

MSIG Insurance (Malaysia) Bhd

(Company No. 197901002705 (46983-W))

(Incorporated in Malaysia)

**Condensed interim financial statements –
unaudited for the financial period from
1 January 2024 to 30 June 2024**

MSIG Insurance (Malaysia) Bhd

(Company No. 197901002705 (46983-W))

(Incorporated in Malaysia)

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MSIG Insurance (Malaysia) Bhd

(Company No. 197901002705 (46983-W))

(Incorporated in Malaysia)

Condensed statement of financial position as at 30 June 2024 – unaudited

	Note	Group 30.06.2024 RM'000	Company 30.06.2024 RM'000	Group 31.12.2023 RM'000	Company 31.12.2023 RM'000
Assets					
Plant and equipment		9,007	9,007	10,075	10,075
Right-of-use assets		10,919	10,919	12,827	12,827
Investment property		106	106	108	108
Intangible assets		4,705	4,705	5,619	5,619
Goodwill		1,141,224	1,141,224	1,141,224	1,141,224
Financial investments					
- Fair value through profit or loss	6	2,625,063	2,562,742	2,376,966	2,375,207
- Amortised cost	6	988,813	988,813	1,190,027	1,190,027
Deferred tax assets		-	-	-	-
Reinsurance contract assets	9	519,609	519,609	636,734	636,734
Receivables	7	58,876	47,625	85,618	46,304
Cash and cash equivalents	8	506,287	457,003	278,090	226,558
Total assets		5,864,609	5,741,753	5,737,288	5,644,683
Equity					
Share capital		1,511,546	1,511,546	1,511,546	1,511,546
Reserves		1,677,502	1,677,502	1,779,234	1,779,234
Total equity		3,189,048	3,189,048	3,290,780	3,290,780
Liabilities					
Insurance contract liabilities	9	2,060,004	2,060,004	2,190,389	2,190,389
Lease liabilities		11,912	11,912	14,468	14,468
Other payables	10	551,636	428,780	214,197	121,592
Deferred tax liabilities		29,280	29,280	13,738	13,738
Tax payable		22,729	22,729	13,716	13,716
Total liabilities		2,675,561	2,552,705	2,446,508	2,353,903
Total equity and liabilities		5,864,609	5,741,753	5,737,288	5,644,683

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

MSIG Insurance (Malaysia) Bhd

(Company No. 197901002705 (46983-W))

(Incorporated in Malaysia)

Condensed statement of profit or loss and other comprehensive income for the 6 months period ended 30 June 2024 – unaudited

	Group 6 months period ended 30.06.2024 RM'000	Company 6 months period ended 30.06.2024 RM'000	Group 6 months period ended 30.06.2023 RM'000	Company 6 months period ended 30.06.2023 RM'000
Insurance revenue	842,486	842,486	813,033	813,033
Insurance service expenses	(569,628)	(569,628)	(560,681)	(560,681)
Net expenses from reinsurance contracts	(126,992)	(126,992)	(133,021)	(133,021)
Insurance service result	145,866	145,866	119,331	119,331
Investment income	76,003	76,625	61,032	53,283
Realised gains and losses	14,464	14,751	(10,957)	(1,413)
Fair value gains and losses	37,798	33,118	27,366	21,935
Net investment income	128,265	124,494	77,441	73,805
Net finance expenses from insurance contracts	(28,214)	(28,214)	(28,532)	(28,532)
Net finance income from reinsurance contracts	7,955	7,955	9,395	9,395
Net insurance finance expenses	(20,259)	(20,259)	(19,137)	(19,137)
Net insurance and investment result	253,872	250,101	177,635	173,999
Other income	1,050	1,050	1,948	1,948
Other operating expenses	(9,408)	(8,181)	(4,317)	(2,865)
Other finance costs	(203)	(203)	(832)	(832)
Profit before income tax	245,311	242,767	174,434	172,250
Income tax expenses	(47,707)	(47,707)	(34,464)	(34,464)
Profit for the period	197,604	195,060	139,970	137,786
Profit attributable to :				
Owners of the Company	195,060	195,060	137,786	137,786
Non-controlling interest	2,544	-	2,184	-
	197,604	195,060	139,970	137,786

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

MSIG Insurance (Malaysia) Bhd

(Company No. 197901002705 (46983-W))

(Incorporated in Malaysia)

Condensed statement of profit or loss and other comprehensive income for the 6 months period ended 30 June 2024 – unaudited (continued)

