INSURANS ISLAM TAIB FAMILY TAKAFUL SDN BHD

(Incorporated in Brunei Darussalam)
[Registration Number: [RC/00008253]

REPORT AND FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2024 and 2023

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INSURANS ISLAM TAIB FAMILY TAKAFUL SDN BHD
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REPORT OF THE DIRECTORS

The directors have pleasure in submitting their annual report and audited financial statements for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activities of the company consist of family takaful business. There has been no significant change in the nature of this activity during the financial year.

RESULTS

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Retained earnings at the beginning of the year	8,255,660
Loss for the year	(2,832,346)
Transfer to general reserve	-
Retained earnings at the end of the year	5,423,314

DIVIDEND

There were no dividends declared or paid during the financial year.

Subsequent to the financial year end, the directors do not recommend any dividend to be declared in respect of the financial year ended 31 December 2024.

RESERVES AND PROVISIONS

There were no transfers to or from reserves and provisions during the financial year other than that shown in the attached financial statements. There were no transfers to reserves subsequent to year end and to the date of this report.

DIRECTORS

The directors in office during the financial year and at the date of this report are:

Yang Mulia Dayang Hajah Norliah binti Haji Kula - Chairman
Yang Mulia Datin Dayang Hajah Hasnah Binti Haji Ibrahim - Director
Yang Mulia Dr. Awang Norfarizal Bin Othman - Director
Yang Mulia Awang Shamsul Bahri bin Hj Kamis - Director
Yang Mulia Awang Edzwan Zukri bin Pehin Orang Kaya Johan Pahlawan Dato Seri Setia Awang Haji Adanan - Director

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND/OR DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES AND/OR DEBENTURES

The directors holding office at the end of the financial year had no interests in the share capital or debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company.

DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director has received or become entitled to receive a benefit which is required to be disclosed, by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in the financial statements. Certain directors received remuneration from related corporations in their capacity as directors and/or executives of those related corporations.

AUDITORS

The auditors, PricewaterhouseCoopers Services, have indicated their willingness to accept re-appointment.

ON BEHALF OF THE BOARD

DIRECTOR

DIRECTOR

Brunei Darussalam
Date: 27 March 2025

REPORT OF THE SYARIAH ADVISORY COMMITTEE

بِسْمِ ٱللَّهِ ٱلرَّحْمَٰنِ ٱلرَّحِيمِ

الحمدلله رب العالمين والصلاة والسلام
على سيدنا محمد وعلى اله وصحبه أجمعين

To the Shareholders of Insurans Islam TAIB Family Takaful Sdn. Bhd.

السَّلَامُ عَلَيْكُمْ وَرَحْمَةُ اللَّهِ وَبَرَكَاتُهُ

In compliance with the letter of appointment and our capacity as members of Insurans Islam TAIB Family Takaful Sdn. Bhd. ("IITFT") Syariah Advisory Committee we are required to submit the following report:

We have reviewed the principles and the contracts relating to the transactions and applications introduced by IITFT during the year ended 31 December 2024. We have also conducted our review to form an opinion as to whether the IITFT has complied with *Hukum Syara'*.

The Management of IITFT is responsible for ensuring that the financial institution conducts its business in accordance with *Hukum Syara'*. It is our responsibility to present an independent opinion, based on our review of the business operations of IITFT and subsequently report to you.

We have assessed the work carried out by the Syariah Division which also include Syariah review and examination, on a test basis, each type of transactions, the relevant documentation and procedures adopted and/or entered by IITFT.

We obtained all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that IITFT has not violated the *Hukum Syara'* in all transactions that had been presented to us.

We, the Syariah Advisory Committee of IITFT are of the opinion and hereby confirm that:

a) The contracts, transactions and dealings entered into by IITFT during the period ended 31 December 2024 that we have reviewed are in compliance with the *Hukum Syara'*;

b) The allocation of profit and charging of losses relating to investment accounts conform to the basis that had been approved by us in accordance with *Hukum Syara'*;

c) During the year IITFT has derecognized Syariah non-compliant income specifically derived from conventional banks from the Statement of Profit or Loss and Other Comprehensive Income amounting to $216,897.7 (2023: nil) and has designated to charities; following the Guideline on Distribution of Syariah Non-Compliant Income as approved by the Syariah Advisory Committee of Insurans Islam TAIB Holdings Sdn Bhd, and

This opinion is rendered based on what has been presented by the Management of IITFT to us.

We pray to *Allah Subhanahu wa Ta'ala* to assist everyone to act in accordance with the rulings of Islam and to keep away from carrying out any transactions that are prohibited by *Allah Subhanahu wa Ta'ala*. May *Allah Subhanahu wa Ta'ala* bless us with the best *taufiq* and *hidayah* to accomplish these cherished tasks, make us successful and forgive our mistakes in both this world and in the hereafter. Amin.

والله ولى التوفيق والهداية

Yang Mulia Dato Seri Setia Dr. Awang Haji Dennie bin Haji Abdullah
Chairman

Yang Mulia Dr. Awang Azme bin Haji Matali
Deputy Chairman

Yang Arif Awang Haji Hassan bin Haji Metali
Member

Yang Mulia Awang Haji Mohd Serudin bin Haji Timbang has retired as the Member of IITFT SAC on February 1, 2025.

Brunei Darussalam
Date: 27 March 2025

Independent Auditor’s Report

To the Board of Directors of
Insurans Islam TAIB Family Takaful Sdn Bhd
Bangunan Suria, Unit 5, 6 & 7, Kiulap,
Bandar Seri Begawan BE1518,
Brunei Darussalam

Report on the Audits of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Insurans Islam TAIB Family Takaful Sdn Bhd (the “Company”) as at 31 December 2024 and 2023, and of its financial performance, changes in participants’ surplus, changes in equity and its cash flows for the years then ended in accordance with the provisions of the Brunei Darussalam Companies Act, Chapter 39 (the “Act”), the Takaful Order 2008 (the “Order”) and the International Financial Reporting Standards (“IFRS”) Accounting Standards.

What we have audited

The financial statements of the Company comprise:

- the statements of profit or loss and other comprehensive income for the years ended 31 December 2024 and 2023;
- the statements of financial position as at 31 December 2024 and 2023;
- the statements of participants’ surplus for the years ended 31 December 2024 and 2023;
- the statements of changes in equity for the years ended 31 December 2024 and 2023;
- the statements of cash flows for the years ended 31 December 2024 and 2023; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for Opinion

We conducted our audits in accordance with International Standards on Auditing (“ISA”). Our responsibilities under those standards are further described in the Auditor’s 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

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (the “Code”), together with the ethical requirements that are relevant to our audit of the financial statements in Brunei Darussalam, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code.

Other Information

The directors are responsible for other information. The other information comprises the information included in the Report of the Directors and the Report of the Syariah Advisory Committee, but does not include the financial statements of the Company and our auditor's report thereon.

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

In connection with our audit of the financial statements. our responsibility is to read the other information identified above 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 Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Act, the Order and the IFRS Accounting Standards and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 ISA 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 ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

- Conclude on the appropriateness of management's 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 auditor's report to the related disclosures in the financial statements 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We communicate with those charged with governance 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.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act and the Order to be kept by the Company have been properly kept in accordance with the provisions of the Act and the Order. We have obtained all the information and explanations that we required.

PricewaterhouseCoopers Services

Chai Xiang Yuin
Partner

Brunei Darussalam
27 March 2025

Statements of Profit or Loss and Other Comprehensive Income
For the years ended 31 December 2024 and 2023

	Notes	2024 BND	2023 BND
Takaful revenue	13	9,301,320	5,793,330
Takaful service expenses		(10,078,892)	(5,533,685)
Takaful service result before retakaful certificates held	13	**(777,572)**	**259,645**
Net (expenses) income from retakaful certificates	13	(412,943)	108,932
Takaful service result		**(1,190,515)**	**368,577**
Other investment income (expense)	15	1,987,013	(1,377,425)
Investment return		**1,987,013**	**(1,377,425)**
Net finance (expenses) income from takaful certificates	15	(2,687,525)	372,596
Net finance income from retakaful certificates	15	20,459	26,079
Net finance (expenses) income from takaful and retakaful certificates		**(2,667,066)**	**398,675**
Net investment result		**(680,053)**	**(978,750)**
Other income	16	1,129,795	621,205
Other operating expenses	17	(2,004,352)	(664,535)
Other finance costs	12	(2,912)	(4,975)
Other operating income and expense		**(877,469)**	**(48,305)**
Loss before taxation		**(2,748,037)**	**(658,478)**
Income tax expense	19	(84,309)	(96,322)
Loss for the year		**(2,832,346)**	**(754,800)**
Other comprehensive loss			
Items that are or may be reclassified subsequently to profit or loss			
Debt investments at FVOCI - net change in fair value		-	(79,092)
Other comprehensive loss attributable to the participants' fund		-	79,092
Other comprehensive loss for the year, net of tax		-	-
Total comprehensive loss for the year		**(2,832,346)**	**(754,800)**

(The accompanying notes form an integral part of these financial statements.)

Statements of Financial Position
As at 31 December 2024 and 2023

	Notes	2024 BND	2023 BND
Assets			
Cash and cash equivalents	4	18,147,294	6,175,750
Deposits and placements	5	56,000,000	59,000,000
Financial assets at FVTPL	6	2,808,957	8,546,278
Investments at FVTOCI	6	1,957,398	1,849,742
Other receivables	7	4,572,733	6,226,308
Retakaful certificate assets	14	610,594	937,944
Property and equipment, net	8	1,791,443	301,836
Right-of-use asset, net	9	57,431	68,198
Deferred tax assets	19	464,803	464,803
Other assets	10	1,074,149	1,174,461
Total assets		**87,484,802**	**84,745,320**
Liabilities			
Other payables	11	5,469,645	1,916,066
Current tax liabilities	19	180,631	96,322
Takaful certificate liabilities	14	61,850,919	59,901,732
Provision for unearned wakalah fee		-	-
Lease liabilities	12	58,745	73,992
Total liabilities		**67,559,940**	**61,988,112**
Equity			
Share capital	18	8,000,002	8,000,002
General reserve	20	6,501,546	6,501,546
Investment revaluation reserve		-	-
Retained earnings		5,423,314	8,255,660
Total shareholders' equity		**19,924,862**	**22,757,208**
Total liabilities and equity		**87,484,802**	**84,745,320**

DIRECTOR

DIRECTOR

(The accompanying notes form an integral part of these financial statements.)

Statements of Participants' Surplus
For the years ended 31 December 2024 and 2023

	Takaful Fund and Company	
	2024	**2023**
	BND	**BND**
At 1 January	**9,820,080**	**11,721,889**
Surplus (deficit) for the current financial year	2,751,180	(1,206,637)
Fair value reserve for the current financial year	107,657	(79,072)
Total surplus at the end of the year	**12,678,917**	**10,436,180**
Distribution to from participants	(610,015)	(616,100)
At 31 December	**12,068,902**	**9,820,080**

(The accompanying notes form an integral part of these financial statements.)

Statements of Changes in Equity
For the years ended 31 December 2024 and 2023

	Takaful Operator and Company				
	Share capital	**General reserve**	**Investment revaluation reserve**	**Retained earnings**	**Total**
	BND	**BND**	**BND**	**BND**	**BND**
Balance as at 1 January 2023	**8,000,002**	**6,501,546**	**-**	**9,010,460**	**23,512,008**
Total comprehensive loss for the year					
Net loss for the year	-	-	-	(754,800)	(754,800)
Other comprehensive loss for the financial year	-	-	-	-	-
Transactions with owners, recognised directly in equity	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-
At 31 December 2023	**8,000,002**	**6,501,546**	**-**	**8,255,660**	**22,757,208**
Total comprehensive loss for the year					
Net loss for the year	-	-	-	-	-
Other comprehensive loss for the financial year	-	-	-	**(2,832,346)**	**(2,832,346)**
Transactions with owners, recognised directly in equity	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-
At 31 December 2024	**8,000,002**	**6,501,546**	**-**	**5,423,314**	**19,924,862**

(The accompanying notes form an integral part of these financial statements.)

Statements of Cash Flows
For the years ended 31 December 2024 and 2023

	Notes	2024 BND	2023 BND
Cash flows from operating activities			
Loss before taxation		(2,748,037)	(658,478)
Adjustments for:			
Depreciation - property and equipment	8	167,851	129,539
Depreciation - right-of-use assets	9	64,608	64,609
Foreign exchange loss		29	301,350
Finance costs	12	2,912	4,975
Net fair value (gain) loss from investment	15	(938,845)	2,048,462
Dividend and profit income	15	(1,048,168)	(671,037)
Operating income before changes in working capital		(4,499,650)	1,219,420
Changes in working capital			
Decrease (increase) in:			
Retakaful certificate assets		327,350	205,345
Other receivables		100,311	(2,626,168)
Other assets		1,653,546	(202,012)
Increase in:			
Takaful certificate liabilities		1,841,531	2,958,648
Other payables		3,553,580	558,267
Cash from operations		2,976,668	2,113,500
Finance cost paid	12	(2,912)	(4,975)
Net cash generated from operating activities		**2,973,756**	**2,108,525**
Cash flows from (used in) investing activities			
Placements of deposits	5	(56,000,000)	(59,000,000)
Withdrawal of deposits	5	59,000,000	17,000,000
Acquisition of property and equipment	8	(1,657,458)	(19,797)
Disposal of investments	6,22	6,676,166	-
Dividend and profit received	15	1,048,168	671,037
Net cash generated from (used in) investing activities		**9,066,876**	**(41,348,760)**
Cash flows used in financing activity			
Repayment of lease liabilities	12	**(69,088)**	**(67,025)**
Net increase (decrease) in cash and cash equivalents		**11,971,544**	(39,307,260)
Cash and cash equivalents at 1 January		6,175,750	45,483,010
Cash and cash equivalents at 31 December	4	**18,147,294**	**6,175,750**

(The accompanying notes form an integral part of these financial statements.)

