

A NEW OUTLOOK

STATUTORY REPORT 2022

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ABOUT THIS REPORT

Reporting Philosophy

In line with our purpose of 'Onward, by Knowing', the Malaysian Insurance Institute is contributing to the transformation of the insurance industry through our various talent development programmes. Our reporting philosophy is grounded in our aim to provide our stakeholders with transparent, relevant, and integrated information that will enable them to make better and more informed decisions about the Malaysian Insurance Institute. We have developed our 2022 Annual Report in line with our stakeholders' value creation expectations.

Scope and Boundary

Our 2022 Annual Report covers the strategic business activities and outcomes of our initiatives. It spans the period of 1 January 2022 to 31 December 2022, and includes significant subsequent events up to Q1 of 2023.

Forward-Looking Statements

Within the Forward Focus section of this Annual Report, certain elements may constitute forward-looking statements concerning our financial position, future priorities, strategies, and growth opportunities – all part and parcel of MII's brand revitalisation initiative. They are formed based on reasonable assumptions and are not intended to guarantee future results. Actual results could differ materially from those projected in any forward-looking statements throughout this Annual Report due to various events, risks, uncertainties, and other factors.

Assurance

Our Audited Financial Statements (AFS) are disclosed in the Governance and Audited Financial Statements 2022 and have been fully audited.

Board Approval

The Board of Directors (Board) applied its collective mind to ensure the integrity of this Annual Report as guided by MII's constitution:

- Antony Fook Weng Lee
- Loh Guat Lan
- Lau Chin Ching
- Vicknesaratnam Kathirasu Rajaratnam
- Saw Lip Kong, Benildus, FMII

- Ezamshah Ismail
- Rangam Bir, FMII
- Tan Kok Guan, SnrAMII, Chartered Insurer
- T. Sivapalan Tharmapalan, SnrAMII, Chartered Insurer
- Zainal Abidin Mohd Noor, FMII

THIS IS MII

Malaysian Insurance Institute (MII) is a non-profit educational and training body which leads in providing internationally recognised qualifications in insurance, risk management, and financial planning. MII is the only institute in Malaysia that caters to the training needs of all sectors within the insurance industry i.e., life, general (non-life), brokers, loss adjusters, reinsurance, financial planning, and Takaful.

MII's firm commitment to deliver the best standards in education is reflected in its international links with major insurance institutions, universities, and relevant organisations such as the Chartered Insurance Institute (CII) UK, Australasian Institute of Chartered Loss Adjusters (AICLA), Chartered Institute of Loss Adjusters (CILA), Australian New Zealand Institute of Insurance and Finance (ANZIIF), Institute of Risk Management (UK), and many more. As the premier professional insurance education provider, MII also caters to the customised training needs of individual companies both locally and abroad, to ensure that the

training and education programmes offered are well-suited, relevant, and in alignment with their respective requirements and at the same time, meeting the ever-changing needs of the industry based on global best practices and developments.

Accreditation and Recognition

- MII's Professional Qualifications and Certifications are internationally recognised and accredited by the Finance Accreditation Agency
- MII's Professional Qualifications are recognized by the Chartered Insurance Institute (CII), UK, and the Australian New Zealand Institute of Insurance and Finance (ANZIIF)



BOARD OF DIRECTORS



Antony Lee
MII Chairman

Chairman, General Insurance
Association of Malaysia (PIAM)

CEO, AIG Malaysia
Insurance Berhad



Loh Guat Lan
MII Director

President, Life Insurance
Association of Malaysia (LIAM)

Group Managing Director / CEO,
Hong Leong Assurance Berhad



Lau Chin Ching
MII Director

Director, Insurance
Development Department,
Bank Negara Malaysia



Vicky Rajaratnam
MII Director

Chairman, Malaysian Insurance
& Takaful Brokers Association
(MITBA)

Advisor, Howden Insurance
Brokers Sdn Bhd



Saw Lip Kong Benildus, FMII
MII Director

Chairman, Association of
Malaysian Loss Adjusters (1981)

Managing Director & CEO,
Justicia Adjusters Sdn Bhd



Ezamshah Ismail
MII Director

Chairman,
Audit Committee

Senior Teaching Fellow,
International Centre for
Education in Islamic Finance
(INCEIF)



Rangam Bir, FMII
MII Director

Chairman
Nomination & Remuneration
Committee

Managing Director, AmMetLife
Insurance Berhad



Zainal Abidin Mohd Noor, FMII
MII Director

Chairman
Academic Council

Director / CEO,
Sentinel Insurance
Brokers Sdn Bhd



T. Sivapalan Tharmapalan,
SnrAMII, Chartered Insurer
MII Director

Chairman, Board Risk
Management Committee

Marketing Director,
HDI Global SE, Labuan



Tan Kok Guan,
SnrAMII, Chartered Insurer
MII Director

CEO / Executive Director,
LPI Capital Berhad

COUNCILS AND COMMITTEES

Academic Council

1. Zainal Abidin Mohd Noor (Chairman)
2. Rangam Bir
3. Ezamshah Ismail
4. Wong Ah Kow
5. Prof. Dr. Hajjah Zuriah Abdul Rahman
6. Vincent Kwo Shih Kang
7. Arumugam A/L Kannusamy
8. Ms Azitadoly Bt Mohd Arifin

Audit Committee

1. Ezamshah Ismail (Chairman)
2. Tan Kok Guan
3. Rangam Bir
4. Lau Chin Ching

Board Risk Management Committee

1. T. Sivapalan Tharmapalan (Chairman)
2. Vicknesaratnam Kathirasu Rajaratnam
3. Zainal Abidin Mohd Noor
4. Saw Lip Kong Benildus

Nomination & Remuneration Committee

1. Rangam Bir (Chairman)
2. T. Sivapalan Tharmapalan
3. Tan Kok Guan

Academic Quality Assurance Committee

1. Shalini Pavithran (Chairwoman)
2. William Tan
3. Sharala Axryd
4. Wahida Shariff
5. Tan Lina
6. Rosmaniwati Agus
7. Nor Izmawati

Professional Membership Council

1. Ahmad Subri Abdullah (Chairman)
2. Maizon Omar
3. Mark O'Dell
4. Mohamad Salihuddin Ahmad
5. Vincent Kwo Shih Kang
6. Zainudin Ishak
7. Shalini Pavithran

Professional Standard Committee

1. Ahmad Subri Abdullah (Chairman)
2. Maizon Omar
3. Vincent Kwo Shih Kang
4. Zainudin Ishak
5. Shalini Pavithran

Membership Disciplinary Committee

1. Maizon Omar (Chairwoman)
2. Azharizan Ahmad Ghiti
3. Ong Ah Sung

MANAGEMENT TEAM



Shalini Pavithran
CertMII
Chief Executive Office
(Resigned on 31st January 2023)



Jaya Kohli
Interim Chief Executive Office
(Appointed on 1st February 2023)



Wahida Shariff
CertMII, RFP
Chief Academic Officer
Academic Division



Tan Li Na
CertMII
Senior Vice President,
Business Development
(Resigned on 7th March 2023)



**Jasminderjit Kaur
A/P Shabag Singh**
CertMII
Senior Vice President,
Strategy, Marketing
& Communications



Haslindah Atan
CertMII
Senior Vice President,
Finance, Human Resource
& Administration



Muhammad Mohsin
CIA, CRMA, RFP,
Shariah RFP, CertMII
Vice President,
Internal Audit

CHAIRMAN'S MESSAGE

PROGRESSING TOWARDS
A NEW OUTLOOK

Dear Stakeholders,

On behalf of the Board of Directors, I am pleased to present the notable achievements of the Malaysian Insurance Institute (MII) realised in 2022. Despite the post pandemic challenges, MII has continued to persevere and make significant strides in advancing the insurance industry through its various initiatives.

Adapting to Changing Industry Needs

As we look ahead, it is clear that the insurance industry is at the cusp of a major transformation. New technologies, shifting customer preferences, and changing regulatory environments are all shaping the way we think about risk and protection.

In addition to that, the rise of new technologies such as AI, autonomous vehicles, drones, and the Internet of Things (IoT) are creating new risks and opportunities for the industry to address. As these technologies become more widespread, insurers will need to find new ways to assess and mitigate the associated risks while also taking advantage of the opportunities they present.

In this space, MII has endeavoured towards adapting to the changing industry needs by collaborating with organisations such as The Digital Insurer (TDI), among others, to incorporate digital InsurTech modules into its professional qualification programmes. These partnerships serve as a testament to our commitment in providing our members with the latest industry knowledge and skills to stay ahead in the digital age.

Fostering Interest Towards the Industry

The insurance industry has long been viewed as a traditional and conservative industry, lacking the excitement and innovation that millennials and Gen Zs crave in their careers. As a result, there has historically been a low level of interest in pursuing a career in the insurance industry amongst these younger generations.

However, the insurance industry is undergoing a significant transformation, with the rise of InsurTech and

the increasing adoption of digital technologies. These changes are creating new opportunities for innovation and growth within the industry, and it is important for younger generations to recognise the potential for a fulfilling and rewarding career in insurance.

In addressing this, MII has taken proactive steps to engage with younger generations and promote the insurance industry as a viable career option. One of the ways this was done was through the Insurance Innovation Hackathon in Q2 of 2022. Through this hackathon, participants were exposed to the challenges surrounding the industry and competed in producing practical and workable solutions to address issues raised in Bank Negara Malaysia's Licensing Framework for Digital Insurers and Takaful Operators.

In addition, MII has also begun conducting campus outreach tours where speakers from MII and partner organisations demystify the insurance industry for university students. These tours highlight the abundance of opportunities to grow professionally within the industry, especially with the advent of InsurTech. By showcasing the potential for innovation and growth within the industry, MII hopes to inspire younger generations to consider a career in insurance.

Right People Driving MII's Purpose

In keeping with MII's organisational transformation exercise which kickstarted in 2019 – and nearing its completion – the Management continued its focus on providing its people with the necessary developmental opportunities to be fit for the future envisioned for MII. Considering the disruption within the industry landscape of the past few years and the rapidly changing work culture, I am proud of the agility demonstrated by its people and their continued commitment to achieving MII's Vision and Purpose.

A New Look for A New Outlook

As the insurance industry continues to evolve, it is important for organisations to adapt and stay relevant. One of the ways MII is doing this is through a corporate rebranding project – which

is now showcased in the Annual Report. The project aims to refresh MII's brand identity and better reflect its values and mission as a Forward Focused institute.

The rebranding project is more than just a cosmetic change. It is an opportunity for MII to communicate its vision for the future of the insurance industry and its commitment to driving positive change. By updating our brand identity, we aim to make better connections with our members and stakeholders drive them towards greater participation with MII.

Acknowledgements

For the year under review, MII has been steered steadily under the leadership of its previous Chief Executive Officer, Shalini Pavithran, who left the organisation in February 2023. She is credited with kickstarting and spearheading the organisation's transformation which unfortunately also faced headwinds as a result of the global pandemic.

I would also like to thank MII's Interim Chief Executive Officer, Jaya Kohli, for taking the helm and ensuring the organisation continues its efforts towards bettering itself whilst we finalise our search for the permanent CEO. The Board thanks them for their steadfast contributions.

Lastly, I would like to thank my Board colleagues for ensuring the Board meets the highest governance and oversight standards, and for their robust deliberations and contributions this past year.



Antony Fook Weng Lee
Chairman

CEO'S REFLECTION CREATING VALUE FOR INDUSTRY

Dear Stakeholders,

On behalf of the Board of Directors, I am pleased to present the notable achievements of the Malaysian Insurance Institute (MII) realised in 2022. Despite the post pandemic challenges, MII has continued to persevere and make significant strides in advancing the insurance industry through its various initiatives.

How did MII perform in 2022?

As we look ahead, it is clear that the insurance industry is at the cusp of a major transformation. New technologies, shifting customer preferences, and changing regulatory environments are all shaping the way we think about risk and protection.

In addition to that, the rise of new technologies such as autonomous vehicles, drones, and the Internet of Things (IoT) are creating new risks and opportunities for the industry to address. As these technologies become more widespread, insurers will need to find new ways to assess and mitigate the associated risks while also taking advantage of the opportunities they present.

In this space, MII has endeavoured towards adapting to the changing industry needs by collaborating with organisations such as The Digital Insurer (TDI), among others, to incorporate digital InsurTech modules into its professional qualification programmes. These partnerships serve as a testament to our commitment in providing our members with the latest industry knowledge and skills to stay ahead in the digital age.

How did MII track towards achieving its Vision in 2022?

The insurance industry has long been viewed as a traditional and conservative industry, lacking the excitement and innovation that millennials and Gen Zs crave in their careers. As a result, there has been a low level of interest in pursuing a career in the insurance industry amongst these younger generations.

However, the insurance industry is undergoing a significant transformation, with the rise of InsurTech and the increasing adoption of digital technologies. These changes are creating new opportunities for innovation

and growth within the industry, and it is important for younger generations to recognise the potential for a fulfilling and rewarding career in insurance.

In addressing this, MII has taken proactive steps to engage with younger generations and promote the insurance industry as a viable career option. One of the ways this was done was through the Insurance Innovation Hackathon in Q2 of 2022. Through this hackathon, participants were exposed to the challenges surrounding the industry and competed in producing practical and workable solutions to address issues raised in Bank Negara Malaysia's Licensing Framework for Digital Insurers and Takaful Operators.

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How did MII adapt to the changing needs of the industry?

In keeping with MII's organisational transformation exercise which kickstarted in 2019 – and nearing its completion – the Management continued its focus on providing its people with the necessary developmental opportunities to be fit for the future envisioned for MII. Considering the disruption within the industry landscape of the past few years and the rapidly changing work culture, I am proud of the agility demonstrated by its people and their continued commitment to achieving MII's Vision and Purpose.

What achievements has MII made in the space of People Culture?

As the insurance industry continues to evolve, it is important for organisations to adapt and stay relevant. One of the ways MII is doing this is through a corporate rebranding project – which is now showcased in the Annual Report. The project aims

to refresh MII's brand identity and better reflect its values and mission as a Forward Focus institute.