	Group 6 months period ended 30.06.2024 RM'000	Company 6 months period ended 30.06.2024 RM'000	Group 6 months period ended 30.06.2023 RM'000	Company 6 months period ended 30.06.2023 RM'000
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Net finance (expenses)/income from insurance contracts, net of tax	(1,481)	(1,481)	(2,450)	(2,450)
Net finance income/(expenses) from reinsurance contracts, net of tax	1,186	1,186	658	658
Other comprehensive loss for the period, net of tax	<u>(295)</u>	<u>(295)</u>	<u>(1,792)</u>	<u>(1,792)</u>
Total comprehensive income for the period	<u>197,309</u>	<u>194,765</u>	<u>138,178</u>	<u>135,994</u>
Total comprehensive income attributable to :				
Owners of the Company	194,765	194,765	135,994	135,994
Non-controlling interest	2,544	-	2,184	-
	<u>197,309</u>	<u>194,765</u>	<u>138,178</u>	<u>135,994</u>
Basic earnings per share (sen)	<u>58.6</u>	<u>58.6</u>	<u>41.4</u>	<u>41.4</u>

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

MSIG Insurance (Malaysia) Bhd

(Company No. 197901002705 (46983-W))

(Incorporated in Malaysia)

Condensed statement of changes in equity for the 6 months period ended 30 June 2024 – unaudited

	/-----Attributable to owners of the Group and the Company-----/				
	/-----Non-distributable-----/		Distributable		
	Share capital RM'000	Fair value reserve RM'000	Insurance finance reserve RM'000	Retained earnings RM'000	Total equity RM'000
<u>Group and Company</u>					
At 1 January 2024	1,511,546	-	2,066	1,777,168	3,290,780
Net finance loss from insurance contracts, net of tax	-	-	(295)	-	(295)
Total other comprehensive loss for the period	-	-	-	-	-
Profit for the period	-	-	-	195,060	195,060
Total comprehensive income for the period	-	-	(295)	195,060	194,765
Dividends recognised during the period	-	-	-	(296,497)	(296,497)
At 30 June 2024	1,511,546	-	1,771	1,675,731	3,189,048

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

MSIG Insurance (Malaysia) Bhd

(Company No. 197901002705 (46983-W))

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**Condensed statement of changes in equity for the 6 months period ended
30 June 2024 – unaudited (continued)**

	/-----Attributable to owners of the Group and the Company-----/				
	/-----Non-distributable-----/		Distributable		
	Share capital RM'000	Fair value reserve RM'000	Insurance finance reserve RM'000	Retained earnings RM'000	Total equity RM'000
<u>Group and Company</u>					
At 1 January 2023, restated	1,511,546	(21,264)	4,574	1,735,774	3,230,630
Adjustment on initial application of MFRS 9, net of tax	-	21,264	-	(21,264)	-
Balance at 1 January 2023, restated	1,511,546	-	4,574	1,714,510	3,230,630
Net finance loss from insurance contracts, net of tax	-	-	(1,792)	-	(1,792)
Total other comprehensive loss for the period	-	-	(1,792)	-	(1,792)
Profit for the period	-	-	-	137,786	137,786
Total comprehensive income for the period	-	-	(1,792)	137,786	135,994
Dividends recognised during the period	-	-	-	(233,200)	(233,200)
At 30 June 2023	1,511,546	-	2,782	1,619,096	3,133,424

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

MSIG Insurance (Malaysia) Bhd

(Company No. 197901002705 (46983-W))

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Condensed statement of cash flows for the 6 months period ended 30 June 2024 - unaudited

	Group 6 months period ended 30.06.2024 RM'000	Company 6 months period ended 30.06.2024 RM'000	Group 6 months period ended 30.06.2023 RM'000	Company 6 months period ended 30.06.2023 RM'000
Cash flows from operating activities				
Profit before tax	245,311	242,767	174,434	172,250
Adjustments for:				
Amortisation of intangible assets	1,005	1,005	778	778
Depreciation of plant and equipment	2,078	2,078	2,429	2,429
Depreciation of right-of-use assets	4,264	4,264	4,070	4,070
Depreciation of investment property	2	2	2	2
Investment income	(76,005)	(76,625)	(61,032)	(53,283)
Realised (gains)/loss recorded in profit or loss	(14,604)	(14,891)	10,957	1,413
Fair value (gains)/loss recorded in profit or loss	(37,798)	(33,118)	(27,366)	(21,935)
Purchase of financial assets carried at fair value through profit or loss	(663,596)	(286,881)	(874,823)	(329,247)
Proceeds from disposal of financial assets carried at fair value through profit or loss	498,795	147,215	873,433	225,746
Interest on lease liabilities	391	391	834	834
Retirement gratuities charged	282	282	340	340
Operating (loss)/gain before changes in working capital	(39,875)	(13,511)	104,056	3,397

