collective investment schemes					
Unquoted in Malaysia	31 December 2022	-	1,616,831	-	1,616,831

## Notes to the Financial Statements

31 December 2023

### 30. FAIR VALUES OF ASSETS AND LIABILITIES (CONTINUED)

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities. (continued)

		Level 1	Level 2	Level 3	
		Quoted Market Price RM'000	Valuation Techniques - Market Observable Inputs RM'000	Valuation Techniques - Unobservable Inputs RM'000	Total Fair Value RM'000
	Date of valuation				
<b>2022 (continued)</b>					
<b>(a) Assets measured at fair value:</b>					
<b>(continued)</b>					
<b>Financial assets: (continued)</b>					
FVTPL financial assets (Note 7(b)):					
(continued):					
Designated upon initial recognition:					
Malaysian government securities	31 December 2022	-	10,354,186	-	10,354,186
Debt securities:					
Unquoted in Malaysia	31 December 2022	-	30,503,904	29,400	30,533,304
<b>Financial assets</b>		<b>26,317,834</b>	<b>53,401,408</b>	<b>253,868</b>	<b>79,973,110</b>
Derivatives (Note 12):					
Currency swaps	31 December 2022	-	315	-	315
Interest rate swaps	31 December 2022	-	852	-	852
		-	1,167	-	1,167
<b>Non financial assets:</b>					
Investment Properties (Note 5):					
Commercial	16 November 2022	-	-	744,500	744,500
Residential	16 November 2022	-	-	232,000	232,000
		-	-	976,500	976,500
Non-current assets held-for-sale					
(Note 6):					
Commercial	16 November 2022	-	-	238,000	238,000
		-	-	238,000	238,000
<b>(b) Liabilities measured at</b>					
<b>fair value:</b>					
<b>Financial liabilities</b>					
Derivatives (Note 12):					
Currency swaps	31 December 2022	-	4,492	-	4,492
Bond Forward	31 December 2022	-	15,650	-	15,650
Forward Foreign Exchange	31 December 2022	66	-	-	66
		66	20,142	-	20,208

## Notes to the Financial Statements

31 December 2023

### 30. FAIR VALUES OF ASSETS AND LIABILITIES (CONTINUED)

(i) Information about significant unobservable inputs used in Level 3 fair value measurements:

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

Description	Fair value as at 31 December 2023 RM'000	Valuation techniques	Unobservable inputs	Range (weighted average)
<u>Investment properties</u>				
Commercial properties	545,000	Income approach	Estimated Value p.s.f	1,200
Commercial properties	189,650	Comparison approach	Estimated Value p.s.f	RM38 - RM1,250
Residential properties	228,000	Comparison approach	Estimated Value p.s.f	RM670 - RM737
Residential properties	7,000	Comparison approach	Estimated Value p.s.f	RM40
<u>FVOCI financial assets</u>				
Unquoted equities	68,674	Adjusted net asset value <sup>(1)</sup>	Net tangible assets	not applicable
<u>FVTPL financial assets</u>				
Unquoted equities	74,508	Adjusted net asset value <sup>(1)</sup>	Net tangible assets	not applicable
Private equity fund	173,719	Adjusted net asset value <sup>(1)</sup>	Net tangible assets	not applicable

