

**MSIG Insurance (Malaysia) Bhd**

(Company No. 197901002705 (46983-W))

(Incorporated in Malaysia)

**Condensed interim financial statements –  
unaudited for the financial period from  
1 January 2021 to 30 June 2021**

# **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))

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## Condensed statement of financial position as at 30 June 2021 – unaudited

	Note	30.06.2021 RM'000	31.12.2020 RM'000
<b>Assets</b>			
Plant and equipment		10,192	12,290
Right-of-use assets		39,277	41,140
Investment property		120	123
Intangible assets		4,369	5,669
Goodwill		1,141,224	1,141,224
Available-for-sale financial assets	6	2,728,878	2,478,837
Deferred tax assets		9,228	1,556
Reinsurance assets	7	575,982	453,913
Loans and receivables, excluding insurance receivables	8	649,211	700,295
Insurance receivables	9	211,509	170,806
Deferred acquisition costs		69,126	69,516
Cash and cash equivalents	10	138,413	216,920
<b>Total assets</b>		<u>5,577,529</u>	<u>5,292,289</u>
<b>Equity</b>			
Share capital		1,511,546	1,511,546
Reserves		1,711,076	1,606,304
<b>Total equity</b>		<u>3,222,622</u>	<u>3,117,850</u>
<b>Liabilities</b>			
Insurance contract liabilities	11	2,005,307	1,866,937
Lease liabilities		39,389	40,500
Other financial liabilities	12	24,973	25,032
Insurance payables	13	158,984	109,358
Other payables	14	95,328	110,251
Tax payable		30,926	22,361
<b>Total liabilities</b>		<u>2,354,907</u>	<u>2,174,439</u>
<b>Total equity and liabilities</b>		<u>5,577,529</u>	<u>5,292,289</u>

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 profit or loss and other comprehensive income for the 6 month period ended 30 June 2021 – unaudited

	Note	6 month period ended 30.06.2021 RM'000	6 month period ended 30.06.2020 RM'000
<b>Operating revenue</b>	15	<u>770,604</u>	<u>770,941</u>
Gross written premiums	11.2	726,890	679,399
Change in unearned premiums provision		<u>(4,117)</u>	<u>29,786</u>
Gross earned premiums		<u>722,773</u>	<u>709,185</u>
Gross written premiums ceded to reinsurers	11.2	(176,828)	(144,985)
Change in unearned premiums provision		<u>3,469</u>	<u>5,821</u>
Premiums ceded to reinsurers		<u>(173,359)</u>	<u>(139,164)</u>
<b>Net earned premiums</b>		<u>549,414</u>	<u>570,021</u>
Investment income	15	47,831	61,756
Realised gains and losses		12,674	6,292
Fair value gains and losses		(2,939)	(30,952)
Commission income		24,327	22,288
Other operating expense		<u>(3,061)</u>	<u>(793)</u>
<b>Other income</b>		<u>78,832</u>	<u>58,591</u>
Gross claims paid	11.1	(285,075)	(307,197)
Claims ceded to reinsurers	11.1	46,723	58,046
Gross change in contract liabilities		(134,253)	18,491
Change in contract liabilities ceded to reinsurers		<u>118,600</u>	<u>2,515</u>
<b>Net claims incurred</b>		<u>(254,005)</u>	<u>(228,145)</u>
Commission expense		(80,895)	(82,860)
Management expenses		<u>(118,431)</u>	<u>(111,777)</u>
<b>Other expenses</b>		<u>(199,326)</u>	<u>(194,637)</u>
<b>Profit before tax</b>		174,915	205,830
Tax expense		<u>(33,243)</u>	<u>(39,663)</u>
<b>Profit for the period</b>		<u><u>141,672</u></u>	<u><u>166,167</u></u>

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 profit or loss and other comprehensive income for the 6 month period ended 30 June 2021 – unaudited (continued)**

	<b>6 month period ended</b>	<b>6 month period ended</b>
<b>Note</b>	<b>30.06.2021</b>	<b>30.06.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Other comprehensive income</b>		
<b>Items that may be reclassified subsequently to profit or loss</b>		
Net (loss)/gain on fair value of available-for-sale financial assets	(48,553)	18,909
Tax effect	<u>11,653</u>	<u>(4,538)</u>
<b>Other comprehensive (loss)/income for the period, net of tax</b>	<u>(36,900)</u>	<u>14,371</u>
<b>Total comprehensive income for the period</b>	<u>104,772</u>	<u>180,538</u>
<b>Basic earnings per share (sen)</b>	<u>42.5</u>	<u>49.9</u>