Notes to the Financial Statements

These notes form an integral part of the financial statements.

1. Domicile and activities

Insurans Islam TAIB Family Takaful Sdn Bhd (the "Company") is a company incorporated in Brunei Darussalam. The address of the Company's registered office is Bangunan Suria, Unit 5, 6 & 7, Kiulap, Bandar Seri Begawan BE1518, Brunei Darussalam.

The financial statements of the Company as at and for the years ended 31 December 2024 and 2023 comprise the Takaful Operator (“Operator”) and the Takaful Fund (“Fund”) (together referred to as the "Company").

The principal activities of the Company pertain to Family Takaful businesses. There have been no significant changes in the nature of these activities during the financial year. The immediate holding company is Insurans Islam TAIB Holdings Sdn Bhd (IITHSB) and the ultimate holding company is Perbadanan Tabung Amanah Islam Brunei (TAIB).

2. Basis of preparation

2.1 Statement of compliance

The financial statements of the Company comprising the balances of the Operator and the Fund, have been prepared in accordance with International Financial Reporting Standards (IFRS) Accounting Standards, as required by the Takaful Order 2008 ("TO") including Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI") Financial Accounting Standards ("FAS") prescribed in the Notice No. TIU/N-4/2017/8 issued by Brunei Darussalam Central Bank (BDCB).

The following AAOIFI financial accounting standards were applied in the financial statements:

AAOIFI FAS 12	General Presentation and Disclosure in the Financial Statements of Islamic Insurance Companies;
AAOIFI FAS 13	Disclosure of Bases for Determining and Allocating Surplus or Deficit in Islamic Insurance Companies;
AAOIFI FAS 15	Provisions and Reserves in Islamic Insurance Companies (disclosures).
AAOIFI FAS 19	Contributions in Islamic Insurance Companies.

In preparing the financial statements of the Company as at and for the years ended 31 December 2024 and 2023, the balances and transactions referring to that of the Operator and the Fund are disclosed separately in the accompanying relevant notes to these financial statements.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for the revaluation of certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Functional and presentation currency

These financial statements are presented in Brunei Darussalam Dollars, which is the Company's functional currency.

2.4 Critical accounting estimates, assumptions and judgments in applying accounting policies

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. It is reasonably possible that the outcomes within the next financial year could differ from assumptions made at reporting date and could result in the adjustment to the carrying amount of affected assets or liabilities.

(a) Critical accounting judgments

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

(i) Business model assessment

Classification and measurement of financial assets depends on the results of the solely payments of principal and profit (SPPP) and the business model test (Note 3.2). The Company determines the business model at a level that reflects how financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

(ii) Impairment of non-financial assets

The Company’s property and equipment are carried at cost less accumulated depreciation and amortisation and impairment losses, if any. The carrying value is reviewed and assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Changes in those judgments could have a significant effect on the carrying value of property and equipment and the amount and timing of recorded provision for any period.

As at 31 December 2024 and 2023, management believes, based on its assessment, that there are no indications of impairment or changes in circumstances indicating that the carrying value of its property and equipment may not be recoverable.

(b) Critical accounting estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Useful lives of property and equipment

The useful life of each of the Company's property and equipment, including software, is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of practices of similar businesses, internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above.

A change in the estimated useful life of any item of property and equipment would impact the recorded depreciation expense and decrease property and equipment.

(ii) Calculation of loss allowance

When measuring the loss allowance for expected credit losses (ECL), the Company uses reasonable and supportable forward-looking information which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

(iii) Determination of incremental borrowing rate

The lease payments are discounted using the Company's incremental borrowing rate, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received as a starting point, adjusted to reflect changes in financing conditions since third party financing was received; or

- uses a build-up approach that starts with a risk-free profit rate adjusted for credit risk for leases held which do not have recent third-party financing, and
- makes adjustments specific to the lease, (e.g., term, currency and security).

The Company's incremental borrowing rates applied to the lease liabilities range was determined in reference to the prevailing bank market rates applicable to the leased properties with similar terms and conditions.

The Company has assessed that it is impracticable to present the sensitivities arising from the impact of upward/downward changes in the discount rates used in the determination of lease liabilities without undue efforts; as such, the sensitivity analysis was no longer presented.

(iv) Useful life of right-of-use asset and determination of lease term

Right-of-use asset is depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use asset is presented as a separate line in the statement of financial position.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option over the planning horizon of five years. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Company considers the factors below as the most relevant in assessing the options:

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

(v) Application of Premium Allocation Approach ("PAA")

Liability for remaining coverage for contracts measured under the PAA

The Company applies the PAA to simplify the measurement of takaful certificates where the contract boundary is measured at one year or less. There is no Contractual Service Margin ("CSM") created, the liability decreasing by passage of time and no discounting is necessary if there are no significant financing component.

The measurement principles of liability for remaining coverage (LRC) under PAA are calculated as:

- the liability for remaining coverage reflects contributions received less deferred acquisition expenses less amounts recognised in revenue for Takaful services provided; and,
- measurement of the liability for remaining coverage involves an explicit evaluation of risk adjustment for non-financial risk when a group of contracts is onerous in order to calculate a loss component.

For groups of contracts that are onerous, the liability for remaining coverage is determined by the fulfilment cash flows.

The Company's policy is to carry out the required qualitative and quantitative annual assessments to ensure that eligibility for PAA is still met.

(vi) Measurement of takaful certificates issued and retakaful certificates held not measured under the PAA

Liability for remaining coverage for contracts not measured under the PAA

The Company applies the General Measurement Model ("GMM") to the measurement of Takaful certificates where the contract boundary is measured as greater than one year. When measuring liabilities for remaining coverage, GMM includes estimates for future cash flows, an adjustment to reflect the time value of money and the financial risks related to future cash flows and a risk adjustment for non-financial risk.

The Company applies the Variable Fee Approach ("VFA") to the measurement of takaful certificates with direct participation features. Under VFA, the Company is entitled to a fee, which varies depending on the performance of the underlying items, for providing both Takaful and investment related services. The variable fee is also viewed as the profit that the Company expects to make on a contract, hence at inception, the initial Contractual Service Margin ("CSM") is equal to the Present Value of the variable fee.

The Company's estimates are made for future deaths, disabilities, maturities, investment returns, voluntary terminations and expenses in accordance with contractual and regulatory requirements. The family takaful fund bases the estimate of expected number of deaths on statutory mortality tables, adjusted where appropriate to reflect the fund's unique risk exposures. The estimated number of deaths determines the value of possible future benefits to be paid out, which will be factored into ensuring sufficient cover by reserves, which in return is monitored against current and future contributions.

The interfund cash flows such as tabarru deduction, surplus sharing to shareholders' fund ("SHF") and qard injection or repayments are not included as part of the future cash flows. This is because these cash flows are essentially 'transfers' from one fund to another, which results in net zero cash movement overall. The non-distinct investment component for family savings product would include the payment of the participant's account ("PA") values to policyholders, as well as any surplus sharing amount that is paid to the policyholder. This would still be valid for surplus sharing payments not made directly to policyholders, such as ones paid out to the Participant Profit Fund ("PPF").

The measurement principles for takaful certificates issued and retakaful certificates held not measured under follow:

- Measure 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 the contracts, an explicit risk adjustment for non-financial risk and a CSM;
- Takaful revenue in each reporting periods represents the changes in the liabilities for remaining coverage that relate to services for which the Company expects to receive consideration and an allocation of contributions that relate to recovering Takaful acquisition cash flows;
- Investment components are no longer included in Takaful revenue and Takaful service expenses; and
- Takaful finance income and expenses are presented separately for Takaful revenue and Takaful service expenses.

(vii) Liability for incurred claims

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques such as claims development. The main assumption underlying the techniques is that the Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim and number of claims based on the observed development of earlier years and expected.

<u>Discount rate</u>

Takaful certificate liabilities are calculated by discounting expected future cash flows at a risk-free rate with an adjustment for illiquidity contribution. The risk-free rate references traded instruments that contain negligible levels of credit risk, are highly liquid, with reliable prices, and cover a broad range of maturities, including longer dated durations and terms such as government bond, swap rates, or even low risk corporate bonds. The Company adopts the Singapore Risk-Based Capital (RBC) 2 yield curve as risk-free rate on the basis that the Brunei dollar is pegged to Singapore dollar.

The illiquidity contribution is determined by reference to observable market rate. The Company determines its illiquidity contribution with reference to the prescribed of Monetary Authority of Singapore (MAS) under the Singapore RBC2 framework on the basis that the Brunei dollar is pegged to Singapore dollar. The approach derives the illiquidity contribution based on the strategic asset allocation for the assets backing product liabilities.

Risk Adjustment for non-financial risk

The risk adjustment for non-financial risk represents the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows of Takaful certificates. The risk adjustment reflects an amount that Takaful operator would rationally pay to remove the uncertainty that future cash flows will exceed the best estimate amount.

The risk adjustment also reflects the degree of diversification benefit the Company includes when determining the compensation it requires for bearing that risk; and both favorable and unfavorable outcomes in a way that reflects the Company's degree of risk aversion.

The Company has estimated the risk adjustment using a confidence level approach at the 75th percentile, which aligned the stress factor used to calculate the stressed liability with the provision of risk margin for adverse deviation (“PRAD”) used for statutory reporting. Under the confidence level approach, the risk adjustment is the difference between the present value of future cash flows calculated by stressing non-economic assumptions and the best estimated liability (“BEL”).

(viii) Amortization of the CSM

The CSM is a component of the asset or liability for the group of takaful certificates that represents the unearned profit the Company will recognise as it provides services in the future. An amount of the CSM for a group of takaful certificates is recognised in profit or loss as Takaful revenue in each period to reflect the services provided under the group of Takaful certificates in that period. The amount is determined by:

- Identifying the coverage units in the group;
- Allocating the CSM at the end of the period (before recognising any amounts in profit or loss to reflect the services provided in the period) equally to each coverage unit provided in the current period and expected to be provided in the future; and
- Recognising in profit or loss the amount allocated to coverage units provided in the period.

The number of coverage units in a group is the quantity of coverage provided by the contracts in the group, which is determined by considering the quantity of the benefits provided and the expected coverage duration.

For takaful certificates issued, the number of coverage units in a group reflects the expected pattern of underwriting of the underlying contracts since the level of service provided is affected by the level of benefits which depending on the number of underlying contracts in force. The quantity of benefit is the maximum probable loss.

For contracts with Takaful services, the maximum level of benefits has excluded any investment component. For contracts with investment related services, the maximum benefits for the investment services would be the investment component value.

The amount of CSM to be amortised is calculated by dividing the present value of projected coverage units in all future periods with the coverage units over the current reporting period divided, where the present value of coverage units are discounted at locked-in rates for GMM business and current rates for VFA business. The CSM amortization factor is applied to the CSM balance after adjustments to determine the amount of CSM release to profit or loss.

2.5 Changes in accounting policy and disclosures

(a) Amendments to existing standards adopted by the Company

The Company has applied the following amendments to the existing standards for the first time for their annual reporting period commencing 1 January 2024.

- *Amendments to International Accounting Standards (IAS) 1, "Classification of Liabilities as Current or Non-current"*

  Amendments made to IAS 1, 'Presentation of Financial Statements' in 2020 and further clarifications made in 2022 on the liabilities' classification as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

  Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

  The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months from the reporting date. The disclosures include:

  - the carrying amount of the liability;
  - information about the covenants; and
  - facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

  The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.

The adoption of the above amendment did not have a material impact on the financial statements of the Company.

(b) Amendments to existing standards adopted by the Company

The following new standards and amendments to existing standards are not mandatory for the 31 December 2024 reporting period and have not been early adopted by the Company:

- *Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)*

  On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

  - clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
  - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
  - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
  - update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

- *IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)*

  IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

The new or amended accounting standards and interpretations listed above are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Company. There are no other relevant standards, interpretations, and amendments that are effective beginning on or after 1 January 2025 that are expected to have a material impact on the Company's financial statements.

3. Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise indicated.

3.1. Foreign currencies

The financial statements of the Company are measured and presented in the currency of the primary economic environment in which the Company operates (the functional currency). Transactions in currencies other than the Company's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. All exchange differences are recognised in the statement of profit or loss and other comprehensive income.

3.2. Financial instruments

Financial assets

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, at initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Financial assets that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPP on the principal amount outstanding.

Financial assets that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPP on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and effective profit rate method

The effective profit rate method is a method of calculating the amortised cost of a debt instrument and of allocating profit income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective profit rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective profit rate, transaction costs and other premiums or discounts) excluding ECL, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective profit rate is calculated by discounting the estimated future cash flows, including ECL, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective profit rate method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Profit is recognised using the effective profit rate method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

(ii) Debt instruments classified as at FVTOCI

The fixed income securities held by the Company are classified as at FVTOCI. Fair value is determined in the manner described in Note 22. The fixed income securities are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these corporate bonds as a result of foreign exchange gains (losses) (see below), impairment gains or losses (see below), and profit income calculated using the effective profit rate method (see (i) above) are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these fixed income securities had been measured at amortised cost. All other changes in the carrying amount of these fixed income securities are recognised in other comprehensive income and accumulated under the heading of revaluation reserve. When these fixed income securities are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or profit earned on the financial asset and is included in the net investment result (Note 15). Fair value is determined in the manner described in Note 22.

<u>Foreign exchange gains and losses</u>

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- for financial assets measured at amortised cost, financial assets measured at FVTPL, and debt instruments measured at FVTOCI that are not part of a hedging relationship, exchange differences are recognised in profit or loss in the 'other (losses) gains' line item; other exchange differences are recognised in other comprehensive income in the investment revaluation reserve; and
- for equity investments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the revaluation reserve.

