INSURANS ISLAM TAIB GENERAL TAKAFUL SDN BHD

(Incorporated in Brunei Darussalam)
[Registration Number: [RC/00008254]

REPORT AND FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2024 and 2023

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INSURANS ISLAM TAIB GENERAL 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	18,624,453
Loss for the year	(1,029,091)
Transfer from general reserve	39,519
Retained earnings at the end of the year	17,634,881

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 General Takaful Sdn. Bhd.

السَّلَامُ عَلَيْكُمْ وَرَحْمَةُ اللَّهِ وَبَرَكَاتُهُ

In compliance with the letter of appointment and our capacity as members of Insurans Islam TAIB General Takaful Sdn. Bhd. ("IITGT") 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 IITGT during the year ended 31 December 2024. We have also conducted our review to form an opinion as to whether the IITGT has complied with *Hukum Syara'*.

The Management of IITGT 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 IITGT 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 IITGT.

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

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

a) The contracts, transactions and dealings entered into by IITGT 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 IITGT has derecognized Syariah non-compliant income specifically derived from conventional banks from the Statement of Profit or Loss and Other Comprehensive Income amounting to $33,533 (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 IITGT 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 IITGT SAC on February 1, 2025.

Brunei Darussalam
Date: 27 March 2025

Independent Auditor's Report

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

Report on the Audit 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 General 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 statement 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.

PricewaterhouseCoopers Services, 13th Floor, PGGMB Building, Jalan Kianggeh
Bandar Seri Begawan BS8111, Brunei Darussalam
T: +673 224 1951, www.pwc.com/ph/brunei

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 other 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	12	39,870,171	39,795,550
Takaful service expense	12	(30,486,719)	(17,024,353)
Takaful service result before retakaful certificates held		**9,383,452**	**22,771,197**
Net expense from retakaful certificates	12	(7,287,113)	(16,086,049)
Takaful service result		**2,096,339**	**6,685,148**
Other investment revenue	15	2,577,713	1,601,849
Investment return		**2,577,713**	**1,601,849**
Net finance (expense) income from takaful certificates	14	(632,546)	335,123
Net finance income (expense) from retakaful certificates	14	65,751	(98,012)
Net finance (expenses) income from takaful and retakaful certificates		**(566,795)**	**237,111**
Net investment result		**2,010,918**	**1,838,960**
Other income	16	1,978,983	2,923,711
Other operating expense	17	(6,228,634)	(4,199,896)
Other finance costs	11	(15,697)	(8,637)
Other operating income and expense		**(4,265,348)**	**(1,284,822)**
Operating (loss) profit before taxation		**(158,091)**	**7,239,286**
Surplus attributable to participants' fund		(749,772)	(3,035,484)
(Loss) profit before taxation		**(907,863)**	**4,203,802**
Income tax expense	18	(121,228)	(360,044)
(Loss) profit for the year		**(1,029,091)**	**3,843,758**
Other comprehensive income		-	-
Total comprehensive (loss) income for the year		**(1,029,091)**	**3,843,758**

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

Statements of Financial Position
As at 31 December 2024 and 2023

	Notes	As at 31 December 2024 BND	As at 31 December 2023 BND
Assets			
Cash and cash equivalents	4	20,107,205	15,608,383
Deposits and placements	5	69,000,000	75,000,000
Financial assets at FVTPL	6	434,367	1,321,524
Other receivables	7	10,243,967	9,838,367
Retakaful certificate assets	13	13,809,270	5,154,828
Property and equipment, net	8	1,959,391	453,767
Right-of-use asset, net	9	438,037	407,875
Total assets		**115,992,237**	**107,784,744**
Liabilities			
Other payables	10	7,774,983	5,659,053
Lease liabilities	11	446,901	414,000
Takaful certificate liabilities	13	71,260,882	63,813,085
Current tax liabilities	18	146	360,190
Deferred tax liabilities	19	74,023	74,023
Total liabilities		**79,556,935**	**70,320,351**
Equity			
Share capital	20	11,000,002	11,000,002
General reserve	21	7,800,419	7,839,938
Retained earnings		17,634,881	18,624,453
Total shareholders' equity		**36,435,302**	**37,464,393**
Total liabilities and equity		**115,992,237**	**107,784,744**

Director

Director

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

	Takaful Fund and Company	
	2024	**2023**
	BND	**BND**
Surplus balance at beginning of year	18,885,070	14,794,568
Surplus for the current financial year	749,772	3,035,484
Total surplus at the end of the year	**19,634,842**	**17,830,052**
Distribution to policyholders	(3,700)	(745)
Release of general special risk takaful business	-	1,055,763
Balance of retained surplus at end of year	**19,631,142**	**18,885,070**

(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**	**Retained earnings**	**Total**
	BND	**BND**	**BND**	**BND**
Balance as at 1 January 2023	**11,000,002**	**7,458,884**	**15,161,749**	**33,620,635**
Total comprehensive income for the year				
Profit for the year	-	-	3,843,758	3,843,758
Transaction with owners, recognised directly in equity				
Transfer to general reserve	-	381,054	(381,054)	-
Ast at 31 December 2023	**11,000,002**	**7,839,938**	**18,624,453**	**37,464,393**
Total comprehensive loss for the year				
Loss for the year	-	-	(1,029,091)	(1,029,091)
Transaction with owners, recognised directly in equity				
Transfer from general reserve	-	(39,519)	39,519	-
As at 31 December 2024	**11,000,002**	**7,800,419**	**17,634,881**	**36,435,302**

(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	2023
		BND	BND
Cash flows from operating activities			
(Loss) Profit before income tax		(907,863)	4,203,802
Adjustments for:			
Surplus transferred to participants' fund		749,772	3,035,484
Depreciation	8	202,624	197,826
Depreciation of right-of-use asset	9	151,224	171,706
Finance costs	11	15,697	8,637
Foreign exchange differences		(45,094)	25,969
Dividend income	15	(2,432,546)	(1,964,357)
Net fair value (gain) loss	15	(145,167)	362,508
Operating income before changes in working capital		**(2,411,353)**	**6,041,575**
Changes in working capital			
(Increase) decrease in:			
Retakaful assets		(8,654,442)	3,797,255
Other receivables		(403,877)	1,168,174
Increase (decrease) in:			
Takaful certificate liabilities		6,698,025	(4,440,252)
Other payables		2,115,930	(4,078,280)
Cash (used in) generated from operations		**(2,655,717)**	**2,488,472**
Finance costs paid	11	(15,697)	(8,637)
Income tax paid		(481,272)	(286,771)
Net cash (used in) generated from operating activities		**(3,152,686)**	**2,193,064**
Cash flows from (used in) investing activities			
Dividend received	15	2,432,546	1,964,357
Acquisition of property and equipment	8	(1,708,248)	(52,761)
Disposal of investments	6,24	1,032,324	-
Placements of deposits with banks	5	(118,000,000)	(75,000,000)
Withdrawal of deposits with banks	5	124,000,000	73,000,000
Net cash from (used in) investing activities		**7,756,622**	**(88,404)**
Cash flows used in financing activity			
Repayment of lease liabilities	11	(148,485)	(182,427)
Net increase in cash and cash equivalents		**4,455,451**	**1,922,233**
Cash and cash equivalents at 1 January		15,608,383	13,511,321
Effects of movements in exchange rates on cash and cash equivalents		43,371	174,829
Cash and cash equivalents at 31 December	4	**20,107,205**	**15,608,383**

(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 General 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 consist of the operation of General 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). Both IITHSB and TAIB are incorporated in Brunei Darussalam.