The rebranding project is more than just a cosmetic change. It is an opportunity for MII to communicate its vision for the future of the insurance industry and its commitment to driving positive change. By updating our brand identity, we hope to better connect with our members and stakeholders and inspire them to join in on our mission of advancing the insurance industry.

Acknowledgements

For the year under review, MII has been steered steadily under the leadership of its previous Chief Executive Officer, Shalini Pavithran, who left the organisation in February 2023. She is credited with kickstarting and spearheading MII's transformation which culminates this year through the Management reorganisation, as well as through the introduction of MII's new revitalised brand.

I would also like to thank MII's Interim Chief Executive Officer, Jaya Kohli, for taking the helm and ensuring the organisation continues its efforts towards bettering itself in the absence of new leadership. The Board thanks them for their steadfast contributions.

Lastly, I would like to thank my Board colleagues for ensuring the Board meets the highest governance and oversight standards, and for their robust deliberations and contributions this past year.



Jaya Kohli
Interim Chief Executive Officer

MESSAGE FROM INDUSTRY ASSOCIATIONS/PARTNERS

MISSING CONTENT FROM ADAM



MII ACHIEVEMENTS AT GLANCE

Membership

27,643

Total MII Members

7,409 Individual Members

Fellow	=	43
Senior Associate	=	302
Associate	=	135
Certificate	=	119
Ordinary	=	397
Affiliate	=	6,413

132

Institutional Members
(comprising 20,093 Affiliate
Institutional Members)

Graduates

72

Graduates of
Fellowship
of The Malaysian
Insurance Institute
(FMII)

1,779

Graduates of
Associateship
of The Malaysian
Insurance Institute
(AMII) and AMII
Level 2

2,286

Graduates of
Diploma of
The Malaysian
Insurance Institute
(DMII) and
Associateship of
The Malaysian
Insurance Institute
(AMII) Level 1

4,374

Graduates of
Certificate of
The Malaysian
Insurance Institute
(CMII)

253

Graduates of
Certificate in
General Insurance
Underwriting
(PCGIU) /
Professional
Certificate
in General
Insurance (PCGI)

Library

89,042

Total Library
Visitors

> 5,000

Printed and digital
publications in MII
Library & Digital Library

Agents

263,733

Completed MII
Agent's Licensing
Examinations from
2016 - 2022

Learning

65,067

E-Learning Users

International Examination Facilitator for

5

Prominent
international
Institutes
(CII, CAS, SOA,
ANZIIF, IRM)

AITRI

Secretariat for the
ASEAN Insurance
Training & Research
Institute (AITRI)

We serve industry professionals across the globe

Australia
Brunei
Cambodia
China
France

India
Indonesia
Japan
Korea
Malaysia

Maldives
Mexico
Myanmar
Pakistan
Philippines

Saudi Arabia
Seychelles
Singapore
Switzerland
Thailand

Turkey
United Kingdom
Vietnam

REFLECTING BACK ON MII'S HISTORY

MISSING CONTENT FROM
ADAM



A NEW BRAND **WITH A NEW OUTLOOK**

MISSING CONTENT FROM
ADAM



REDEFINING WHO WE ARE & WHAT WE STAND FOR

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OUR VALUE CREATION MODEL

MISSING CONTENT FROM
ADAM



CAPABILITY DEVELOPMENT

MISSING CONTENT FROM
ADAM



SPEARHEAD INDUSTRY DEVELOPMENT

MISSING CONTENT FROM
ADAM

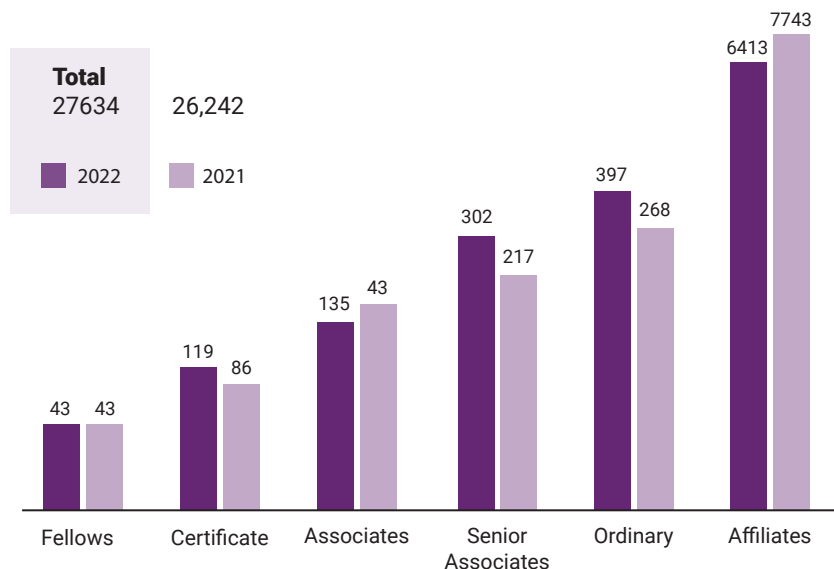


PERFORMANCE REVIEW

1. Membership

a. Membership Growth (2021–2022)

As of 31 December, MII welcomed 2,622 new members for 2022. This brings the number of members to 27,634, of which over 200 are international members from over 10 countries across Asia, mainly Cambodia, Myanmar & Maldives. The Certificate, Senior Associate & Ordinary saw an increase of over 200 members cumulatively.



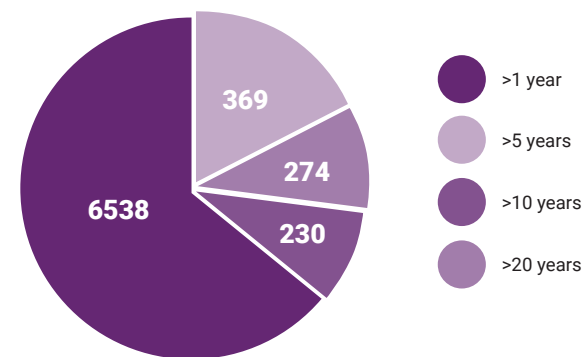
b. Membership by Age Group (2022)

The 36 to 49 age group makes up nearly 43% of our members, while the 26 to 35 age group accounts for approximately 30% of our membership. This youthful demographic brings a pool of talented individuals who will shape the future of the Malaysian Insurance industry. It also presents an opportunity for MII to enhance the capacity and professionalism of the insurance workforce.



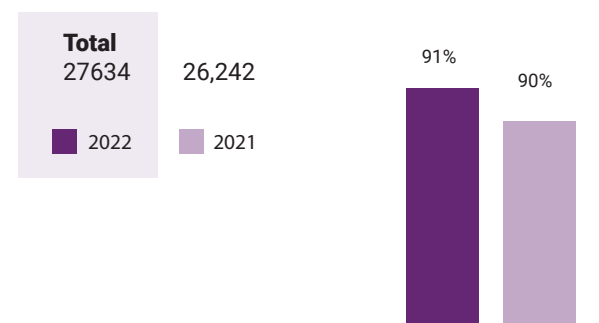
C. Membership by Seniority (2022)

Membership by Seniority shows the distribution of members based on their years as a member. The majority, 88.2%, have been members for less than 1 year. A smaller percentage, 5.0%, have been members for more than 5 years. Additionally, 3.1% have been members for over 10 years, while 3.7% have been members for more than 20 years.



d. Membership Retention (2021–2022)

MIl's commitment to supporting and serving our members in their professional journey led to a commendable membership retention rate of over 90%, representing a 1% growth compared to 2022.



2. Academic Performance

MII's professional programmes are meticulously designed to cater to the specific requirements of the insurance industry, encompassing General Insurance, Life Insurance, Reinsurance, Takaful, Broking, and Loss Adjusting. In 2022, MII experienced a notable surge in registrations, primarily driven by the industry's shift in transition to business as usual. The industry participants recognized the importance of ongoing professional development, particularly in terms of reskilling and upskilling the core competencies of insurance professionals, even more post pandemic.

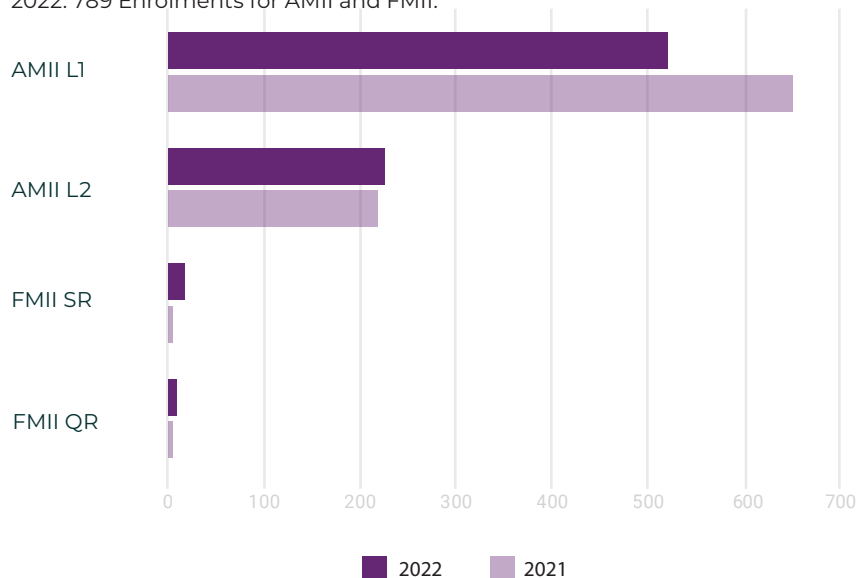
a. Professional Qualifications Programmes

In 2022, MII achieved 11 FMII Senior Route and 4 FMII Qualification Route enrolments. This was a significant increase compared to only 2 in the previous year.

The FMII Fast Track Fellows were selected through a rigorous screening and approval process. Fellowship of the Malaysian Insurance Institute (FMII) is the highest level of insurance qualification in MII's qualifications framework. It is the culmination of a structured learning programme after completion of the Associateship (Associate of the Malaysian Insurance Institute (AMII) / Associateship of the Chartered Insurance Institute (ACII), UK) programme. In 2022 MII also recording 774 AMII Level 1 & AMII Level 2 enrolments.

The Associateship of The Malaysian Insurance Institute (AMII) programs saw a slight reduction in enrolments to 774.

2022: 789 Enrolments for AMII and FMII.



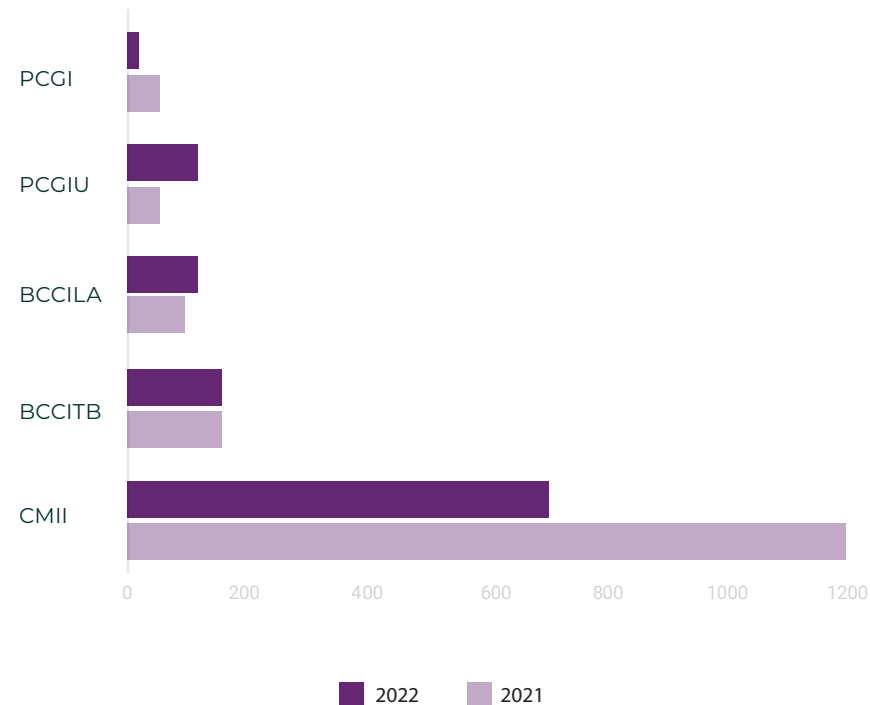
LEGEND:

1. Associateship of The Malaysian Insurance Institute (AMII)
2. Fellowship of The Malaysian Insurance Institute (FMII)

b. Professional Certification Programmes

Enrolment in 2022 declined by approximately 28%. A combination of socio-economic conditions can play a significant role in influencing enrolment numbers. As a result of the economic uncertainty, insurers and individuals prioritized their expenses and cut back on discretionary spending, including personnel development.

2022: 990 Enrolments for PCGI, PCGIU, BCCIIA, BCCITB & CMII



LEGEND:

1. PCGI: Professional Certificate for General Insurance
2. PCGIU: Professional Certificate in General Insurance Underwriting
3. BCCILA: Basic Certificate Course in Insurance Loss Adjusting
4. BCCITB: Basic Certificate Course in Insurance and Takaful Broking
5. CMII: Certification of The Malaysian Insurance Institute

EXAMINATIONS PERFORMANCE

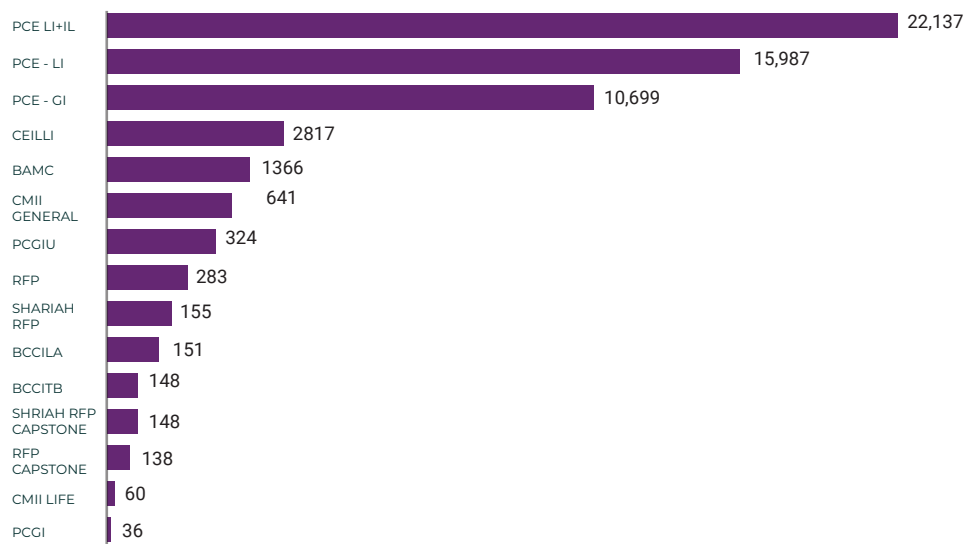
In 2022, there was slight decrease of approximately in the total number of examination candidates, with an average passing rate of 67%. MII computer-based examinations were conducted either virtually or at our 16 exam centres throughout Malaysia. Candidates were both local and international, including those from Maldives and Cambodia. All MII examinations, in person or virtual, were invigilated by professional invigilators.