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Condensed statement of cash flows for the 6 months period ended 30 June 2024 – unaudited (continued)

	Group 6 months period ended 30.06.2024 RM'000	Company 6 months period ended 30.06.2024 RM'000	Group 6 months period ended 30.06.2023 RM'000	Company 6 months period ended 30.06.2023 RM'000
Change in financial investment	128,318	128,318	69,037	59,035
Change in insurance and reinsurance contracts	(13,649)	(13,649)	109,413	109,413
Change in receivable	90,405	75,303	42,935	51,689
Change in other financial liabilities	3	3	25	25
Change in other payables	9,293	10,404	(3,277)	(19,252)
Cash generated from operating activities	174,495	186,868	322,189	204,307
Dividend income received	60,244	50,564	40,589	29,990
Interest income received	22,778	22,333	18,145	17,812
Income tax paid	(23,058)	(23,058)	(27,146)	(27,146)
Net cash flows from operating activities	234,459	236,707	353,777	224,963
Cash flows from investing activities				
Proceeds from disposal of plant and equipment	149	149	-	-
Purchase of intangible assets	(90)	(90)	(136)	(136)
Purchase of plant and equipment	(1,019)	(1,019)	(929)	(929)
Net cash flows used in investing activities	(960)	(960)	(1,065)	(1,065)
Cash flows from financing activities				
Payment of lease liabilities	(5,302)	(5,302)	(5,145)	(5,145)
Net cash flows used in financing activities	(5,302)	(5,302)	(5,145)	(5,145)
Net increase in cash and cash equivalents	228,197	230,445	347,567	218,753
Cash and cash equivalents at beginning of period	278,090	226,558	331,821	232,411
Cash and cash equivalents at end of period	506,287	457,003	679,388	451,164

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

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Notes to the condensed interim financial statements - unaudited

1. Basis of preparation

Statement of compliance

The condensed interim financial statements of the Group and of the Company as at and for the six-month period ended 30 June 2024 are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") 134, *Interim Financial Reporting* and International Accounting Standards ("IAS") 34, *Interim Financial Reporting*. They do not include all the information required for a complete set of annual financial statements and should be read in conjunction with the Group and Company's last audited annual financial statements as at and for the year ended 31 December 2023 ("last annual audited financial statements"). Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's and the Company's financial position and performance since the last annual audited financial statements.

The accounting policies and presentation adopted by the Group and the Company for the condensed interim financial statements are consistent with those adopted in the Group's and the Company's last audited annual financial statements, except for the adoption of the following:

MFRSs/Amendments/Interpretations	Effective date
Amendments to MFRS 16, <i>Leases – Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101, <i>Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 107, <i>Statement of Cash Flows</i> and MFRS 7, <i>Financial Instruments: Disclosures – Supplier Finance Arrangements</i>	1 January 2024

The initial application of the abovementioned standards, amendments and interpretations did not have any material impact to the current and prior period financial statements upon their first adoption.

2. Comments on seasonality or cyclical

The business operations of the Group and of the Company were not significantly affected by seasonal or cyclical factors for the period under review.

3. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no items affecting assets, liabilities, equity, net income or cash flows which are unusual because of their nature, size or incidence in the current interim period ended 30 June 2024.

4. Changes in estimates

In preparing these condensed interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's and the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual audited financial statements.

5. Debt and equity securities

There were no issuances, cancellations, repurchases, resales and repayments of debt and equity securities by the Group and the Company in the current interim period ended 30 June 2024.