Description	Fair value as at 31 December 2022 RM'000	Valuation techniques	Unobservable inputs	Range (weighted average)
<u>Investment properties</u>				
Commercial properties	545,000	Income approach	Estimated Value p.s.f	RM1,196
Commercial properties	199,500	Comparison approach	Estimated Value p.s.f	RM33 - RM1,250
Residential properties	225,000	Comparison approach	Estimated Value p.s.f	RM648 - RM728
Residential properties	7,000	Comparison approach	Estimated Value p.s.f	RM40
<u>Non-current assets held-for-sale</u>				
Commercial properties	238,000	Income approach	Rental per square foot ("p.s.f.") per month Rental growth rate (upon Revisionary) Long-term vacancy rate Discount rate	RM2.50 - RM5.80 0.00% 12.50% 5.75% - 6.00%
<u>FVOCI financial assets</u>				
Unquoted equities	65,840	Adjusted net asset value <sup>(1)</sup>	Net tangible assets	not applicable
<u>FVTPL financial assets</u>				
Unquoted equities	71,568	Adjusted net asset value <sup>(1)</sup>	Net tangible assets	not applicable
Private equity fund	87,060	Adjusted net asset value <sup>(1)</sup>	Net tangible assets	not applicable
Unquoted debt securities	29,400	Expected future recovery value <sup>(2)</sup>	Discounted net cash flows and projected disposal price of securities	not applicable

(1) These investments are valued using adjusted net asset value. The net asset value of these investments as at the reporting period is an unobservable input as it is not published. Accordingly, these investments are classified as Level 3 investments within the fair value hierarchy. A reasonable change to the significant unobservable inputs is not expected to have material impact to the total equity of the Company.

(2) These investments are valued using expected future recovery value of the securities. The discounted net cash flows and projected disposal price of securities as at the reporting period are an unobservable input as they are not published. Accordingly, these investments are classified as Level 3 investments within the fair value hierarchy. A reasonable change to the significant unobservable inputs is not expected to have material impact to the total equity of the Company.

## Notes to the Financial Statements

31 December 2023

### 30. FAIR VALUES OF ASSETS AND LIABILITIES (CONTINUED)

(ii) Movements in level 3 assets and liabilities measured at fair value:

The following tables present the reconciliation for all assets measured at fair value based on significant unobservable inputs (Level 3):

	Fair value measurements using significant unobservable inputs (Level 3)							
	FVOCI	FVTPL			Financial assets Unquoted debt securities RM'000	Investment properties RM'000	Non-current assets held-for-sale RM'000	Total RM'000
	Financial assets Unquoted equities RM'000	Financial assets Unquoted equities RM'000	Financial assets Private equities RM'000					
<b>31 December 2023</b>								
<b>Opening balance</b>	<b>65,840</b>	<b>71,568</b>	<b>87,060</b>	<b>29,400</b>	<b>976,500</b>	<b>238,000</b>	<b>1,468,368</b>	
Total gain for the year:								
Changes in fair value								
- Included in statement of profit or loss	-	<b>2,940</b>	<b>7,420</b>	-	<b>(9,709)</b>	-	<b>651</b>	
- Included in other comprehensive income	<b>2,834</b>	-	-	-	-	-	<b>2,834</b>	
Addition for the year:								
Additions	-	-	<b>84,728</b>	-	<b>2,859</b>	-	<b>87,587</b>	
Transfer from property and equipment	-	-	-	-	-	-	-	
Transfer from investment properties	-	-	-	-	-	-	-	
Disposal for the year:								
Disposals	-	-	<b>(5,489)</b>	<b>(29,400)</b>	-	<b>(238,000)</b>	<b>(272,889)</b>	
Transfer to non-current assets held-for-sale	-	-	-	-	-	-	-	
Transfer from Level 2	-	-	-	-	-	-	-	
<b>Closing balance</b>	<b>68,674</b>	<b>74,508</b>	<b>173,719</b>	<b>-</b>	<b>969,650</b>	<b>-</b>	<b>1,286,551</b>	
<b>31 December 2022</b>								
<b>Opening balance</b>	<b>75,271</b>	<b>75,465</b>	<b>41,134</b>	<b>-</b>	<b>1,214,270</b>	<b>-</b>	<b>1,406,140</b>	
Total gain for the year:								
Changes in fair value								
- Included in statement of profit or loss	-	<b>(3,897)</b>	<b>5,638</b>	-	<b>(1,891)</b>	-	<b>(150)</b>	
- Included in other comprehensive income	<b>(9,431)</b>	-	-	-	-	-	<b>(9,431)</b>	
Addition for the year:								
Additions	-	-	<b>54,170</b>	-	<b>2,096</b>	-	<b>56,266</b>	
Transfer from property and equipment	-	-	-	-	<b>25</b>	-	<b>25</b>	
Transfer from investment properties	-	-	-	-	-	<b>238,000</b>	<b>238,000</b>	
Disposal for the year:								
Disposals	-	-	<b>(13,882)</b>	-	-	-	<b>(13,882)</b>	
Transfer to non-current assets held-for-sale	-	-	-	-	<b>(238,000)</b>	-	<b>(238,000)</b>	
Transfer from Level 2	-	-	-	<b>29,400</b>	-	-	<b>29,400</b>	
<b>Closing balance</b>	<b>65,840</b>	<b>71,568</b>	<b>87,060</b>	<b>29,400</b>	<b>976,500</b>	<b>238,000</b>	<b>1,468,368</b>	