55,929
2022

55,959
2021

Average Pass Rate: 67%

a. Professional Certifications, Licensing, Mandatory, & External Examinations



LEGEND:

1. PCGI : Professional Certificate for General Insurance
2. CMII LIFE: Certification of The Malaysian Insurance Institute Life Insurance
3. RFP CAPSTONE: Registered Financial Planners Capstone
4. SHARIAH RFP CAPSTONE: Shariah Registered Financial Planners Capstone
5. BCCITB: Basic Certificate Course in Insurance and Takaful Broking
6. BCCILA: Basic Certificate Course in Insurance Loss Adjusting
7. SHARIAH RFP: Shariah Registered Financial Planners
8. RFP: Registered Financial Planners
9. PCGIU: Professional Certificate in General Insurance Underwriting
10. CMII GENERAL: Certification of The Malaysian Insurance Institute (General Insurance)
11. BAMC: Basic Agency Management Course
12. CEILLI: Certificate Examination in Investment Linked Life Insurance
13. PCE - GI: Pre-Contract Examination in General Insurance
14. PCE - LI: Pre-Contract Examination in Life Insurance
15. PCE LI+IL: Pre-Contract Examination Life Insurance & Investment Linked

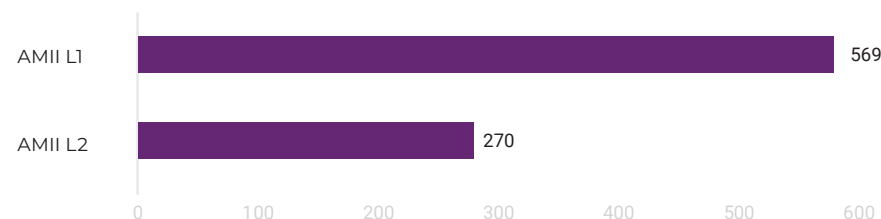
b. Professional Qualifications Examinations

The professional Qualifications comprising AMII Level 1 & AMII Level 2 saw a slight drop at approximately 3%. The average pass rate of Professional Qualifications is at 83%.

839
2022

862
2021

Average Pass Rate: 83%



LEGEND:

1. AMII L2: Associateship of The Malaysian Insurance Institute Level 2
2. AMII L1: Associateship of The Malaysian Insurance Institute Level 1

LEARNING & DEVELOPMENT

In 2022, MII continues to play a crucial role in supporting the insurance industry's talent development initiatives. Our training programs are designed to address technical, non-technical, professional, and specialized subjects that may not be commonly covered within individual companies. These initiatives aim to enhance the skills, knowledge, and competencies of industry professionals, including staff from general and life insurance companies, brokers, loss adjusters, insurance agents, financial planners, risk managers, and others.

We firmly believe that structured training and development programs provide a consistent learning experience, enabling employees to gain comprehensive understanding of insurance products, processes, policies, and procedures that form the backbone of the industry. This, in turn, positively influences customer experiences and business outcomes.

Our goal in training and development is to ensure participants can continually upskill, reskill, and stay updated on the latest best practices and industry developments, enabling them to excel in their roles and advance professionally.

a. Knowledge Management

Key Facts for MII Library / Digital Library

- Physical & Digital Collections: over 5,000
- Total Library Visitors: 89,042

b. Content Development

MII's expertise in learning content development continues to be the heartbeat of The Institute.

Based on our conversations with industry players, observations of market trends, changing customer demands and learning styles, we strongly believe that insurance learning content is in need of a refresh. Recognising this need, MII has been proactive with its content refresh initiatives for all its qualifications, certifications, and training programmes.

We are actively working with local and international industry subject matter experts and practitioners to ensure our learning content is current and relevant to learners of all levels.

Content-related projects that MII is currently undertaking are as follows:

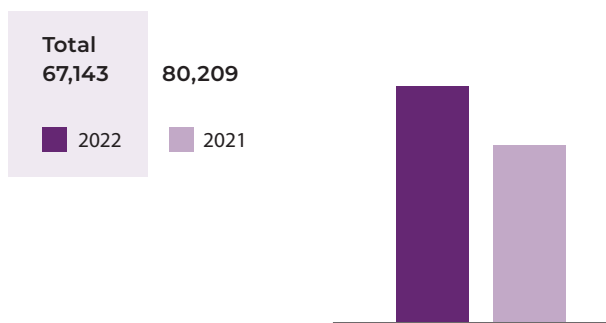
- Revision of 38 textbooks published by MII
- Quality Review exercise for 42 MII training courses and 31 qualifications subjects
- Content development for new insurance qualifications programme
- Content development for new skills-specific subjects
- Revision of learning content for all agents licensing examinations

As one of the leading institutes in the region, MII is geared to fulfil its role to help drive talent development, especially for insurance professionals in Malaysia.

E-LEARNING AT MII

In 2022, MII experienced a decline in e-Learning product subscriptions compared to the previous year. This can be attributed to students transitioning back to in-person classes as the effects of the COVID-19 pandemic eased. Additionally, there was a reduced interest in pursuing a career in insurance, leading to a smaller number of new agents and, subsequently, fewer subscriptions to the agent licensing exam. As a response, MII has redirected its efforts towards the development of new modules and forging partnerships to enrich the diversity of its e-learning courses. These courses now encompass a wide range of technical and non-technical subjects, ensuring a comprehensive learning experience for our users.

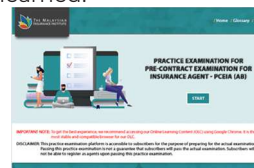
E-Learning Subscribers in 2022



New e-Learning Modules

a. Practice Examination Modules

In 2022, MII developed a practice exam module for students taking the agent licensing exam to help them prepare before sitting for the actual exam. The module covers the three types of agent licensing exams: PCEIA, CEIILI, and PCIL. The modules are designed to test students' understanding based on what they have learned.



PCEIA



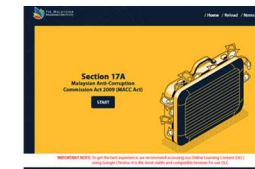
CEIILI



PCIL

b. Fundamental of Insurance: Connecting the Dots

In the same year, MII also initiated the development of an onboarding program for newcomers to the insurance industry. The program consists of three modules: Overview of the Malaysian Insurance Industry, Section 17A of MACC Act and the Cyber Security module.



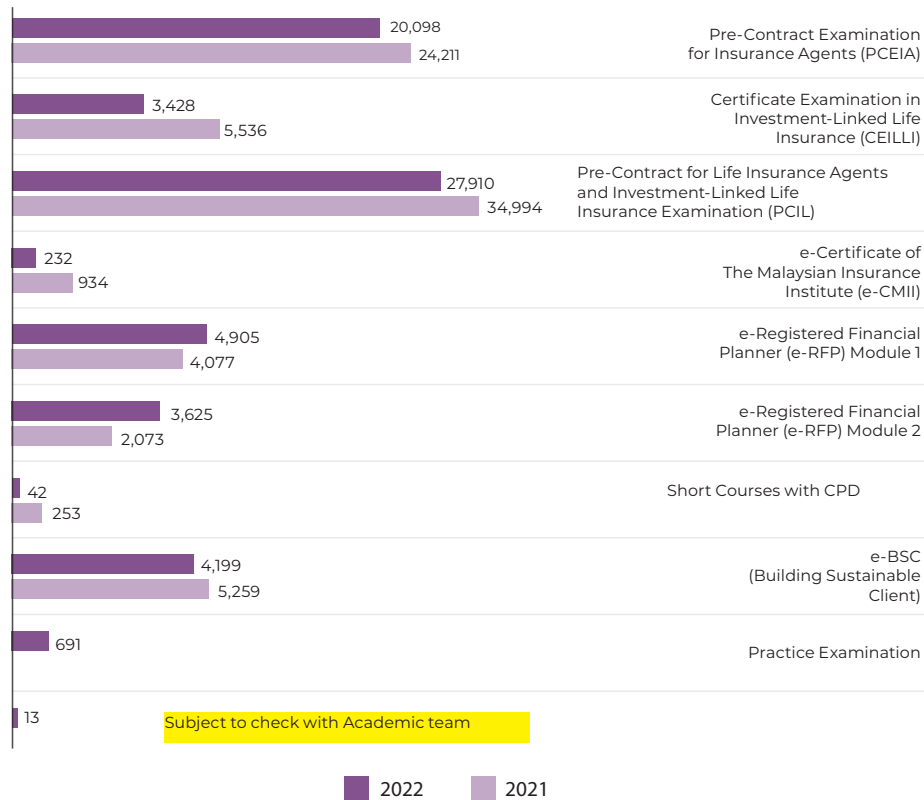
c. Digital Insurance e-Learning Modules, exclusively by MII & TDI Academy

MII's partnership with The Digital Insurer (TDI) has brought forth new digital insurance learning and development programs aimed at professional development in the Malaysian insurance industry. These programs are designed to accelerate the digital transformation of insurance and equip insurance staff with new skills while promoting the adoption of a digital culture.


MII and TDI Academy have jointly introduced three programs in the Malaysian market, namely the Certificate in Digital Insurance (CDI), Associate Digital Insurer (ADI), and TDI Prime. The best part is that these programs are registered with HRDCorp, which means that companies can enroll their staff in these programs using HRDCorp funds.




Statistics of e-Learning Subscriptions (2022 vs. 2021)




Strategic Priorities




Innovation
To build a dynamic and competitive insurance industry



Human Capital Development
To build future ready and proficient talent pool




Thought Leadership
To develop a strong community of practice in line with global standards and best practices




Professional Standards
To build trust and public confidence in the industry


Enablers



Highly Skilled Workforce
To have people with growth mindsets and right skills to power organizational transformation



Operational Excellence
To provide value to customers, to be data driven, efficient and agile



Responsive Infrastructure
To have an adaptable, flexible and scalable infrastructure

STRATEGY IN ACTION

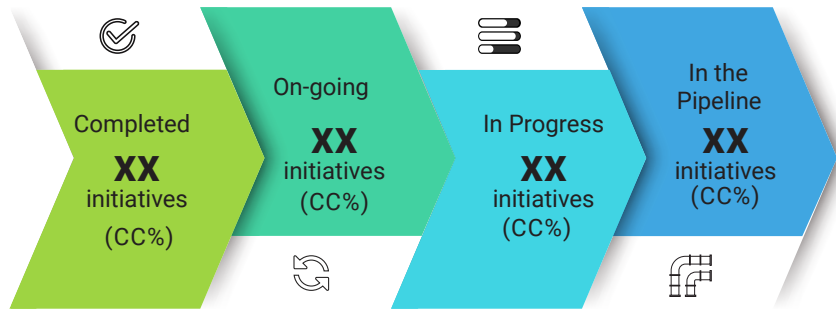
2022 Strategy in Action
(introduction missing)
(Introduction)

Evolving with The Industry

In this ever-changing landscape, staying ahead of the curve is essential. As we delve into the progress and advancements made in 2022, we highlight the transformative initiatives that have shaped how we educate and empower insurance professionals. In this journey of growth, adaptation, and innovation, we embrace the opportunities presented by the industry in constant motion.

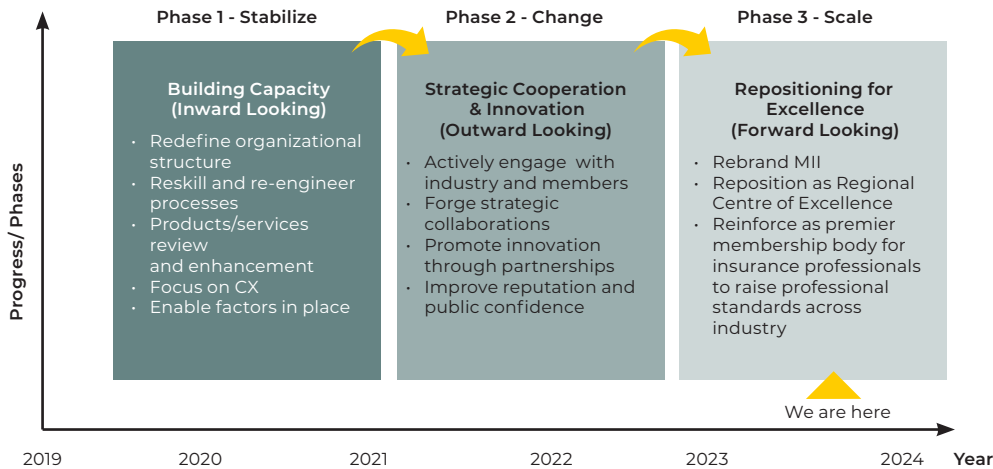
How We Are Evolving

MII's transformation plan comprises multiple initiatives involving improvements and enhancements in Product Suite & Quality, Customer Experience (CX), and Operational Efficiency.