6. Financial investment

	Group 30.06.2024 RM'000	Company 30.06.2024 RM'000	Group 31.12.2023 RM'000	Company 31.12.2023 RM'000
Equity securities in corporations	290,052	290,052	222,328	222,328
Unit Trusts and Collective investment scheme	914,502	819,264	847,654	750,183
Controlled structured entities	-	1,453,426	-	1,402,696
Corporate and government bonds	1,420,509	-	1,306,984	-
Deposits with financial institutions	988,813	988,813	1,190,027	1,190,027
	<u>3,613,876</u>	<u>3,551,555</u>	<u>3,566,993</u>	<u>3,565,234</u>

6. Financial investment (continued)

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

	Note	Group 30.06.2024 RM'000	Company 30.06.2024 RM'000	Group 31.12.2023 RM'000	Company 31.12.2023 RM'000
Financial assets at FVTPL	6(a)	2,625,063	2,562,742	2,376,966	2,375,207
Financial assets at amortised cost	6(b)	988,813	988,813	1,190,027	1,190,027
		<u>3,613,876</u>	<u>3,551,555</u>	<u>3,566,993</u>	<u>3,565,234</u>

(a) Fair value through profit or loss ("FVTPL")

	Group 30.06.2024 RM'000	Company 30.06.2024 RM'000	Group 31.12.2023 RM'000	Company 31.12.2023 RM'000
At fair value:				
Equity securities in corporations:				
Quoted in Malaysia	287,109	287,109	221,726	221,726
Unquoted in Malaysia	2,943	2,943	602	602
Unit Trusts and Collective investment scheme	914,502	819,264	847,654	750,183
Controlled structured entities		1,453,426	-	1,402,696
Corporate and government bonds	1,420,509		1,306,984	-
	<u>2,625,063</u>	<u>2,562,742</u>	<u>2,376,966</u>	<u>2,375,207</u>

(b) Amortised cost ("AC")

	Group 30.06.2024 RM'000	Company 30.06.2024 RM'000	Group 31.12.2023 RM'000	Company 31.12.2023 RM'000
At amortised cost:				
Fixed and call deposits with maturity > 3 months With licensed financial institutions:				
- Licensed banks in Malaysia	988,813	988,813	1,190,027	1,190,027

The carrying amount of the deposits with financial institutions approximates fair value due to the relatively short term maturities.

6. Financial investment (continued)

Estimation of fair value

The fair values of quoted equity securities are their closing prices at the end of reporting period.

The fair value of the unquoted equity securities in corporations is determined by applying Net Asset Value ("NAV") based on the annual financial statement of the invested company.

The fair value of unit trusts and controlled structured entities are their published NAV unit prices at the end of reporting period.

Carrying value of financial investment

	Group RM'000	Company RM'000
FVTPL		
1 January 2023, restated	2,152,346	2,198,658
Additions	1,737,639	911,876
Disposals / Maturity	(1,570,271)	(790,111)
Fair value gain recorded in profit and loss	<u>57,252</u>	<u>54,784</u>
At 31 December 2023 / 1 January 2024	2,376,966	2,375,207
Additions	678,663	286,881
Disposals / Maturity	(466,466)	(132,464)
Fair value gain recorded in profit and loss	<u>35,900</u>	<u>33,118</u>
At 30 June 2024	<u>2,625,063</u>	<u>2,562,742</u>

6. Financial investment (continued)

6 (a) Controlled structured entities

The Company has determined that its investment in unit trust funds amounting to RM 1,453,426,683 (31.12.2023 :RM 1,402,695,696) are in essence investment in structured entities ("investee funds"). The Company invests in certain investee funds whose objectives range from achieving short to long-term fixed income. The investee funds are managed by AmFunds Management Berhad, AHAM Asset Management Berhad, Principal Asset Management Berhad and Nomura Asset Management Malaysia Sdn. Bhd. which apply various investment strategies to accomplish their respective investment objectives. The investee funds finance their operations through the creation of investee fund units which entitles the holder to variable returns and fair values in the respective investee fund's net assets.

The Company hold over 80% to 100% of all the investee funds disclosed below, which are all established in Malaysia. The Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Accordingly, the Company has control over these investee funds and has consolidated these investee funds.

Details of the Company's investment in controlled structured entities are as follows:

Name of unit trust fund	Principal activities	% of ownership interest held by the Company	
		30.06.2024	31.12.2023
AmBond Select 2	Investment in corporate bonds and deposits	83.12%	83.80%
AHAM Wholesale Corporate Bond Fund	Investment in corporate bonds and deposits	100.00%	100.00%
AHAM World Series-Asian Bond Fund	Investment in collective investment scheme, deposits and derivatives	100.00%	100.00%
Principal Institutional Bond Fund 4	Investment in corporate bonds and deposits	99.97%	99.97%
Nomura Ringgit Bond Fund 2	Investment in government bonds, corporate bonds and deposits	99.98%	99.98%

6. Financial investment (continued)

6 (a) Controlled structured entities (continued)

Effective from 01.01.2023, these investee funds are reclassified from available-for-sale (“AFS”) to fair value through profit or loss (“FVTPL”) investments and the change in fair value of each investee fund is recognised in profit and loss.