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 Organization for Islamic Financial Institutions (AAOIFI) Financial Accounting Standards (FAS) prescribed in the Notice No. TIU/N-4/2017/8 issued by the 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 Takaful Operator ("Operator") and the Takaful Fund ("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. 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 and intangible assets

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) 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.

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.

Discount rate

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 currently set as zero. Based on the assessment performed by the Company, the impact of illiquidity in the measurement of its takaful certificate liabilities is not significant.

Discount rates applied for discounting of future cash flows are listed below:

Net of Retakaful Certificates				**2024**			
	1 year	**5 years**	**10 years**	**15 years**	**20 years**	**25 years**	**30 years**
All takaful certificates							
BND	2.72%	2.75%	2.85%	2.89%	2.80%	2.85%	2.95%
				2023			
	1 year	**5 years**	**10 years**	**15 years**	**20 years**	**25 years**	**30 years**
All takaful certificates							
BND	3.56%	2.64%	2.67%	2.74%	2.71%	2.79%	2.90%

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 a 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, which 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"). The provision of risk margin for adverse deviation ("PRAD") factors by line of business for expired risk is derived based on the uncertainty exhibited by past year claims at pre-defined confidence interval. PRAD factor for unexpired risk is derived by applying a multiplier to the PRAD factors for expired risk to allow for a greater degree of variability in unexpired risks as compared to expired risks

The sensitivity analysis provided in Note 23 summarises the effect of the Company's takaful certificate liabilities net of the effect from retakaful certificates held to key variables affecting insurance risk exposures. The analysis assumes all other variables remain constant. Management believes that the sensitivity analysis provided is indicative of the potential variability inherent in the estimation of those parameters.

(iii) Uncertain tax positions

In determining the income tax liabilities, management has estimated the amount of capital allowances and the taxability/deductibility of certain income/expense ("uncertain tax positions"). The Company has recognised the tax liability on these uncertain tax positions

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) New and amended standards not yet effective and not yet 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) 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.

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 'investment income' line item (Note 14). Fair value is determined in the manner described in Note 24.

Foreign exchange gains and losses

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 and financial assets at FVTPL, exchange differences are recognised in profit or loss in the 'other (losses) gains' line item.

Impairment of financial assets

The Company recognises a loss allowance for ECL on takaful certificate receivables, 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 recognises lifetime ECL for takaful certificate receivables and 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 or 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-month 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 certificates 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) 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:

Office equipment	5 years
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.

(iii) 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 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.

Contingencies

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.

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 'Other operating expense' in the statement of profit or loss.

3.7 Takaful products

<u>Classification</u>

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 General 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 certificate, it remains a takaful certificate 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.

<u>Separation of components from Takaful certificates issued and Retakaful certificates held</u>

The Company assesses its Takaful certificates issued 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 issued and Retakaful certificates held.

Non-distinct investment components need to be separated out in the presentation of takaful revenue and takaful service expense since investment components are not included as part of revenue recognition.

The Company's Takaful certificates issued do not include any embedded derivatives, distinct and non-distinct investment component and non-takaful services.

The Company's Retakaful certificates held, however, include non-distinct investment components related to 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. No other embedded derivatives, distinct investment component and non-retakaful services were identified.

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; and
- Others.

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 contracts that are expected to be loss making. IFRS 17 requires the profitability test to be performed at contract level.

The Company consider facts and circumstances to conduct the Onerous Contract Test (OCT) based 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 certificates if they arise from substantive rights and obligations existing 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 reflect those risks; or

- Both of the following criteria are satisfied:

  (a) The Company has the practical ability to reassess the risks of the portfolio of takaful certificates that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and
  (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 certificate 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 held:

- 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 cash flows.

Termination and cancellation clause

Takaful certificates with cancellation clause of which the Company can cancel the contracts unilaterally any time within a specific notice period. The contract boundary of contracts with cancellation clause would be the earliest of:

- reassessment date;
- maturity date; and
- end of the notice period for cancellation.

Retakaful certificates held

The contract boundary for a retakaful 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;
- The retakaful operator has the unilateral right to fully reprice the contract.

<u>Takaful revenue</u>

The takaful revenue for the period is the amount of expected contribution receipts (excluding any investment component) allocated to the period. The Company 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.

<u>Loss components</u>

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 the 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 or 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; and
- 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.

Net income or expense from retakaful certificates held

The Company presents separately in 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 in 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.

3.8 General Takaful Fund

The General Takaful fund is maintained in accordance with the Company's policies approved by the Syariah Advisory Committee and includes the profits attributable to participants, which represents the participants' share of the return of investments and are distributable in accordance with the terms and conditions prescribed by the Company.

The general takaful underwriting results are determined for each class of takaful business after taking into account retakaful commissions, unearned contributions and claims incurred. The net surplus from the general takaful fund is attributable to the Takaful Operator and the Participants' Fund based on the Company's approved policy.

Under takaful concept, individuals make contributions to a pool which is managed by a third party with the overall aim of using the monies to aid fellow participants in times of need. Accordingly, as a Takaful Operator, the Company manages the General Takaful Fund in line with the principles of Wakalah (agency), which is the main business model adopted by the Company effective from January 2020. Under the Wakalah model, the Takaful Operator is not a participant in the fund but manages the fund (including the relevant assets and liabilities) towards the purposes outlined above. Wakalah fee at 35% of the gross contribution is charged by the Takaful Operator and is recognised at a point in time as soon as the contributions to which they relate can be reliably measured in accordance with the principles of Syariah. However, Marine Cargo Product takaful business is still managed under the principles of Mudharabah model for the years ended.

3.9 Other income

Investment income is recognised on a time proportion basis that takes into account the effective yield 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 principal outstanding and the effective date over the period to maturity, when it is determined that such income will accrue to the Company.

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

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

3.10 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.

3.11 Management expenses

Management expenses are recognised when incurred.

3.12 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.

3.13 Walakah fee

The wakalah fee is an expense to the General 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 General Takaful Funds are borne by the operator and included as a component of wakalah fee.

3.14 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 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 judgments about future events. New information may become available that causes the Company to change its judgment 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.