2022 marks the 4th year of the MII's transformation journey toward excellence. MII's transformation plan considers both the customer-facing and behind-the-scenes roles that affect our delivery of products and services. Therefore, much of our plan is related to digitally transforming MII and becoming a data-driven organisation. As we improve and embark on enhancement activities, MII continues to deploy automation in its business tools, resulting in seamless operations and enhanced customer experience.

Our Transformation Journey

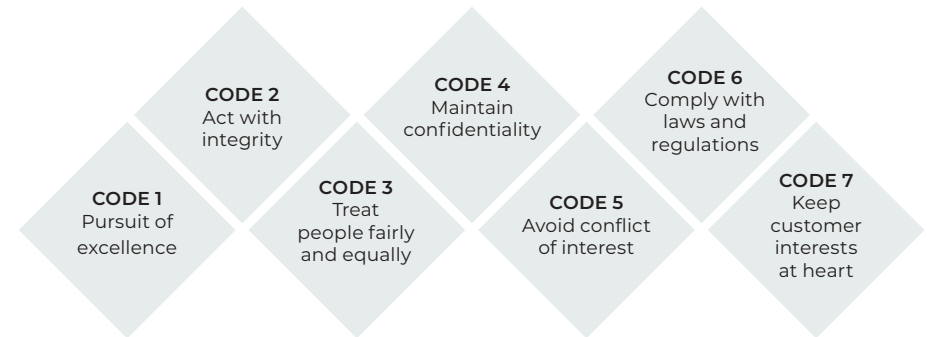


1. Strengthening Membership Value

Through initiatives centred around professional development, thought leadership, networking, and engagement, MII is dedicated to advancing the professional growth and development of MII members. In 2022 we worked to strengthen the membership experience.

Code of Ethics & Conduct (COEC): Upholding Professional Excellence.

At the Malaysian Insurance Institute (MII), we pride ourselves on being on par with the industry and leading professional bodies. To ensure our commitment to professional excellence, we have developed a robust Code of Ethics & Conduct (COEC) that aligns with industry best practices. This code serves as a guiding framework for all individual members of MII, including Fellows, Senior Associates, Associates, Certificate, Ordinary, and Affiliates. Upholding the COEC is essential in maintaining the highest standards of professionalism across the insurance industry. We continuously emphasise and expect our members to adhere to the following ethical principles, which form the cornerstone of our commitment to excellence.



Fostering Continuous Learning and Professional Competency through Continuous Professional Development (CPD)

In the pursuit of fostering continuous learning and enhancing professional competency, it is widely recognised that making Continuing Professional Development (CPD) a requirement for qualified members of professional bodies is a common practice. To instil a culture of ongoing learning and promote greater industry acceptance, the Malaysian Insurance Institute (MII) has devised a phased approach to introducing the CPD requirement. This strategic implementation aims to cultivate a habit of continuous development among our members while ensuring their readiness for the industry's evolving demands.

MII's CPD Framework

2021-2023 (Introductory Phase)	2024 - 2025 (Phase 2)	2026 (Phase 3)
<ul style="list-style-type: none"> 15 CPD points as a minimum requirement <ul style="list-style-type: none"> » Minimum 10 CPD points must be obtained from formal activities. Applicable to Fellows, Senior Associates & Associate members only. Not mandatory. Non-compliance will not be subjected to disciplinary actions. Participants will receive special benefits, digital badge, and acknowledgement. No CPD monitoring 	<ul style="list-style-type: none"> 20 CPD points as a minimum requirement <ul style="list-style-type: none"> » Minimum of 15 CPD points must be obtained from Formal activities. » Minimum of 3 CPD points from formal activities, preferably in ethics, risk management or compliance. Applicable to Fellows, Senior Associates & Associate members only. Mandatory. Non-compliance will be subject to disciplinary actions (downgrade, etc). Members will receive a digital badge and acknowledgement of compliance. Random sampling for CPD monitoring. 	<ul style="list-style-type: none"> 30 CPD points as a minimum requirement <ul style="list-style-type: none"> » Minimum of 20 CPD points must be obtained from formal activities. » Minimum of 5 CPD points from formal activities preferably in ethics, risk management or compliance. Applicable to Fellow, Senior Associate & Associate members only. Mandatory. Non - compliance will be subject to disciplinary actions (downgrade, etc). Members will receive digital badge and acknowledgement of compliance. Random sampling for CPD monitoring.

MII's Academic Framework

In line with our Transformation plan, we launched the Academic Framework Review Project in 2021 to enhance our professional programmes to be best in class and to meet the current and future needs of the industry. We have completed most of Phase 1 in 2022 and work is in progress for deliverables under Phase 2 as follows:

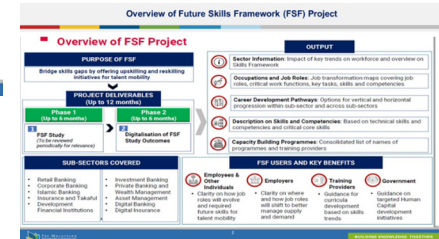
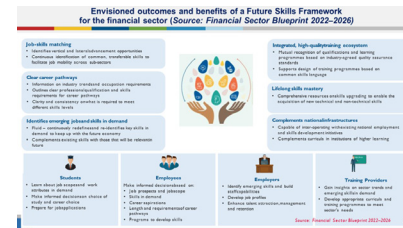
Area of Findings	Phase 1		Phase 2
	Completed	Work in Progress	Work in Progress
Content	<ul style="list-style-type: none"> Role Based Pathways completed for 5 roles Incorporating digital / soft skills in Qualification (i.e AMII Level 1 and L2) and Certification programmes as additional knowledge/skills Certification on completion levels (naming conventions) New Professional Certification programmes (Digital / Data analytics /Sales) 	<ul style="list-style-type: none"> Content review of the textbook to incorporate changes in industry 	<ul style="list-style-type: none"> Review of Qualification programme framework (AMII Level 1 and 2) <ul style="list-style-type: none"> » Number of subjects to be reduced/revise the content and credits » Revisit the subjects and credits offered » Content review to incorporate the digital and soft skills topics Life Insurance Qualifications to be distinct from General AMII Lite / Capstone – Professional Certification that can be fast tracked / completed in shorter period of time AMII Lite / Digital AMII
Branding	<ul style="list-style-type: none"> Targeted Marketing/campaign On Boarding Programmes Website updates Digital Marketing Campaigns Updated marketing collaterals (Testimonials/Case 	<ul style="list-style-type: none"> Stakeholder management – split by function Collaboration with universities to target students / explore on TVET programmes – on-going Website Redesign – on-going 	<ul style="list-style-type: none"> Brand refresh Collaborations
Mode of Learning	<ul style="list-style-type: none"> Case studies/ Scenario Based Teaching Virtual skills / digital pedagogy for SMEs Microlearning modules Guidance and counselling for subject selection 	<ul style="list-style-type: none"> Enhance the SME pool – on-going More interactive classes -Project Presentations/Visual Aids/Project work 	<ul style="list-style-type: none"> Immersive Technology (AR/VR) Gamification
Assessment	<ul style="list-style-type: none"> Case studies / scenarios questions for AMII assessment Assessment attempts to be increased Support and guidance on enhancing students' ability to learn, apply knowledge and succeed in examination 	<ul style="list-style-type: none"> Assessment Frequency (to be done at shorter intervals) Compulsory subjects to have MCQs for Assessment Recognition of Prior Experiential Learning (working experience based) 	<ul style="list-style-type: none"> Review of Assessment framework for AMII L1 and L2

Strategic Priorities in Reviewing the MII Academic Framework: Towards Building Future Ready Workforce & Organizations



The Future Skills Framework (FSF)

The objective of the FSF is to establish a financial sector-led framework that nurtures dynamic and sustainable talent ecosystems. By implementing capacity-building initiatives, we aim to bridge talent gaps and empower individuals to unlock their full potential. Through this framework, we envision creating an environment that fosters continuous growth and development for individuals, ensuring their long-term success. Financial Sector Framework (FSF) development and implementation involves three key financial sector talent affiliates: AICB, MII, and IBFIM. As requested by Bank Negara Malaysia (BNM), AICB has taken the lead role as the facilitator for this initiative. AICB is actively collaborating with MII and IBFIM to ensure the project's success by delivering positive outcomes and meeting the expectations of all stakeholders involved. Collectively, our entities remain fully committed to executing the FSF, fostering a robust and thriving financial sector talent ecosystem. (original slides below are in the folder – FSF Framework for AR)



Customer Experience Highlight: Delivering Exceptional Services in 2022

We take great pleasure in presenting the first Customer Experience report, which offers a comprehensive overview of our unwavering commitment to delivering exceptional customer experiences. This report serves as a testament to our customer-centric values and incorporates valuable insights from a recent customer survey. Members feedback has played a pivotal role in shaping our strategies to enhance our products, services, and overall customer satisfaction.

Performance Overview

The research aims to fulfil several key objectives in assessing the corporate reputation of the Malaysian Insurance Institute (MII) among its members, while also identifying areas that significantly influence the business in terms of corporate reputation and customer service performance. The primary goals of this research are to:

- Identify strengths and areas for improvement within MII.
- Prioritize improvement areas based on their high impact on the organization.
- Utilize the study's findings to develop a well-rounded, adaptable, and proactive corporate reputation and customer service program for MII's sustainable transformation

Based on the survey responses, we acknowledge that our esteemed customers perceive MII's products and services as average. While this indicates a gap between expectations and reality, we are determined to bridge this divide and elevate our performance to meet your evolving needs. We understand that excellence is the benchmark and are fully dedicated to surpassing your expectations.

- **MII Customer Satisfaction Index: 7.06 / 10**
- **From 224 Respondents, from Nov 2021 to Mar 2022.**

Engagement and Promotion

Despite the average performance, it is heartening to note that customers have demonstrated high engagement with MII through our learning products and membership services. We sincerely appreciate your positive experiences in these areas, and we will continue to enhance these offerings to provide even greater value to our customers. However, it is crucial to acknowledge that 32% of our customers are inclined to promote MII products and services. We highly value your support and are committed to earning your unwavering loyalty by continuously improving our offerings and delivering outstanding customer experiences.

Preferred Communication Channel

We understand the significance of effective communication channels in facilitating seamless interactions with our customers. The survey results indicate that customers prefer interacting with MII via email, and we have noted this preference carefully. Moving forward, we will continue to leverage email as the primary means of communication, ensuring that essential updates, relevant information, and personalised offerings are promptly delivered to your inbox.

Enhancements and Improvements

To address the expectations highlighted in the survey, we have identified key areas for improvement:

- **Variety Programs and Events:** We fully recognise the importance of diverse and comprehensive programs and events. In the future, we will curate engaging and compelling programs and events with enriching content. Our goal is to provide tailored experiences that cater to your specific needs, empowering you with invaluable knowledge.
- **User-Friendly Website:** We understand the significance of a user-friendly website that enhances your interactions with MII. Therefore, we are committed to developing an intuitive and easy-to-navigate digital platform that ensures a seamless experience accessing our products, services, and resources.
- **Promptness and Competent Support:** We recognise the importance of timely and competent support. To achieve this, we are investing in the training of our customer service team, equipping them with the necessary skills and knowledge to provide efficient and effective assistance. We aim to meet or exceed your service expectations consistently.

Conclusion

The insights have been instrumental in shaping our customer-centric approach, and we remain steadfast in our commitment to elevating our performance and exceeding your expectations. The Malaysian Insurance Institute is dedicated to delivering exceptional products, services, and customer experiences. Together, we will create a future where your insurance educational journey is enriching, seamless, and rewarding.

MII AS SECRETARIAT OF AITRI

The ASEAN Insurance Training and Research Institute (AITRI), a non-profit organization founded by the Insurance Regulators of the 10 ASEAN member countries, was officially incorporated in Malaysia on 1 December 2004. The Malaysian Insurance Institute has been entrusted with the responsibility of serving as the secretariat for AITRI. We are proud to report that the institute has made significant advancements in its operations and development, effectively catering to the human capital development needs of regulators and insurers within the region. Through our commitment to education, training, and research, AITRI continues to play a vital role in facilitating the growth and professional development of the insurance industry across ASEAN.

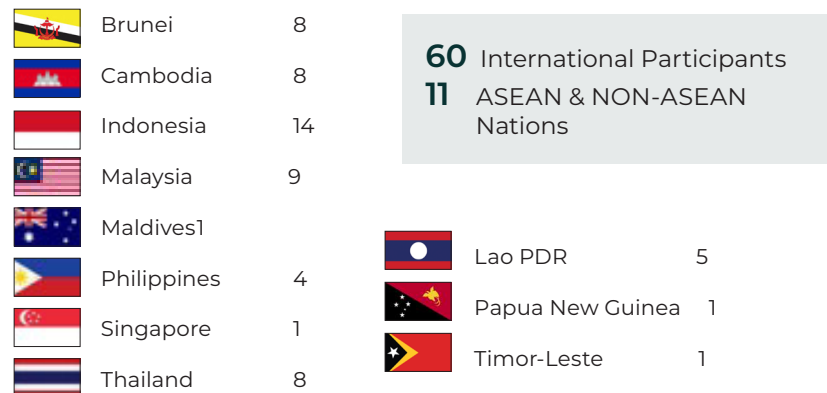
In 2022, AITRI, in collaboration with MII, successfully organized three capacity building training programs and three webinars specifically designed for insurance regulators. These initiatives align with our international agenda to promote human capital development within the ASEAN region. The training programs involved the participation of 21 field experts from regulatory bodies and the private sector, hailing from countries such as Canada, Dubai, India, Malaysia, Philippines, Singapore, Switzerland, the United Kingdom, and the United States of America. These programs collectively benefitted 230 participants from ASEAN countries, as well as three participants from non-ASEAN countries, namely Maldives, Papua New Guinea, and Timor-Leste. The collaboration between AITRI and MII in delivering these programs highlights our commitment to enhancing the expertise and knowledge of insurance regulators through insightful and engaging learning opportunities.