The significant components of the Company’s holdings in the investee funds amounting to approximately RM1,457million (31.12.2023: RM1,361million) are disclosed below:

	AmBond Select 2	AHAM Wholesale Corporate Bond Fund	AHAM World Series- Asian Bond Fund	Principal Institutional Bond Fund 4	Nomura Ringgit Bond Fund 2	Total
30.06.2024	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Fair value of underlying assets:						
Company						
Government bonds	-	-	-	-	14,609	14,609
Corporate bonds	508,278	259,978	-	284,592	249,980	1,302,828
Collective investment scheme	-	-	95,236	-	-	95,236
Money market deposits	-	8,247	316	5,073	4,041	17,677
Cash and cash equivalents	25,596	26	224	153	418	26,417
	533,874	268,251	95,776	289,818	269,048	1,456,767

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6. Financial investment (continued)

6 (a) Controlled structured entities (continued)

	AmBond Select 2 RM'000	AHAM Wholesale Corporate Bond Fund RM'000	AHAM World Series- Asian Bond Fund RM'000	Principal Institutional Bond Fund 4 RM'000	Nomura Ringgit Bond Fund 2 RM'000	Total RM'000
31.12.2023						
Fair value of underlying assets:						
Company						
Government bonds	-	-	-	-	14,568	14,568
Corporate bonds	458,190	250,700	-	287,178	204,003	1,200,071
Collective investment scheme	-	-	97,469	-	-	97,469
Money market deposits	-	15,806	-	1,377	18,045	35,228
Cash and cash equivalents	13,033	80	513	21	136	13,783
	471,223	266,586	97,982	288,576	236,752	1,361,119

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6. Financial investment (continued)

6 (a) Controlled structured entities (continued)

The Company's exposure to investments in the investee funds are disclosed below:

Company	AmBond Select 2 RM'000	AHAM Wholesale Corporate Bond Fund RM'000	AHAM World Series- Asian Bond Fund RM'000	Principal Institutional Bond Fund 4 RM'000	Nomura Ringgit Bond Fund 2 RM'000	Total RM'000
30.06.2024						
Total fair value gain/(loss) recognised	7,694	4,146	(4,563)	9,922	(1,068)	16,131
31.12.2023						
Total fair value gain/(loss) recognised	10,185	2,604	(2,202)	9,200	(4,386)	15,401

The Company's maximum exposure to loss from its interests in the investee funds is equal to the carrying amounts shown above.

7. Receivables

	Group 30.06.2024 RM'000	Company 30.06.2024 RM'000	Group 31.12.2023 RM'000	Company 31.12.2023 RM'000
Other receivables, deposits and prepayments	33,845	22,594	64,320	25,006
Income due and accrued	25,034	25,034	21,305	21,305
	<u>58,879</u>	<u>47,628</u>	<u>85,625</u>	<u>46,311</u>
Less: Impairment allowance	<u>(3)</u>	<u>(3)</u>	<u>(7)</u>	<u>(7)</u>
	<u>58,876</u>	<u>47,625</u>	<u>85,618</u>	<u>46,304</u>

The amount due from immediate holding company is non-trade in nature, interest free, unsecured and repayable on demand.

8. Cash and cash equivalents

	Group 30.06.2024 RM'000	Company 30.06.2024 RM'000	Group 31.12.2023 RM'000	Company 31.12.2023 RM'000
Fixed and call deposits with licensed banks in Malaysia	110,044	92,367	136,518	120,218
Cash and bank balances	<u>396,243</u>	<u>364,636</u>	<u>141,572</u>	<u>106,340</u>
	<u>506,287</u>	<u>457,003</u>	<u>278,090</u>	<u>226,558</u>

The carrying amounts approximate their fair values due to the relatively short-term nature of these financial instruments.