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 month period ended 30 June 2021 - unaudited

	Share capital RM'000	Non-distributable Fair value reserve RM'000	Distributable Retained earnings RM'000	Total equity RM'000
<b>At 1 January 2020</b>	1,511,546	28,288	1,403,830	2,943,664
Fair value of available-for-sale financial assets, net of tax	-	14,371	-	14,371
Total other comprehensive gain for the period	-	14,371	-	14,371
Profit for the period	-	-	166,167	166,167
Total comprehensive income for the period	-	14,371	166,167	180,538
Dividends paid during the period	-	-	(93,280)	(93,280)
<b>At 30 June 2020</b>	<b>1,511,546</b>	<b>42,659</b>	<b>1,476,717</b>	<b>3,030,922</b>
<b>1 January 2021</b>	1,511,546	45,142	1,561,162	3,117,850
Fair value of available-for-sale financial assets, net of tax	-	(36,900)	-	(36,900)
Total other comprehensive loss for the period	-	(36,900)	-	(36,900)
Profit for the period	-	-	141,672	141,672
Total comprehensive income for the period	-	(36,900)	141,672	104,772
<b>At 30 June 2021</b>	<b>1,511,546</b>	<b>8,242</b>	<b>1,702,834</b>	<b>3,222,622</b>

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 month period ended 30 June 2021 - unaudited

	Note	6 month period ended 30.06.2021 RM'000	6 month period ended 30.06.2020 RM'000
<b>Cash flows from operating activities</b>			
Profit before tax		174,915	205,830
<i>Adjustments for:</i>			
Amortisation of intangible assets		1,507	1,453
Depreciation of plant and equipment		2,686	2,531
Depreciation of right-of-use assets		5,094	5,245
Depreciation of investment property		3	2
Investment income		(47,831)	(61,756)
Realised gains recorded in profit or loss		(12,674)	(6,292)
Fair value loss recorded in profit or loss		2,939	30,952
Purchase of available-for-sale financial assets	6	(566,707)	(727,340)
Proceeds from disposal of available-for-sale financial assets		277,473	806,704
Interest on lease liabilities		1,143	331
Retirement gratuities charged		260	369
Unrealised foreign exchange loss		7	11
Operating (loss)/gain before changes in working capital		(161,185)	258,040
Change in reinsurance assets		(122,069)	(8,337)
Change in insurance receivables		(40,703)	(53,708)
Change in deferred acquisition costs		390	5,102
Change in loans and receivables		49,944	(8,762)
Change in insurance contract liabilities		138,370	(48,276)
Change in other financial liabilities		(66)	(2,839)
Change in insurance payables		49,626	36,405
Change in other payables		(15,185)	(10,031)
Cash (used in)/generated from operating activities		(100,878)	167,594
Dividend income received		38,407	42,682
Interest income received		10,565	21,597
Income tax paid		(20,697)	(16,772)
<b>Net cash flows (used in)/from operating activities</b>		<b>(72,603)</b>	<b>215,101</b>
<b>Cash flows from investing activities</b>			
Proceeds from disposal of plant and equipment		541	122
Purchase of intangible assets		(207)	(122)
Purchase of plant and equipment		(753)	(1,798)
<b>Net cash flows used in investing activities</b>		<b>(419)</b>	<b>(1,798)</b>
<b>Cash flows from financing activities</b>			
Dividend paid	17	-	(93,280)
Payment of lease liabilities		(5,485)	(5,943)
<b>Net cash flows used in financing activities</b>		<b>(5,485)</b>	<b>(99,223)</b>

## **MSIG Insurance (Malaysia) Bhd**

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### **Condensed statement of cash flows for the 6 month period ended 30 June 2021 – unaudited (continued)**

	<b>Note</b>	<b>6 month period ended 30.06.2021 RM'000</b>	<b>6 month period ended 30.06.2020 RM'000</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		(78,507)	114,080
Cash and cash equivalents at beginning of period		216,920	176,940
<b>Cash and cash equivalents at end of period</b>	10	138,413	291,020

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



## MSIG Insurance (Malaysia) Bhd

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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 Company as at and for the six-month period ended 30 June 2021 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 Company’s last audited annual financial statements as at and for the year ended 31 December 2020 (“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 Company’s financial position and performance since the last annual audited financial statements.