<u>Impairment of financial assets</u>

The Company recognises a loss allowance for ECL on other receivables and debt instruments measured at amortised cost or FVTOCI. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for other receivables. The ECL on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood of risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers historical loss rates for each category of customers and adjusted to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the gross domestic product (GDP) to be the most relevant factor, and accordingly adjusted the historical loss rates based on its expected changes.

The Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments arc more than 30 days past due, unless the Company has a reasonable and supportable information that demonstrates otherwise.

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective profit rate.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-nnonth ECL at the current reporting date, except for which simplified approach is used.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investment in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Trade and other payables

The Company's Takaful contract liabilities and other payables are initially measured at fair value minus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost, using the effective profit rate method, except for short-term balances where the effect of discounting is immaterial.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'other (losses) gains' line item in profit or loss for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

As at 31 December 2024 and 2023, there are no financial assets and liabilities that have been offset.

3.3. Property and equipment

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the property and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Depreciation is computed on a straight-line basis over the estimated useful life of the assets as follows:

Computer hardware	5 years
Computer software	3 years
Furniture, fixture and fittings	5 years
Renovations	10 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

(iv) Derecognition

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising from derecognition of the asset (calculated as the difference between net disposal proceeds and the carrying amount of the item) is included in the statement of profit or loss and other comprehesive income in the year the item is derecognised.

3.4. Impairment of non-financial assets

Property and equipment and Right-of-use asset

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest unit of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

The Company's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated. Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.5. Provisions and contingencies

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain and the expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and where appropriate the risks specific to the liability. Where discounting is used, the increase in the provisions due to passage of time is recognised as a borrowing cost.

Contigencies

Contingent liabilities are not recognised in the financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

3.6. Leases

The Company as Lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- and payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease. The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect profit on the lease liability (using the effective profit rate method) and by reducing the carrying amount to reflect the lease payments made.
The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating profit rate, in which case a revised discount rate is used); or

- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and any impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 3.4.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Management expenses' in the statement of profit or loss and other comprehensive income.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

3.7. Other income

Profit income is recognised on a time proportion basis that takes into account the effective profit of the asset. Profits including the amount of amortisation of premium, and accretion of discount rate are recognised on a time proportion basis taking into account the principle outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Company.

Gains and losses arising on disposals of investments are credited or charged to profit or loss.

3.8. Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans such as Tabung Amanah Pekerja (TAP) and Supplementary Contributory Pensions Fund (SCP) are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

TAP and SCP now known as Skim Persaraan Kebangsaan ["SPK") Under Section 26 of the Order, the laws of Brunei Darussalam which relate to retirement benefits schemes shall apply to the employees of the Company. The Company participates in TAP and SCP. The two schemes has been replaced with SPK starting July 2023.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.9. Zakat

The Company is exempted from Zakat under the "tabi' matbu" principle as advised by the Syariah Advisory Committee. According to this principle, since the holding Company, a statutory body, was incorporated under Perbadanan Tabung Amanah Islam Brunei Act, Chapter 163, and has no shareholder, it is not obligated to pay Zakat. The same applies to its subsidiaries.

3.10. Wakalah fee

The wakalah fee is an expense to the Family Takaful Funds and correspondingly recognised in the respective funds' profit or loss at an agreed percentage for each takaful certificate underwritten and are payable to the agents. This is in accordance with the principles of wakalah as approved by the Syariah Advisory Committee and is agreed between the participants and the Company.

Commission, acquisition costs and management expenses of the Family Takaful Funds are borne by the operator and included as a component of wakalah fee.

3.11. Takaful products

Classification

Takaful certificates are contracts under which the Company underwrites or accepts significant risks (by pooling the risks in a risk fund) from participants ("the participant") of the Family Takaful Fund (the “fund") by agreeing to compensate the participant or other beneficiary if a specified uncertain future event ("the insured event") adversely affects the participant or other beneficiary. Takaful risk is a risk other than financial risk. Financial risk is the risk of a possible future change in one or more of a specified financial or non-financial variable. The Takaful Operator does not sell investment that transfer insignificant takaful risk.

Contracts where insignificant takaful risks are accepted by the funds are classified as either investment contracts or service contracts. There are currently no such contracts in the fund's portfolios.

Once a contract has been classified as a takaful contract, it remains a takaful contract for the remainder of its lifetime, even if the takaful risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

Based on the Company's assessment, all takaful certificates underwritten by the Company meets the definition of takaful certificates and accordingly are classified as takaful certificates.

Separation of components from Takaful certificates and Retakaful certificates held

The Company assesses its takaful certificates and retakaful certificates Held to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. After separating any distinct components, the Company applies IFRS 17 to all remaining components of the takaful certificates and retakaful certificates held.

Non-distinct investment components need to be separated out in the presentation of takaful revenue and takaful service expense because investment components are not included as part of revenue recognition and any variance to the investment component is offset against the CSM.

The Company's non-distinct investment components include Personal Accident ("PA") Values, surplus sharing amount paid to participant or referred to as the Participant Profit Fund ("PPF"), surrender claims, maturity claims, as well as the portion of claims that relates to surrender values.

The Company's retakaful certificates held do not include any embedded derivatives, distinct investment component or non-takaful services. Non-distinct investment components identified for retakaful certificates held include profit commissions and Surplus Sharing agreements. Under those agreements, there is a contractual payment that the reinsurer will always receive irrespective of the covered event happening.

Unit of account

IFRS 17 requires an entity to establish portfolios of takaful certificates. Each portfolio comprise contracts which are subject to similar risks and managed together, and is divided into three groups based on its profitability status:

- Contracts that are onerous at initial recognition;
- Contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or
- Other group of remaining contracts.

It is expected that all riders products issued by the Company cannot be separated from the base contract, hence the riders are to be valued together with the base contract. No separate unit of accounts for riders is required.

Takaful certificates within a group of contracts cannot be more than one year apart, therefore each group of takaful certificates is further divided by year of the contract recognition date. The resulting groups represent the level at which the recognition and measurement accounting policies are applied. The groups are established on initial recognition and their composition is not reassessed subsequently.

The Company divides portfolios of retakaful certificates held by applying the same principles with the underlying takaful certificates set out above, except that the references to onerous contracts refer to contracts on which there is a net gain or net loss on initial recognition. All accounting groups within the same contract boundaries can be included in the same group if their initial recognition date is within the same year.

Onerous groups of contracts

Onerous contracts are the contracts that are expected to be loss making. IFRS 17 requires the profitability test to be performed at contract level, however, as the Company could deem information determined at the pricing stage as 'reasonable and supportable' information which demonstrate that a set of contracts will be in the same profitability group, it may perform the assessment of onerousness on the set as a whole.

The Company consider facts and circumstances to conduct the Onerous Contract Test (OCT) based on certain drivers of profitability.

For PAA contracts, a contract is deemed to be onerous if the best estimate (BE) combined loss ratio is above 100%; the rest would be deemed as profitable.

Contract boundaries

The contract boundary is when there is no obligation from the Company to provide takaful services and the Company cannot compel the policyholder to pay considerations.

For a group of takaful certificates, the Company measures all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of a takaful contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the contribution to be paid, or in which the Company has a substantive obligation to provide services. A substantive obligation to provide services ends when:

- The Company has the practical ability to reassess the risks of the particular contract 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:

    a) The Company has the practical ability to reassess the risks of portfolio of takaful certificates that contain the contract and, as a result, can set a price or level of benefits that fully reflect the risk of that portfolio; and
    b) The pricing of the contributions for coverage up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

Recognition

Contract recognition relates to when a contract would be recognised as part of the Company's liabilities. The Company recognises groups of takaful certificates it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts. The coverage period of a group of contracts begins when the Company is required to pay the policyholder if a covered event occurs.
- The date when the first payment from a policyholder in the group becomes due. If there is no contractual due date, the first payment from the policyholder is deemed to be due when it is received.
- For a group of onerous contracts, when the group becomes onerous.

The Company recognises groups of retakaful certificates:

- If the retakaful certificates provide proportionate coverage at the later of the beginning of the coverage period of the group or the initial recognition of any underlying contract; and
- In all other cases, from the beginning of the coverage period of the group. The coverage period is the period during which the Company receives coverage for claims arising from the retroceded portions of the underlying takaful certificates.

Subsequently, new contracts are added to the group when they are issued or initiated, provided that all contracts in the group are issued or initiated in the same year.

Contract Modification

If the terms and conditions that relate to the Company's ability to reassess the risk, as well as to renew, amend or terminate the contract has changed, another contract boundary assessment is required for the affected contracts.

When a modification is not treated as derecognition, the Company recognise amounts paid or received for the modification with the contract as changes in estimates of fulfilment cash flows.

Derecognition

The Company derecognise takaful certificates and retakaful certificates held when, and only when:

a) the rights and obligations relating to the contract are extinguished, i.e. discharged, cancelled or expired; or
b) the contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Company derecognises the initial contract and recognises the modified contract as a new contract.

General Measurement Model

Initial measurement

On initial recognition, the Company measures a group of takaful certificates at the total of:

- The fulfilment cash flows (FCF), which comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risks; and
- The contract service margin (CSM), which representing the unearned profit the Company will recognise as it provides service under the takaful certificates in the group.

The measurement of the fulfilment cash flows of a group of takaful certificates does not reflect non-performance risk.

The risk adjustment for non-financial risk for a group of takaful certificates is the compensation required for bearing uncertainty about the amount and timing of the cash flows that arise from non-financial risk.

On initial recognition of a group of takaful certificates, if the total of the fulfilment cash flows, any derecognised asset for takaful acquisition cash flows and any cash flows arising at that date 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 and the Company shall recognise a loss in profit or loss for the net outflow. A loss component of the liability for remaining coverage is created to depict any losses recognised, which determines the amounts that are subsequently presented in profit or loss as reversals of losses on onerous groups and are consequently excluded from the determination of takaful revenue.

The liability for remaining coverage (LRC) is the Company's obligation to investigate and pay valid claims for covered events that have not yet occurred (i.e. the obligation that relates to the unexpired portion of the coverage period) and at initial recognition, comprises all remaining expected future cash inflows and cash outflows under an takaful contract plus the CSM for that contract.

The liability for incurred claims (LIC) is the Company's obligation to investigate and pay valid claims for covered events that have already occurred, including events that have occurred but for which claims have not been reported, and other incurred takaful expenses. At initial recognition of a group of contracts, the liability for incurred claims is nil as no covered events have occurred.

Subsequent measurement

The CSM at the end of the reporting period represents the profit in the group of takaful certificates that has not yet been recognised in profit or loss because it relates to the future service to be provided under the contracts in the group.

For a group of takaful certificates, the carrying amount of the CSM of the group at the end of the reporting period equals the carrying amount at the beginning of the reporting period adjusted, as follows:

- The effect of any new contracts added to the group;
- Interest accreted on the carrying amount of the CSM during the reporting period, measured at the discount rates at initial recognition;
- The changes in fulfilment cash flows relating to future service, except to the extent that:
    a. such increases in the fulfilment cash flows exceed the carrying amount of the CSM, giving rise to a loss; or
    b. such decreases in the fulfilment cash flows are allocated to the loss component of the liability for remaining coverage.
- The effect of any currency exchange differences on the CSM; and
- The amount recognised as takaful revenue because of the transfer of services in the period, determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining coverage period.

The changes in fulfilment cash flows relating to future service that adjust the CSM comprise of:

- experience adjustments that arise from the difference between the contribution receipts, and any related cash flows such as takaful acquisition cash flows and takaful contribution taxes, and the estimate, at the beginning of the period, of the amounts expected. Differences related to contributions received or due related to current or past services are recognised immediately in profit or loss while differences related to contributions received or due for future services are adjusted against the CSM;
- changes in estimates of the present value of future cash flows in the LRC, except those relating to the time value of money and changes in financial risk;
- differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period;
- changes in the risk adjustment for non-financial risk that relate to future service.

Except for changes in the risk adjustment, adjustments to the CSM noted above are measured at discount rates that reflect the characteristics of the cash flows of the group of takaful certificates at initial recognition.
The Company measures the carrying amount of a group of takaful certificates at the end of each reporting period as the sum of:

- the liability for remaining coverage comprising fulfilment cash flows related to future service allocated to the group at that date and the CSM of the group at that date; and
- the liability for incurred claims for the Company comprised the fulfilment cash flows related to past service allocated to the group at that date.

Variable Fee Approach (VFA)

The variable fee approach (VFA) is applicable for contracts with direct participation features. The standard defines contracts with direct participation feature as contracts that are substantially investment related service contracts. takaful certificates with direct participation features must satisfy all the criteria below:

- 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.

Initial measurement

The initial measurement of a group of takaful certificates with direct participation feature follows the same principles as those under GMM.

Subsequent measurement

For a group of takaful certificates with direct participation feature, the carrying amount of the CSM of the group at the end of the reporting period equals the carrying amount at the beginning of the reporting period adjusted, as follows:

- the effect of any new contracts added to the group;
- the Company's share of the change in the fair value of the underlying items, except to the extent that:
  a. The Company must have a previously documented risk-management objective and strategy for using derivatives to mitigate financial risk;
  b. The Company's share of a decrease in the fair value of the underlying items exceeds the carrying amount of the contractual service margin, giving rise to a loss; or
  c. The Company's share of an increase in the fair value of the underlying items reverse the amount in the above.
- the changes in fulfilment cash flows relating to future service, except to the extent that:
  a. The Company must have a previously documented risk-management objective and strategy for using derivatives to mitigate financial risk;
  b. Such increases in the fulfilment cash flows exceed the carrying amount of the CSM, giving rise to a loss; or
  c. Such decreases in the fulfilment cash flows are allocated to the loss component of the liability for remaining coverage.
- The effect of any currency exchange differences on the CSM; and
- The amount recognised as takaful revenue because of the transfer of services in the period, determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining coverage period.