3.15 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	5,293,498	14,813,707	20,107,205
2023			
Cash and bank balances	1,278,201	14,330,182	15,608,383

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 3.14% in 2024 (2023 - 2.82%) 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	23,000,000	46,000,000	69,000,000
2023			
Deposits and placements	30,000,000	45,000,000	75,000,000

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

	2024	2023
	BND	BND
As at January 1	**75,000,000**	**73,000,000**
Additions	118,000,000	75,000,000
Withdrawals/Maturities	(124,000,000)	(73,000,000)
As at December 31	**69,000,000**	**75,000,000**

6 Financial assets at FVTPL

This account as at 31 December consists of:

	Takaful Operator	Takaful Fund	Company
	BND	BND	BND
2024			
Financial assets at FVTPL	434,367	-	434,367
2023			
Financial assets at FVTPL	1,321,524	-	1,321,524

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

	Takaful Operator	Takaful Fund	Company
	BND	BND	BND
As at 31 December 2024			
Unquoted Equity securities	434,367	-	434,367

	Takaful Operator	Takaful Fund	Company
	BND	BND	BND
As at 31 December 2023			
Unquoted Equity securities	1,321,524	-	1,321,524

In 2024, the Company has partially withdrawn its financial assets at FVTPL amounting to B$1,032,324 (2023 - nil).

7 Other receivables

This account as at 31 December consists of:

	Takaful Operator	Takaful Fund	Eliminations	Company
	BND	BND		BND
2024				
Amount due from ultimate parent	-	279,208	-	279,208
Amount owing from parent Company	3,401,498	35,531	-	3,437,029
Amount owing from Takaful Operator of General Takaful Fund	-	157,472	(157,472)	-
Amount owing from Takaful Operator of Family Takaful Fund	1,246,471	11,574	-	1,258,045
Amount owing from General Takaful Fund	6,346,499	-	(6,346,499)	-
Amount owing from General Takaful Fund	1,065,857	-	-	1,065,857
Other receivables	1,194,855	3,008,973	-	4,203,828
	13,255,180	**3,492,758**	**(6,503,971)**	**10,243,967**

	Takaful Operator	Takaful Fund	Eliminations	Company
	BND	BND		BND
2023				
Amount due from ultimate parent	-	67,950	-	67,950
Amount owing from parent Company	1,220,469	22,179	-	1,242,648
Amount owing from Takaful Operator of General Takaful Fund	-	970,011	(970,011)	-
Amount owing from Takaful Operator of Family Takaful Fund	885,810	5,071	-	890,881
Amount owing from General Takaful Fund	5,677,457	-	(5,677,457)	-
Other receivables	2,463,635	5,173,253	-	7,636,888
	10,247,371	**6,238,464**	**(6,647,468)**	**9,838,367**

Other receivables pertain mainly to the statutory deposit placed by the Company with BDCB under Section 16, TO 2008 and Insurance Order (IO) 2006 and Deposit under Chapter 90 Motor Vehicle Insurance (Third Party Risks).

The amounts due from related parties are unsecured, unguaranteed, non-interest bearing and payable in cash at gross amount upon demand. There are related party balances and transactions that are offset and reported as net amount in the statements of financial position as at 31 December 2024 and 2023. There is no allowance for doubtful debts arising from these balances (Note 24).

8 Property and equipment, net

	Office equipment	Computer hardware and software	Furniture, fixtures and fittings	Renovations	Total
	BND	**BND**	**BND**	**BND**	**BND**
Company					
Cost					
At 1 January 2023	58,529	1,266,324	85,022	320,234	1,730,109
Additions	5,596	43,440	-	3,725	52,761
At 31 December 2023	**64,125**	**1,309,764**	**85,022**	**323,959**	**1,782,870**
Additions	40,870	1,656,651	-	10,727	1,708,248
At 31 December 2024	**104,995**	**2,966,415**	**85,022**	**334,686**	**3,491,118**
Accumulated depreciation					
At 1 January 2023	(49,454)	(899,766)	(62,891)	(119,166)	(1,131,277)
Depreciation for the year	(4,484)	(154,005)	(7,621)	(31,716)	(197,826)
At 31 December 2023	**(53,938)**	**(1,053,771)**	**(70,512)**	**(150,882)**	**(1,329,103)**
Depreciation for the year	(4,461)	(158,466)	(7,621)	(32,076)	(202,624)
At 31 December 2024	**(58,399)**	**(1,212,237)**	**(78,133)**	**(182,958)**	**(1,531,727)**
Carrying amount					
At 31 December 2023	**10,187**	**255,993**	**14,510**	**173,077**	**453,767**
At 31 December 2024	**46,596**	**1,754,178**	**6,889**	**151,728**	**1,959,391**

9 Right-of-use asset, net

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

	Office space
	BND
Cost	
At 1 January 2023	837,667
Additions	381,202
At 31 December 2023	1,218,869
Additions	181,386
Expiration	(837,666)
At 31 December 2024	**562,589**
Accumulated depreciation	
At 1 January 2023	(639,288)
Depreciation for the year	(171,706)
At 31 December 2023	(810,994)
Depreciation for the year	(151,224)
Expiration	837,666
At 31 December 2024	**(124,552)**
Carrying amount	
At 31 December 2023	**407,875**
At 31 December 2024	**438,037**

10 Other payables

This account as at 31 December consists of:

	Takaful Operator	Takaful Fund	Eliminations	Company
	BND	BND		BND
2024				
Advanced contributions from participants	-	1,869,544	-	1,869,544
Amount owing to parent company	2,380,934	-	-	2,380,934
Amount owing to Takaful Operator of Family Takaful Fund	131,194	-	-	131,194
Amount owing to Takaful Operator of General Takaful Fund	-	6,346,499	(6,346,499)	-
Amount owing to General Takaful Fund	157,472	-	(157,472)	-
Other creditors	1,329,195	2,064,116	-	3,393,311
	3,998,795	10,280,159	(6,503,971)	7,774,983

	Takaful Operator	Takaful Fund	Eliminations	Company
	BND	BND		BND
2023				
Advanced contributions from participants	-	1,489,891	-	1,489,891
Amount owing to parent company	792,804	-	-	792,804
Amount owing to Takaful Operator of General Takaful Fund	-	5,677,457	(5,677,457)	-
Amount owing to General Takaful Fund	970,011	-	(970,011)	-
Other creditors	-	3,376,358	-	3,376,358
	1,762,815	10,543,706	(6,647,468)	5,659,053

Other creditors pertain to salaries-related payable, advanced contributions from participants and other accrued expenses.

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

11 Lease liabilities

Nature of the Branch's leasing activity - Property

The Company leases office space as the principal place with an average lease term of three (3) years. The discount rates used by the Company is within thein average of 4.5%. The lease agreement has a renewal option subject to certain conditions.