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

<b>MFRSs/Amendments/Interpretations</b>	<b>Effective date</b>
Amendment to MFRS 16, <i>Leases – Covid-19-Related Rent Concessions</i>	1 June 2020
Amendments to MFRS 9, <i>Financial Instruments</i> , MFRS 139, <i>Financial Instruments: Recognition and Measurement</i> , MFRS 7, <i>Financial Instruments: Disclosures</i> , MFRS 4, <i>Insurance Contracts</i> and MFRS 16, <i>Leases – Interest Rate Benchmark Reform – Phase 2</i>	1 January 2021

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 cyclicity**

The business operations 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 2021.

## **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 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 Company in the current interim period ended 30 June 2021.

## 6. Available-for-sale (“AFS”) financial assets

	Note	30.06.2021 RM'000	31.12.2020 RM'000
<b>At fair value:</b>			
Equity securities in corporations:			
Quoted in Malaysia		248,138	173,201
Unquoted in Malaysia		602	602
Unit Trusts		953,468	884,751
Controlled Structured Entities	6 (a)	<u>1,526,670</u>	<u>1,420,283</u>
<b>Total AFS financial assets</b>		<u>2,728,878</u>	<u>2,478,837</u>

### 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 to approximate the carrying amounts as these are immaterial in the context of the financial statements.

The fair value of unit trusts and controlled structured entities are their published Net Asset Value (“NAV”) unit prices at the end of reporting period.

### Carrying value of AFS financial assets

	AFS RM'000
At 1 January 2020	2,221,746
Additions	1,540,743
Disposals	(1,270,030)
Fair value gain recorded in other comprehensive income	22,176
Amortisation	(47)
Provision for impairment loss	<u>(35,751)</u>
At 31 December 2020/1 January 2021	2,478,837
Additions	566,707
Disposals	(265,174)
Fair value loss recorded in other comprehensive income	(48,553)
Provision for impairment loss	<u>(2,939)</u>
At 30 June 2021	<u>2,728,878</u>

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## 6. Available-for-sale (“AFS”) financial assets (continued)

### 6 (a) Controlled structured entities

The Company has determined that its investment in unit trust funds amounting to RM1,526,669,680 (31.12.2020: RM1,420,283,336) 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, Affin Hwang Asset Management Berhad and Principal Asset Management Berhad 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 holds 100% or almost 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.

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	
		30.06.2021	31.12.2020
AmCash Premium	Investment in government bonds and deposits	-	100.00%
AmBond Select 1	Investment in government bonds and deposits	100.00%	100.00%
AmBond Select 2	Investment in corporate bonds and deposits	100.00%	100.00%
Affin Hwang Wholesale Government Bond Fund	Investment in government bonds and deposits	100.00%	100.00%
Affin Hwang Wholesale Corporate Bond Fund	Investment in corporate bonds and deposits	100.00%	100.00%
Affin Hwang World Series-Asian Bond Fund	Investment in collective investment scheme, deposits and derivatives	-	99.99%
Principal Institutional Bond Fund 4	Investment in corporate bonds and deposits	100.00%	100.00%
Nomura Ringgit Bond Fund 2	Investment in government bonds, corporate bonds and deposits	100.00%	100.00%

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## 6. Available-for-sale (“AFS”) financial assets (continued)

### 6 (a) Controlled structured entities (continued)

These investee funds are classified as available-for-sale investments and the change in fair value of each investee fund is included in other comprehensive income of the Company.