Premium Allocation Approach

PAA is a simplified measurement model under IFRS 17. It measures the liability for remaining coverage (LRC) as the amount of contribution received at the initial measurement. The Company does not need to identify explicitly the components otherwise used in IFRS 17 to build the measurement of the takaful contract, i.e., the estimate of future cash flows, the time value of money, and the effects of risk unless the group of takaful certificates is onerous.

Initial measurement

The Company applies PAA to takaful certificates that it issues and retakaful certificates held that it holds, if:

- The coverage period of each contract in the group is one year or less, including coverage arising from all contributions within the contract boundary;
- The Company does not apply the PAA, if at inception of the group of contracts, it expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for remaining coverage during the period before a claim is incurred; and,
- For a group of contracts that is not onerous at initial recognition, the Company measures the liability for remaining coverage as the contributions, if any, received at initial recognition, minus any takaful acquisition cash flows at that date, with the exception of contracts which are one year or less where this is expensed, plus or minus any amount arising from the derecognition at that date of the asset or liability recognised for takaful acquisition cash flows that the Branch pays or receives before the group of takaful contracts is recognised.

Subsequent measurement

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

- plus the contribution received in the period;
- minus takaful acquisition cash flows;
- plus amortisation of acquisition cash flows recognised as an expense in the reporting period for the Company;
- plus any adjustment to a financing component;
- minus the amount recognised as takaful revenue for the coverage period;
- minus any investment component paid or transferred to the liability for incurred claims.

The Company estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Company, and include an explicit adjustment for non-financial risk (the risk adjustment). The Company does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected to be paid within one year of being incurred.

Retakaful certificates

Retakaful certificates are measured using either GMM or PAA.

The contract boundary for a Retakaful certificates held ends depends on the substantive obligation to pay considerations and substantive rights to receive service by the cedant, which would be up to the contract boundary of the ceded underlying takaful certificates including future underlying new business contracts covered by the retakaful certificates, unless:

- Both the retakaful operator and the cedant have the unilateral right to terminate the contract on predetermined terms; or,
- The retakaful operator has the unilateral right to fully reprice the contract.

The measurement of retakaful certificates held follows the same principles as those for takaful certificate issued, with the exceptions as the following:

- The Company shall include in the estimates of the present value of the future cash flows for the group of retakaful certificates held the effect of any risk of non-performance by the issuer of the retakaful contract, including the effects of collateral and losses from disputes;
- The Company determines the risk adjustment for non-financial risk so that it represents the amount of risk being transferred by the retakaful operator;
- The Company recognise a net cost or net gain instead of unearned profit at initial recognition in the balance sheet as a CSM and releases this to the profit or loss as the retakaful operator renders services, except for the net cost that relates to events before initial recognition. The Company recognises such a cost immediately in profit or loss as an expense;
- Changes in the fulfilment cash flows are recognised in profit or loss if the related changes arising from the underlying ceded contracts have been recognised in profit or loss. Alternatively, changes in the fulfilment cash flows adjust the CSM; and
- Changes in the fulfilment cash flows that result from changes in the risk of non-performance by the issuer of a retakaful contract held do not relate to future service and not adjust the CSM.

Initial measurement

The Company measures its retakaful assets for a group of retakaful assets for a group of retakaful certificates that it holds on the same basis as takaful certificates that it issues, however, adapted to reflect the features of retakaful certificates held that differ from takaful certificates issued, for example the generation of expenses or reduction in expenses rather than revenue.

Subsequent measurement

The subsequent measurement of retakaful certificates held follows the same principles as those for takaful certificates issued and has been adapted to reflect the specific features of retakaful certificates held.

Presentation

The Company has presented separately, in the statement of financial position, the carrying amount of groups of takaful certificates issued that are assets, groups of takaful certificates issued that are liabilities, retakaful certificates held that are assets and retakaful certificates held that are liabilities.

Any assets or liabilities for takaful acquisition cash flows paid or received before the corresponding takaful certificates recognised are included in the carrying amount of the related groups of takaful certificates issued.

The Company disaggregates the total amount recognised in the statement of profit or loss and other comprehensive income into an takaful service result, comprising takaful revenue and takaful service expense, and takaful finance income or expense.

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

The Company separately presents income or expenses from retakaful certificates held from the expense or income from takaful certificates issued.

Takaful revenue

Takaful certificates not measured under PAA

The Company's takaful revenue depicts the provision of coverage and other services arising from a group of takaful certificates at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

Takaful revenue from a group of takaful certificates is therefore the relevant portion for the period of the total consideration for the contracts, i.e. the amount of contribution paid to the Company adjusted for a effect of time value of money and excluding any distinct investment components.

The total consideration for a group of contracts covers amounts related to the provision of services and is comprised of:

- Takaful services expenses, excluding any amounts allocated to the loss component of the liability for remaining coverage;
- Risk adjustment for non-financial risk, excluding any amounts allocated to the loss component of the liability for remaining coverage;
- Release of the CSM; and
- Amounts related to takaful acquisition cash flows.

Takaful certificates measured under PAA

The takaful revenue for the period is the amount of expected contribution receipts, excluding any investment component, allocated to the period. The Branch allocates the expected contribution receipts to each period of coverage on the basis of the passage of time.

For the periods presented, revenues have been recognised on the basis of the passage of time.

Loss components

Takaful certificates not measured under PAA

The Company has grouped contract that are onerous at initial recognition separately from contracts in the same portfolio that are not onerous at initial recognition.

Groups that were not onerous at initial recognition can also subsequently become onerous if assumptions and experience changes.

The Company has established a loss component of the liability for remaining coverage for any onerous group depicting the future losses recognised.

A loss component represents a notional record of the losses attributable to each group of onerous takaful certificates (or contracts profitable at inception that have become onerous). The loss component is released based on a systematic allocation of the subsequent changes in the fulfilment cash flows to:
- the loss component of LRC; and
- the LRC excluding the loss component.

The loss component is also updated for subsequent changes in estimates of the fulfilment cash flows related to future service. The systematic allocation of subsequent changes to the loss component results in the total amounts allocated to the loss component being equal to zero by the end of the coverage period of a group of contracts. The Company determined the percentage allocation for the loss component as the proportion of the loss component to the sum of present value of claims and expenses and risk adjustment.

Takaful certificates measured under PAA

The Company has contracts that are onerous at initial recognition. The standard requires that if at any time during the coverage period, the facts and circumstances indicate that a group of takaful certificates is onerous, the Company establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining coverage of the group over the carrying amount of the liability for remaining coverage of the group as determined in the subsequent measurement. Accordingly, by the end of the coverage period of the group of contracts the loss component will be zero.

Takaful finance income and expense

Takaful finance income or expenses comprise the change in the carrying amount of the group of takaful certificates arising from:
- the effect of the time value of money and change in the time value of money;
- the effect of financial risk and change in financial risk.

The Company does not disaggregate takaful finance income or expenses on takaful certificates issued between profit and loss and OCI. The Company's financial investments backing the takaful portfolios are measured at FVTPL.

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

Net income or expense from retakaful certificates held

The Company presents separately on the face of the statement of profit or loss the amounts expected to be recovered from retakaful operators, and an allocation of the retakaful contributions paid. The Company treats retakaful cash flows that are contingent on claims on the underlying contracts as part of the claims at are expected to be reimbursed under the retakaful certificates held, and excludes investment components and commissions from an allocation of retakaful contributions presented on the face of the statement of profit or loss.

Presentation

The Company has presented separately, in the statement of financial position, the carrying amount of groups of takaful certificates issued that are assets, groups of takaful certificates issued that are liabilities, retakaful certificates held that are assets and retakaful certificates held that are liabilities.

Any assets or liabilities for takaful acquisition cash flows paid or received before the corresponding takaful certificates recognised are included in the carrying amount of the related groups of takaful certificates issued.

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

The Company separately presents income or expenses from retakaful certificates held from the expense or income from takaful certificates issued.

3.12. Tax expense

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax
is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and effective profit rates may be due.The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of the existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.13. Equity

Share capital

Ordinary shares are stated at par value and are classified as equity. Incremental costs directly attributable to the issue of new shares, if any, are shown in equity as a deduction from the proceeds.

Retained earnings

Retained earnings pertain to the unrestricted portion of the accumulated profit from operations of the Company, which are available for dividend declaration.

4. Cash and cash equivalents

This account as at 31 December consists of:

	Takaful Operator	Takaful Fund	Company
	BND	**BND**	**BND**
2024			
Cash and bank balances	1,363,015	16,784,279	18,147,294
2023			
Cash and bank balances	1,219,257	4,956,493	6,175,750

As at the reporting date, the carrying amounts of cash and bank balances approximate their fair values.

5. Deposits and placements

As at the reporting date, the carrying amounts of short-term placements approximate their fair values. Fixed deposits of the Company bear weighted average effective profit rate of 2.91% in 2024 (2023 - 3.26%) per annum and have a maturity period within 12 months (2023 - 12 months).

	Takaful Operator	Takaful Fund	Company
	BND	BND	BND
2024			
Deposits and placements	19,000,000	37,000,000	56,000,000
2023			
Deposits and placements	20,000,000	39,000,000	59,000,000

The movement in deposits and placements as at December 31 follows:

	2024	2023
	BND	BND
As at January 1	**59,000,000**	**17,000,000**
Additions	56,000,000	59,000,000
Withdrawals/Maturities	(59,000,000)	(17,000,000)
As at December 31	**56,000,000**	**59,000,000**

6. Investments

This account as at 31 December consists of:

	Notes	Takaful Operator	Takaful Fund	Company
		BND	BND	BND
2024				
Financial assets at Fair Value Through Profit or Loss	(a)	-	2,808,957	2,808,957
Financial assets at Fair Value Through Other Comprehensive Income	(b)	-	1,957,398	1,957,398
		-	**4,766,355**	**4,766,355**
2023				
Financial assets at Fair Value Through Profit or Loss	(a)	-	8,546,278	8,546,278
Financial assets at Fair Value Through Other Comprehensive Income	(b)	-	1,849,742	1,849,742
		-	**10,396,020**	**10,396,020**

(a) Financial assets at Fair Value Through Profit or Loss (FVTPL)

The components of financial assets at FVTPL are further analysed as follows:

	Takaful Operator BND	Takaful Fund BND	Company BND
As at 31 December 2024			
Unquoted equity securities	-	2,808,957	2,808,957
As at 31 December 2023			
Unquoted equity securities	-	8,546,278	8,546,278

In 2024, the Company has partially withdrawn its financial assets at FVTPL amounting to B$6,676,166 (2023 - nil).

(b) Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)

The components of financial assets designated at Fair Value Through Other Comprehensive Income (FVTOCI) are further analysed as follows:

	Takaful Operator BND	Takaful Fund BND	Company BND
As at 31 December 2024			
Quoted fixed income securities	-	1,957,398	1,957,398
As at 31 December 2023			
Quoted fixed income securities	-	1,849,742	1,849,742

In 2023, loss from the change in fair value of quoted fixed income securities amounts to B$79,092 which is recognised in other comprehensive income. The fair value loss attributable to the participants' fund in 2023 amounts to B$79,092.

Impairment of financial assets

For the purpose of impairment assessment, fixed income securities are considered to have low credit risk. Accordingly, for the purpose of impairment assessment for these financial assets, the loss allowance is measured at an amount equal to 12-month ECL. In determining the ECL for these assets, management has taken into account the future prospects of the industries in which the issuers of bonds operate as obtained from economic expert reports, financial analyst reports and considering various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment horizon, as well as the loss upon default in each case. Management has deemed the ECL to be insignificant.

Note 22 details the gross carrying amount, loss allowance as well as the measurement basis of ECL for each of these financial assets by credit risk categories.

7. Other receivables

This account as at 31 December consists of:

2024	Takaful Operator BND	Takaful Fund BND	Eliminations BND	Company BND
Amount owing from Parent Company	3,122,612	-	-	3,122,612
Deposits, prepayments and others	1,096,540	222,387	-	1,318,927
Amount owing from the Family Takaful Fund	3,406,415	-	(3,406,415)	-
Amount owing from the General Takaful Operator	131,194	-	-	131,194
Amount owing from the Takaful Operator of Family Takaful Fund	-	150,543	(150,543)	-
	7,756,761	**372,930**	**(3,556,958)**	**4,572,733**

2023	Takaful Operator BND	Takaful Fund BND	Eliminations BND	Company BND
Amount owing from Parent Company	3,271,740	-	-	3,271,740
Deposits, prepayments and others	2,444,420	510,148	-	2,954,568
Amount owing from the Family Takaful Fund	1,002,375	-	(1,002,375)	-
Amount owing from the Takaful Operator of Family Takaful Fund	-	228,087	(228,087)	-
	6,718,535	**738,235**	**(1,230,462)**	**6,226,308**

The amount due from the Parent Company is unsecured, unguaranteed, non-interest bearing and payable in cash at gross amount upon demand. There is no allowance for doubtful debts arising from these balances.

8. Property and equipment, net

Company	**Computer hardware and software**	**Furniture, fixtures and fittings**	**Renovations**	**Total**
	BND	**BND**	**BND**	**BND**
Cost				
At 1 January 2023	1,056,541	74,552	413,560	1,544,653
Additions	19,797	-	-	19,797
Disposals	-	-	-	-
At 31 December 2023	**1,076,338**	**74,552**	**413,560**	**1,564,450**
Additions	1,657,458	-	-	1,657,458
Disposals	-	-	-	-
At 31 December 2024	**2,733,796**	**74,552**	**413,560**	**3,221,908**
Accumulated depreciation				
At 1 January 2023	(767,966)	(71,677)	(293,432)	(1,133,075)
Depreciation for the year	(87,207)	(976)	(41,356)	(129,539)
Disposals	-	-	-	-
At 31 December 2023	**(855,173)**	**(72,653)**	**(334,788)**	**(1,262,614)**
Depreciation for the year	(124,596)	(1,899)	(41,356)	(167,851)
Disposals	-	-	-	-
At 31 December 2024	**(979,769)**	**(74,552)**	**(376,144)**	**(1,430,465)**
Carrying amounts				
At 31 December 2023	**221,165**	**1,899**	**78,772**	**301,836**
At 31 December 2024	**1,754,027**	**-**	**37,416**	**1,791,443**

9. Right-of-use asset, net

The Company leases office space with an average lease term of three years.