This account as at 31 December consists of:

	Takaful Operator and Company	
	2024	**2023**
	BND	**BND**
Maturity analysis:		
Year 1	146,706	141,056
Year 2	142,656	86,706
Year 3	124,656	82,656
Year 4	67,976	82,656
Year 5	1,000	61,976
	482,994	455,050
Less: Future profit expense	(36,093)	(41,050)
	446,901	**414,000**

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

Movements in lease liabilities are as follows:

	Takaful Operator and Company	
	2024	**2023**
	BND	**BND**
Beginning of financial year	**414,000**	**215,225**
Additions	181,386	381,202
Cashflow for lease payments		
Principal payment of lease liabilities	(148,485)	(182,427)
Interest portion of lease liabilities	(15,697)	(8,637)
Interest expense on lease liabilities	15,697	8,637
End of financial year	**446,901**	**414,000**

Reconciliation of liabilities arising from financing activities

The table below details the changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

2024	**At January 1**	**Financing cash flow (i)**	**Additions (ii)**	**At 31 December**
Lease liabilities	414,000	(148,485)	181,386	446,901

2023	**At January 1**	**Financing cash flow (i)**	**Additions (ii)**	**At 31 December**
Lease liabilities	215,225	(182,427)	381,202	414,000

(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).*

12 Takaful Revenue

This account for the years ended 31 December consists of:

	2024	**2023**
	BND	**BND**
Takaful revenue		
Takaful revenue from takaful certificates measured under the PAA	39,870,171	39,795,550
Takaful service expenses		
Incurred claims and other takaful service expenses	(21,611,719)	(19,891,295)
Amortisation of takaful acquisition cash flows	(6,517,627)	(6,757,217)
Losses and reversal of losses on onerous contracts	-	-
Adjustments to liabilities for incurred claims	(2,357,373)	9,624,159
	(30,486,719)	(17,024,353)
Takaful service result before retakaful certificates held	9,383,452	22,771,197
Allocation of retakaful contribution paid	(12,847,321)	(12,202,029)
Amounts recoverable from retakaful certificates held		
Recoveries of incurred claims and other takaful service expenses	(14,299)	207,496
Adjustments to assets for incurred claims	5,574,507	(4,091,516)
	5,560,208	(3,884,020)
Net expense from retakaful certificates held	(7,287,113)	(16,086,049)
Takaful service result	2,096,339	6,685,148

13 Takaful and retakaful certificates

(i) Analysis by remaining coverage and incurred claims of takaful certificates measured under the PAA

	2024				
	Liabilities for remaining coverage		**Liability for incurred claims**		
BND	**Excluding loss component**	**Loss component**	**Estimate of present value of future cash flows**	**Risk adjustment for non-financial risk**	**Total**
Opening liabilities	**35,086,188**	**-**	**26,612,012**	**2,114,885**	**63,813,085**
Changes in the statement of profit or loss and OCI					
Takaful revenue	**(39,870,171)**	**-**	**-**	**-**	**(39,870,171)**
Takaful service expenses					
Incurred claims and other takaful service expenses	-	-	20,823,912	787,807	21,611,719
Amortisation of takaful acquisition cash flows	6,517,627	-	-	-	6,517,627
Adjustments to liabilities for incurred claims	-	-	2,857,417	(500,044)	2,357,373
	6,517,627	-	23,681,329	287,763	30,486,719
Takaful service results	**(33,352,544)**	**-**	**23,681,329**	**287,763**	**(9,383,452)**
Net finance expenses from takaful certificates	-	-	570,109	62,437	632,546
Total changes in the statement of profit or loss and OCI	**(33,352,544)**	**-**	**24,251,438**	**350,200**	**(8,750,906)**
Cash flows					
Contribution received	42,182,210	-	-	-	42,182,210
Claims and other takaful service expenses paid, including investment components	-	-	(20,145,362)	-	(20,145,362)
Takaful acquisition cash flows	(5,838,145)	-	-	-	(5,838,145)
Total cash flows	**36,344,065**	**-**	**(20,145,362)**	**-**	**16,198,703**
Closing liabilities	**38,077,709**	**-**	**30,718,088**	**2,465,085**	**71,260,882**

	2023				
	Liabilities for remaining coverage		**Liability for incurred claims**		
BND	**Excluding loss component**	**Loss component**	**Estimate of present value of future cash flows**	**Risk adjustment for non-financial risk**	**Total**
Opening liabilities	30,205,089	-	31,147,292	3,865,472	65,217,853
Changes in the statement of profit or loss and OCI					
Takaful revenue	**(39,795,550)**	**-**	**-**	**-**	**(39,795,550)**
Takaful service expenses					
Incurred claims and other takaful service expenses	-	-	19,021,009	870,286	19,891,295
Amortisation of takaful acquisition cash flows	6,757,217	-	-	-	6,757,217
Adjustments to liabilities for incurred claims	-	-	(7,034,676)	(2,589,483)	(9,624,159)
	6,757,217		**11,986,333**	**(1,719,197)**	**17,024,353**
Takaful service results	**(33,038,333)**		**11,986,333**	**(1,719,197)**	**(22,771,197)**
Net finance expenses from takaful certificates	-	-	(303,733)	(31,390)	(335,123)
Total changes in the statement of profit or loss and OCI	**(33,038,333)**	**-**	**11,682,600**	**(1,750,587)**	**(23,106,320)**
Cash flows					
Contribution received	45,325,877	-	-	-	45,325,877
Claims and other takaful service expenses paid, including investment components	-	-	(16,217,880)	-	(16,217,880)
Takaful acquisition cash flows	(7,406,445)	-	-	-	(7,406,445)
Total cash flows	**37,919,432**	**-**	**(16,217,880)**	**-**	**21,701,552**
Closing liabilities	**35,086,188**	**-**	**26,612,012**	**2,114,885**	**63,813,085**

(ii) Analysis by remaining coverage and incurred claims of retakaful certificates measured under the PAA

	2024			
		Asset for incurred claims		
	Assets for remaining coverage	**Estimate of present value of future cash flows**	**Risk adjustment for non-financial risk**	**Total**
BND				
Opening assets	111,476	4,631,594	411,758	5,154,828
Opening liabilities	-	-	-	-
Net opening balance	**111,476**	**4,631,594**	**411,758**	**5,154,828**
Changes in the statement of profit or loss and OCI				
Allocation of retakaful contribution paid	**(12,847,321)**	**-**	**-**	**(12,847,321)**
Amounts recoverable from Retakaful certificates held				
Recoveries of incurred claims and other takaful service expenses	46,549	(90,661)	29,813	(14,299)
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	-	-	-
Adjustments to asset for incurred claims	-	5,359,630	214,877	5,574,507
	46,549	**5,268,969**	**244,690**	**5,560,208**
Investment components and contribution refunds	-	-	-	-
Effect of changes in non-performance risk of retakaful operators	-	-	-	-
Net expense from retakaful certificates	**(12,800,772)**	**5,268,969**	**244,690**	**(7,287,113)**
Net finance income from retakaful certificates	-	54,765	10,986	65,751
Takaful service results	**(12,800,772)**	**5,323,734**	**255,676**	**(7,221,362)**
Cash flows				
Contribution paid	16,957,568	-	-	16,957,568
Retakaful acquisition cash flows	(41,484)	-	-	(41,484)
Amounts received	-	(1,040,280)	-	(1,040,280)
Total cash flows	**16,916,084**	**(1,040,280)**	**-**	**15,875,804**
Net closing balance	**4,226,788**	**8,915,048**	**667,434**	**13,809,270**