AITRI - 2022 in Numbers

1. AITRI Professional Development Programmes For Regulators

Programmes:

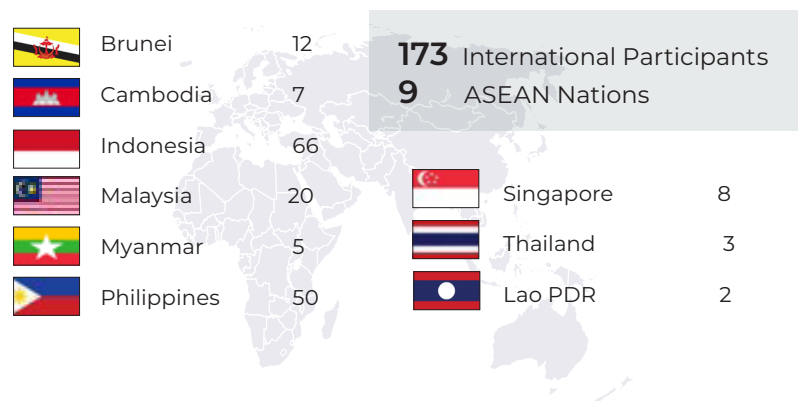
1. Sustainability and Environmental Risk
2. Supervisory Technology (SUPTECH) to Enhance Surveillance of Risk Management and Corporate Governance in the Insurance Sector
3. Risk Based Supervision



2. AITRI Webinars For Regulators

Webinars

1. Embracing Digital Transformation in Insurance
2. Reinsurance
3. Microinsurance in the Digital Age



3. Industry Events

Young ASEAN Insurance Manager Award (YAMA) 2022

The Young ASEAN Insurance Manager Award (YAMA) is a project initiated by the ASEAN Insurance Council (AIC) and organized by The ASEAN Insurance Training and Research Institute (AITRI) to recognise outstanding young managers for their achievements, contributions, and dedication to the insurance industry, as well as their potential as future leaders in the ASEAN insurance economies. The YAMA aims to inspire dynamic individuals to take the lead and be a catalyst of growth for the region's industry and economy.

YAMA 2022 was organized in Bangkok, Thailand on 6th December. A total of 43 applications were received and this number of candidates had decreased by 23% compared to 56 candidates in year 2021.

Ms. Dara Yashinta Amoradhisty of PT Asuransi BRI Life, Indonesia was chosen as the winner of the Young ASEAN Insurance Manager Award (YAMA) 2022 and it had been announced during the 25th ASEAN Insurance Regulators Meeting (AIRM) and ASEAN Insurance Council (AIC) Gala Dinner, hosted by Office of Insurance Commission (OIC), Thailand.

4. Meetings

In 2022, AITRI actively participated in several face-to-face meetings, as outlined in the table below. These meetings served as a platform for AITRI to present its comprehensive activity reports and financial accounts for the year to all its members. Additionally, AITRI seized the opportunity to outline its future business plans, particularly in terms of supporting ASEAN countries through human capacity building training programs. These meetings provided a valuable forum for fostering collaboration, sharing insights, and solidifying AITRI's commitment to facilitating the development of human capital within the region.

No	Event	Date	Venue
1	Annual General Meeting	23 June	Virtual
2	20th AITRI Management Board Meeting	6 December	Bangkok
3	20th ASEAN Insurance Education Committee Meeting	6 December	Bangkok
4	48th ASEAN Insurance Council Meeting (AIC)	7 December	Bangkok
5	25th ASEAN Insurance Regulators Meeting (AIRM)	7 December	Bangkok
6	25th Joint Plenary Meeting	8 December	Bangkok

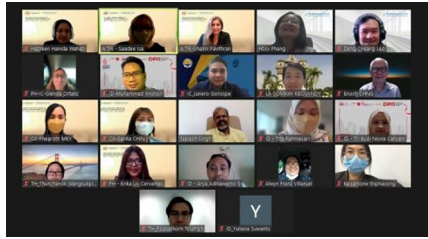
AITRI 2022 – A Year in Pictures



After a demanding assessment process of candidates from across the ASEAN region, Ms. Dara Yashinta Amoradhitya was chosen as the winner of The Young ASEAN Insurance Manager Award (YAMA) 2022 at Bangkok, Thailand.



AITRI – Toronto Centre Sustainability and Environmental Risk
















AITRI – Toronto Centre Supervisory Technology (SUPTech) to Enhance Surveillance of Risk Management and Corporate Governance in the Insurance Sector



AITRI – Toronto Centre Risk Based Supervision

Events

The 13th ASEAN Insurance Congress took place in Kuala Lumpur from 7th to 8th September. The event drew participation from 39 speakers and 126 delegates representing 14 countries. Prior to the congress, a Masterclass was held on 6th September at the same venue. Key discussions during both events revolved around significant themes such as New Digital Models, Data Literacy & Climate Change, ESG, and Risk Management in the insurance sector.

	Brunei	3		Myanmar	1
	Bangladesh	1		Japan	3
	Cambodia	5		Philippines	7
	Germany	1		Singapore	8
	Hong Kong	1		Thailand	3
	Indonesia	22		USA	2
	Malaysia	107		United Kingdom	1



FINANCIAL RESILIENCE

AI



EUR / USD

MARGIN 64.38 USD

BUY
2,6871

SELL
3,3768

volume
8,573

97%

TOTAL

9:40 10:08 10:34 11:29 11:46 12:58

THE MALAYSIAN INSURANCE INSTITUTE
(Incorporated in Malaysia)

FINANCIAL STATEMENTS

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Independent auditors' report	21
Statement of comprehensive income	23
Statement of financial position	23-24
Statement of changes in equity	24
Statement of cash flows	25
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Statement by directors	39
Declaration by the officer primarily responsible for the financial management of the Institute	39

THE MALAYSIAN INSURANCE INSTITUTE

(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors of **THE MALAYSIAN INSURANCE INSTITUTE** ("the Institute") hereby submit their report and the audited financial statements of the Institute for the year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The Institute is engaged in the provision and promotion of insurance education, training and research in insurance and related disciplines. The Institute is the sole examining body for professional insurance examinations in the country leading to the award of the Associateship of the Malaysian Insurance Institute ("AMII") and Fellowship of the Malaysian Insurance Institute ("FMII"). It is also a membership body of insurance professionals. The Institute is affiliated to other insurance examining institutes internationally and works closely with local institutions of higher learning in promoting the development of insurance education in Malaysia.

RESULTS OF OPERATIONS

The results of operations of the Institute for the financial year are as follows:

	RM
Deficit for the year	1,294,274

In the opinion of the directors, the results of operations of the Institute during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

RESERVES AND PROVISIONS

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

OTHER STATUTORY INFORMATION

Before the financial statements of the Institute were made out, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and have satisfied themselves that there were no known bad debts needed to be written off and that adequate provision had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of the business including the value of current assets as shown in the accounting records of the Institute had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

- (a) which would necessitate the writing off of bad debts or render the amount of provision for doubtful debts in the financial statements of the Institute inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Institute misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Institute misleading or inappropriate; or
- (d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Institute misleading.

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

- (a) any charge on the assets of the Institute which has arisen since the end of the financial year which secures the liabilities of any other person; and
- (b) any contingent liability of the Institute which has arisen since the end of the financial year.

In the opinion of the directors:

- (a) No contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Institute to meet its obligations as and when they fall due; and
- (b) No item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the Institute for the succeeding financial year in which this report is made.

DIRECTORS

The directors of the Institute in office during the financial year and during the period from the end of the financial year to the date of this report are:

Mr Antony Fook Weng Lee (Chairman)	Ms Lau Chin Ching
Mr Zainal Abidin bin Mohd Noor	Mr Tapan Kumar Rangam Bir
Mr Tan Kok Guan	Mr Vicknesaratnam Kathirasu Rajaratnam
Mr T. Sivapalan Tharmapalan	Ms Loh Guat Lan
Mr Ezamshah bin Ismail	Mr Saw Lip Kong Benildus (appointed on 31.3.2022)

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Institute has received or become entitled to receive any benefit (other than those disclosed as directors' fee in Note 7 to the financial statements) by reason of a contract made by the Institute with a firm of which he is a member, or with a company in which he has a substantial financial interest.

During and at the end of the financial year, no arrangement subsisted to which the Institute was a party whereby the directors of the Institute might acquire benefits by means of the acquisition of shares in, or debentures of, the Institute or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Institute maintains directors' and officers' liability insurance for purposes of Section 289 of the Companies Act, 2016, throughout the year, which provides appropriate insurance cover of RM10,000,000 for the directors of the Institute. The amount of insurance premium paid during the year amounted to RM29,480.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young PLT during or since the financial year end.

AUDITORS

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

AUDITORS' REMUNERATION

The amount paid or payable as remuneration of the auditors for the financial year ended 31 December 2022 is disclosed in Note 7 to the financial statements.

Signed on behalf of the Board
in accordance with a resolution of the Directors,

ANTONY FOOK WENG LEE
(CHAIRMAN)

EZAMSHAH BIN ISMAIL
(DIRECTOR)

Kuala Lumpur,
1 June 2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MALAYSIAN INSURANCE INSTITUTE

(Incorporated in Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of The Malaysian Insurance Institute ("the Institute"), which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2022, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages **26 to 39**.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Institute as at 31 December 2022, and of its financial performance and cash flows for the year ended 31 December 2022 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for opinion

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

Independence and other ethical responsibilities

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

Information other than the financial statements and auditors' report thereon

The Directors of the Institute are responsible for the other information. The other information comprises the Directors' Report and Annual Report, but does not include the financial statements of the Institute and our auditors' report thereon.

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

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

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

Responsibilities of the directors for the financial statements

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

In preparing the financial statements of the Institute, the directors are responsible for assessing the Institute'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 Institute or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Institute's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Institute as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements of the Institute, 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 Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Institute or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Institute, including the disclosures, and whether the financial statements of the Institute represent the underlying transactions and events in a manner that achieves fair presentation.

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

Other matters

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

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AAL 00039
Chartered Accountants

Brandon Bruce Sta Maria
No. 02937/09/2023 J
Chartered Accountant

Kuala Lumpur, Malaysia
1 June 2023

THE MALAYSIAN INSURANCE INSTITUTE
(Incorporated in Malaysia)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 RM	2021 RM
Revenue	6	11,743,907	12,795,893
Other income		473,809	526,778
Employee benefits expense	7	(6,686,677)	(7,648,745)
Depreciation of plant and equipment	9	(776,148)	(88,584)
Depreciation of right-of-use asset	10	(1,246,101)	(915,154)
Other expenses		(5,816,479)	(5,412,409)
Operating deficit	7	(2,307,689)	(742,221)
Finance cost		(96,188)	(42,337)
Deficit before tax		(2,403,877)	(784,558)
Tax recoverable	8	1,109,603	-
Deficit after tax, representing total comprehensive deficit for the year		(1,294,274)	(784,558)

The accompanying Notes form an integral part of the Financial Statements

THE MALAYSIAN INSURANCE INSTITUTE
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Note	2022 RM	2021 RM
ASSETS			
Non-Current Assets			
Plant and equipment	9	2,974,715	82,051
Right-of-use asset	10	1,218,125	2,464,226
Total Non-Current Assets		4,192,840	2,546,277
Current Assets			
Inventories	12	55,073	52,752
Trade receivables	13	879,698	372,439
Other receivables, deposits and prepaid expenses	14	1,630,505	2,882,203
Fixed deposits	11	17,910,067	22,694,240
Cash and bank balances	16	4,767,470	5,341,816
Total Current Assets		25,242,813	31,343,450
Total Assets		29,435,653	33,889,727

THE MALAYSIAN INSURANCE INSTITUTE

(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022 (CONT'D)

	Note	2022 RM	2021 RM
RESERVES AND LIABILITIES			
General reserves	17	6,673,042	6,673,042
Surplus		14,233,375	15,527,649
Accumulated Fund		20,906,417	22,200,691
Non-Current Liabilities			
Lease liabilities	20	239,583	1,256,123
Total Non-Current Liabilities		239,583	1,256,123
Current Liabilities			
Trade payables	18	762,604	744,772
Other payables and accrued expenses	18	2,470,914	3,262,629
Capacity Building Fund	15	2,722,551	2,722,551
Training Credit Scheme	19	404,350	457,427
Tax liability		912,694	2,022,297
Lease liabilities	20	1,016,540	1,223,237
Total Current Liabilities		8,289,653	10,432,913
Total Liabilities		8,529,236	11,689,036
Total Reserves and Liabilities		29,435,653	33,889,727

THE MALAYSIAN INSURANCE INSTITUTE

(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	General reserves RM	Accumulated Surplus RM	Total RM
As at 1 January 2021	6,673,042	16,312,207	22,985,249
Total comprehensive deficit for the year	-	(784,558)	(784,558)
As at 31 December 2021	6,673,042	15,527,649	22,200,691
As at 1 January 2022	6,673,042	15,527,649	22,200,691
Total comprehensive deficit for the year	-	(1,294,274)	(1,294,274)
As at 31 December 2022	6,673,042	14,233,375	20,906,417

The accompanying Notes form an integral part of the Financial Statements

THE MALAYSIAN INSURANCE INSTITUTE
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 RM	2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Deficit before tax		(2,403,877)	(784,558)
Adjustments for:			
Depreciation of right-of-use assets	10	1,246,101	915,154
Depreciation of plant and equipment	9	776,148	88,584
Reversal of loss allowance on trade receivables	13	(93,851)	(82,748)
Plant and equipment written-off	7	-	9,333
Finance cost arising from lease liabilities	20	96,188	42,337
Unrealised loss on foreign exchange	7	10,990	-
Interest income from fixed deposits	7	(405,334)	(442,429)
Operating Deficit Before Working Capital Changes		(773,635)	(254,327)
(Increase)/Decrease:			
Inventories		(2,321)	9,428
Trade receivables		(413,408)	113,954
Right-of-use assets		-	(2,954,392)
Other receivables, deposits and prepaid expenses		1,254,698	(1,901,773)
Increase/(Decrease) in:			
Trade payables		17,832	(137,839)
Lease liabilities		-	2,954,392
Other payables and accrued expenses		(791,715)	726,645
Net Cash Used In Operating Activities		(708,549)	(1,443,912)

THE MALAYSIAN INSURANCE INSTITUTE
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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 RM	2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		402,337	441,119
Withdrawal of fixed deposits		4,080,397	1,560,989
Additions to plant and equipment	9	(3,668,812)	-
Net Cash Generated From Investing Activities		813,922	2,002,108
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of finance cost	20	(96,188)	(42,337)
Repayment of lease liability	20	(1,223,237)	(902,665)
Utilisation of Capacity Building Fund	15	-	(1,050,662)
Training Credit Scheme received	19	16,615	24,179
Utilisation of Training Credit Scheme	19	(69,692)	(542,085)
Net Cash Used In Financing Activities		(1,372,502)	(2,513,570)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(1,267,132)	(1,955,374)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		6,268,650	8,224,024
Effect of foreign exchange rate changes		(10,990)	-
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		4,990,528	6,268,650
Cash and cash equivalent consists of:			
Cash and bank balances	16	4,767,470	5,341,816
Fixed deposits with original maturity period of 3 months and below	11	223,058	926,834
		4,990,528	6,268,650

The accompanying Notes form an integral part of the Financial Statements.

