

AmGENERAL INSURANCE BERHAD
197801007153
(Incorporated in Malaysia)

Interim Condensed Financial Statements
For The Period Ended 30 September 2022

Company No: 197801007153

**AmGENERAL INSURANCE BERHAD
(Incorporated in Malaysia)**

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INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

		Unaudited	Audited
		30.09.2022	31.03.2022
	Note	RM'000	RM'000
Assets			
Property and equipment		11,315	12,681
Right-of-use assets		17,916	13,748
Intangible assets		34,261	37,608
Investments	13	3,566,610	3,673,727
Reinsurance assets	14	504,035	518,228
Insurance receivables	15	57,300	62,478
Other receivables	16	67,296	83,890
Deferred tax assets		55,267	44,264
Cash and short-term deposits		355,487	203,288
Non-current assets held for sale	17	1,562	1,562
Total assets		4,671,049	4,651,474
Equity			
Share capital	18	1,061,000	1,061,000
Retained earnings		464,511	553,155
Total equity		1,525,511	1,614,155
Liabilities			
Insurance contract liabilities	19	2,595,838	2,625,284
Other liabilities		30,352	29,593
Lease liabilities		18,674	14,489
Insurance payables		40,059	62,077
Provision for taxation		39,835	38,592
Other payables		240,456	249,889
Provision for retirement benefits		17,969	17,395
Dividend payables		162,355	-
Total liabilities		3,145,538	3,037,319
Total equity and liabilities		4,671,049	4,651,474

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

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INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	Unaudited 01.04.2022 to 30.09.2022 RM'000	Unaudited 01.04.2021 to 30.09.2021 RM'000
Gross earned premiums	782,589	756,928
Earned premiums ceded to reinsurers	<u>(86,997)</u>	<u>(82,931)</u>
Net earned premiums	<u>695,592</u>	<u>673,997</u>
Investment income	65,764	65,489
Realised (losses)/gains	(1,777)	1,578
Fair value losses	(51,835)	(9,456)
Fees and commission income	17,958	20,099
Other operating income	<u>166</u>	<u>278</u>
Other revenue	<u>30,276</u>	<u>77,988</u>
Gross benefits and claims paid	(432,272)	(356,983)
Claims ceded to reinsurers	47,546	42,542
Gross change in contract liabilities	3,892	(24,707)
Change in contract liabilities ceded to reinsurers	<u>(9,289)</u>	<u>(30,928)</u>
Net claims	<u>(390,123)</u>	<u>(370,076)</u>
Fees and commission expenses	(94,683)	(88,071)
Management expenses	(151,859)	(149,965)
Other operating expenses	(132)	(1,525)
Finance costs	<u>(263)</u>	<u>(734)</u>
Other expenses	<u>(246,937)</u>	<u>(240,295)</u>
Profit before taxation	88,808	141,614
Taxation	<u>(15,097)</u>	<u>(25,486)</u>
Net profit for the period	<u>73,711</u>	<u>116,128</u>
Net profit, representing total comprehensive income for the period	<u>73,711</u>	<u>116,128</u>
Earnings per share (sen)		
Basic	<u>12</u>	<u>19</u>
Diluted	<u>12</u>	<u>19</u>

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

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INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	<i>Non-distributable</i>	<i>Distributable</i>	
	Share capital RM'000 (Note 18)	Retained earnings RM'000	Total equity RM'000
Unaudited			
At 1 April 2021	1,061,000	552,643	1,613,643
Net profit for the period	-	116,128	116,128
Dividends on INCPS	-	(3,355)	(3,355)
Dividends on ordinary shares	-	(196,000)	(196,000)
At 30 September 2021	<u>1,061,000</u>	<u>469,416</u>	<u>1,530,416</u>
Unaudited			
At 1 April 2022	1,061,000	553,155	1,614,155
Net profit for the period	-	73,711	73,711
Dividends on INCPS	-	(3,355)	(3,355)
Dividends on ordinary shares	-	(159,000)	(159,000)
At 30 September 2022	<u>1,061,000</u>	<u>464,511</u>	<u>1,525,511</u>

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

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INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	Unaudited 01.04.2022 to 30.09.2022 RM'000	Unaudited 01.04.2021 to 30.09.2021 RM'000
Profit before taxation	88,808	141,614
Adjustments for non-operating and non-cash items	196	(38,867)
Operating profit before working capital changes	<u>89,004</u>	<u>102,747</u>
Changes in working capital:		
Net change in operating assets	159,189	206,299
Net change in operating liabilities	(60,777)	(70,595)
Income tax paid	(24,858)	(4,774)
Finance costs on lease liabilities	(263)	(734)
Net cash generated from operating activities	<u>73,291</u>	<u>130,196</u>
Net cash used in investing activities	(4,122)	(4,516)
Financing activities:		
Dividend paid on INCPS	-	(3,355)
Dividend paid on ordinary shares	-	(196,000)
Payment of principal portion of lease liabilities	(5,974)	(6,001)
Net cash used in financing activities	<u>(5,974)</u>	<u>(205,356)</u>
Net increase in cash and cash equivalents	152,199	23,071
Cash and cash equivalents at beginning of financial period	<u>203,288</u>	<u>139,967</u>
Cash and cash equivalents at end of financial period	<u>355,487</u>	<u>163,038</u>

For purposes of Statement of Cash Flows, cash and cash equivalents comprise cash and bank balances and deposit and placements maturing within three months ("Cash and short-term deposits").