	2023			
		Asset for incurred claims		
BND	**Assets for remaining coverage**	**Estimate of present value of future cash flows**	**Risk adjustment for non-financial risk**	**Total**
Opening assets	-	9,137,582	1,078,123	10,215,705
Opening liabilities	(1,263,622)	-	-	(1,263,622)
Net opening balance	**(1,263,622)**	**9,137,582**	**1,078,123**	**8,952,083**
Changes in the statement of profit or loss and OCI				
Allocation of retakaful contribution paid	**(12,202,029)**	**-**	**-**	**(12,202,029)**
Amounts recoverable from Retakaful certificates held				
Recoveries of incurred claims and other takaful service expenses	140,234	67,262	-	207,496
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	-	-	-
Adjustments to asset for incurred claims	-	(3,435,490)	(656,026)	(4,091,516)
	140,234	**(3,368,228)**	**(656,026)**	**(3,884,020)**
Investment components and contribution refunds	-	-	-	-
Effect of changes in non-performance risk of retakaful operators	-	-	-	-
Net expense from retakaful certificates	**(12,061,795)**	**(3,368,228)**	**(656,026)**	**(16,086,049)**
Net finance expense from retakaful certificates	-	(87,672)	(10,340)	(98,012)
Takaful service results	**(12,061,795)**	**(3,455,900)**	**(666,366)**	**(16,184,061)**
Cash flows				
Contribution paid	13,556,478	-	-	13,556,478
Retakaful acquisition cash flows	(119,585)	-	-	(119,585)
Amounts received	-	(1,050,087)	-	(1,050,087)
Total cash flows	**13,436,893**	**(1,050,087)**	**-**	**12,386,806**
Net closing balance	**111,476**	**4,631,595**	**411,757**	**5,154,828**

14 Net investment result

This account for the years ended 31 December consists of:

	2024	2023
	BND	**BND**
Investment return		
Profit income calculated using the effective profit method	-	-
Other investment revenue	2,577,713	1,601,849
Net impairment loss on financial assets	-	-
Total amount recognised in P/L	2,577,713	1,601,849
Amounts recognised in OCI	-	-
Total investment return	**2,577,713**	**1,601,849**
Net finance (expense) income from takaful certificates		
Profit accreted	(827,465)	(195,544)
Effects of changes in profit rates and other financial	98,429	733,498
Effects of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition	96,490	(202,831)
Total net finance (expense) income from takaful certificates	**(632,546)**	**335,123**
Net finance income (expense) from retakaful certificates		
Profit accreted	179,338	62,228
Other	(113,587)	(160,240)
Net finance income (expense) from retakaful certificates	**65,751**	**(98,012)**

15 Other investment revenue

This account for the years ended 31 December consists of:

	2024			2023		
	Takaful Operator	**Takaful Fund**	**Company**	**Takaful Operator**	**Takaful Fund**	**Company**
	BND	**BND**	**BND**	**BND**	**BND**	**BND**
Non-operating items						
Net gains on FVTPL investments						
Dividend income	53	2,432,493	2,432,546	433,186	1,531,171	1,964,357
Net fair value gain/loss	145,167	-	145,167	(362,508)	-	(362,508)
	145,220	**2,432,493**	**2,577,713**	**70,678**	**1,531,171**	**1,601,849**

16 Other income

This account for the years ended 31 December consists of:

	Takaful Operator	Takaful Fund	Company
	BND	BND	BND
2024			
Road assistance service	1,488,135	-	1,488,135
Service charges	47,880	-	47,880
Other income	111,573	331,395	442,968
	1,647,588	**331,395**	**1,978,983**
2023			
Road assistance service	1,350,013	-	1,350,013
Service charges	53,350	-	53,350
Other income	48,129	1,472,219	1,520,348
	1,451,492	**1,472,219**	**2,923,711**

17 Other operating expense

This account for the years ended 31 December consists of:

	Takaful Operator	Takaful Fund	Company
	BND	BND	BND
2024			
Management fee to Parent Company	4,323,994	-	4,323,994
Salaries, bonuses and other employee benefits	310,111	-	310,111
Depreciation	44,158	-	44,158
Legal, professional and audit fees	162,457	-	162,457
Utilities	345,519	-	345,519
Marketing and promotional costs	398,704	-	398,704
Other management expenses	371,311	272,380	643,691
	5,956,254	**272,380**	**6,228,634**
2023			
Management fee to Parent Company	2,491,975	-	2,491,975
Salaries, bonuses and other employee benefits	274,412	-	274,412
Depreciation	43,821	-	43,821
Legal, professional and audit fees	113,194	-	113,194
Utilities	90,591	-	90,591
Marketing and promotional costs	243,700	-	243,700
Other management expenses	599,446	342,757	942,203
	3,857,139	**342,757**	**4,199,896**

Other management expenses mainly consists of repairs and maintenance expenses and project costs.

18 Income tax expense

This account for the years ended 31 December consists of:

	Takaful Operator and Company	
	2024	2023
	BND	BND
Taxation in respect of current year's profit	121,228	360,044
Deferred tax benefit (Note 19)	-	-
	121,228	**360,044**

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

	Takaful Operator and Company	
	2024	2023
	BND	BND
(Loss) profit before taxation	**(907,863)**	**4,203,802**
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	(167,955)	777,703
Adjustments		
Further deductions	(29,730)	(36,700)
Non-deductible expenses	197,735	244,419
Different tax basis	100,054	(558,318)
Tax threshold deduction and others	21,124	(67,060)
Provision for taxation in respect of current year's profit	**121,228**	**360,044**
Deferred tax benefit	-	-
Income tax expense charged to profit or loss	**121,228**	**360,044**

The income tax for the Takaful Operator is calculated based on the standard corporate tax rate of 18.5% of the estimated assessable profit for the financial year. As at 31 December 2024, the current tax liabilities amount to B$146 (2023 - B$360,190).

19 Deferred tax liabilities

Deferred tax liability arises mainly from the temporary difference relating to the excess of tax over book depreciation of property and equipment.

	Takaful Operator and Company	
	2024	**2023**
	BND	**BND**
As at 1 January	74,023	74,023
Reversal of temporary differences (Note 18)	-	-
As at 31 December	74,023	74,023

20 Share capital

As at 31 December 2024 and 2023, the Company has 20,000,000 authorised ordinary shares, with par value of B$1 per share, of which 11,000,002 are issued and paid. All shares issued rank pari passu in all regards.

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. All shares rank equally with regard to the Company's residual assets.

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; and
ii) surplus of assets over liabilities of not less than 20%.

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 both years.

There was no significant change in the Company's approach to capital management in 2024 and 2023.

21 General reserves

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

22 Related Party Disclosure

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 years. The remuneration of the Key Management Personnel is borne by the Parent Company.