The details of the movements in the Company's right-of-use assets in 2024 and 2023 are as follows:

	Office space
	BND
Cost	
At 1 January 2023	**323,028**
At 31 December 2023	**323,028**
Additions	53,840
Expiration	**(53,840)**
At 31 December 2024	**323,028**
Accumulated depreciation	
At 1 January 2023	**(190,221)**
Depreciation for the year	(64,608)
At 31 December 2023	**(254,829)**
Depreciation for the year	(64,608)
Expiration	53,840
At 31 December 2024	**(265,597)**
Carrying amounts	
At 31 December 2023	**68,198**
At 31 December 2024	**57,431**

10. Other assets

This account, as at 31 December 2024 and 2023 include balances related to the participants, among others, and are not considered as financial assets.

11. Other payables

This account as at 31 December consists of:

2024	Takaful Operator BND	Takaful Fund BND	Eliminations BND	Company BND
Advanced contributions from participants	-	355,924	-	355,924
Profit payable to participants	-	1,063	-	1,063
Amount owing to parent company	795,156	-	-	795,156
Amount owing to the Takaful Operator of Family Takaful Fund	-	3,406,415	(3,406,415)	-
Amount owing to the Takaful Operator of General Takaful Fund	1,246,471	1,065,857	-	2,312,328
Amount owing to Family Takaful Fund	150,543	-	(150,543)	-
Amount owing to General Takaful Fund	11,574	-	-	11,574
Other creditors	403,015	1,590,585	-	1,993,600
	2,606,759	**6,419,844**	**(3,556,958)**	**5,469,645**

2023	Takaful Operator BND	Takaful Fund BND	Eliminations BND	Company BND
Advanced contributions from participants	-	368,286	-	368,286
Profit payable to participants	-	1,063	-	1,063
Provision for unutilised leave	-	-	-	-
Amount owing to Parent Company	433,140	-	-	433,140
Amount owing to Family Takaful Fund	-	1,296,946	(1,296,946)	-
Amount owing to the Takaful Operator of Family Takaful Fund	885,810	-	-	885,810
Amount owing to the Takaful Operator of General Takaful Fund	228,087	-	(228,087)	-
Amount owing to General Takaful Fund	5,071	-	-	5,071
Other creditors	222,696	-	-	222,696
	1,774,804	**1,666,295**	**(1,525,033)**	**1,916,066**

The amount due to related parties are unsecured, unguaranteed, non-interest bearing and payable in cash at gross amount upon demand.

12. Lease liabilities

The Company leases office space as the principal place a lease term of five (5) years. The discount rate used by the Company is within the average of 3.75%. The lease agreement has a renewal option subject to certain conditions.

This account as at 31 December consists of:

	2024	2023
	BND	**BND**
Maturity analysis:		
Year 1	22,000	66,000
Year 2	42,000	10,000
Year 3	-	-
Year 4	-	-
Year 5	-	
	64,000	76,000
Less: Future profit	(5,255)	(2,008)
	58,745	73,992

The Company does not face a significant liquidity risk with regard to its lease liabilities.

Movements in lease liabilities are as follows:

	2024	2023
	BND	**BND**
Beginning of financial year	73,992	141,017
Additions	53,841	-
Cashflow for lease payments		
Principal payment of lease liabilities	(69,088)	(67,025)
Interest portion of lease liabilities	(2,912)	(4,975)
Interest expense on lease liabilities	2,912	4,975
End of financial year	58,745	73,992

Reconciliation of liabilities arising from financing activities

The following table details the changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes.

2024	At January 1	Financing Cash flow (i)	Additions (ii)	At 31 December
Lease liabilities	73,992	(69,088)	53,841	58,745

2024	At January 1	Financing Cash flow (i)	Additions (ii)	At 31 December
Lease liabilities	141,017	(67,025)	-	73,992

(i) The cash flows make up the net amount of repayments of lease liabilities in the statement of cash flows.
(ii) Additions pertains to lease agreements entered into during the year (Note 9) and is accounted for as a non-cash movement in the statement of cash flows

13. Takaful revenue

The takaful revenue is comprised of the following as at 31 December:

	2024	2023
	BND	BND
Contracts not measured under PAA		
Amounts relating to changes in liabilities for remaining coverage		
CSM recognised for services provided	340,110	175,227
Change in risk adjustment for non-financial risk for risk expired	263,654	231,039
Expected incurred claims and other takaful service expenses	4,008,669	3,591,391
Other	(785,434)	(331,371)
Recovery of takaful acquisition cash flows	602,346	387,868
Takaful revenue from contracts not measured under the PAA	**4,429,345**	**4,054,154**
Contracts measured under the PAA	**4,871,975**	**1,739,176**
Total takaful revenue	**9,301,320**	**5,793,330**

The takaful service result as at 31 December follows:

	Note	2024	2023
		BND	BND
Takaful revenue		9,301,320	5,793,330
Incurred claims and other takaful service expenses	14	(1,492,052)	(2,089,537)
Amortisation of takaful acquisition cash flows	14	(893,530)	(918,738)
Losses and reversal of losses on onerous contracts	14	(3,429,228)	(2,143,800)
Adjustments to liabilities for incurred claims	14	(1,240,459)	(381,610)
Investment components and contribution refunds	14	(3,023,623)	-
Takaful service expenses		(10,078,892)	(5,533,685)
Takaful service result before retakaful certificates held	14	**(777,572)**	**259,645**
Allocation of retakaful contribution paid	14	(1,508,703)	(1,351,400)
Recoveries of incurred claims and other takaful service expenses	14	596,130	692,758
Adjustments to assets for incurred claims	14	(366,551)	(239,667)
Amounts recoverable from Retakaful contract held	14	229,579	453,091
Investment components and contribution refunds	14	(986,121)	(1,215,014)
Effect of changes in non-performance risk of retakaful operators	14	1,852,302	2,222,255
		866,181	1,007,241
Net expense from retakaful certificates	14	**(412,943)**	**108,932**
Takaful service result		**(1,190,515)**	**368,577**

14. Takaful and retakaful certificates

This account as at 31 December consists of:

Takaful certificates

2024	Takaful certificate assets	Takaful certificate liabilities	Net
MRTAW	-	10,134,855	10,134,855
Family Savings	-	20,832,832	20,832,832
NPP	-	4,741,031	4,741,031
MRTA	-	7,728,246	7,728,246
Contract type 5	(68,183)	18,482,138	18,413,955
Total takaful certificates	**(68,183)**	**61,919,102**	**61,850,919**

2023	Takaful certificate assets	Takaful certificate liabilities	Net
MRTAW	-	8,010,745	8,010,745
Family Savings	-	22,404,404	22,404,404
NPP	-	4,243,986	4,243,986
MRTA	-	8,301,152	8,301,152
Others	-	16,941,445	16,941,445
Total takaful certificates	**-**	**59,901,732**	**59,901,732**

Retakaful certificates

2024	Retakaful certificate assets	Retakaful certificate liabilities	Net
MRR	856,403	(22,243)	834,160
Mre	5,622	-	5,622
Hre	3,796	-	3,796
Others	-	(232,984)	(232,984)
Total retakaful certificates	**865,821**	**(255,227)**	**610,594**

2023	Retakaful certificate assets	Retakaful certificate liabilities	Net
MRR	1,635,990	(79,242)	1,556,748
Mre	4,644	-	4,641
Hre	3,796	-	3,796
Others	-	(627,244)	(627,241)
Total retakaful certificates	**1,644,430**	**(706,486)**	**937,944**

(i) Analysis of takaful certificate liabilities and retakaful certificate assets per measurement model

Takaful certificates

	2024			
	Liability for remaining coverage			
	Excluding loss component	**Loss component**	**Liabilities for incurred claims**	**Total**
Not measured under the premium allocation approach	48,254,199	5,742,298	8,405,860	62,402,357
Measured under the premium allocation approach	(551,438)	-	-	(551,438)
	47,702,761	**5,742,298**	**8,405,860**	**61,850,919**

	2023			
	Liability for remaining coverage			
	Excluding loss component	**Loss component**	**Liabilities for incurred claims**	**Total**
Not measured under the premium allocation approach	45,841,138	3,011,781	8,385,614	57,238,533
Measured under the premium allocation approach	2,663,199	-	-	2,663,199
	48,504,337	**3,011,781**	**8,385,614**	**59,901,732**

Retakaful certificates

	2024			
	Assets for remaining coverage			
	Excluding loss-recovery component	**Loss-recovery component**	**Assets for incurred claims**	**Total**
Not measured under the premium allocation approach	-	-	865,824	865,824
Measured under the premium allocation approach	(255,230)	-	-	(255,230)
	(255,230)	**-**	**865,824**	**610,594**

	2023			
	Assets for remaining coverage			
	Excluding loss-recovery component	**Loss-recovery component**	**Assets for incurred claims**	**Total**
Not measured under the premium allocation approach	-	-	1,644,430	1,644,430
Measured under the premium allocation approach	(706,486)	-	-	(706,486)
	(706,486)	**-**	**1,644,430**	**937,944**

(ii) Movement in carrying amounts

Analysis by remaining coverage and incurred claims of takaful certificates not measured under the premium allocation approach:

	2024			
	Liability for remaining coverage			
	Excluding loss component	**Loss component**	**Liabilities for incurred claims**	**Total**
Opening liabilities (assets)	**45,841,138**	**3,011,781**	**8,385,614**	**57,238,533**
Changes in the statement of profit or loss and OCI				
Takaful revenue	**(4,429,345)**	**-**	**-**	**(4,429,345)**
Takaful service expenses				
Incurred claims and other takaful service expenses	-	(785,434)	1,919,194	1,133,760
Amortisation of takaful acquisition cash flows	602,346	-	-	602,346
Losses and reversal of losses on onerous contracts	-	3,429,228	-	3,429,228
Adjustments to liabilities for incurred claims	-	-	1,240,459	1,240,459
	602,346	**2,643,794**	**3,159,653**	**6,405,793**
Investment components and contribution refunds	(4,253,016)	-	4,253,016	-
Takaful service results	**(8,080,015)**	**2,643,794**	**7,412,669**	**1,976,448**
Net finance (income) expenses from takaful certificates	2,559,037	86,723	41,765	2,687,525
Total changes in the statement of profit or loss and OCI	**(5,520,978)**	**2,730,517**	**7,454,434**	**4,663,973**
Cash flows				
Contribution received	9,445,662	-	-	9,445,662
Claims and other takaful service expenses paid, including investment components	-	-	(7,434,188)	(7,434,188)
Takaful acquisition cash flows	(1,511,623)	-	-	(1,511,623)
Total cash flows	**7,934,039**	**-**	**(7,434,188)**	**499,851**
Closing liabilities (assets)	**48,254,199**	**5,742,298**	**8,405,860**	**62,402,357**

	2024			
	Estimates of present value of future cash flows	**Risk adjustment for non-financial risk**	**Contract Service Margin**	**Total**
Opening liabilities (assets)	**54,071,734**	**2,274,051**	**892,748**	**57,238,533**
Changes in the statement of profit or loss and OCI				
Changes that related to current services				
CSM recognised for services provided	-	-	(340,110)	(340,110)
Change in risk adjustment for non-financial risk for risk expired	-	(125,310)	-	(125,310)
Experience adjustments	(2,227,819)	-	-	(2,227,819)
Changes that related to future services				
Contracts initially recognised in the year	570,647	298,984	72,865	942,496
Changes in estimates that adjust the CSM	(405,130)	3	405,127	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	2,470,819	15,913	-	2,486,732
Changes that related to past services				
Adjustments to liabilities for incurred claims	1,511,340	(270,881)	-	1,240,459
Takaful service results	**1,919,857**	**(81,291)**	**137,882**	**1,976,448**
Net finance (income) expenses from takaful certificates	2,125,321	62,418	499,786	2,687,525
Total changes in the statement of profit or loss and OCI	**4,045,178**	**(18,873)**	**637,668**	**4,663,973**
Cash flows	**499,851**	-	-	**499,851**
Closing liabilities (assets)	**58,616,763**	**2,255,178**	**1,530,416**	**62,402,357**

	2023			
	Liability for remaining coverage			
	Excluding loss component	**Loss component**	**Liabilities for incurred claims**	**Total**
Opening liabilities (assets)	**48,671,958**	**1,155,138**	**7,498,941**	**57,326,037**
Changes in the statement of profit or loss and OCI				
Takaful revenue	**(4,054,154)**	**-**	**-**	**(4,054,154)**
Takaful service expenses				
Incurred claims and other takaful service expenses	-	(331,371)	2,111,110	1,779,739
Amortisation of takaful acquisition cash flows	713,972	-	-	713,972
Losses and reversal of losses on onerous contracts	-	2,143,800	-	2,143,800
Adjustments to liabilities for incurred claims	-	-	381,610	381,610
	713,972	**1,812,429**	**2,492,720**	**5,019,121**
Investment components and contribution refunds	(4,757,068)	-	4,757,068	-
Takaful service results	**(8,097,250)**	**1,812,429**	**7,249,788**	**964,967**
Net finance (income) expenses from takaful certificates	(470,580)	44,214	53,770	(372,596)
Total changes in the statement of profit or loss and OCI	**(8,567,830)**	**1,856,643**	**7,303,558**	**592,371**
Cash flows				
Contribution received	6,936,286	-	-	6,936,286
Claims and other takaful service expenses paid, including investment components	-	-	(6,416,885)	(6,416,885)
Takaful acquisition cash flows	(1,199,276)	-	-	(1,199,276)
Total cash flows	**5,737,010**	**-**	**(6,416,885)**	**(679,875)**
Closing liabilities (assets)	**45,841,138**	**3,011,781**	**8,385,614**	**57,238,533**