## Notes to the Financial Statements

31 December 2023

### 30. FAIR VALUES OF ASSETS AND LIABILITIES (CONTINUED)

#### Fair value Hierarchy

The Company classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1      Assets/liabilities are those of which market values are determined in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those process represent actual and regularly occurring market transactions on an arm's length basis.
- Level 2      Assets/liabilities are those of which market values are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. These type of assets/liabilities includes assets/liabilities of which pricing is obtained via pricing services but where prices have not been determined in an active market, financial assets/financial liabilities with fair values based on broker quotes, investments in private equity funds with fair values obtained from counterparties and assets/liabilities that are valued using the Company's own model whereby the majority of assumptions are market observable.
- Level 3      Assets/liabilities are those of which market values are measured using a valuation technique based on assumptions formed from unobservable inputs. Unobservable inputs are inputs not supported by market data, but which are set on the basis that they represent what is reasonable given the prevailing market conditions.

There have been no transfers of assets between Level 1 and Level 2 of the fair value hierarchy during the financial years ended 31 December 2023 and 31 December 2022.

### 31. REGULATORY CAPITAL REQUIREMENT

The capital structure of the Company as at 31 December 2023, as prescribed under the RBC Framework is provided below:

	2023 RM'000	2022 RM'000
<b>Eligible Tier 1 Capital</b>		
Share capital (paid-up)	<b>100,000</b>	100,000
Reserves, including retained earnings	<b>20,081,487</b>	20,363,699
	<b>20,181,487</b>	20,463,699
<b>Tier 2 Capital</b>		
Eligible reserves	<b>71,546</b>	(48,024)
<b>Deductions:</b> Intangible assets & deferred tax assets	<b>188,552</b>	203,463
<b>Total Capital Available</b>	<b>20,064,481</b>	20,212,212

## Notes to the Financial Statements

31 December 2023

### 32. INSURANCE FUNDS

The Company's activities are organised by funds and segregated into Life Insurance (including Unit-Linked business) and Shareholder's Funds in accordance with the Financial Services Act, 2013. The Statement of Profit or Loss and Statement of Financial Position by funds are presented as follows:

#### Statement of Financial Position by Funds As at 31 December 2023

	Shareholder's Fund		Life Insurance Fund		Elimination*		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Assets</b>								
Financial investments	<b>2,185,058</b>	2,142,615	<b>84,605,425</b>	77,830,495	-	-	<b>86,790,483</b>	79,973,110
Reinsurance contract assets	-	-	<b>145,603</b>	272,664	-	-	<b>145,603</b>	272,664
Insurance contract assets	-	-	<b>16,456</b>	7,711	-	-	<b>16,456</b>	7,711
Other assets	<b>36,481</b>	45,287	<b>5,933,374</b>	7,121,873	<b>(1,206,009)</b>	(22,732)	<b>4,763,846</b>	7,144,428
	<b>2,221,539</b>	2,187,902	<b>90,700,858</b>	85,232,743	<b>(1,206,009)</b>	(22,732)	<b>91,716,388</b>	87,397,913
<b>Equity, Policyholders' Fund and Liabilities</b>								
<b>Total Equity</b>	<b>1,341,074</b>	2,199,349	<b>846,970</b>	(271,836)	-	-	<b>2,188,044</b>	1,927,513
Insurance contract liabilities	-	-	<b>86,798,091</b>	83,226,767	-	-	<b>86,798,091</b>	83,226,767
Reinsurance contract liabilities	-	-	<b>242,711</b>	231,853	-	-	<b>242,711</b>	231,853
Other liabilities	<b>880,465</b>	(11,447)	<b>2,813,086</b>	2,045,959	<b>(1,206,009)</b>	(22,732)	<b>2,487,542</b>	2,011,780
<b>Total Policyholders' Fund and Liabilities</b>	<b>880,465</b>	(11,447)	<b>89,853,888</b>	85,504,579	<b>(1,206,009)</b>	(22,732)	<b>89,528,344</b>	85,470,400
	<b>2,221,539</b>	2,187,902	<b>90,700,858</b>	85,232,743	<b>(1,206,009)</b>	(22,732)	<b>91,716,388</b>	87,397,913

\* Refers to elimination of Interfund balances.



## Notes to the Financial Statements

31 December 2023

### 32. INSURANCE FUNDS (CONTINUED)

#### Statement of Profit or Loss by Funds For the year ended 31 December 2023

	Shareholder's Fund		Life Insurance Fund		Total	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Insurance revenue	-	-	<b>7,491,213</b>	6,876,844	<b>7,491,213</b>	6,876,844
Insurance service expenses	-	-	<b>(6,073,087)</b>	(5,291,847)	<b>(6,073,087)</b>	(5,291,847)
Net expenses from reinsurance contracts held	-	-	<b>(197,607)</b>	(111,191)	<b>(197,607)</b>	(111,191)
<b>Insurance service results</b>	-	-	<b>1,220,519</b>	1,473,806	<b>1,220,519</b>	1,473,806
Investment income	<b>107,555</b>	101,439	<b>3,417,409</b>	3,299,593	<b>3,524,964</b>	3,401,032
Rental income	-	-	<b>80,974</b>	78,873	<b>80,974</b>	78,873
Gain on exchange differences	<b>1,220</b>	1,061	<b>223,019</b>	138,013	<b>224,239</b>	139,074
Gain/(loss) on sale of investments and changes in fair value	<b>19,385</b>	(13,544)	<b>1,454,811</b>	(2,763,027)	<b>1,474,196</b>	(2,776,571)
Decrease/(increase) in provision for impairment of assets	<b>339</b>	1,785	<b>(31,193)</b>	16,981	<b>(30,854)</b>	18,766
<b>Net investment income</b>	<b>128,499</b>	90,741	<b>5,145,020</b>	770,433	<b>5,273,519</b>	861,174
Finance expenses from insurance contracts issued	-	-	<b>(5,024,020)</b>	(946,435)	<b>(5,024,020)</b>	(946,435)
Finance income from reinsurance contracts held	-	-	<b>(6,322)</b>	7,349	<b>(6,322)</b>	7,349
<b>Net insurance finance expenses</b>	-	-	<b>(5,030,342)</b>	(939,086)	<b>(5,030,342)</b>	(939,086)
<b>Net insurance and investment result</b>	<b>128,499</b>	90,741	<b>1,335,197</b>	1,305,153	<b>1,463,696</b>	1,395,894
Other revenue	-	-	<b>2,254</b>	1,225	<b>2,254</b>	1,225
Other expenses	<b>(1,933)</b>	(1,906)	<b>(12,268)</b>	(18,257)	<b>(14,201)</b>	(20,163)
<b>Other income and expenses</b>	<b>(1,933)</b>	(1,906)	<b>(10,014)</b>	(17,032)	<b>(11,947)</b>	(18,938)
<b>Profit before taxation</b>	<b>126,566</b>	88,835	<b>1,325,183</b>	1,288,121	<b>1,451,749</b>	1,376,956
Taxation	<b>(19,979)</b>	(110,544)	<b>(308,075)</b>	(228,139)	<b>(328,054)</b>	(338,683)
Taxation of life insurance business	-	-	<b>(6,347)</b>	91,171	<b>(6,347)</b>	91,171
Taxation of the Company	<b>(19,979)</b>	(110,544)	<b>(301,728)</b>	(319,310)	<b>(321,707)</b>	(429,854)
<b>Net profit for the year</b>	<b>106,587</b>	(21,709)	<b>1,017,108</b>	1,059,982	<b>1,123,695</b>	1,038,273