Other related party transactions

Apart from the balances and transactions disclosed elsewhere in these financial statements, the transactions with the Company's related parties for the years ended 31 December are as follows:

	Company	
	2024	**2023**
	BND	**BND**
Ultimate Parent Company		
- Contributions received / receivable	515,373	254,180
- Rental and other fees paid / payable	66,861	-
Parent Company		
- Management fee paid / payable	4,323,994	3,715,536
Other related parties		
- Contributions received / receivable	10,971	-
- Rental and other fees paid / payable	354,335	403,000
- Travelling expenses paid / payable	36,058	-

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.

23 Takaful risk management

The risk under any one takaful certificate 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 certificates, 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 most significant are the increasing level of awards for the damage suffered as a result of road accidents, and the increase in the number of cases coming to court that have been inactive or latent for a long period of time. Estimated inflation is also a significant factor due to the long period typically required to settle these cases. 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.

The key coverage for the General Takaful certificates

The key coverage for the General Takaful certificates are motor, energy, fire, liability, personal accident, engineering, marine and aviation.

Concentration of General Takaful risk

The following gives details of the Company's concentration of general takaful gross concentration by Takaful certificate group as at 31 December:

	Gross	
	2024	**2023**
	BND	**BND**
Wakalah Motor	27,180,951	27,618,107
Aviation	4,794,173	5,093,178
Commercial All Risk	2,859,483	2,964,566
Mudarabah Motor	-	32,166
Other Special Risk	5,035,564	4,087,533
	39,870,171	**39,795,550**

Key assumptions

The key assumptions underlying the estimation of liabilities is that the Company's and the Fund's future claims development will follow a similar pattern to past claims development experience, including average claim cost, average claim frequency, business mix for each accident year.

Additional qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example, isolated occurrence, changes in market factors such as public attitude to claiming, economic conditions, as well as internal factors, such as, portfolio mix, underwriting policy, policy conditions and claims handling procedures. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

Sensitivities

The claim liabilities are sensitive to the above key assumptions and change in these assumptions may impact the liabilities and operating surplus of the fund significantly. The correlation of assumptions will have significant effect in determining the ultimate claims liabilities.

The key assumptions to which the estimation of actuarial liabilities is particularly sensitive are as follow:

i. Loss ratio for latest accident year

This is significant as a change in loss ratio estimate will impact the liabilities significantly, in particularly Motor and Energy as they are two of the largest under general business.

ii. Average claim cost

Reserves are based on assumption that historical average claim cost is reflective of the future experience. Increase in average cost will increase future liabilities.

iii. Average claims frequency

Reserves are based on assumption that historical average claim number in each accident year reflects the future experience. A change in average number of claims will impact the future liabilities.

iv. Average claim settlement period

Reserves are based on assumption that claim settlement period will be stable over years. A change in claim handling practice will affect the claim cost and future liabilities.

v. Sensitivity analysis

The sensitivity analysis has been performed for the main classes of business which are motor, fire, miscellaneous excluding special risks, and special risks. See table below.

		2024	
	Changes in variable	**Impact on profit before taxation**	**Impact on equity***
Unpaid claims	**+ 5%**	(1,074,287)	(875,544)
	- 5%	1,074,287	875,544
Expenses	**+ 5%**	(54,542)	(44,451)
	- 5%	54,542	44,451
Interest rate	**+ 100 basis points**	538,907	439,209
	- 100 basis points	(125,945)	(102,645)

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

		2023	
	Changes in variable	**Impact on profit before taxation**	**Impact on equity***
Unpaid claims	**+ 5%**	(887,366)	(723,203)
	- 5%	887,366	723,203
Expenses	**+ 5%**	(24,205)	(19,727)
	- 5%	24,205	19,727
Interest rate	**+ 100 basis points**	409,586	333,812
	- 100 basis points	(430,523)	(350,876)

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

Sensitivity in Total Outstanding Claims Liability including PRAD

		2024	
	Changes in variable	**Impact on gross liabilities**	**Impact on net liabilities**
Unpaid claims	+ 5%	1,555,466	1,074,287
	- 5%	(1,555,466)	(1,074,287)
Expenses	+ 5%	54,542	54,542
	- 5%	(54,542)	(54,542)
Interest rate	+ 100 basis points	(544,052)	(305,451)
	- 100 basis points	565,506	359,999

		2023	
	Changes in variable	**Impact on gross liabilities**	**Impact on net liabilities**
Unpaid claims	+ 5%	1,139,599	887,366
	- 5%	(1,139,599)	(887,366)
Expenses	+ 5%	24,205	24,205
	- 5%	(24,205)	(24,205)
Interest rate	+ 100 basis points	(501,461)	(409,586)
	- 100 basis points	525,742	430,523

Claims development table

An entity shall disclose actual claims compared with previous estimates of the undiscounted amount of the claims, i.e. claims development. The entity is not required to disclose information about the development of claims for which uncertainty about the amount and timing of the claims payments is typically resolved within one year.

An entity need not disclose previously unpublished information about claims development that occurred earlier than five years before the end of the annual reporting period in which it first applies IFRS 17. However, if an entity does not disclose that information, it shall disclose that fact.

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date.

Gross General Takaful Certificate Liabilities for 2024

Gross of retakaful	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**Total**
	BND	**BND**	**BND**	**BND**	**BND**	**BND**	**BND**	**BND**	**BND**	**BND**	**BND**
Estimates of undiscounted gross cumulative claims											
At end of accident year	15,883,858	17,566,484	22,576,820	18,255,973	18,555,766	15,219,187	14,440,137	13,898,577	18,502,406	18,246,220	
One year later	16,019,586	15,974,134	23,329,881	19,070,792	25,634,587	17,053,790	13,015,604	12,681,934	19,162,353		
Two years later	16,792,266	16,469,580	26,562,367	20,944,215	18,511,383	14,159,192	11,600,870	11,899,498			
Three years later	16,888,034	18,052,450	30,281,294	19,054,946	13,821,030	12,642,156	12,689,932				
Four years later	22,925,427	19,021,823	28,114,762	18,853,569	15,428,980	12,840,324					
Five years later	26,119,544	18,268,561	27,779,105	17,946,502	15,412,585						
Six years later	25,423,674	17,676,198	25,836,465	19,068,346							
Seven years later	24,006,019	15,812,339	25,676,742								
Eight years later	22,436,301	15,727,731									
Nine years later	22,403,495										
Cumulative gross claims paid	22,206,845	15,416,106	24,885,714	16,305,891	12,451,337	12,030,582	10,145,528	10,576,103	12,600,450	10,038,943	146,657,501
Gross liabilities - accident years from 2015 to 2024	**196,650**	**311,625**	**791,028**	**2,762,455**	**2,961,248**	**809,742**	**2,544,404**	**1,323,395**	**6,561,903**	**8,207,277**	**26,469,727**
Gross liabilities and others attributable expenses- accident years before 2015											**3,030,398**
Claims liabilities with corresponding risk adjustment											**29,500,125**
Claims handling expenses and corresponding risk adjustment											(3,972,336)
Effect of discounting											5,773,394
Surplus payables											1,881,990
Gross liabilities for incurred claims included in the statement of financial position											**33,183,173**