THE MALAYSIAN INSURANCE INSTITUTE

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**1. GENERAL INFORMATION**

The Malaysian Insurance Institute (“the Institute”) is a private company limited by guarantee, incorporated and domiciled in Malaysia.

The Institute is engaged in the provision and promotion of insurance education, training and research in insurance and related disciplines. The Institute is the sole examining body for professional insurance examinations in the country leading to the award of the Associateship of the Malaysian Insurance Institute (“AMII”) and Fellowship of the Malaysian Insurance Institute (“FMII”). It is also a membership body of insurance professionals. The Institute is affiliated to other insurance examining institutes internationally and works closely with local institutions of higher learning in promoting the development of insurance education in Malaysia.

There have been no significant changes in the nature of the activities of the Institute during the financial year.

The principal place of business and registered office of the Institute is located at Level 6, Bangunan AICB, No. 10 Jalan Dato’ Onn, 50480 Kuala Lumpur, Malaysia.

The financial statements of the Institute have been authorised by the Board of Directors for issuance on 1 June 2023.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Institute have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards (“IFRSs”) and the requirements of the Companies Act, 2016 in Malaysia.

New Standards and Amendments to MFRSs in Issue but Not Yet Effective

At the date of authorisation for issue of these financial statements, the Amendments to MFRSs that are relevant to the Institute, which have been issued by MASB and which have become effective on 1 January 2023 or which are not yet effective and not early adopted by the Institute are as listed below:

Description	Effective date
Classification of Liabilities as Current or Non-current (Amendments to MFRS 101 Presentation of Financial Statements)	1 January 2023
Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements)	1 January 2023
Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)	1 January 2023

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112 Income Taxes) 1 January 2023

Non-Current Liabilities with Covenants (Amendments to MFRS 101 Presentation of Financial Statements) 1 January 2024

Lease Liability in a Sale and Leaseback (Amendments to MFRS 16 Leases) 1 January 2024

The Institute will adopt the abovementioned Amendments to MFRSs for 31 December 2023 and when they become effective in the following year. The adoption of these Amendments to MFRSs may have an impact to the financial statements of the Institute in the period of initial application. However, it is not practicable to provide a reasonable estimate of the effects until the Institute performs a detailed review.

3. FINANCIAL AND CAPITAL RISK MANAGEMENT POLICIES

The Institute’s financial risk management policies seeks to ensure that adequate financial resources are available for the development of the Institute’s business whilst managing their risks. The Institute operates within guidelines that are approved by the Board and the Institute’s policy is not to engage in speculative transactions.

The main areas of financial risks faced by the Institute and the policies in respect of the major areas of treasury activities are set out as follows:

a. Foreign currency risk

The Institute is exposed to foreign currency risk as a result of its normal operating activities, where the currency denomination differs from the local currency, Ringgit Malaysia (“RM”). The Institute’s policy is to minimise the exposure to foreign currency risk by monitoring and approving requisitions which involves foreign currencies.

No sensitivity analysis is prepared as the Institute does not expect any material effect on the Institute’s deficit after tax and reserves arising from the effect of reasonably possible changes to exchange rates on the foreign currency denominated monetary assets and monetary liabilities at the end of the financial year as the balances are immaterial. The Institute did not engage in any transactions involving financial derivative instruments during the financial year.

b. Credit risk

The credit risk is controlled by not granting any credit to individuals and companies with the exception of entities within the insurance industry, which have a special arrangement with the Institute.

The maximum credit risk associated with recognised financial assets is the carrying amount as shown in the statement of financial position.

The Institute has no significant concentration of credit risk with any single counterparty.

c. Liquidity and cash flow risks

The Institute seeks to achieve a balance between certainty of funding even in difficult times for the markets of the Institute and to meet its cash obligation in a timely and cost-effective manner.

The following tables detail the Institute's remaining contractual maturity for its financial assets and financial liabilities. The tables have been drawn up based on the undiscounted cash flows for financial assets and financial liabilities based on the earlier date on which the Institute expects to earn or may be required to pay. The tables include both interest and principal cash flows.

	Effective interest rate during the year %	Less than 1 year/ On demand RM	More than 1 year RM	Total RM
2022				
Financial assets:				
Fixed deposits and interest receivables	1.70 to 2.75	18,004,470	-	18,004,470
Cash and bank balances (Note 16)	-	4,767,470	-	4,767,470
Trade receivables (Note 13)	-	879,698	-	879,698
Other receivables and refundable deposits	-	763,009	-	763,009
Financial liabilities:				
Trade payables (Note 18)	-	762,604	-	762,604
Other payables	-	460,517	-	460,517
Lease liabilities (Note 20)	5.00	1,054,602	241,582	1,296,184
2021				
Financial assets:				
Fixed deposits and interest receivables	1.70 to 2.05	22,791,642	-	22,791,642
Cash and bank balances (Note 16)	-	5,341,816	-	5,341,816
Trade receivables (Note 13)	-	372,439	-	372,439
Other receivables and refundable deposits	-	514,379	-	514,379
Financial liabilities:				
Trade payables (Note 18)	-	744,772	-	744,772
Other payables	-	507,183	-	507,183
Lease liabilities (Note 20)	5.00	1,319,425	1,296,184	2,615,609

Sensitivity analysis for interest rate

At the end of the financial year, if the interest rates increased or decreased by 25 basis points (2021: 25 basis points), with all other variables held constant, the Institute's surplus for the year will be higher or lower by RM10,466 (2021: RM13,192).

The assumed movement in interest rates for interest rate sensitivity analysis is based on the current observable market environment.

d. Capital risk management

The Institute manages its capital to ensure that the Institute will be able to continue as a going concern, through regular reviews of the capital structure. The capital structure of the Institute consists of general reserves and surplus as disclosed in the statement of changes in equity.

The Institute is not subject to any externally imposed capital requirements.

4. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements of the Institute have been prepared under the historical cost convention, unless otherwise indicated in the accounting policies stated below. The financial statements are presented in Ringgit Malaysia ("RM") which is the Institute's functional currency.

Revenue recognition

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied i.e. when the "control" of the services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise to transfer a distinct service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Institute's customary business practices.

Revenue is measured at the amount of consideration to which the Institute expects to be entitled in exchange for transferring the promised services to the customers, excluding the amounts collected on behalf of third parties such as sales taxes or goods and services taxes. If the amount and consideration vary due to discounts, rebates, refunds or other similar items, the Institute estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices promised in the contract.

Revenue is recognised to the extent that is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Institute offers an extensive range of quality education programmes and training courses for professionals in the insurance and financial services industry. The Institute recognises revenue from the following major source:

Point-in-time revenue:

a. Examination fees

The Institute conducts examinations with a fee which to be paid by its customer. Revenue is recognised for examination, professional qualification and certification fees when the service is completed as this represents the point in time at which the right to consideration becomes unconditional, as only passage of time is required before the payment is due.

b. Training, seminar and conference fees

The Institute conducts trainings, seminars and conferences for the benefit of the industry and its members and such services are recognised as performance obligations satisfied at the point in time. Revenue is recognised upon the performance of the services. Seminar and conferences fees will be recognised during the month of the programme as the duration of these seminar and conferences are short. Revenue from trainings conducted will be recognised at the point in time.

c. E-learning fees and sale of books

For e-learning and sale of books, revenue is recognised when control of the goods has transferred being at the point the customer purchases the goods from the Institute. Payment of the transaction price is due immediately at the point the customer purchases the goods.

Over-time revenue:

a. Membership fees

Membership fees comprise both corporate and individual memberships. Only subscription which is attributable to the current financial year is recognised as revenue. Subscription relating to periods beyond the current financial year is recognised as subscriptions in advance. Deferred income will be recognised accordingly.

b. Professional qualification and certification fees (Class-based)

For fee relating to the classes, the fee for which the classes are conducted are recognised on the current financial year as revenue. Classes to be conducted beyond the current financial year is recognised as fee in advance. Deferred income will be recognised accordingly.

Foreign currency

The Institute's financial statements are presented in the currency of the primary economic environment in which it operates (its functional currency).

In preparing the financial statements of the Institute, transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of the financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the

date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transactions.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items are included in statement of comprehensive income for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in statement of comprehensive income for the year except for differences arising on the retranslation of non-monetary items in respect of gains and losses that are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

Taxation

a. Current income tax

Current income tax assets and liabilities for the current year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted at the end of the financial year in the countries where the Institute operates and generates taxable income.

b. Deferred Tax

Deferred tax is provided for, using the liability method, on temporary differences at the end of the financial year between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted by the end of the financial year. Deferred tax is recognised in statement of comprehensive income, except when it arises from a transaction which is recognised outside statement of comprehensive income (whether in other comprehensive income or directly in equity), in which case the deferred tax is also recognised outside statement of comprehensive income.

The carrying amount of deferred tax assets, if any, is reviewed at the end of the financial year and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Institute intends to settle its current tax assets and liabilities on a net basis.

Employee benefits

a. Short-term benefits

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

b. Defined contribution plans

The Institute is required by law to make monthly contributions to the Employees Provident Fund ("EPF"), a statutory defined contribution plan for all their eligible employees based on certain prescribed rates of the employees' applicable remuneration. Contributions are charged to statement of comprehensive income in the period in which they relate. The Institute's contributions to EPF are disclosed separately and the employees' contributions to EPF are included in employee benefits expense. Once the contributions have been paid, the Institute has no further payment obligations.

Leases - As lessee

The Institute assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee, the Institute applies a single recognition and measurement approach for all lease, except for short-term leases and lease of low-value assets. The Institute recognises lease liability to make lease payment and right-of-use asset representing the right to use the underlying asset.

i. Right-of-use assets

The Institute recognises a right-of-use asset at the lease commencement date. The right-of-use asset is initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability. The cost of right-of-use asset includes the amount of lease liability recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the asset.

ii. Lease liabilities

At the commencement date of the lease, the Institute recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease term payment includes fixed payment less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably

certain to be exercised by the Institute and the payments of penalties for terminating the lease, if the lease term reflects the Institute exercising the option to terminate.

In calculating the present value of lease payments, the Institute uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payment made. In addition, the carrying amount of lease liabilities are remeasured if there is a modification, a change in the lease term, a change in the lease payment or a change in the assessment of an option to purchase the underlying asset.

iii. Short-term leases and leases of low-value assets

The Institute has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (less than RM20,000 individually). The Institute recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Impairment of non-financial assets

At the end of the financial year, the Institute reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, the Institute estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating unit, or otherwise they are allocated to the smallest group of cash-generating unit for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of comprehensive income.

Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and any impairment loss.

Subsequent cost is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Institute and the cost can be measured reliably. The carrying amount of the part of the asset being replaced is derecognised. All other repairs and maintenance costs are charged to statement of comprehensive income in the year in which they are incurred.

Depreciation of plant and equipment are computed on the straight-line method at the following annual rates based on the estimated useful lives of the various plant and equipment:

Furniture and fittings, audio visual and office equipment	10% - 33.33%
Motor vehicles	20%
Computers and peripherals	20% - 33.33%
Renovation	20% - 33.33%

At the end of the financial year, the residual values, useful lives and depreciation method of the plant and equipment are reviewed, and the effects of any changes are recognised prospectively.

An item of plant 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 on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset, and is recognised in statement of comprehensive income.

Inventories

Inventories are valued at the lower of cost and net realisable value. Inventories represent books and publications for sale.

In arriving at net realisable value, impairment is made for obsolete and slow-moving inventories.

Cost includes the cost of purchase plus the cost incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated cost necessary to make the sale.

Provisions

Provisions are made when the Institute has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is



material, the amount of provision is the present value of the expenditure expected to be required to settle the obligation. Provisions are reversed if it is no longer probable that the Institute will be required to settle the obligation.

Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. 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, on 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.

a. Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Institute changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

i. Amortised cost

Amortised cost category comprises financial assets that are held within the business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding. The financial assets are not designated as at Fair Value Through Profit or Loss ("FVTPL").

Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Any gains or losses on derecognition is recognised in statement of comprehensive income.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised costs.

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period.

The effective interest rate is the rate that exactly discounts the estimated future cash receipts or payments through the expected life of the financial assets, or where appropriate, a shorter period.

All financial assets, except those measured at FVTPL, are subject to impairment assessment.

b. Financial Liabilities

Financial liabilities not categorised as FVTPL are categorised as other financial liabilities, which subsequently measured at amortised cost using the effective interest method. Interest expense is recognised in the statement of comprehensive income. Any gains or losses on derecognition are also recognised in statement of comprehensive income. Other financial liabilities comprising payables and accrued expenses.

c. Derecognition

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

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

On derecognition of a financial asset in its entirety, the difference between the financial asset's carrying amount and the sum of consideration received and receivable and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in statement of comprehensive income.

A financial liability is derecognised when, and only when the obligation specified in the contract is discharged, cancelled or expires.

A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid is recognised in statement of comprehensive income.