## Notes to the Financial Statements

31 December 2023

### 33. SIGNIFICANT EVENTS IN THE CURRENT REPORTING PERIOD

Great Eastern Life Assurance (Malaysia) Berhad (“GELM”) and Great Eastern Takaful Berhad (“GETB”) has on 2 October 2023 entered into an Implementation Agreement with AMAB Holdings Sdn Bhd (“AMAB”) and MetLife International Holdings, LLC (“MetLife”) in relation to the proposed disposal of their entire equity stake in AmMetLife Insurance Berhad (“AML”) and AmMetLife Takaful Berhad (“AMT”) to GELM and GETB, respectively, for RM1,121 million, subject to customary adjustment (the “Proposal”). Collectively, AMAB and MetLife jointly own 100% of both AML and AMT.

The Proposal is subject to, amongst others, the prior written approval of Bank Negara Malaysia and/or the Minister of Finance, and the Monetary Authority of Singapore. Upon receipt of the respective regulatory approvals and satisfaction of certain other conditions, AMAB, MetLife, GELM and GETB will execute the definitive agreements.

Upon completion of the Proposal, GELM will hold 100% of AML and GETB will hold 100% of AMT. In addition, the Proposal will see GELM, AML, GETB and AMT entering into an exclusive twenty-year bancassurance and bancatakaful agreements for the distribution of life insurance and family takaful products through the distribution network of Arab-Malaysia Merchant Bank Berhad (“AMMB”) banking subsidiaries, AmBank (M) Berhad and AmBank Islamic Berhad, across Malaysia.

## Further Information on Directors

### MR NORMAN KA CHEUNG IP

#### Shareholding in the Company

Nil

#### Current Directorships (and Appointments)

1.	Great Eastern Capital (Malaysia) Sdn Bhd	Chairman
2.	Great Eastern General Insurance (Malaysia) Berhad	Chairman
3.	Great Eastern Takaful Berhad	Chairman
4.	I Great Capital Holdings Sdn Bhd	Chairman
5.	Overseas Assurance Corporation (Holdings) Berhad	Chairman
6.	QAF Limited*	Director
7.	Securities Industry Council	Member

\* Listed Company

#### Academic and Professional Qualifications

Bachelor of Science (Economics), London School of Economics and Political Science

Fellow of the Institute Chartered Accountants in England and Wales

Fellow of the Institute of Singapore Chartered Accountants

#### Board Committees Served on

Member, Board Nominations and Remuneration Committee

Member, Board Risk Management Committee

Member, Board Audit Committee

### MR KHOR HOCK SENG

#### Shareholding in the Company

Nil

#### Current Directorships (and Appointments)

1.	Great Eastern Financial Advisers Private Limited	Chairman
2.	Lion Global Investors Limited	Chairman
3.	PT Great Eastern Life Indonesia	President Commissioner
4.	PT Great Eastern General Insurance Indonesia	President Commissioner
5.	Great Eastern Capital (Malaysia) Sdn Bhd	Director
6.	Great Eastern General Insurance (Malaysia) Berhad	Director
7.	Great Eastern International Private Limited	Director
8.	I Great Capital Holdings Sdn Bhd	Director
9.	Overseas Assurance Corporation (Holdings) Berhad	Director
10.	The Great Eastern Trust Private Limited	Director
11.	218 Orchard Private Limited	Director
12.	Financial Industry Disputes Resolution Centre Ltd	Director
13.	Life Insurance Association Singapore	Member