	2023			
	Estimates of present value of future cash flows	**Risk adjustment for non-financial risk**	**Contract Service Margin**	**Total**
Opening liabilities (assets)	**53,086,866**	**2,089,374**	**2,149,797**	**57,326,037**
Changes in the statement of profit or loss and OCI				
Changes that related to current services				
CSM recognised for services provided	-	-	(175,227)	(175,227)
Change in risk adjustment **for** non-financial risk for risk expired	-	(73,160)	-	(73,160)
Experience adjustments	(1,638,159)	-	-	(1,638,159)
Changes that related to future services	390,690	282,232	113,308	786,230
Contracts initially recognised in the year	1,890,096	25,865	(1,589,857)	326,104
Changes in estimates that adjust the CSM				
Changes in estimates that result in losses and reversal of losses on onerous contracts	1,314,770	42,799	-	1,357,569
Changes that related to past services	-	-	-	-
Adjustments to liabilities for incurred claims	542,673	(161,063)	-	381,610
Takaful service results	**2,500,070**	**116,673**	**(1,651,776)**	**964,967**
Net finance (income) expenses from takaful certificates	(835,327)	68,004	394,727	(372,596)
Total changes in the statement of profit or loss and OCI	**1,664,743**	**184,677**	**(1,257,049)**	**592,371**
Cash flows	(679,875)	-	-	(679,875)
Closing liabilities (assets)	**54,071,734**	**2,274,051**	**892,748**	**57,238,533**

Analysis by remaining coverage and incurred claims of takaful certificates measured under the premium allocation approach:

	2024			
		Liability for incurred claims		
	Liabilities for remaining coverage	**Estimate of present value of future cash flows**	**Risk adjustment for non-financial risk**	**Total**
Opening liabilities (assets)	**2,663,199**	**-**	**-**	**2,663,199**
Changes in the statement of profit or loss and OCI				
Takaful revenue	**(4,871,975)**	**-**	**-**	**(4,871,975)**
Takaful service expenses				
Incurred claims and other takaful service expenses	-	358,292	-	358,292
Amortisation of takaful acquisition cash flows	291,184	-	-	291,184
Losses and reversal of losses on onerous contracts	-	-	-	-
Adjustments to liabilities for incurred claims	-	-	-	-
	291,184	358,292	-	**649,476**
Investment components and contribution refunds	-	3,023,623	-	3,023,623
Takaful service results	**(4,580,791)**	**3,381,915**	**-**	**(1,198,876)**
Net finance expenses from takaful certificates	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(4,580,791)**	**3,381,915**	**-**	**(1,198,876)**
Cash flows				
Contribution received	1,657,338	-	-	1,657,338
Claims and other takaful service expenses paid, including investment components	-	(3,381,915)	-	(3,381,915)
Takaful acquisition cash flows	(291,184)	-	-	(291,184)
Total cash flows	**1,366,154**	**(3,381,915)**	**-**	**(2,015,761)**
Closing liabilities	**(551,438)**	**-**	**-**	**(551,438)**

	2023			
		Liability for incurred claims		
	Liabilities for remaining coverage	**Estimate of present value of future cash flows**	**Risk adjustment for non-financial risk**	**Total**
Opening liabilities (assets)	**(303,881)**	**-**	**-**	**(303,881)**
Changes in the statement of profit or loss and OCI				
Takaful revenue	**(1,739,176)**	**-**	**-**	**(1,739,176)**
Takaful service expenses				
Incurred claims and other takaful service expenses	-	309,798	-	309,798
Amortisation of takaful acquisition cash flows	204,766	-	-	204,766
Losses and reversal of losses on onerous contracts	-	-	-	-
Adjustments to liabilities for incurred claims	-	-	-	-
	204,766	**309,798**	**-**	**514,564**
Investment components and contribution refunds	-	-	-	-
Takaful service results	**(1,534,410)**	**309,798**	**-**	**(1,224,612)**
Net finance expenses from takaful certificates	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(1,534,410)**	**309,798**	**-**	**(1,224,612)**
Cash flows				
Contribution received	4,706,256	-	-	4,706,256
Claims and other takaful service expenses paid, including investment components	-	(309,798)	-	(309,798)
Takaful acquisition cash flows	(204,766)	-	-	(204,766)
Total cash flows	**4,501,490**	**(309,798)**	**-**	**4,191,692**
Closing liabilities	**2,663,199**	**-**	**-**	**2,663,199**

Analysis by remaining coverage and incurred claims of retakaful certificates not measured under the premium allocation approach:

	2024			
	Assets for remaining coverage			
	Excluding loss-recovery component	**Loss-recovery Component**	**Assets for incurred claims**	**Total**
Opening assets	**-**	**-**	**1,644,430**	**1,644,430**
Changes in the statement of profit or loss and OCI				
Allocation of retakaful contribution paid	**(1,170,561)**	**-**	**-**	**(1,170,561)**
Amounts recoverable from Retakaful contract held				
Recoveries of incurred claims and other takaful service expenses	-	-	596,130	596,130
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	-	-	-
Adjustments to assets for incurred claims	-	-	(366,551)	(366,551)
	-	-	229,579	229,579
Investment components and contribution refunds	(986,121)	-	-	(986,121)
Effect of changes in non-performance risk of retakaful operators	1,170,561	-	681,741	1,852,302
Net expense from retakaful certificates	**(986,121)**		**911,320**	**(74,801)**
Net finance income from retakaful certificates	-	-	20,458	20,458
Total changes in the statement of profit or loss and OCI	**(986,121)**	-	**931,778**	**(54,343)**
Cash flows				
Contribution paid	986,121	-	-	986,121
Retakaful acquisition cash flows	-	-	-	
Amounts received	-	-	(1,028,642)	(1,028,642)
Adjustments to cash flow relating to Retakaful Mutualization	-	-	(681,742)	(681,742)
Total cash flows	**986,121**		**(1,710,384)**	**(724,263)**
Closing assets	**-**	**-**	**865,824**	**865,824**

	2024			
	Estimates of present value of future cash flows	**Risk adjustment for non-financial risk**	**Contract Service Margin**	**Total**
Opening assets	**1,287,681**	**356,749**	**-**	**1,644,430**
Changes in the statement of profit or loss and OCI				
Changes that related to current services				
CSM recognised for services provided	-	-	-	-
Change in risk adjustment for non-financial risk for risk expired	(850,136)	-	-	(850,136)
Experience adjustments	850,136	-	-	850,136
Changes that related to future services	-	-	-	-
Contracts initially recognised in the year	222,980	68,770		291,750
Changes in estimates that adjust the CSM	-	-	-	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	-	-	-	-
Changes that related to past services	-	-	-	-
Adjustments to liabilities for incurred claims	(231,121)	(135,430)		(366,551)
Net expense from retakaful certificates	**(8,141)**	**(66,660)**		**(74,801)**
Net finance expenses from takaful certificates	14,048	6,410		20,458
Total changes in the statement of profit or loss and OCI	**5,907**	**(60,250)**		**(54,343)**
Cash flows	(724,263)	-	-	(724,263)
Closing assets	**569,325**	**296,499**	**-**	**865,824**

	2023			
	Assets for remaining coverage			
	Excluding loss-recovery component	**Loss-recovery Component**	**Assets for incurred claims**	**Total**
Opening assets	**-**	**-**	**1,580,283**	**1,580,283**
<u>*Changes in the statement of profit or loss and OCI*</u>				
Allocation of retakaful contribution paid	**(1,075,048)**	**-**	**-**	**(1,075,048)**
Amounts recoverable from Retakaful contract held	-	-	-	-
Recoveries of incurred claims and other takaful service expenses	-	-	692,758	692,758
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	-	-	-
Adjustments to assets for incurred claims	-	-	(239,667)	(239,667)
	-	**-**	**453,091**	**453,091**
Investment components and contribution refunds	(1,215,014)	-	-	(1,215,014)
Effect of changes in non-performance risk of retakaful operators	1,075,048	-	1,147,207	2,222,255
Net expense from retakaful certificates	**(1,215,014)**	**-**	**1,600,298**	**385,284**
Net finance income from retakaful certificates	-	-	26,079	26,079
Total changes in the statement of profit or loss and OCI	**(1,215,014)**	**-**	**1,626,377**	**411,363**
Cash flows				
Contribution paid	**1,215,014**	-	-	1,215,014
Retakaful acquisition cash flows	-	-	-	-
Amounts received	-	-	(415,020)	(415,020)
Adjustments to cash flow relating to Retakaful Mutualization	-	-	(1,147,210)	(1,147,210)
Total cash flows	**1,215,014**	**-**	**(1,562,230)**	**(347,216)**
Closing assets	**-**	**-**	**1,644,430**	**1,644,430**

	2023			
	Estimates of present value of future cash flows	**Risk adjustment for non-financial risk**	**Contract Service Margin**	**Total**
Opening assets	**1,232,696**	**347,587**	**-**	**1,580,283**
Changes in the statement of profit or loss and OCI				
Changes that related to current services				
CSM recognised for services provided	-	-	-	-
Change in risk adjustment for non-financial risk for risk expired	(986,499)	-	-	(986,499)
Experience adjustments	986,499	-	-	986,499
Changes that related to future services				
Contracts initially recognised in the year	546,077	78,874	-	624,951
Changes in estimates that adjust the CSM	-	-	-	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	-	-	-	-
Changes that related to past services	-	-	-	-
Adjustments to liabilities for incurred claims	(159,138)	(80,529)	-	(239,667)
Net expense from retakaful certificates	**386,939**	**(1,655)**	**-**	**385,284**
Net finance expenses from takaful certificates	15,262	10,817	-	26,079
Total changes in the statement of profit or loss and OCI	**402,201**	**9,162**	**-**	**411,363**
Cash flows	(347,216)	-	-	(347,216)
Closing assets	**1,287,681**	**356,749**	**-**	**1,644,430**

Analysis by remaining coverage and incurred claims of retakaful certificates measured under the premium allocation approach:

	2024			
		Assets for incurred claims		
	Assets for remaining coverage	**Estimate of present value of future cash flows**	**Risk adjustment for non-financial risk**	**Total**
Opening liabilities	**(706,486)**	**-**	**-**	**(706,486)**
Changes in the statement of profit or loss and OCI				
Allocation of retakaful contribution paid	**(338,142)**	**-**	**-**	**(338,142)**
Amounts recoverable from Retakaful contract held	-	-	-	-
Recoveries of incurred claims and other takaful service expenses	-	-	-	-
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	-	-	-
Adjustments to assets for incurred claims	-	-	-	-
Investment components and contribution refunds	-	-	-	-
Effect of changes in non-performance risk of retakaful operators	-	-	-	-
Net expense from retakaful certificates	**(338,142)**	**-**	**-**	**(338,142)**
Net finance income from retakaful certificates	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(338,142)**	**-**	**-**	**(338,142)**
Cash flows				
Contribution paid	789,398	-	-	789,398
Retakaful acquisition cash flows	-	-	-	-
Amounts received	-	-	-	-
Adjustments to cash flow relating to RI Mutualization	-	-	-	-
Total cash flows	**789,398**	**-**	**-**	**789,398**
Closing liabilities	**(255,230)**	**-**	**-**	**(255,230)**

	2023			
		Assets for incurred claims		
	Assets for remaining coverage	**Estimate of present value of future cash flows**	**Risk adjustment for non-financial risk**	**Total**
Opening liabilities	**(436,994)**	**-**	**-**	**(436,994)**
Changes in the statement of profit or loss and OCI				
Allocation of retakaful contribution paid	**(276,352)**	**-**	**-**	**(276,352)**
Amounts recoverable from Retakaful contract held				
Recoveries of incurred claims and other takaful service expenses	-	-	-	-
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	-	-	-
Adjustments to assets for incurred claims	-	-	-	-
	-	-	-	-
Investment components and contribution refunds	-	-	-	-
Effect of changes in non-performance risk of retakaful operators	-	-	-	-
Net expense from retakaful certificates	**(276,352)**	**-**	**-**	**(276,352)**
Net finance income from retakaful certificates	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(276,352)**	**-**	**-**	**(276,352)**
Cash flows				
Contribution paid	6,860	-	-	6,860
Retakaful acquisition cash flows	-	-	-	-
Amounts received	-	-	-	-
Adjustments to cash flow relating to RI Mutualization	-	-	-	-
Total cash flows	**6,860**	**-**	**-**	**6,860**
Closing liabilities	**(706,486)**	**-**	**-**	**(706,486)**

(i) Effect of contracts initially recognised in the year

The following tables summarise the effect on the measurement components of takaful certificates arising from the initial recognition of contracts not measured under the PAA that were initially recognised in the year.

	2024			2023		
	Profitable contracts issued	**Onerous contracts issued**	**Total**	**Profitable contracts issued**	**Onerous contracts issued**	**Total**
Takaful acquisition cash flows	280,678	721,297	1,001,975	347,049	657,483	1,004,532
Claims and other takaful service expenses payable	995,872	7,115,869	8,111,741	1,212,978	3,739,384	4,952,362
Estimates of present value of cash outflows	1,276,550	7,837,166	9,113,716	1,560,027	4,396,867	5,956,894
Estimates of present value of cash inflows	(1,405,798)	(7,137,271)	(8,543,069)	(1,734,055)	(3,832,149)	(5,566,204)
Risk adjustment for non-financial risk	56,383	242,601	298,984	60,720	221,512	282,232
CSM	72,865	-	72,865	113,308	-	113,308
Losses recognised on initial recognition	-	942,496	942,496	-	786,230	786,230

	2024			2023		
	Contracts without loss-recovery component	**Contracts initiated with loss-recovery component**	**Total**	**Contracts without loss-recovery component**	**Contracts initiated with loss-recovery component**	**Total**
Estimates of present value of cash inflows	(1,181,810)	-	(1,181,810)	(1,169,547)	-	(1,169,547)
Estimates of present value of cash outflows	1,181,810	-	1,181,810	1,169,547	-	1,169,547
Insurance acquisition cash flows	-	-	-	-	-	-
Claims and other insurance service expenses payable	1,181,810	-	1,181,810	1,169,547	-	1,169,547
Risk adjustment for non-financial risk	-	-	-	-	-	-
Income recognised on initial recognition	-	-	-	-	-	-
CSM	-	-	-	-	-	-

(ii) Analysis of contractual service margin

The following table illustrates when the Takaful Funds expects to recognise the remaining CSM as revenue for contracts not measured under the PAA.