The significant components of the Company’s holdings in the investee funds amounting to approximately RM1,514 million (31.12.2020: RM1,406 million) are disclosed below:

	AmCash Premium RM’000	AmBond Select 1 RM’000	AmBond Select 2 RM’000	Affin Hwang Wholesale Government Bond Fund RM’000	Affin Hwang Wholesale Corporate Bond Fund RM’000	Affin Hwang World Series- Asian Bond Fund RM’000	Principal Institutional Bond Fund 4 RM’000	Nomura Ringgit Bond Fund 2 RM’000
Fair value of underlying net assets:								
<b>30.06.2021</b>								
Government bonds	-	264,944	-	211,468	-	-	-	90,235
Corporate bonds	-	-	360,608	-	176,705	-	174,438	158,571
Money market deposits	-	-	-	1,776	26,780	-	10,931	15,728
Cash and cash equivalents	-	17,496	3,772	28	27	-	21	60
	-	282,440	364,380	213,272	203,512	-	185,390	264,594
<b>31.12.2020</b>								
Government bonds	10,229	256,413	-	212,944	-	-	-	83,454
Corporate bonds	-	-	209,225	-	136,053	-	170,248	153,746
Collective Investment Scheme	-	-	-	-	-	23,846	-	-
Money market deposits	32,760	16,386	14,471	4,636	11,203	362	14,800	34,609
Cash and cash equivalents	5	15,992	4,398	22	20	29	22	81
	42,994	288,791	228,094	217,602	147,276	24,237	185,070	271,890

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## 6. Available-for-sale (“AFS”) financial assets (continued)

### 6 (a) Controlled structured entities (continued)

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

	AmCash Premium RM’000	AmBond Select 1 RM’000	AmBond Select 2 RM’000	Affin Hwang Wholesale Government Bond Fund RM’000	Affin Hwang Wholesale Corporate Bond Fund RM’000	Affin Hwang World Series- Asian Bond Fund RM’000	Principal Institutional Bond Fund 4 RM’000	Nomura Ringgit Bond Fund 2 RM’000
<b>30.06.2021</b>								
Total fair value (loss)/gain recognised for the financial year	-	(4,227)	2,344	(875)	3,805	-	5,455	(5,665)
<b>31.12.2020</b>								
Total fair value (loss)/gain recognised for the financial year	(109)	2,244	7,980	3,606	7,028	2,439	7,178	1,489

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

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## 7. Reinsurance assets

	Note	30.06.2021 RM'000	31.12.2020 RM'000
Reinsurance of insurance contracts			
Claims liabilities	11.1	468,782	350,182
Premium liabilities	11.2	107,200	103,731
		<u>575,982</u>	<u>453,913</u>

## 8. Loans and receivables, excluding insurance receivables

	30.06.2021 RM'000	31.12.2020 RM'000
Staff loans:		
Receivable within twelve months	10	10
Receivable after twelve months	93	98
	<u>103</u>	<u>108</u>
Fixed and call deposits with maturity > 3 months with licensed financial institutions:		
- Licensed banks in Malaysia	621,395	675,252
Other receivables:		
Other receivables, deposits and prepayments	15,732	12,326
Income due and accrued	11,325	12,463
Amount due from penultimate holding company	691	181
	<u>27,748</u>	<u>24,970</u>
Less: Impairment allowance	<u>(35)</u>	<u>(35)</u>
	<u>27,713</u>	<u>24,935</u>
Total loans and receivables, excluding insurance receivables	<u>649,211</u>	<u>700,295</u>

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

The following loans and receivables mature after 12 months:

	30.06.2021 RM'000	31.12.2020 RM'000
Staff loans	<u>93</u>	<u>98</u>

### Estimation of fair value

The fair values of staff loans and other receivables were determined to approximate the carrying amounts as these are immaterial in the context of the financial statements. The carrying amounts of the fixed and call deposits approximate to their fair values.

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## 9. Insurance receivables

	<b>30.06.2021</b>	<b>31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Due premiums including agents/ brokers, co-insurers and insureds	203,815	164,316
Due from reinsurers and cedants	5,942	3,531
Amount due from related companies	201	249
Amount due from affiliated companies	<u>3,571</u>	<u>4,651</u>
	213,529	172,747
Less: Impairment allowance	<u>(2,020)</u>	<u>(1,941)</u>
	<u><u>211,509</u></u>	<u><u>170,806</u></u>

## 10. Cash and cash equivalents

	<b>30.06.2021</b>	<b>31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed and call deposits with licensed banks in Malaysia	130,504	190,749
Cash and bank balances	<u>7,909</u>	<u>26,171</u>
	<u><u>138,413</u></u>	<u><u>216,920</u></u>

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



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## 11. Insurance contract liabilities

The general insurance contract liabilities and its movements are further analysed as follows:

	Note	30.06.2021			31.12.2020		
		Gross RM'000	Reinsurance RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000
Provision for claims reported by policyholders		1,255,841	(440,162)	815,679	1,127,700	(331,954)	795,746
Provision for IBNR		11,251	(28,620)	(17,369)	5,139	(18,228)	(13,089)
Provision for outstanding claims	11.1	1,267,092	(468,782)	798,310	1,132,839	(350,182)	782,657
Provision for unearned premiums	11.2	738,215	(107,200)	631,015	734,098	(103,731)	630,367
		<u>2,005,307</u>	<u>(575,982)</u>	<u>1,429,325</u>	<u>1,866,937</u>	<u>(453,913)</u>	<u>1,413,024</u>
			Note 7			Note 7	

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## 11. Insurance contract liabilities (continued)

### 11.1 Provision for outstanding claims

	Note	30.06.2021			31.12.2020		
		Gross RM'000	Reinsurance RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000
At the beginning of the period/year		1,132,839	(350,182)	782,657	1,111,532	(299,100)	812,432
Claims incurred in the current accident year		454,617	(141,130)	313,487	766,170	(182,637)	583,533
Adjustment to claims incurred in prior accident years		(45,305)	(14,682)	(59,987)	(124,479)	34,900	(89,579)
Adjustment to claims incurred in the ex-HLA run-off portfolio		(622)	17	(605)	104	24	128
Movement in PRAD of claims liabilities at 75% confidence level		9,600	(9,136)	464	2,367	(3,215)	(848)
Movement in claims handling expenses		1,038	-	1,038	3,182	-	3,182
Claims paid during the period		(285,075)	46,723	(238,352)	(626,037)	99,736	(526,301)
Movement in reinsurance default provision		-	(392)	(392)	-	110	110
At the end of period/year		<u>1,267,092</u>	<u>(468,782)</u>	<u>798,310</u>	<u>1,132,839</u>	<u>(350,182)</u>	<u>782,657</u>

### 11.2 Provision for unearned premiums

	Note	30.06.2021			31.12.2020		
		Gross RM'000	Reinsurance RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000
At the beginning of the period/year		734,098	(103,731)	630,367	744,917	(109,705)	635,212
Premiums written		726,890	(176,828)	550,062	1,403,123	(272,746)	1,130,377
Premiums earned	15	<u>(722,773)</u>	<u>173,359</u>	<u>(549,414)</u>	<u>(1,413,942)</u>	<u>278,720</u>	<u>(1,135,222)</u>
At the end of period/year		<u>738,215</u>	<u>(107,200)</u>	<u>631,015</u>	<u>734,098</u>	<u>(103,731)</u>	<u>630,367</u>

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## 12. Other financial liabilities

	Note	30.06.2021 RM'000	31.12.2020 RM'000
Cash collateral deposits received from policyholders	12.1	18,772	19,516
Deposit received from reinsurers		6,201	5,516
		<u>24,973</u>	<u>25,032</u>

12.1 Fixed deposits held as cash collateral for guarantees issued on behalf of policyholders are included in loans and receivables and fixed and call deposits with licensed financial institutions.

The carrying amounts disclosed above approximate their fair values at the end of the reporting period. All amounts are payable within one year except for cash collateral deposit which has no maturity date.

## 13. Insurance payables

	30.06.2021 RM'000	31.12.2020 RM'000
Due to reinsurers and cedants	113,655	81,147
Due to agents/brokers, co-insurers and insureds	30,096	23,720
Amount due to penultimate holding company	8,744	1,086
Amount due to related companies	4,138	2,881
Amount due to affiliated companies	2,351	524
	<u>158,984</u>	<u>109,358</u>

The carrying amounts disclosed above approximate their fair values at the end of the reporting period. All amounts are payable within one year.

## 14. Other payables

	30.06.2021 RM'000	31.12.2020 RM'000
Other payables	24,793	29,993
Accrued expenses	47,925	60,035
Provision	16,080	16,080
Amount due to former immediate holding company	6,530	3,986
Amount due to a related company	-	157
	<u>95,328</u>	<u>110,251</u>

The amounts due to former immediate holding company and a related company are non-trade in nature, interest free, unsecured and repayable on demand.