#### Academic and Professional Qualifications

Bachelor of Art (Majoring in Actuarial Science and Statistics), Macquarie University Sydney, Australia

Certificate of Actuarial Techniques, Institute of Actuaries, London

#### Board Committees Served on

Nil

## Further Information on Directors

### MR SIEW KAH TOONG

#### Shareholding in the Company

Nil

#### Current Directorships (and Appointments)

- |    |  |          |
|----|--|----------|
| 1. | Fraser & Neave Holdings Berhad*        | Director |
| 2. | Sekhar & Tan Tax Services Sdn Bhd      | Director |
| 3. | Sekhar & Tan Corporate Sevices Sdn Bhd | Director |

\* Listed Company

#### Academic and Professional Qualifications

Member of the Malaysian Institute of Accountants  
 Member of the Malaysian Institute of Certified Public Accountants  
 Member of the CPA Australia

#### Board Committees Served on

Chairman, Board Audit Committee  
 Member, Board Nominations and Remuneration Committee

### MR OU SHIAN WAEI

#### Shareholding in the Company

Nil

#### Current Directorships (and Appointments)

- |    |  |                                     |
|----|--|-------------------------------------|
| 1. | Private Pension Administrator Malaysia | Chairman & Public Interest Director |
| 2. | FIDE FORUM                             | Director                            |

#### Academic and Professional Qualifications

Bachelor of Science in Chemistry, University of Malaya

#### Board Committees Served on

Member, Board Risk Management Committee  
 Member, Board Audit Committee

## Further Information on Directors

### MR FOONG SOO HAH

#### Shareholding in the Company

Nil

#### Current Directorships (and Appointments)

1. Golden Yang Kwong Development Sdn Bhd Director
2. Golden Yang Kwong Land Sdn Bhd Director

#### Academic and Professional Qualifications

Master of Actuarial Science, Northeastern University, Boston

Bachelor of Science (Hons) degree in Mathematics, University of Malaya

Fellow, Society of Actuaries, USA

Fellow, Malaysia Financial Planning Council

Registered Financial Planner (RFP) and Shariah RFP

#### Board Committees Served on

Member, Board Risk Management Committee

Chairman, Board Nominations and Remuneration Committee

### MS MIMI SZE HO

#### Shareholding in the Company

Nil

#### Current Directorships (and Appointments)

Nil

#### Academic and Professional Qualifications

Master in Mathematical Statistics, Columbia University, United States of America

Bachelor in Mathematics, Columbia University, United States of America

Fellow of the Society of Actuaries, United States of America

Financial Industry Certified Professional (FICP), Singapore

#### Board Committees Served on

Chairperson, Board Risk Management Committee

## Head Office and Branch Network

### HEAD OFFICE

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E-mail: [wecare-my@greateasternlife.com](mailto:wecare-my@greateasternlife.com)

### Branch Offices

#### **Alor Setar**

No. 66 & 68, Jalan Teluk Wanjah  
05200 Alor Setar, Kedah  
Malaysia  
Branch Admin Manager: Yap Sun Lin

#### **Batu Pahat**

No. 109, Jalan Rahmat  
83000 Batu Pahat, Johor  
Malaysia  
Branch Admin Manager: Yap Ley Tin

#### **Bintulu**

No. 313, Lot 3956, Phase 4  
Bintulu Parkcity Commerce Square  
Jalan Tun Ahmad Zaidi /  
Jalan Tanjung Batu  
97000 Bintulu, Sarawak  
Malaysia  
Branch Admin Manager: Ting Siew Hoon