Impairment of financial assets

The Institute recognises estimated credit loss ("ECL") on financial assets measured at amortised cost. ECLs are a probability-weighted estimate of credit losses. The Institute measures loss allowance at an amount equal to lifetime expected credit loss, except for other receivables, capacity building fund, fixed deposits and cash and bank balances that are determined to have low credit risk at the reporting date or the credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowance for trade receivables is always measured at an amount equal to lifetime expected credit loss.

The Institute considers reasonable and supportable information that is relevant and available without undue cost or effort when assessing the ECL. This includes both quantitative and qualitative information and analysis, based on the Institute's historical experience and forward-looking information, where available.

Lifetime ECLs are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month ECLs are the portion of expected credit losses that result from default events that are possible within the 12 months after the end of the financial year.

An impairment loss in respect of financial assets measured at amortised cost is recognised in statement of comprehensive income and the carrying amount of the asset is reduced through the use of an allowance account.

Classification as debt or equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements.

Fair value measurement

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

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

The principal or the most advantageous market must be accessible to by the Institute. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

Level 2 - Valuation techniques for which all inputs that are significant to the fair value measurement are directly or indirectly observable.

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

Cash and cash equivalents

The Institute adopts the indirect method in the preparation of the statement of cash flows. Cash equivalents are short-term, highly liquid investments and are readily convertible to cash with insignificant risk of changes in value.

Cash and cash equivalent include cash, cash in banks and fixed deposits with licensed financial institutions with original maturity periods of three months or less, which have an insignificant risk of changes in value and are readily convertible to a known amount.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

a. Critical judgements in applying the Institute's accounting policies

In the process of applying the Institute's accounting policies as described in Note 4 above, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

b. Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the financial year that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

6. REVENUE

	2022 RM	2021 RM
Revenue recognised at point-in-time:		
Examination fees	5,902,617	7,612,292
Training, seminar and conference fees	2,010,339	1,562,872
E-learning	873,611	942,150
Sale of books	85,470	82,901
	8,872,037	10,200,215
Revenue recognised over time:		
Professional qualification and certification fees	2,034,357	1,786,670
Membership fees	837,513	809,008
	2,871,870	2,595,678
	11,743,907	12,795,893

Revenue of the Institute is generated from Malaysia.

7. OPERATING DEFICIT

In addition to the employee benefits expenses and depreciation of plant and equipment and right-of-use assets, operating deficit is arrived at after crediting/(charging):

	2022 RM	2021 RM
Other income	86,312	93,195
Interest income from fixed deposits	405,334	442,429
Finance costs (Note 20)	96,188	42,337
(Loss)/Gain on foreign exchange:		
Realised	(6,847)	487
Unrealised	(10,990)	-
Expenses relating to:		
Short-term leases	(320,589)	(523,848)
Leases of low value assets	(102,179)	(51,831)
Reversal of loss allowance on trade		
receivables (Note 13)	93,851	82,748
Plant and equipment written off	-	(9,333)
Auditors' remuneration	(60,000)	(45,000)
Directors' fee	(5,000)	(16,500)

Employee benefits expense include salaries, contributions to EPF and all other staff related expenses. During the financial year, contributions of EPF made by the Institute amounted to RM778,741 (2021: RM929,323).

Included in other income is Hibah, a voluntary gift on savings account with licenced banks, amounting to RM25,723 (2021: RM15,902).

8. TAX RECOVERABLE

	2022 RM	2021 RM
Over-provision of prior year tax	1,109,603	-
Tax recoverable	1,109,603	-
<p>For tax purposes, the Institute is treated as a "Trade Association" under Section 53(3) of the Income Tax Act 1967 under which its income is taxed at scale rates.</p> <p>A numerical reconciliation of tax recoverable applicable to the deficit before tax at the statutory income tax rate to tax credit at the effective tax rate of the Institute is as follows:</p>		
	2022 RM	2021 RM
Deficit before tax	(2,403,877)	(784,558)
Tax at 28%	673,086	219,676
Tax effects of:		
Expenses not deductible for tax purposes	(504,890)	(108,422)
Income not subject to tax	17,966	23,617
Deferred tax assets not recognised	(186,162)	(134,871)
Over-provision of prior year tax	1,109,603	-
Tax recoverable for the year	1,109,603	-

9. PLANT AND EQUIPMENT

	Furniture and fittings, audio visual and office equipment RM	Motor Vehicles RM	Computers and peripherals RM	Renovation RM	Total RM
Cost					
At 1 January 2021	833,642	217,004	4,136,491	14,226	5,201,363
Reclassification to Capacity Building Fund (Note 15)	-	-	(160,000)	-	(160,000)
Write-offs	(657,676)	-	(2,049,030)	(14,226)	(2,720,932)
At 31 December 2021/1 January 2022	175,966	217,004	1,927,461	-	2,320,431
Additions	953,780	-	76,400	2,638,632	3,668,812
At 31 December 2022	1,129,746	217,004	2,003,861	2,638,632	5,989,243
Accumulated Depreciation					
At 1 January 2021	816,838	143,695	3,886,636	14,226	4,861,395
Charge for the year	5,290	24,436	58,858	-	88,584
Write-offs	(648,900)	-	(2,048,473)	(14,226)	(2,711,599)
At 31 December 2021/1 January 2022	173,228	168,131	1,897,021	-	2,238,380
Charge for the year	187,085	24,436	36,901	527,726	776,148
At 31 December 2022	360,313	192,567	1,933,922	527,726	3,014,528
Net Carrying Amount					
At 31 December 2022	769,433	24,437	69,939	2,110,906	2,974,715
At 31 December 2021	2,738	48,873	30,440	-	82,051

Included in plant and equipment of the Institute are fully depreciated assets which are still in use, costing RM2,082,723 (2021: RM1,915,278).

10. RIGHT-OF-USE ASSETS

	2022 RM	2021 RM
Cost		
At beginning of year	2,954,303	1,888,538
Additions	-	2,954,392
Write off	-	(1,888,627)
At end of year	2,954,303	2,954,303
Accumulated Depreciation		
At beginning of year	490,077	1,465,365
Charge for the year	1,246,101	915,154
Write off	-	(1,890,442)
At end of year	1,736,178	490,077
Net Carrying Amount	1,218,125	2,464,226

The Institute has lease arrangements for its office premises and other facilities such as computer labs and training rooms. The contractual lease terms comprise a lease for 3 years and another lease for 1 year. Both lease arrangements commenced on 1 April 2021.

11. FIXED DEPOSITS

Fixed deposits placed with licensed banks earn interest at rates ranging from 1.70% to 2.75% (2021: 1.70% to 2.05%). The fixed deposits with original maturity period of 3 months and below and original maturity period of more than 3 months have with average maturity period of 91 days (2021: 91 days) and 194 days (2021: 199 days) respectively. The Institute's fixed deposits placements as at 31 December 2022 are as below:

	2022 RM	2021 RM
Original maturity period of 3 months and below	223,058	926,834
Original maturity period of more than 3 months	17,687,009	21,767,406
At end of year	17,910,067	22,694,240

12. INVENTORIES

	2022 RM	2021 RM
Bookshop books:		
At cost	55,073	52,752

The cost of inventories recognised as an expense for the year was RM21,068 (2021: RM22,815).

13. TRADE RECEIVABLES

	2022 RM	2021 RM
Third parties	911,099	497,691
Less: Loss allowances	(31,401)	(125,252)
Net	879,698	372,439

Trade receivables comprise amounts receivable from customers for academic and training courses conducted. These are non-interest bearing and recognised at their original invoice amounts which represent their fair values on initial recognition. The Institute allows credit to customers with special arrangements with the Institute, subject to approval. Credit terms of approved trade receivables is 90 days (2021: 90 days). No interest is charged on outstanding trade receivables.

Movements in loss allowance accounts used to record the impairment loss and the analysis of the Institute's trade receivables that are individually and collectively impaired at the reporting date are as follows:

	Individually Impaired RM	Collectively Impaired RM	Total RM
<u>Movement in loss allowance accounts</u>			
At 1 January 2021	206,562	1,438	208,000
(Decrease)/Increase in impairment for the year	(93,396)	10,648	(82,748)
At 31 December 2021	113,166	12,086	125,252
At 1 January 2022	113,166	12,086	125,252
(Decrease)/Increase in impairment for the year	(113,166)	19,315	(93,851)
At 31 December 2022	-	31,401	31,401

The Institute measures the loss allowance for trade receivables at an amount equal to lifetime Estimated Credit Loss (“ECL”).

The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor’s current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate should there be any and an assessment of both the current as well as the forecast direction of conditions at the end of the financial year.

The Institute writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of

recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

The following table details the risk profile of trade receivables based on the Institute’s provision matrix. As the Institute’s historical credit loss experience does not show significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Institute’s different customer base.

	← Days not past due →			← Days past due →		Total RM
	< 30 RM	31 - 60 RM	61 - 90 RM	91 - 120 RM	> 120 RM	
As at 31 December 2022						
Gross carrying amount	633,632	179,912	56,427	27,028	14,100	911,099
Lifetime ECL	28,322	1,188	1,858	-	33	31,401
As at 31 December 2021						
Gross carrying amount	277,917	64,600	23,637	17,798	113,739	497,691
Lifetime ECL	230	81	36	14	124,891	125,252

As at 31 December 2022, trade receivables with a total of RM41,095 (2021: RM6,632) were past due but not impaired. Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Institute. In determining the recoverability of a trade receivable, the Institute considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the financial year.

14. OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES

	2022 RM	2021 RM
Other receivables	361,501	111,720
Interest receivable	94,404	97,401
Refundable deposits	401,508	402,659
Renovation expenses	-	1,894,304
Prepaid expenses	773,092	376,119
	1,630,505	2,882,203

15. CAPACITY BUILDING FUND

	2022 RM	2021 RM
At beginning of year	2,722,551	3,933,213
Payments	-	(1,050,662)
Reclassification to plant and equipment (Note 9)	-	160,000
At end of year	2,722,551	2,722,551

Following the idea of having a permanent funding mechanism from the industry, Bank Negara Malaysia initiated the move to set up a capacity building fund to be

jointly funded by Bank Negara Malaysia and the insurance industry. The basis of the contribution is that Bank Negara Malaysia will match Ringgit-for-Ringgit the contribution by the insurance industry. The fund will be channelled through the Board of Trustees of Asian Institute of Finance, which will disburse the necessary funds for any approved projects.

The balance of RM2,722,551 (2021: RM2,722,551) as at 31 December 2022 is an excess of fund received from the Asian Institute of Finance ("AIF") which comprises advance payments for the approved ongoing projects and is repayable on demand.

16. CASH AND CASH EQUIVALENTS

	2022 RM	2021 RM
Cash and bank balances	4,767,470	5,341,816
Original maturity period of 3 months and below	223,058	926,834
	4,990,528	6,268,650

Cash and bank balances are denominated in the following currencies:

	2022 RM	2021 RM
Ringgit Malaysia	4,621,052	5,291,894
United States Dollar	146,418	49,922
	4,767,470	5,341,816

17. GENERAL RESERVES

General reserves arose mainly from contributions by insurance companies, brokers, agents and adjusters and the surplus arising on the disposal of a subsidiary company in prior years.

18. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

Trade payables comprise amounts outstanding for trade purchases and ongoing costs. These payables are non-interest bearing and the credit period granted to the Institute for trade purchases ranges from 30 days to 90 days (2021: 30 days to 90 days).

Other payables and accrued expenses consist of the following:

	2022 RM	2021 RM
Other payables	460,517	507,183
Accrued expenses	1,323,923	2,281,462
Deferred income	686,474	473,984
	2,470,914	3,262,629

19. TRAINING CREDIT SCHEME

	2022 RM	2021 RM
At beginning of year	457,427	975,333
Additions	16,615	24,179
Utilisations	(69,692)	(542,085)
At end of year	404,350	457,427

The MII Training Credit Scheme was mooted during the Extraordinary General Meeting of the bondholders of Zero Coupon Bonds on 14 November 2017 by Bank Negara Malaysia ("BNM") as an initiative to the bondholders to have the redemption sum converted into training credits. The scheme was then established following the redemption of the Zero Coupon Bond on 4 November 2019.

The Training Credit Scheme will be utilised by participating companies to offset against training fees for subscribed courses provided by MII or an approved training provider.

The objective of the scheme is to promote a lifelong learning culture and to boost investment in talent development and capacity building initiatives by insurance industry players.

20. LEASE LIABILITIES

	2022 RM	2021 RM
At beginning of year	2,479,360	427,633
Additions	-	2,954,392
Finance costs (Note 7)	96,188	42,337
Repayments of lease liability	(1,223,237)	(902,665)
Repayments of finance costs	(96,188)	(42,337)
At end of year	1,256,123	2,479,360
Non-Current Liabilities	239,583	1,256,123
Current Liabilities	1,016,540	1,223,237
At end of year	1,256,123	2,479,360

The incremental borrowing rate applied to the lease liability recognised in the statement of financial position is 5.00% (2021: 5.00%).

21. CAPITAL COMMITMENTS

As of the end of the financial year, the Institute has the following capital commitments in respect of plant and equipment:

	2022 RM	2021 RM
Approved but not contracted for	1,060,500	1,517,460

22. RENTAL COMMITMENTS

As of the end of the financial year, the Institute has the following rental commitment which have been exempted under MFRS 16 due to the leases of low-value assets and short-term leases:

	Future Minimum Lease Payments	2021 RM
	2022 RM	
Financial years ending 31 December, 2023	244,536	276,178
2024 onwards	330,124	574,660
	574,660	850,838

23. COMPENSATION OF KEY MANAGEMENT PERSONNEL

The compensation of key management personnel which comprises key members of senior management of the Institute during the financial year are as follows:

	2022 RM	2021 RM
Short-term employee benefits	1,756,464	1,753,962
Contributions to EPF	248,811	255,851
	2,005,275	2,009,813

24. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2022 RM	2021 RM
Financial assets		
Fixed deposits and interest receivables	18,004,470	22,791,642
Cash and bank balances	4,767,470	5,341,816
Trade receivables	879,698	372,439
Other receivables and refundable deposits	763,009	514,379
Financial assets at amortised cost	24,414,647	29,020,276
Financial liabilities		
Trade payables	762,604	744,772
Other payables	460,517	507,183
Lease liabilities	1,256,123	2,479,360
Financial liabilities at amortised cost	2,479,244	3,731,316

The carrying amounts of all financial assets and liabilities of the Institute at the end of the financial year approximate their fair values due to their short term maturity and the immaterial impact of discounting.