2024	**1 year or less**	**1 – 2 years**	**2 – 3 years**	**3 – 4 years**	**4 – 5 years**	**5 -10 years**	**> 10 years**	**Total**
Takaful certificates								
MRTAW	-	-	-	-	-	-	-	-
Family Savings	329,956	292,700	260,493	224,358	190,552	749,904	-	2,047,963
NPP	10,154	9,272	7,663	5,835	3,890	3,048	-	39,862
MRTA	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
	340,110	301,972	268,156	230,193	194,442	752,952	-	2,087,825
Retakaful certificates								
MRR	-	-	-	-	-	-	-	-
Mre	-	-	-	-	-	-	-	-
Hre	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

2023	**1 year or less**	**1 – 2 years**	**2 – 3 years**	**3 – 4 years**	**4 – 5 years**	**5 -10 years**	**> 10 years**	**Total**
Takaful certificates								
MRTAW	-	-	-	-	-	-	-	-
Family Savings	175,227	162,525	152,923	136,697	111,738	453,087	-	1,192,197
NPP	-	-	-	-	-	-	-	-
MRTA	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
	175,227	162,525	152,923	136,697	111,738	453,087	-	1,192,197
Retakaful certificates								
MRR	-	-	-	-	-	-	-	-
Mre	-	-	-	-	-	-	-	-
Hre	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

(iii) Discount rates

Takaful certificate 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 traded instruments that contain negligible levels of credit risk, are highly liquid, with reliable prices, and cover a broad range of maturities, including longer dated durations and terms. The illiquidity premium is determined by reference to observable market rates.

	2024				
	1 year	**5 years**	**10 years**	**20 years**	**30 years**
Other long-term products					
BND	2.72%	2.75%	2.85%	2.80%	2.95%
Non Participating Policies (NPP)					
BND	3.47%	3.50%	3.60%	3.55%	3.70%

	2023				
	1 year	**5 years**	**10 years**	**20 years**	**30 years**
Other long-term products					
BND	3.56%	2.42%	2.76%	2.72%	3.57%
Non Participating Policies (NPP)					
BND	4.31%	3.17%	3.51%	3.47%	4.32%

15. Net investment result

(i) Finance income and expense

The table below presents an analysis of total investment income and takaful finance result recogised in profit or loss and OCI in the period.

	2024	2023
Investment return		
Profit income calculated using the effective profit method	-	-
Other investment revenue	1,987,013	(1,377,425)
Net impairment loss on financial assets	-	-
Total amount recognised in P/L	**1,987,013**	**(1,377,425)**
Amounts recognised in OCI	-	-
Total investment return	**1,987,013**	**(1,377,425)**
Net finance (income) expense from takaful certificates		
Profit accreted	(815,547)	(770,615)
Effects of changes in profit rates and other financial assumptions	(1,259,179)	1,534,057
Effects of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition	-	-
Changes in fair value of underlying items of direct participating contracts	(612,799)	(390,846)
Entity's share of changes in fair value of underlying items or fulfilment cash flows that do not adjust the CSM	-	-
Net foreign exchange loss	-	-
Total net finance expense from takaful certificates	**(2,687,525)**	**372,596**
Net finance income from retakaful certificates		
Profit accreted	26,923	28,744
Other	(6,464)	(2,665)
Net finance income from retakaful certificates	**20,459**	**26,079**

(ii) Other investment expense

	2024			**2023**		
	Takaful Operator	**Takaful Fund**	**Company**	**Takaful Operator**	**Takaful Fund**	**Company**
	BND	**BND**	**BND**	**BND**	**BND**	**BND**
Not underlying items						
Net gains (loss) on FVTPL investments						
Dividend income	642,696	405,472	1,048,168	431,614	239,423	671,037
Net fair value gain (loss)	-	938,845	938,845	-	(2,048,462)	(2,048,462)
	642,696	**1,344,317**	**1,987,013**	**431,614**	**(1,809,039)**	**(1,377,425)**

16. Other income

This account as at 31 December consists of:

	Takaful Operator	Takaful Fund	Company
	BND	**BND**	**BND**
2024			
Other income	716,297	413,498	1,129,795
	716,297	413,498	1,129,795
2023			
Service charges	1,035	-	1,035
Other income	458,468	161,702	620,170
	459,503	161,702	621,205

17. Other operating expense

This account for the years ended 31 December consists of:

	2024		
	Takaful Operator	**Takaful Fund**	**Company**
	BND	BND	BND
Management fee to Parent Company	1,441,331	-	1,441,331
Salaries, bonuses and other employee benefits	80,045	-	80,045
Depreciation	43,475	-	43,475
Legal, professional and audit fees	141,345	-	141,345
Utilities	12,710	-	12,710
Marketing and promotional costs	98,188	-	98,188
Other management expenses	147,258	40,000	187,258
	1,964,352	**40,000**	**2,004,352**

	2023		
	Takaful Operator	**Takaful Fund**	**Company**
	BND	BND	BND
Management fee to Parent Company	49,854	-	49,854
Salaries, bonuses and other employee benefits	202,342		202,342
Depreciation	43,137	-	43,137
Legal, professional and audit fees	115,557	-	115,557
Utilities	90,767	-	90,767
Marketing and promotional costs	44,490	-	44,490
Other management expenses	127,573	(9,185)	118,388
	673,720	(9,185)	664,535

18. Share capital

This account as at 31 December consists of:

	2024	2023
	Number of shares	**Number of Shares**
Company		
Authorised ordinary shares, B$1 par value	20,000,000	20,000,000
	BND	**BND**
Issued and paid up		
Value of ordinary shares	8,000,002	8,000,002

Capital management

The Company's capital management policy aims to:

- maintain a strong capital base to sustain and grow the business so as to uphold investors, creditors and market confidence;
- comply with the regulatory capital requirements for the Company; and
- provide an adequate return to shareholders through prudent underwriting of Takaful risks and optimising investment returns within the risk parameters established by the Board.

The Company determines the amount of capital in accordance with business expansion needs as well as to meet the regulatory capital requirements for the Company.

The Board monitors the return on shareholders' equity, which is defined as net profit after tax divided by total shareholders' equity, and the level of dividends to ordinary shareholders. In addition, the Board also establishes and monitors the Capital Adequacy Ratio of the Company, defined in the Takaful Regulations as the total financial resources divided by the total risk requirements of the insurer.

In accordance with Section 21 of the Takaful Order, 2008 and Section 8 of the Takaful Regulations 2008, the Company is required to maintain:

i) a fund margin of solvency in respect of each of the takaful funds;
ii) surplus of assets over liabilities of not less than 20 percent.

In 2024 and 2023, the Company is in compliance with the prescribed margin of solvency for the participants' fund as well as the takaful operator fund throughout the year.

There were no significant changes in the Company's approach to capital management during the year.

19. Income tax

This account for the years ended 31 December consists of:

	Takaful Operator and Company	
	2024	**2023**
Current tax	84,309	96,322
Deferred tax benefit	-	-
	84,309	96,322

Relationship between tax benefit and accounting profit:

The reconciliation between tax benefit and the product of accounting profit multiplied by the applicable corporate tax rate is as follows:

	Takaful Operator and Company	
	2024	**2023**
Loss before taxation	(2,748,037)	(658,478)
Tax calculated at the rate of 18.5% on: the first B$100,000 at one-quarter of the full rate, the nest B$150,000 at one-half of the full rate and the remaining profit at the full rate	(480,637)	(94,068)
Adjustments:		
Further deductions	(72,000)	(98,144)
Non-deductible expenses	671,896	317,408
Tax threshold deduction and others	(34,950)	(28,874)
Provision for taxation in respect of current year's profit	84,309	96,322
Deferred tax benefit	-	-
Tax expense charnged to profit or loss account	84,309	96,322

The income tax for the Company is calculated based on the standard corporate tax rate of 18.5% of the estimated assessable profit or loss for the financial year.

As at 31 December 2024 and 2023, the deferred tax assets of B$464,803 arise mainly from the deferred tax impact of the unabsorbed losses carried forward. As at 31 December 2024, the current tax liabilities amount to B$180,631 (2023 - B$96,322).

20. General reserve

The general reserve is set up in accordance with the Company's policies to aid participants in the event of any deficit.

21. Related party disclosures

Transactions with key management personnel

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 Company's Executive and Non-Executive Directors are considered key management personnel. Other than the disclosures below, there were no transactions with Key Management Personnel during the year. The remuneration of the Key Management Personnel is borne by the Parent Company.

Other related party transactions

During the year, apart from the balances and transactions disclosed elsewhere in these financial statements, the transactions with the Company's related parties are as follows:

	2024	2023
	BND	BND
Ultimate Parent Company		
- Contributions received / receivable	85,261	79,704
Parent Company		
- Management fees payable	1,441,331	1,238,512
- Contributions received / receivable	-	11,302
Other related parties		
- Rental and other fees paid/payable	-	-
- Contributions received/receivable	18,612	16,037

The Company is 100% owned by Insurans Islam TAIB Holdings Sdn Bhd, a company incorporated in Brunei Darussalam under the Companies Act.

Insurans Islam TAIB Holdings Sdn Bhd, is 100% owned by Perbadanan Tabung Amanah Islam Brunei, a statutory body established in Brunei.

The amount owing to/from the holding company and related parties are unsecured, unguaranteed, non-interest rate bearing and payable in cash at gross amounts upon demand.

Management is of the opinion that all the above transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

22. Takaful risk management

The risk under any one takaful contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of a takaful contract, this risk is random and therefore unpredictable.

For a portfolio of takaful certificates where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its takaful certificates is that the actual claims and benefit payments exceed the carrying amount of the takaful liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Takaful events are random, and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques.

Experience shows that the larger the portfolio of similar takaful certificates, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected by a change in any subset of the portfolio. The Company has developed its takaful underwriting strategy to diversify the type of takaful risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Factors that aggravate takaful risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

Frequency and severity of claims

The frequency and severity of claims can be affected by several factors. The Company manages these risks through its underwriting strategy, adequate retakaful arrangements and proactive claims handling.

The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk, industry and geography. Underwriting limits are in place to enforce appropriate risk selection criteria.

Concentration of Family Takaful risk

The concentration of takaful risk by Takaful Revenue is summarised below:

	Takaful Fund and Company	
	2024	**2023**
Concentration of Takaful Revenue:		
MRTA	940,753	992,691
MRTA W	753,346	572,851
NPP	1,814,011	1,674,361
FAMILY SAVINGS	976,401	814,252
OTHERS	4,816,810	1,739,175
	9,301,321	5,793,330

Sensitivities

The Family Takaful claims liabilities are sensitive to the key assumptions above. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities.

		2024				
	Change in assumption	**Equity**	**Profit or loss before tax**	**CSM**	**Fulfillment Cash Flows**	**Liabilities**
Expense	+5%	(298,841)	(366,676)	(100,681)	467,357	366,676
Mortality/Morbidity	+5%	(275,205)	(337,675)	(7,298)	344,973	337,675
Lapse	+10%	55,804	68,471	11,537	(80,008)	(68,471)
	-10%	(56,589)	(69,434)	(11,804)	81,238	69,434
Discount rate	+0.3%	318,949	391,349	76,902	(468,251)	(391,349)
	-0.3%	(329,073)	(403,771)	(78,629)	482,400	403,771

*Impact on equity is stated after tax of 18.5%.

		2023				
	Change in assumption	**Equity**	**Profit or loss before tax**	**CSM**	**Fulfillment Cash Flows**	**Liabilities**
Expense	+5%	(253,829)	(311,447)	(109,861)	421,308	311,447
Mortality/Morbidity	+5%	(259,753)	(318,715)	(1,848)	320,563	318,715
Lapse	+10%	62,348	76,500	19,390	(95,890)	(76,500)
	-10%	(63,911)	(78,419)	(19,950)	98,369	78,419
Discount rate	+0.3%	273,300	335,338	94,870	(430,208)	(335,338)
	-0.3%	(283,280)	(347,583)	(97,125)	444,708	347,583

*Impact on equity is stated after tax of 18.5%.

The Company has exposure to the following risks from its use of financial instruments:

- Syariah non-compliance risk
- Credit risk;
- Liquidity risk;
- Market risks; and
- Price risk

a) Syariah non-compliance risk

a. Syariah non-compliance risk is the risk that arises from failure to comply with the Syariah rules and principles prescribed by Syariah Advisory Committee and Syariah Financial Supervisory Board. Syariah compliance is considered as falling within the higher priority category in relation to other identified risks.

b. The Company ensures that this risk is managed by ensuring that Syariah rules and principles are complied with at all times as advised and monitored by the Syariah Advisory Committee of the Company with respect to the products and activities. This means that Syariah compliance considerations are taken into account whenever the Company accepts deposits and ventures into investment funds, provides finance and carries out investment services for their customers.

c. The Company shall ensure that their contract documentation complies with Syariah rules and principles with regard to formation, termination and elements possibly affecting contract performance such as fraud, misrepresentation, duress or any other rights and obligations.

b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations as and when they fall due.

The Company's portfolio of debt securities, short-term and other investments, are subject to credit risk. This risk is defined as the potential loss resulting from adverse changes in a borrower's ability to repay the debt. The Company's objective is to earn competitive relative returns by investing in a diversified portfolio of securities. Management has an investment credit risk policy in place. Limits are established to manage credit quality and concentration risk.