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## 15. Operating revenue

	Shareholders fund RM'000	General business RM'000	Total RM'000
<b>6 month period ended 30.06.2021</b>			
Gross earned premiums	-	722,773	722,773
Investment income	-	47,831	47,831
	-	770,604	770,604
<b>6 month period ended 30.06.2020</b>			
Gross earned premiums	-	709,185	709,185
Investment income	15	61,741	61,756
	15	770,926	770,941

## 16. 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 RM141,673,000 (30.06.2020: RM166,167,000) and the weighted average number of ordinary shares outstanding during the period of 333,143,000 (30.06.2020: 333,143,000).

## 17. Dividends

Dividends recognised by the Company are:

	Sen per share net of tax	Total amount RM'000	Date of payment
<b>2020</b>			
Interim 2019 - tax-exempt	28.00	93,280	05 Mar 2020
Final 2019 - tax-exempt	12.00	39,977	05 Aug 2020

## 18. Capital expenditure commitments

	30.06.2021 RM'000	31.12.2020 RM'000
<b>Plant and equipment</b>		
Authorised but not contracted for	524	2,142
Contracted but not provided for	9,033	6,216

## 19. 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 Company, other than key management personnel remuneration are shown below. The outstanding balances related to the transactions below are as shown in Notes 8, 9, 13 and 14.

	<b>6 month period ended 30.06.2021 RM'000</b>	<b>6 month period ended 30.06.2020 RM'000</b>
<b>Penultimate holding company</b>		
RI premium paid to	22,109	31,452
RI commission received from	(3,124)	(4,711)
Claims recoveries received from	(8,750)	(14,590)
Claims settling fee received from	(169)	-
Recovery of expenses paid on behalf received from	(955)	(1,117)
<b>Fellow subsidiary companies</b>		
RI premium paid to	3,875	7,350
RI commission received from	(649)	(1,195)
Claims recoveries received from	(1,553)	(1,059)
Service fee paid to	2,498	2,853
Recovery of expenses paid on behalf received from	46	(209)
<b>Affiliated companies</b>		
Premium income received from	(22,765)	(42,004)
Commission expense paid to	2,895	5,494
Claims paid to	4,013	15,970
Bank merchant fees paid to	1,131	1,117
Interest/Dividend income received from	(2,345)	(2,191)
Marketing expenses paid to	161	742

## 20. Financial risks

### Fair value information

It was not practicable to estimate the fair value of the Company's investment in unquoted shares due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

The carrying amount of fixed and call deposits with financial institution, cash and bank balances, short-term receivables and short-term payables reasonably approximate their fair value due to relatively short-term nature of these financial instruments.

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## 20. 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	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
<b>30.06.2021</b>								
<b>Financial assets</b>								
<b>AFS Financial assets</b>								
Equity securities in corporations:								
Quoted in Malaysia	248,138	-	-	-	-	-	248,138	248,138
Unit trust and controlled structured entities	2,480,138	-	-	-	-	-	2,480,138	2,480,138
	<u>2,728,276</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,728,276</u>	<u>2,728,276</u>
<b>31.12.2020</b>								
<b>Financial assets</b>								
<b>AFS Financial assets</b>								
Equity securities in corporations:								
Quoted in Malaysia	173,201	-	-	-	-	-	173,201	173,201
Unit trust and controlled structured entities	2,305,034	-	-	-	-	-	2,305,034	2,305,034
	<u>2,478,235</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,478,235</u>	<u>2,478,235</u>

## 20. 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 2021 (31.12.2020: no transfer in either directions).

## 21. 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 2021, as prescribed under the RBC Framework is provided below:

	Note	30.06.2021 RM'000	31.12.2020 RM'000
<b>Eligible Tier 1 Capital</b>			
Share capital		1,511,546	1,511,546
Reserves, excluding fair value reserve		<u>1,702,834</u>	<u>1,561,162</u>
		<u>3,214,380</u>	<u>3,072,708</u>
<b>Tier 2 Capital</b>			
Eligible reserves – Fair value reserve		<u>8,242</u>	<u>45,142</u>
Amount deducted from capital		<u>(1,154,821)</u>	<u>(1,148,449)</u>
Total capital available		<u>2,067,801</u>	<u>1,969,401</u>

## **22. 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.

## **23. Changes in contingent liabilities or contingent assets**

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