Net General Takaful Certificate Liabilities for 2024

Net of retakaful	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**Total**
	BND	**BND**	**BND**	**BND**	**BND**	**BND**	**BND**	**BND**	**BND**	**BND**	**BND**
Estimates of undiscounted Net cumulative claims											
At end of accident year	15,855,112	17,155,876	17,734,449	17,161,880	14,146,734	14,379,121	13,590,973	13,642,557	18,498,024	18,362,221	
One year later	15,977,658	15,665,028	17,979,434	16,667,832	14,677,996	14,392,328	13,004,072	12,598,312	18,305,698		
Two years later	15,785,043	15,805,099	19,660,914	18,039,264	14,253,760	13,221,266	11,589,338	11,805,122			
Three years later	15,236,112	15,557,717	20,662,097	17,350,524	13,465,108	11,894,323	11,330,826				
Four years later	15,117,877	15,750,077	19,782,134	17,065,590	13,031,182	11,869,412					
Five years later	15,404,486	15,501,807	19,776,963	16,733,277	12,952,747						
Six years later	14,985,313	15,417,971	19,070,301	16,877,670							
Seven years later	14,809,376	14,945,780	19,051,093								
Eight years later	15,231,901	14,861,172									
Nine years later	15,169,177										
Cumulative net claims paid	14,972,527	14,549,547	18,597,169	15,941,948	12,355,673	11,282,749	10,133,868	10,481,730	12,594,003	9,996,640	130,905,854
Net liabilities - accident years from 2015 to 2024	**196,650**	**311,625**	**453,924**	**935,722**	**597,074**	**586,663**	**1,196,958**	**1,323,392**	**5,711,695**	**6,328,459**	**17,642,162**
Net liabilities and other attributable expenses - accident years before 2015											1,268,064
Net claims liabilities with corresponding risk adjustment											**18,910,226**
Claims handling expenses and corresponding risk adjustment											(3,128,906)
Effect of discounting											5,837,594
Allowance for non-performance risk of reinsurer											99,787
Surplus Payables											1,881,990
Net liabilities for incurred claims included in the statement of financial position											**23,600,691**

Gross General Takaful Certificate Liabilities for 2023

Gross of retakaful	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**Total**
	BND	**BND**	**BND**	**BND**	**BND**	**BND**	**BND**	**BND**	**BND**	**BND**	**BND**
Estimates of undiscounted gross cumulative claims											
At end of accident year	15,952,272	15,883,858	17,566,484	22,576,820	18,255,973	18,555,766	15,219,187	14,440,137	13,898,577	18,502,406	
One year later	14,503,647	16,019,586	15,974,134	23,329,881	19,070,792	25,634,587	17,053,790	13,015,604	12,681,934		
Two years later	14,547,528	16,792,266	16,469,580	26,562,367	20,944,215	18,511,383	14,159,192	11,600,870			
Three years later	15,382,129	16,888,034	18,052,450	30,281,294	19,054,946	13,821,030	12,642,156				
Four years later	15,617,138	22,925,427	19,021,823	28,114,762	18,853,569	15,428,980					
Five years later	17,540,412	26,119,544	18,268,561	27,779,105	17,946,500						
Six years later	17,975,188	25,423,674	17,676,198	25,836,465							
Seven years later	16,424,626	24,006,019	15,812,339								
Eight years later	15,645,761	22,436,301									
Nine years later	16,036,704										
Cumulative gross claims paid	15,980,617	22,206,845	15,416,106	24,876,915	16,151,299	12,160,716	11,770,249	9,990,446	10,261,615	8,840,354	147,655,162
Gross liabilities - accident years from 2014 to 2023	**56,087**	**229,456**	**396,233**	**959,550**	**1,795,201**	**3,268,264**	**871,907**	**1,610,424**	**2,420,319**	**9,662,052**	**21,269,493**
Gross liabilities and others attributable expenses- accident years before 2014											**4,602,572**
Claims liabilities with corresponding risk adjustment											**25,872,065**
Claims handling expenses and corresponding risk adjustment											2,592,497
Effect of discounting											(1,624,945)
Surplus payables											**1,887,280**
Gross liabilities for incurred claims included in the statement of financial position											**28,726,897**

Net General Takaful Certificate Liabilities for 2023

Net of retakaful	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**Total**
	BND	**BND**	**BND**	**BND**	**BND**	**BND**	**BND**	**BND**	**BND**	**BND**	**BND**
Estimates of undiscounted Net cumulative claims											
At end of accident year	15,733,710	15,855,112	17,155,876	17,734,449	17,161,880	14,146,734	14,379,121	13,590,973	13,642,557	18,498,023	
One year later	13,935,122	15,977,658	15,665,028	17,979,434	16,667,832	14,677,996	14,392,328	13,004,072	12,598,311		
Two years later	13,823,569	15,785,043	15,805,099	19,660,914	18,039,264	14,253,760	13,221,266	11,589,338			
Three years later	14,789,199	15,236,112	15,557,717	20,662,097	17,350,524	13,465,108	11,894,323				
Four years later	14,845,356	15,117,877	15,750,077	19,782,134	17,065,590	13,031,181					
Five years later	15,845,973	15,404,486	15,501,807	19,776,963	16,733,277						
Six years later	15,736,069	14,985,313	15,417,971	19,070,301							
Seven years later	15,080,588	14,809,376	14,945,780								
Eight years later	14,816,286	15,231,901									
Nine years later	15,185,805										
Cumulative net claims paid	**15,129,718**	**15,002,445**	**14,549,547**	**18,588,371**	**15,922,561**	**12,065,052**	**11,022,416**	**9,978,914**	**10,189,884**	**8,835,972**	**131,284,880**
Net liabilities - accident years from 2014 to 2023	**56,087**	**229,456**	**396,233**	**481,930**	**810,716**	**966,129**	**871,907**	**1,610,424**	**2,408,427**	**9,662,051**	**17,493,362**
Net liabilities and other attributable expenses - accident years before 2014											2,890,299
Net claims liabilities with corresponding risk adjustment											**20,383,661**
Claims handling expenses and corresponding risk adjustment											2,656,696
Effect of discounting											(1,319,225)
Allowance for non-performance risk of reinsurer											75,133
Surplus Payables											1,887,280
Net liabilities for incurred claims included in the statement of financial position											**23,683,545**

24 Financial risk management

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

a. Syariah non-compliance risk
b. Credit risk
c. Liquidity risk
d. Market risk
e. 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 by the 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 short-term placements and 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 on-going basis with the result that Company's exposure to bad debts is not significant. The Company also periodically reviews the financial stability of retakaful companies from public and other sources and the settlement trend of amounts due from retakaful companies.

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 does 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

Credit exposure

The table below shows the maximum exposure to credit risk for the components recognised in the statement of financial position, which is net of related allowance for credit losses.