#### **Ipoh**

Wisma Great Eastern  
No. 16, Persiaran Tugu  
Greentown Avenue  
30450 Ipoh, Perak  
Malaysia  
Branch Admin Manager: Chew Phooi See

#### **Johor Bahru**

Wisma Great Eastern  
02-01, Blok A, Komersial Southkey Mozek  
Persiaran Southkey 1, Kota Southkey  
80150 Johor Bahru  
Malaysia  
Branch Admin Manager: Chai Choon Yoke

#### **Klang**

No. 8 & 10, Jalan Tiara 2A  
Bandar Baru Klang  
41150 Klang, Selangor  
Malaysia  
Branch Admin Manager: Santhana Sumithra S. Krishnan

#### **Kluang**

No. 22 & 24  
Jalan Md Lazim Saim  
86000 Kluang, Johor  
Malaysia  
Regional Manager: Lim Kee Chii

#### **Kota Bharu**

No. S25 / 5252-T & U  
Jalan Sultan Yahya Petra  
15200 Kota Bharu, Kelantan  
Malaysia  
Branch Admin Manager: Yeap Siew Giok

#### **Kota Kinabalu**

Wisma Great Eastern  
Level 4 & 5  
No. 65, Jalan Gaya  
88000 Kota Kinabalu, Sabah  
Malaysia  
Deputy Regional Manager: Annie Thien Saik Ling

## Head Office and Branch Network

### **Kuala Terengganu**

2nd Floor, No. 6F  
Bangunan Persatuan Hin Ann  
Jalan Air Jernih  
20300 Kuala Terengganu  
Terengganu  
Malaysia  
Branch Admin Manager: Yeo Ai May

### **Kuantan**

No. A25, Jalan Dato Lim Hoe Lek  
25200 Kuantan, Pahang  
Malaysia  
Branch Admin Manager: Lee Suat Fen

### **Kuching**

No. 51, Lot 435  
Section 54, KTL D  
Travilion Commercial Centre  
Jalan Padungan  
93100 Kuching, Sarawak  
Malaysia  
Regional Manager: Ting Lee

### **Lahad Datu**

Ground & 1st Floor  
MDLD 3804, Lot 66  
Fajar Centre, Jalan Segama  
91100 Lahad Datu, Sabah  
Malaysia  
Branch Admin Manager: Charlene Ng Oi Len

### **Melaka**

No. 23, Jalan PM 15  
Plaza Mahkota  
75000 Melaka  
Malaysia  
Branch Admin Manager: Lee May Lee

### **Miri**

Lots 1260 & 1261, Block 10, M.C.L.D  
Jalan Melayu  
98000 Miri, Sarawak  
Malaysia  
Branch Admin Manager: Chin Siaw Wei

### **Penang**

No. 25, Light Street  
10200 Penang  
Malaysia  
Regional Manager: Lionel Lee Kian Aik

### **Sandakan**

Lot 5 & 6, Block 40, Lorong Indah 15  
Bandar Indah, Phase 7  
Mile 4, North Road  
90000 Sandakan, Sabah  
Malaysia  
Branch Admin Manager: Joan Lai Kar Kee

### **Seremban**

No. 101 & 103  
Jalan Yam Tuan  
70000 Seremban  
Negeri Sembilan  
Malaysia  
Branch Admin Manager: Francis Wong Weng Kee

### **Sibu**

Wisma Great Eastern  
No. 10 A-F, Persiaran Brooke  
96000 Sibu, Sarawak  
Malaysia  
Branch Admin Manager: Wong Kuok Mee

### **Taiping**

No. 133A, Jalan Barrack  
34000 Taiping  
Perak  
Malaysia  
Branch Admin Manager: Tan Hoe Soon

### **Tawau**

Wisma Great Eastern  
Ground Floor, Jalan Billian  
91000 Tawau, Sabah  
Malaysia  
Branch Admin Manager: Pang Sing Yuan





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