9. Insurance and reinsurance contracts

Movement in insurance and reinsurance contract balances

(a) Insurance contracts – Analysis by remaining coverage and incurred claims

Group and Company <i>in RM'000</i>	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
30.06.2024					
Opening liabilities	602,543	30,723	1,430,755	126,368	2,190,389
Changes in the statement of profit or loss and OCI					
Insurance revenue	(842,486)	-	-	-	(842,486)
Insurance service expenses					
Incurred claims and other insurance service expenses	-	(29,072)	539,994	27,884	538,806
Amortisation of insurance acquisition cash flows	149,981	-	-	-	149,981
Losses and reversals of losses on onerous contracts	-	21,877	-	-	21,877
Adjustments to liabilities for incurred claims	-	-	(100,548)	(40,488)	(141,036)
	149,981	(7,195)	439,446	(12,604)	569,628
Investment components and premium refunds	(3,162)	-	3,162	-	-
Insurance service result	(695,667)	(7,195)	442,608	(12,604)	(272,858)
Net finance expenses from insurance contracts	-	5,974	22,236	1,953	30,163
Total changes in the statement of profit or loss and OCI	(695,667)	(1,221)	464,844	(10,651)	(242,695)
Cash flows					
Premium received	885,612	-	-	-	885,612
Claims and other insurance service expenses paid	-	-	(554,511)	-	(554,511)
Insurance acquisition cash flows	(152,801)	-	-	-	(152,801)
Total cash flows	732,811	-	(554,511)	-	178,300
Transfer to other items in the statement of financial position	(65,990)	-	-	-	(65,990)
Closing liabilities	573,697	29,502	1,341,088	115,717	2,060,004

9. Insurance and reinsurance contracts (continued)

Movement in insurance and reinsurance contract balances (continued)

(a) Insurance contracts – Analysis by remaining coverage and incurred claims (continued)

Group and Company in RM'000	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
31.12.2023					
Opening liabilities	561,164	36,408	1,566,677	147,249	2,311,498
Changes in the statement of profit or loss and OCI					
Insurance revenue	(1,660,346)	-	-	-	(1,660,346)
Insurance service expenses					
Incurred claims and other insurance service expenses	-	(54,258)	1,043,205	42,045	1,030,992
Amortisation of insurance acquisition cash flows	304,175	-	-	-	304,175
Losses and reversals of losses on onerous contracts	-	29,821	-	-	29,821
Adjustments to liabilities for incurred claims	-	-	(233,530)	(66,987)	(300,517)
	304,175	(24,437)	809,675	(24,942)	1,064,471
Investment components and premium refunds	(6,528)	-	6,528	-	-
Insurance service result	(1,362,699)	(24,437)	816,203	(24,942)	(595,875)
Net finance expenses from insurance contracts	-	18,752	44,999	4,061	67,812
Total changes in the statement of profit or loss and OCI	(1,362,699)	(5,685)	861,202	(20,881)	(528,063)
Cash flows					
Premium received	1,817,416	-	-	-	1,817,416
Claims and other insurance service expenses paid	-	-	(997,124)	-	(997,124)
Insurance acquisition cash flows	(305,640)	-	-	-	(305,640)
Total cash flows	1,511,776	-	(997,124)	-	514,652
Transfer to other items in the statement of financial position	(107,698)	-	-	-	(107,698)
Closing liabilities	602,543	30,723	1,430,755	126,368	2,190,389

9. Insurance and reinsurance contracts (continued)

Movement in insurance and reinsurance contract balances (continued)

(b) Reinsurance contracts – Analysis by remaining coverage and incurred claims (continued)

Group and Company in RM'000	Assets for remaining coverage		Assets for incurred claims		Total
	Excluding Loss-recovery component	Loss - recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
30.06.2024					
Opening assets	(12,557)	704	576,335	72,252	636,734
Changes in the statement of profit or loss and OCI					
Allocation of reinsurance premiums paid	(163,167)	-	-	-	(163,167)
Amount recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses	-	(649)	85,199	10,575	95,125
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	490	-	-	490
Adjustments to assets for incurred claims	-	-	(35,393)	(23,591)	(58,984)
	-	(159)	49,806	(13,016)	36,631
Investment components and premium refunds	60	-	(60)	-	-
Effect of changes in non-performance risk of reinsurers	-	-	(456)	-	(456)
Net expenses from reinsurance contracts	(163,107)	(159)	49,290	(13,016)	(126,992)
Net finance income from reinsurance contracts	-	140	8,293	1,081	9,514
Total changes in the statement of profit or loss and OCI	(163,107)	(19)	57,583	(11,935)	(117,478)
Cash flows					
Premium paid	137,088	-	-	-	137,088
Amounts received	-	-	(136,735)	-	(136,735)
Total cash flows	137,088	-	(136,735)	-	353
Closing assets	(38,576)	685	497,183	60,317	519,609