THE MALAYSIAN INSURANCE INSTITUTE
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

The directors of THE MALAYSIAN INSURANCE INSTITUTE state that, in their opinion, the financial statements give a true and fair view of the financial position of the Institute as at 31 December 2022 and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Signed in accordance with
a resolution of the Directors,

ANTONY FOOK WENG LEE
(CHAIRMAN)

Kuala Lumpur,
1 June 2023

EZAMSHAH BIN ISMAIL
(DIRECTOR)

DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE INSTITUTE

I, **JAYA KOHLI** the officer primarily responsible for the financial management of **THE MALAYSIAN INSURANCE INSTITUTE**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

JAYA KOHLI

Subscribed and solemnly declared by the abovenamed
JAYA KOHLI at **KUALA LUMPUR** this 1st day of June, 2023

Before me,

COMMISSIONER FOR OATHS

THE MALAYSIAN INSURANCE INSTITUTE

Institute No. 197701004772 (35445 - H)
(Incorporated in Malaysia as an Institute limited by
guarantee and not having a share capital)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (In Ringgit Malaysia)

These Audited Financial Statements of the Institute with Qualified
Auditors' Report for the financial year ended 31 December 2022 were
tabled at the Annual General Meeting or Adjourned Annual General
Meeting held on

ANTONY FOOK WENG LEE

AUDIT COMMITTEE



1. Constitution

The Audit Committee is established by the Board of Directors (the Board) to implement and support the oversight function of the Board relating to:

- adequacy and effectiveness of MII's governance, risk management and control practices and potential improvements to those practices; and
- provision of a line of communication, through regular scheduled or ad-hoc and private discussion, between the Board and the external as well as the internal auditors.

2. Membership and Composition

The members of the Audit Committee are appointed by the Board. The Audit Committee comprises no fewer than 3 members, all of whom are non-executive directors. The Chairman is either appointed by the Board or elected by members of the Audit Committee from among themselves.

3. Authority

The Audit Committee is authorised by the Board to review or investigate any activity within the authority stipulated in its Terms of Reference. It has full and unrestricted access to any information, records, personnel, and properties of MII.

The Audit Committee is also authorised to have access to independent professional or external legal advice, and to secure attendance of outsiders with relevant experience and expertise, whenever it is deemed necessary. MII will meet the cost of such advice or attendance.

4. Meeting and Quorum

The Audit Committee meets at least 3 times each year. The quorum for each meeting is 2 members, which must include the Chairman.

The Chief Executive Officer and the Head of Internal Audit are required to attend each meeting. Any other directors and employees of MII or outsiders may attend the meeting upon invitation of the Audit Committee. The Audit Committee meets with the external auditors at least once a year.

In 2022, the Audit Committee met virtually 3 times on 22 April, 27 July, and 13 December. The record of attendance is as follows:

Members	Attendance
En. Ezamshah Ismail (Chairman)	3/3
Mr. Tan Kok Guan	3/3
Mr. Rangam Bir	3/3
Ms. Lau Chin Ching	2/3

The number of meetings conducted complied with the minimum requirement of 3 meetings per annum as stipulated in the Terms of Reference. The Chairman of the Audit Committee or, in his stead, a member of the Audit Committee reported to the Board on all significant matters deliberated in each meeting.

5. Duties

The main duties of the Audit Committee are:

- to consider the appointment of a suitable accounting firm to act as external auditors. Among the factors that may be considered are adequacy of experience and resources of the firm, credentials of the persons assigned to the audit, and amount of the audit fee;
- to approve the appointment and termination of the Head of Internal Audit;
- to review the external and internal auditors' audit plans, nature, and scope;
- to review the external auditors' evaluation of the quality and the effectiveness of the system of internal accounting controls;
- to review the internal auditors' audit reports and evaluation of the governance, risk management, and control processes;
- to review and provide advice on the systems and practices established by Management to monitor compliance with laws, regulations, policies, and standards of ethical conduct, and identify and deal with any legal or ethical violations;
- to provide oversight on significant risk exposures and control issues, including fraud risks and governance issues;
- to review the interim (if any) and the annual audited financial statements;
- to review the external auditors' management letter and management response; to review the co-operation or assistance given by Management to the external and internal auditors;
- to examine the appropriateness of the adopted accounting and business/operating policies and practices;
- to review any related party transactions that may arise within MII and its subsidiary companies (if any);
- to review any letter of resignation from the external auditors;
- to review whether there is a reasonable ground to believe that the external auditors are not independent and/or not suitable for reappointment;
- to review the appointment of external auditors for non-audit works to ensure the independence of the external auditors is not compromised by the non-audit works; and
- to undertake additional duties as may be appropriate and necessary as requested by the Board.

6. Highlight of Activities

The Audit Committee undertook the following duties in 2022:

- reviewed the Audited Financial Statements for the year ended 31 December 2021;
- approved the 2023 Internal Audit Plan;
- reviewed the Internal Audit reports pertaining to E-learning unit, Risk Management unit, and Membership unit; considered and endorsed Internal Audit's recommendations and Management's responses; approved the approach for engaging an assurance provider to conduct IT audit; and reviewed the Audit Findings Dashboard and implementation of the agreed remedial actions.

7. Internal Audit Department

MII has a dedicated Internal Audit department which was established in 2002. The Internal Audit department assists the Audit Committee and the management on matters pertaining to governance, risk management and control processes. The department is currently staffed with 2 personnel, including the Head of Internal Audit who reports functionally to the Audit Committee and administratively to the Chief Executive Officer.



THE MALAYSIAN INSURANCE INSTITUTE
[Registration Number: 197701004772 (35445-H)]
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 45th Annual General Meeting of **THE MALAYSIAN INSURANCE INSTITUTE** ["the Company" or "MII"] will be held at Executive Forum Bangunan AICB, No. 10 Jalan Dato' Onn, 50480 Kuala Lumpur on Tuesday, 27 June 2023 at 10:00 a.m. to consider the following matters:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors' and Auditors' thereon. *Explanatory Notes A*
2. To re-elect the following Directors who retire pursuant to Article 72(3)(b) of the Company's Constitution and who being eligible offer themselves for re-election:
 - (i) Mr. Ezamshah Bin Ismail *Ordinary Resolution 1*
 - (ii) Mr. T. Sivapalan A / L Tharmapalan *Ordinary Resolution 2*
3. To re-appoint Messrs. Ernst & Young PLT as Auditors of the Company, to hold office until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration. *Ordinary Resolution 3*

SPECIAL BUSINESS

To consider and if thought fit, to pass the following ordinary resolution, with or without modifications:

4. Proposed Directors' Benefits *Ordinary Resolution 4*

To approve the payment of directors' meeting allowance of RM500 per meeting, payment of MII membership fees and subscriptions fees by MII for its directors effective from the conclusion of the 45th Annual General Meeting until the conclusion of the 46th Annual General Meeting.
5. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.

By Order of the Board


SUZANA BINTI AHMAD
Bar Council No. BC/S/356
SSM PC No.: 201908003317
Company Secretary

Kuala Lumpur
Dated: 2 June 2023

NOTES:

- a. A member entitled to attend and vote at this meeting is entitled to appoint one proxy or accredited representative respectively to attend and vote in his stead.
- b. Only an Individual Member shall be a proxy and no proxy shall be a proxy for more than two (2) Individual Members.
- c. The instrument appointing a proxy or accredited representative and the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy thereof shall be deposited at the Company's Registered Office at Level 6, Bangunan AICB 10, Jalan Dato' Onn 50480, Kuala Lumpur or send by any electronic means not less than forty-eight (48) hours before the time appointed for holding the meeting or adjournment meeting at which the person named in the instrument proposes to vote.

Explanatory Notes A:

1. Audited Financial Statements for the financial year ended 31st December 2022

This item of the Agenda is meant for discussion only, as the provision of Section 340(1) (a) of the Companies Act 2016 ["CA 2016"] does not require the shareholders to formally approve the Audited Financial Statements. Hence, this item is not put forward for voting. The Annual Report and Financial Statements can also be accessed and obtained through our homepage address, www.insurance.com.my.
2. Ordinary Resolution 4 - Proposed Directors' Benefits

Section 230(1)(a) of the Companies Act 2016 provides that the fees of the directors and any benefits payable to directors of a public company shall be approved at a general meeting. As a matter of policy, MII Board members do not receive directors' fees.

The proposed Ordinary Resolution No.4, if duly passed, is to pay a meeting attendance allowance of RM500 per meeting to all MII Directors who are not employed in the insurance industry or by Bank Negara Malaysia (hereinafter referred to as "the Retiree Directors") for all Board and Board Committees' meetings attended by the Retiree Directors and all meetings attended by the Retiree Director(s) in which they/he/she sit(s) in as an official representative(s) of MII, and also to allow MII to pay the annual membership fees and subscriptions fees for and on behalf of the Directors who are not receiving Directors' fees for their voluntary service to sit and serve on MII Board.

THE MALAYSIAN INSURANCE INSTITUTE
[Registration Number:197701004772 (35445-H)]
(Incorporated in Malaysia)

Membership
No.

PROXY / ACCREDITED REPRESENTATIVE FORM

I/We.....
(in block letters)

I/C No. / Passport No. Co. No.of.....
(Full address)

being an Individual / Institutional Member of **THE MALAYSIAN INSURANCE INSTITUTE** ["the Company" or "MII"] hereby appoint the following person:

Name of Proxy/ Accredited Representative	NRIC No./	Membership No.	Mobile No.	Email	Address

or failing him/her

Alternate Proxy					

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 45th Annual General Meeting of the Company, to be held at Executive Forum Bangunan AICB, No. 10 Jalan Dato' Onn, 50480 Kuala Lumpur on Tuesday, 27 June 2023 at 10.00 am or at any adjournment thereof

My proxy/ our nominee is to vote as indicated below:

Ordinary Business	For	Against
1 <u>Ordinary Resolution 1</u> To re-elect Mr. Ezamshah Bin Ismail as Director of the Company.		
2 <u>Ordinary Resolution 2</u> To re-elect Mr. T. Sivapalan A / L Tharmapalan as Director of the Company.		
3 <u>Ordinary Resolution 3</u> To re-appoint Messrs. Ernst & Young PLT as Auditors of the Company, to hold office until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.		

4	<u>Ordinary Resolution 4</u> To approve the payment of directors' meeting allowance of RM500 per meeting, payment of MII membership fees and subscriptions fees by MII for its directors effective from the conclusion of the 45th Annual General Meeting until the conclusion of the 46th Annual General Meeting.		
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Please indicate with a "√" or "X" in the space provided how you wish your vote to be cast. If no instructions as to voting is given, the proxy(ies) will vote or abstain from voting at his/her discretion.

Dated this _____ day of _____ 2023

Signature(s) of member(s)

*strike out whichever is not desired.

NOTES:

- A member entitled to attend and vote at this meeting is entitled to appoint one proxy or accredited representative respectively to attend and vote in his stead.
- Only an Individual Member shall be a proxy and no proxy shall be a proxy for more than two (2) Individual Members.
- The instrument appointing a proxy or accredited representative and the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy thereof shall be deposited at the Company's Registered Office at Level 6, Bangunan AICB 10, Jalan Dato' Onn 50480, Kuala Lumpur or send by any electronic means not less than forty-eight (48) hours before the time appointed for holding the meeting or adjournment meeting at which the person named in the instrument proposes to vote.

CORPORATE INFORMATION

BOARD OF DIRECTORS



Chairman

Antony Fook Weng Lee
CEO, AIG Malaysia Insurance Berhad
Chairman, General Insurance Association
of Malaysia (PIAM)

Directors

Loh Guat Lan
MII Director
Group Managing Director / Chief Executive Officer,
Hong Leong Assurance Berhad
President, Life Insurance Association of
Malaysia (LIAM)

Lau Chin Ching
MII Director
Director, Financial Development and Innovation
Department, Bank Negara Malaysia

Vicknesaratnam A/L Kathirasu Rajaratnam
MII Director
Advisor, Howden Insurance Brokers Sdn. Bhd
Chairman, Malaysian Insurance
and Takaful Brokers Association (MITBA)

Saw Lip Kong, Benildus, FMII
MII Director,
Managing Director & CEO, Justicia Adjusters
SdnBhd
Chairman, Association of Malaysian
Loss Adjusters (1981)

Ezamshah Ismail
MII Director
Senior Teaching Fellow, International Centre
for Education in Islamic Finance (INCEIF)

Rangam Bir, FMII
MII Director
Managing Director, AmMetLife Insurance Berhad

Tan Kok Guan, SnrAMII, ACII, FCILA, FIFAA
MII Director
CEO/Executive Director, LPI Capital Berhad

T. Sivapalan A/L Tharmapalan, SnrAMII,
Chartered Insurer
MII Director
Marketing Director, HDI Global SE Labuan

Zainal Abidin Mohd Noor, FMII
MII Director
Director/CEO, Sentinel Insurance Brokers Sdn Bhd



Interim Chief Executive Officer

Jaya Kohli
(Appointed on 1st February 2023)
Shalini Pavithran
(Resigned on 31st January 2023)



Bankers

Malayan Banking Berhad
RHB Bank Berhad



Company Secretaries

Datuk Tan Leh Kiah (MAICSA: 0719692)
Ms. Suzana Binti Ahmad (BC/S/356)



MII Website and Contact

www.insurance.com.my
customercare@mii.org.my
+603 2712 8882



Auditors

Ernst & Young PLT
Chartered Accountants



Registered Office and Business Address

Level 6, Bangunan AICB,
No. 10 Jalan Dato' Onn,
50480 Kuala Lumpur, Malaysia
197701004772 (35445-H)