The Company has takaful and other receivables balances that are subject to credit risk. Among the most significant of these are retakaful recoveries. To mitigate the risk of the counterparties not paying the amount due, the Company has established certain business and financial guidelines for retakaful approval, incorporating ratings by major agencies and considering currently available market information. Receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising ECL
Performing	The counterparty has a low risk of default and not have any past-due amounts.	12-month ECL
Doubtful	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is > 180 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery.	Amount is written-off

The table below details the credit quality of the Company's financial assets as well as maximum exposure to credit risk rating grades:

Company	12 month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
		BND	BND	BND
2024				
Other receivables	12-month ECL	4,572,733	-	4,572,733
Debt securities	12-month ECL	1,957,398	-	1,957,398
2023				
Other receivables	12-month ECL	6,226,308	-	6,226,308
Debt securities	12-month ECL	1,849,742	-	1,849,742

Credit exposure

The table below shows the maximum exposure to credit risk for the components recognised in the statement of financial position.

	Company	
	2024	2023
	BND	BND
Amortised cost		
- Cash and cash equivalents	18,147,294	6,175,750
- Short-term placements	56,000,000	59,000,000
- Retakaful certificate assets	610,594	937,944
- Other receivables	4,572,733	6,226,308
- FVTOCI financial assets	1,957,398	1,849,742
	81,288,019	74,189,744

The financial assets above are not subject to specific concentration risk.

Credit exposure by credit quality for debt securities measured at FVTOCI

	2024	**2023**
Company	**BND**	**BND**
Islamic debt securities		
Rated AAA	-	-
Rated AA1 to AA3	-	-
Rated A1 to A3	-	-
Lower than A	-	-
Others	1,957,398	1,849,742
	1,957,398	1,849,742

The carrying amount of the Company's financial assets at FVTPL as disclosed in Note 5 best represents their respective maximum exposure to credit risk. The Company holds no collateral over any of these balances.

At 31 December 2024, the maximum exposure to credit risk from insurance contracts is B$610,594 (2023 - B$937,944), which primarily relates to reinsurance contracts.

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's liquidity management process, as carried out within the Company and monitored by a designated team, includes day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met, maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow and monitoring the liquidity ratios in the statement of financial position against internal and regulatory requirements.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

Maturity profile

Takaful and retakaful certificates

The following table provides a maturity analysis of the Company's takaful and retakaful certificates, which reflects the dates on which the cash flows are expected to occur.

The gross nominal / (outflows) represent the contractual undiscounted cash flows relating to derivative financial liabilities and assets held for risk management purposes. The disclosure shows a net amount for derivatives that are net settled, but a gross inflow and outflow amount for derivatives that have simultaneous gross settlement (e.g. forward exchange contracts).

As part of the management of its liquidity risk arising from financial liabilities, the Company holds liquid assets comprising cash and cash equivalents, and debt securities for which there is an active and liquid market so that they can be readily sold to meet liquidity requirements.

	Estimation of future cash flows									
	Under 1 year	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**5-6 years**	**6-10 years**	**>10 years**	**No fixed maturity date**	**Total**
Company	**BND**	**BND**	**BND**	**BND**	**BND**	**BND**	**BND**	**BND**	**BND**	**BND**
As at 31 December 2024										
Takaful certificates										
Takaful contract liabilities	14,562,165	5,024,467	4,631,599	3,753,827	3,443,596	3,082,822	8,283,567	7,174,614	15,304,374	**65,261,031**
Retakaful certificates										
Retakaful contract liabilities	-	-	-	-	-	-	-	-	171,277	**171,277**
As at 31 December 2023										
Takaful certificates										
Takaful contract liabilities	5,752,642	4,940,434	4,536,493	4,077,525	3,250,219	3,073,207	8,465,313	6,657,133	8,713,460	49,466,426
Retakaful certificates										
Retakaful contract liabilities	-	-	-	-	-	-	-	-	(114,670)	(114,670)

Non-derivative financial assets

The following table sets out the remaining contractual maturities of the Company's financial liabilities. The tables have been drawn up based on the undiscounted cash flows on the Company's non-derivative financial assets and liabilities on the basis of their earliest possible contractual maturity.

	Contractual undiscounted cash flows								
	Less than 3 months	**> 3-6 months**	**> 6-12 months**	**> 1-3 years**	**> 3-5 years**	**Over 5 years**	**No specific maturity**	**Total**	**Carrying amount**
As at 31 December 2024									
Assets									
Financial assets at FVTOCI	-	-	-	-	1,957,398	-	-	1,957,398	1,957,398
Financial assets at FVTPL	-	-	-	-	-	-	2,808,957	2,808,957	2,808,957
Other receivable	222,387	-	-	-	-	-	4,350,346	4,572,733	4,572,733
Short-term placements	19,000,000	17,000,000	17,000,000	3,000,000	-	-	-	56,000,000	56,000,000
Cash and cash equivalents	-	-			-	-	18,147,294	18,147,294	18,147,294
	19,222,387	17,000,000	17,000,000	3,000,000	1,957,398	-	25,306,597	83,486,382	**83,486,382**
Liabilities									
Other payables	-	-	-	-	-	-	5,469,645	5,469,645	5,469,645
Lease liabilities	11,581	3,311	5,060	5,060	33,733	-	-	58,745	58,745
	11,581	3,311	5,060	5,060	33,733	-	5,469,645	5,528,390	**5,528,390**

	Contractual undiscounted cash flows								
	Less than 3 months	**> 3-6 months**	**> 6-12 months**	**> 1-3 years**	**> 3-5 years**	**Over 5 years**	**No specific maturity**	**Total**	**Carrying amount**
As at 31 December 2023									
Assets									
Financial assets at FVTOCI	-	-	-	-	-	1,849,742	-	1,849,742	1,849,742
Financial assets at FVTPL	-	-	-	-	-	-	8,546,278	8,546,278	8,546,278
Other receivable	3,271,740	-	-	-	-	-	2,954,568	6,226,308	6,226,308
Short-term placements	-	45,000,000	14,000,000	-	-	-	-	59,000,000	59,000,000
Cash and cash equivalents	-	-	-	-	-	-	6,175,750	6,175,750	6,175,750
	3,271,740	45,000,000	14,000,000	-	-	1,849,742	17,676,596	81,798,078	81,798,078
Liabilities									
Other payables	-	-	-	-	-	-	1,916,066	1,916,066	1,916,066
Lease liabilities	16,500	16,500	33,000	7,992	-	-	-	73,992	73,992
	16,500	16,500	33,000	7,992	-	-	1,916,066	1,990,058	1,990,058

d) Market risk

Market risk is the risk of change in fair value of financial instruments from fluctuation in foreign exchange rates (foreign currency risk) and market profit rates (profit rate risk) and market prices (price risk), whether such change in price is caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

i) Yield rate risk

Effective profit rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market profit rates.

The Company is exposed to profit rate risk primarily through their investments in fixed income securities and deposit placements. These instruments have fixed rate and a change in profit rates at reporting date would not affect profit or loss.

The Company does not use derivative financial instruments to hedge its profit rate risks.

The Company's cash and cash equivalents earn a nominal profit and this does not represent a significant concentration of credit risk. Management also believes that a change in profit rates would not materially impact the value of its fixed income securities. As such, no sensitivity has been performed.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

During the ordinary course of business, the Company may engage in foreign currency denominated transactions or invest in foreign currency equity or debt securities. As a result, the Company is exposed to movements in foreign currency exchange rates.

The following table sets out the Company’s main exposure at the reporting date to currency risk arising from recognised assets denominated in a currency other than the functional currency of the Company.

	<USD> **BND**	**<MYR>** **BND**
Company		
2024		
Equity securities	2,808,957	-
Fixed income securities	-	1,957,398
	2,808,957	1,957,398

	<USD> **BND**	**<MYR>** **BND**
Company		
2023		
Equity securities	8,546,278	-
Fixed income securities	-	1,849,742
	8,546,278	1,849,742

Foreign currency sensitivity

The analysis below is performed for possible movements in foreign currency rates and the corresponding impact on the Company's profit before tax. A positive change in assumption denotes strengthening of other foreign currency against BND while a negative change in assumptions denotes weakening of other foreign currency against BND.

	Change in assumptions	Impact on profit before tax	Change in assumptions	Impact on profit before tax
	%	BND	%	BND
2024				
USD	10%	280,896	-10%	(280,896)
MYR	10%	195,740	-10%	(195,740)

	Change in assumptions	Impact on profit before tax	Change in assumptions	Impact on profit before tax
	%	BND	%	BND
2023				
USD	10%	854,628	(10%)	(854,628)
MYR	10%	184,974	(10%)	(184,974)

iii) Equity price risk

The Company is exposed to equity price risk on its equity investments which are carried at FVTPL.

Effects of reasonably possible changes to equity prices at the end of the reporting period are not expected to have material effect on the Company's profit or loss and equity. As such, the sensitivity analysis is not performed.

iv) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company invests primarily in debt securities whereby fair values or future cash flows of the financial instruments mainly arise from changes in effective yield rate and the issuers' repayment abilities. The Company has a relatively small allocation to equity funds, thus the price risk faced by the Company is relatively less volatile in the context of total investible assets.

Estimation of fair values

(a) Classes and categories of financial instruments and their fair values

The following table contains information about:

- classes of financial instruments based on their nature and characteristics;
- the carrying amounts of financial instruments;
- fair values of financial instruments (except financial instruments when carrying amount approximates their fair value); and
- fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy are as follows.

	Carrying amount				Fair value			
	FVTOCI	**FVTPL**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
	BND	**BND**	**BND**	**BND**				
2024								
Company								
Financial assets measured at fair value								
Equity instruments at FVTPL	-	2,808,957	-	2,808,957	-	-	2,808,957	2,808,957
Fixed income securities in FVTOCI	1,957,398	-	-	1,957,398	1,957,398	-	-	1,957,398
	1,957,398	2,808,957	-	4,766,355	-	-	2,808,957	4,766,355
Financial assets not measured at fair value								
Retakaful certificate assets	-	-	-	-				
Other receivables	-	-	4,572,733	4,572,733				
Deposits and placements	-	-	56,000,000	56,000,000				
Cash and cash equivalents	-	-	18,147,294	18,147,294				
	-	-	78,720,027	78,720,027				
Financial liabilities not measured at fair value								
Takaful certificate liabilities	-	-	61,850,919	61,850,919				
Other payables	-	-	5,469,645	5,469,645				
Lease liabilities	-	-	58,745	58,745				
	-	-	67,379,309	67,379,309				

	Carrying amount				Fair value			
	FVTOCI	**FVTPL**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
	BND	**BND**	**BND**	**BND**				
2023								
Company								
Financial assets measured at fair value								
Equity instruments at FVTPL	-	8,546,278	-	8,546,278	-	-	8,546,278	8,546,278
Fixed income securities in FVTOCI	1,849,742	-	-	1,849,742	1,849,742	-	-	1,849,742
	1,849,742	8,546,278	-	10,396,020	1,849,742	-	8,546,278	10,396,020
Financial assets not measured at fair value								
Retakaful certificate assets	-	-	937,944	937,944				
Other receivables	-	-	6,226,308	6,226,308				
Deposits and placements	-	-	59,000,000	59,000,000				
Cash and cash equivalents	-	-	6,175,750	6,175,750				
	-	-	72,340,002	72,340,002				
Financial liabilities not measured at fair value								
Takaful certificate liabilities	-	-	59,901,732	59,901,732				
Other payables	-	-	1,916,066	1,916,066				
Lease liabilities	-	-	73,992	73,992				
	-	-	61,891,790	61,891,790				

Fair value of the Company's financial assets and financial liabilities measured at fair value on a recurring basis:

Some of the Company's financial asset and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets/ liabilities	Fair value as at 31 December 2024 Assets	Fair value as at 31 December 2024 Liabilities	Fair value as at 31 December 2023 Assets	Fair value as at 31 December 2023 Liabilities	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Financial assets at FVTOCI (Note 6)								
Fixed income securities	1,957,398	-	1,849,742	-	Level 1	Quoted prices in active markets	N/A	N/A
Financial assets at FVTPL (Note 6)								
Quoted equities	-	-	-	-	Level 1	Quoted prices in active markets	N/A	N/A
Private equity fund	2,808,957	-	8,546,278	-	Level 3	Net asset valuation of the private equity fund at year end	Net asset value	The lower the net asset value, the lower the fair value.

There are no transfers in and out of fair value hierarchy during the years ended 31 December 2024 and 2023.

Management considers that the carrying amounts of financial assets and financial liabilities of the Company, recorded at amortised cost in the financial statements, approximate their fair values.

The estimated fair values are generally based on quoted and observable market prices. Where there is no ready market in certain securities, fair values have been estimated by reference to market indicative yields or net tangible asset backing of the investee.

Private equity funds held by the Company are measured using net asset valuation of the investee and are classified under Level 3 of the fair value hierarchy. The table below presents the reconciliation of financial assets under Level 3:

	Takaful fund	
	2024	**2023**
	BND	**BND**
At January 1	8,546,278	10,890,614
Disposals	(6,676,166)	-
Foreign exchange loss	-	(295,874)
Fair value gain (loss)	938,845	(2,048,462)
At 31 December	2,808,957	8,546,278

23. Dividends

Subsequent to the financial year end, the directors do not recommend any dividend to be declared and paid in respect of the financial years ended 31 December 2024 and 2023.

24. Other matters

During the year, there are Syariah non-compliant income specifically derived from conventional banks and dividend purification from investment amounting to B$216,898 (2023 - nil), which has been derecognised from the statement of profit or loss and other comprehensive income and has been considered for disposal to charities following the Utilisation of Dana Amal Maslahat Umum Perbadanan TAIB's guidelines as approved by the Syariah Advisory Committee of Perbadanan TAIB.

25. Authorisation of financial statements

The financial statements of the Company for the financial year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors dated 27 March 2025.