9. Insurance and reinsurance contracts (continued)

Movement in insurance and reinsurance contract balances (continued)

(b) Reinsurance contracts – Analysis by remaining coverage and incurred claims (continued)

Group and Company in RM'000	Assets for remaining coverage		Assets for incurred claims		Total
	Excluding Loss-recovery component	Loss - recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
31.12.2023					
Opening assets	(7,112)	850	803,686	95,332	892,756
Changes in the statement of profit or loss and OCI					
Allocation of reinsurance premiums paid	(311,531)	-	-	-	(311,531)
Amount recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses	-	(1,278)	139,377	15,904	154,003
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	683	-	-	683
Adjustments to assets for incurred claims	-	-	(143,325)	(41,275)	(184,600)
	-	(595)	(3,948)	(25,371)	(29,914)
Investment components and premium refunds	158	-	(158)	-	-
Effect of changes in non-performance risk of reinsurers	-	-	1,911	-	1,911
Net expenses from reinsurance contracts	(311,373)	(595)	(2,195)	(25,371)	(339,534)
Net finance income from reinsurance contracts	-	449	17,688	2,291	20,428
Total changes in the statement of profit or loss and OCI	(311,373)	(146)	15,493	(23,080)	(319,106)
Cash flows					
Premium paid	305,928	-	-	-	305,928
Amounts received	-	-	(242,844)	-	(242,844)
Total cash flows	305,928	-	(242,844)	-	63,084
Closing assets	(12,557)	704	576,335	72,252	636,734

10. Other payables

	Group 30.06.2024 RM'000	Company 30.06.2024 RM'000	Group 31.12.2023 RM'000 Restated	Company 31.12.2023 RM'000 Restated
Other payables	75,201	58,639	61,589	60,762
Accrued expenses	57,564	57,564	44,750	44,750
Provision	16,080	16,080	16,080	16,080
Amount due to other unitholders	106,294	-	91,778	-
Dividend payable	296,497	296,497	-	-
	<u>551,636</u>	<u>428,780</u>	<u>214,197</u>	<u>121,592</u>

The amounts due to related companies are non-trade in nature, interest free, unsecured and repayable on demand.

11. Earnings per share

Basic earnings per share

The calculation of basic earnings per ordinary share is based on the profit attributable to ordinary shareholders of RM195,060,000 (30.06.2023: RM137,786,000) and the weighted average number of ordinary shares outstanding during the period of 333,143,000 (30.06.2023: 333,143,000).

12. Dividends

Dividends recognised by the Group and the Company are:

	Sen per share net of tax	Total amount RM'000	Date of payment
2024			
Final 2023 - tax-exempt	89.00	<u>296,497</u>	03 Jul 2024
2023			
Final 2022 - tax-exempt	70.00	<u>233,200</u>	05 Jul 2023

13. Capital expenditure commitments

	Group and Company	
	30.06.2024 RM'000	31.12.2023 RM'000
Plant and equipment		
Authorised but not contracted for	1,300	-
Contracted but not provided for	<u>9,351</u>	<u>7,796</u>

14. Significant related party disclosures

Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group and of the Company, other than key management personnel remuneration are shown below.

	Group and Company 6 months period ended 30.06.2024 RM'000	6 months period ended 30.06.2023 RM'000
Holding company		
Reinsurance premium paid to	23,392	42,185
Reinsurance commission received from	(3,271)	(5,632)
Claims recoveries received from	(4,804)	(35,725)
Claims settling fee received from	(162)	(264)
Recovery of expenses paid on behalf received from	(1,158)	(940)
Fellow subsidiary companies		
Reinsurance premium paid to	4,518	9,270
Reinsurance commission received from	(770)	(1,315)
Claims recoveries received from	(2,657)	(1,888)
Service fee paid to	2,982	2,637
Affiliated companies		
Premium income received from	(27,815)	(53,635)
Commission expense paid to	3,266	6,462
Claims paid to	4,278	18,059
Claims settling fee paid to	200	232
Access fees paid to	8,011	8,569
Bank merchant fees paid to	1,342	1,325
Interest/Dividend income received from	(8,931)	(5,604)
Marketing expenses paid to	955	1,262
Service fee paid to	291	111

The outstanding balances related to the above transactions are as shown below.