	Company	
	2024	**2023**
	BND	**BND**
Amortised cost		
- Cash and cash equivalents*	20,098,851	15,599,801
- Short-term placements	69,000,000	75,000,000
- Retakaful certificate assets	13,809,270	5,154,828
- Other receivables	10,243,967	9,838,367
	113,152,088	**105,592,996**

*excluding petty cash fund

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

At 31 December 2024, the maximum exposure to credit risk from insurance contracts is B$13,809,270 (2023 - B$5,154,828), 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 of 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

i. Takaful and retakaful certificates

The table below summarises the Company's financial and takaful assets and liabilities based on remaining maturities. Financial instruments are presented on a contractual undiscounted cash flow basis whereas takaful assets and liabilities are presented based on expected cash flows.

	Carrying Value	**Up to a year**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**Over 5 years**	**Total**
	BND	**BND**	**BND**	**BND**	**BND**	**BND**	**BND**	**BND**
Company								
As at 31 December 2024								
Takaful certificates								
Takaful certificate liabilities	**71,260,882**	52,928,442	9,017,335	3,888,699	2,745,606	1,493,201	1,187,599	**71,260,882**
Retakaful certificates								
Retakaful certificate assets	**13,809,270**	7,457,526	2,834,589	2,389,619	991,545	190,774	(54,783)	**13,809,270**
As at 31 December 2023								
Takaful certificates								
Takaful certificate liabilities	**63,813,085**	47,758,873	7,198,894	2,663,061	2,080,747	1,592,194	2,519,316	**63,813,085**
Retakaful certificates								
Retakaful certificate assets	**5,154,828**	1,402,876	2,257,200	825,024	466,894	184,306	18,528	**5,154,828**

ii. Non-derivative financial asset

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.

	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**
	BND	**BND**	**BND**	**BND**	**BND**	**BND**	**BND**	**BND**	**BND**
Company									
As at 31 December 2024									
Assets									
Financial assets at FVTPL	-	-	-	-	-	-	434,367	434,367	434,367
Other receivables	1,446,403	-	70,564	292,103	146,451	364,006	7,924,439	10,243,966	10,243,966
Short-term placements	4,000,000	45,000,000	20,000,000	-	-	-	-	69,000,000	69,000,000
Cash and cash equivalents	-	-	-	-	-	-	20,107,205	20,107,205	20,107,205
	5,446,403	**45,000,000**	**20,070,564**	**292,103**	**146,451**	**364,006**	**28,466,011**	**99,785,538**	**99,785,538**
Liabilities									
Other payables	19,078	145,489	910,901	1,125,742	87,305	1,807,111	3,679,355	7,774,981	7,774,981
Lease liabilities	32,106	32,469	64,687	250,003	67,636	-	-	446,901	446,901
	51,184	**177,958**	**975,588**	**1,375,745**	**154,941**	**1,807,111**	**3,679,355**	**8,221,882**	**8,221,882**

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).

	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
	BND	BND	BND	BND	BND	BND	BND	BND	BND
Company									
As at 31 December 2023									
Assets									
Financial assets at FVTPL	-	-	-	-	-	-	1,321,524	1,321,524	1,321,524
Other receivables	-	-	-	-	-	-	9,838,367	9,838,367	9,838,367
Short-term placements	35,000,000	20,000,000	20,000,000	-	-	-	-	75,000,000	75,000,000
Cash and cash equivalents	-	-	-	-	-	-	15,608,383	15,608,383	15,608,383
	35,000,000	**20,000,000**	**20,000,000**	**-**	**-**	**-**	**26,768,274**	**101,768,274**	**101,768,274**
Liabilities									
Other payables	1,058,433	993,373	2,904,179	3,614,867	165,868	(3,686)	(3,073,981)	5,659,053	5,659,053
Lease liabilities	37,500	35,913	51,899	149,854	138,834	-	-	414,000	414,000
	1,095,933	**1,029,286**	**2,956,078**	**3,764,721**	**304,702**	**(3,686)**	**(3,073,981)**	**6,073,053**	**6,073,053**

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.

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

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

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

The Company's cash and cash equivalents and fixed income securities are exposed to fixed yield rates, hence any changes in yield rates will not have a material impact on the carrying amounts of the relevant assets. As such, no sensitivity has been performed.

ii) Equity 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.

iii) 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 is not exposed to significant price risk given the nature of its financial assets and liabilities.

Estimation of fair value

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).

Classification 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			
	FVTPL	Cost	Total	Level 1	Level 2	Level 3	Total
Company	BND	BND	BND	BND	BND	BND	BND
As at 31 December 2024							
Financial assets measured at fair value							
Equity instruments at FVTPL	434,367	-	434,367	-	-	434,367	434,367
Financial assets not measured at fair value							
Other receivables		10,243,967	10,243,967				
Deposits and placements		69,000,000	69,000,000				
Cash and cash equivalents		20,107,205	20,107,205				
		99,351,172	**99,351,172**				
Financial liabilities not measured at fair value							
Takaful certificate liabilities		71,260,882	71,260,882				
Other payables		7,774,983	7,774,983				
Lease liabilities		446,901	446,901				
		79,482,766	**79,482,766**				

	Carrying amount			Fair value			
	FVTPL	**Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Company	**BND**	**BND**	**BND**	**BND**	**BND**	**BND**	**BND**
As at 31 December 2023							
Financial assets measured at fair value							
Equity instruments at FVTPL	1,321,524	-	1,321,524	-	-	1,321,524	1,321,524
	1,321,524	**-**	**1,321,524**	**-**	**-**	**1,321,524**	**1,321,524**
Financial assets not measured at fair value							
Other receivables	-	9,838,367	9,838,367				
Deposits and placements	-	75,000,000	75,000,000				
Cash and cash equivalents	-	15,608,383	15,608,383				
	-	**100,446,750**	**100,446,750**				
Financial liabilities not measured at fair value							
Takaful certificate liabilities	-	63,813,085	63,813,085				
Other payables	-	5,659,053	5,659,053				
Lease liabilities	-	414,000	414,000				
	-	**69,886,138**	**69,886,138**				

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 assets 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		Fair value as at 31 December 2023		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	Assets	Liabilities	Assets	Liabilities				
Financial assets at FVTPL								
Private equity fund	434,367		1,321,524	-	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

Management considers that the carrying amounts of financial assets and financial liabilities of the Company recorded at amortised cost in the financial statements approximate 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 since 2017.

The table below presents the reconciliation of financial assets under Level 3:

	Takaful operator	
	2024	**2023**
	BND	**BND**
At January 1	1,321,524	1,684,032
Disposals during the year	(1,032,324)	-
Foreign exchange loss	-	(45,751)
Fair value gain (loss)	145,167	(316,757)
At 31 December	434,367	1,321,524

25 Dividends

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

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

26 Other matters

In 2024, the Company has derecognized Syariah non-compliant income specifically derived from conventional banks from the statement of profit or loss and Other Comprehensive Income amounting to B$33,533 that has been considered for disposal 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 (2023: nil).

27 Authorisation of financial statements

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