	Group and Company 30.06.2024 RM'000	30.06.2023 RM'000
Outstanding balance due (to)/from		
Holding company	(21,195)	(16,126)
Fellow subsidiary companies	(15,048)	(10,769)
Affiliated companies	4,529	4,883

15. Financial risks

Fair value information

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
Group								
30.06.2024								
Financial assets - FVPL								
Equity securities in corporations:								
Quoted in Malaysia	287,109	-	-	-	-	-	287,109	287,109
Unquoted equity	-	-	-	-	2,943	-	2,943	2,943
Unit trust and collective investment scheme	914,502	-	-	-	-	-	914,502	914,502
Corporate and government bonds	-	1,420,509	-	-	-	-	1,420,509	1,420,509
	<u>1,201,611</u>	<u>1,420,509</u>	<u>-</u>	<u>-</u>	<u>2,943</u>	<u>-</u>	<u>2,625,063</u>	<u>2,625,063</u>
Company								
30.06.2024								
Financial assets - FVPL								
Equity securities in corporations:								
Quoted in Malaysia	287,109	-	-	-	-	-	287,109	287,109
Unquoted equity	-	-	-	-	2,943	-	2,943	2,943
Unit trust and controlled structured entities	-	2,272,690	-	-	-	-	2,272,690	2,272,690
	<u>287,109</u>	<u>2,272,690</u>	<u>-</u>	<u>-</u>	<u>2,943</u>	<u>-</u>	<u>2,562,742</u>	<u>2,562,742</u>

15. Financial risks (continued)

Fair value information (continued)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
Group								
31.12.2023								
Financial assets - FVTPL								
Equity securities in corporations:								
Quoted in Malaysia	221,726	-	-	-	-	-	221,726	221,726
Unquoted equity	-	-	-	-	602	-	602	602
Unit trust and collective investment scheme	847,654	-	-	-	-	-	847,654	847,654
Corporate and government bonds	-	1,306,984	-	-	-	-	1,306,984	1,306,984
	<u>1,069,380</u>	<u>1,306,984</u>	<u>-</u>	<u>-</u>	<u>602</u>	<u>-</u>	<u>2,376,966</u>	<u>2,376,966</u>
Company								
31.12.2023								
Financial assets - FVTPL								
Equity securities in corporations:								
Quoted in Malaysia	221,726	-	-	-	-	-	221,726	221,726
Unquoted equity	-	-	-	-	602	-	602	602
Unit trust and controlled structured entities	-	2,152,879	-	-	-	-	2,152,879	2,152,879
	<u>221,726</u>	<u>2,152,879</u>	<u>-</u>	<u>-</u>	<u>602</u>	<u>-</u>	<u>2,375,207</u>	<u>2,375,207</u>

15. Financial risks (continued)

Fair value information (continued)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the current interim period ended 30 June 2024 (31.12.2023: no transfer in either directions).

16. Regulatory capital requirements

The Company's Internal Capital Adequacy Assessment Process ("ICAAP") Framework is in place to manage and maintain capital adequacy level that commensurate with its risk profile at all times and to ensure that adequate capital resources are available to maintain Capital Adequacy Ratio ("CAR") above Individual Target Capital Level ("ITCL") and Supervisory Level.

The Company is required to comply with the regulatory capital requirement prescribed in the RBC Framework which is imposed by the Ministry of Finance. Under the RBC Framework guidelines issued by Bank Negara Malaysia, insurance companies are required to satisfy a minimum Capital Adequacy Ratio of 130%. As at period end, the Company has a Capital Adequacy Ratio in excess of the minimum requirement.

The capital structure of the Company as at 30 June 2024, as prescribed under the RBC Framework is provided below:

	Company	
	Note	
	30.06.2024	31.12.2023
	RM'000	RM'000
Eligible Tier 1 Capital		
Share capital	1,511,546	1,511,546
Retained profits	1,606,095	1,711,107
	<u>3,117,641</u>	<u>3,222,653</u>
Tier 2 Capital		
Amount deducted from capital	(1,145,929)	(1,154,618)
Total capital available	<u>1,971,712</u>	<u>2,068,035</u>

17. Events after the interim period

There were no material events after the interim financial period that was required to be reflected in the condensed interim financial statements for the interim period.

18. Changes in contingent liabilities or contingent assets

The Group and Company do not have any contingent assets and contingent liabilities since the last annual balance sheet date.