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is a public limited company, incorporated and domiciled in Malaysia. The registered office of the Company is located at 22nd Floor, Bangunan AmBank Group, No. 55 Jalan Raja Chulan, 50200 Kuala Lumpur.

The principal place of business of the Company is located at Level 15, Menara Shell, No. 211 Jalan Tun Sambathan, 50470 Kuala Lumpur.

The immediate holding company is Liberty Insurance Berhad and ultimate holding company is Liberty Mutual Insurance Company.

The Company is engaged principally in the underwriting of all classes of general insurance business. There have been no significant changes in the nature of the principal activity of the Company during the financial period.

The interim condensed financial statements were approved for issue by Board of Directors on 21 November 2022.

2. BASIS OF PREPARATION

The interim condensed financial statements of the Company are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 - Interim Financial Reporting as issued by Malaysian Accounting Standard Board ("MASB") and International Accounting Standard ("IAS") 34 - Interim Financial Reporting as issued by the International Accounting Standard Board ("IASB") and the Financial Reporting Guidelines issued by Bank Negara Malaysia.

The unaudited interim condensed financial statements do not include all of the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's audited financial statements for the financial year ended 31 March 2022.

The notes attached to the unaudited interim condensed financial statements provide an explanation of events and transactions that are significant to gain an understanding of changes in the financial position and performance of the Company since the financial year ended 31 March 2022.

The interim condensed financial statements are presented in Ringgit Malaysia (RM) and all values are recorded to the nearest thousand (RM'000) except when otherwise indicated.

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3. SIGNIFICANT ACCOUNTING POLICIES

Amended Standards and Interpretations

The significant accounting policies and methods of computation applied in the preparation of the interim condensed financial statements are consistent with those adopted in the preparation of the Company's audited financial statements for the financial year ended 31 March 2022, except for the following:

Amendments to Standards	Effective Date
Annual Improvements to MFRS Standards 2018-2020	1 January 2022
<i>Reference to the Conceptual Framework (Amendments to MFRS 3)</i>	1 January 2022
<i>Property, Plant and Equipment: Proceeds before Intended Use (Amendments to MFRS 116)</i>	1 January 2022
<i>Onerous Contracts - Cost of Fulfilling a Contract (Amendments to MFRS 137)</i>	1 January 2022

The adoption of the above did not have any significant effects on the interim condensed financial statements.

4. COMMENTS ON SEASONALITY OR CYCLICALITY

The business and operations of the Company were not significantly affected by any seasonal or fluctuations during the interim financial period ended 30 September 2022.

5. UNUSUAL ITEMS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim financial period ended 30 September 2022.

6. CHANGE IN ESTIMATES

There were no changes in the basis used for the accounting estimates for the interim financial period ended 30 September 2022.

7. DEBT AND EQUITY SECURITIES

There were no issuance and repurchase of debt and equity securities by the Company during the interim financial period ended 30 September 2022.

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8. DIVIDENDS

In the current interim financial period ended 30 September 2022, the Company declared the following dividends in respect of the financial year ended 31 March 2022, however it was paid subsequent to the interim financial period.

	RM'000
Irredeemable non-cumulative convertible preference shares ("INCPS"):	
Dividend of 5.5% per INCPS on 6,100,000 INCPS based on issue price of RM10.00 each declared on 21 April 2022 and paid on 4 October 2022	3,355
Ordinary Shares	
Final single tier dividend of 26.50 sen per ordinary share on 600,000,000 shares declared on 21 April 2022 and paid on 4 October 2022	159,000
	<hr/> <u>162,355</u>

9. MATERIAL EVENTS SUBSEQUENT TO THE END OF INTERIM FINANCIAL PERIOD

There were no material events subsequent to the end of interim financial period.

10. EFFECT OF CHANGES IN THE COMPOSITION OF THE COMPANY

There were no changes in the composition of the Company during the interim financial period under review.

11. SIGNIFICANT AND SUBSEQUENT EVENTS

There were no significant events subsequent to the end of interim financial period other than as disclosed in Note 25.

12. CONTINGENT LIABILITIES

There were no contingent liabilities as at the date of this report since the last financial year ended 31 March 2022.

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13. INVESTMENTS

		Unaudited	Audited
		30.09.2022	31.03.2022
	Note	RM'000	RM'000
Equity securities		75,834	76,830
Unit and property trust funds		5,007	4,898
Loans		277	323
Fixed and call deposits		23,225	20,096
Collective investment schemes:			
Investments in subsidiaries	13.3	3,328,188	3,412,979
Investments in others		134,079	158,601
		3,462,267	3,571,580
		3,566,610	3,673,727

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

		Unaudited	Audited
		30.09.2022	31.03.2022
	Note	RM'000	RM'000
Fair value through profit & loss ("FVTPL")	13.1	3,543,108	3,653,308
Amortised cost ("AC")	13.2	23,502	20,419
		3,566,610	3,673,727

13.1 FVTPL

	Unaudited	Audited
	30.09.2022	31.03.2022
	RM'000	RM'000
At fair value:		
Mandatory measured:		
Collective investment schemes quoted in Malaysia		
Investments in subsidiaries (Note 13.3)	3,328,188	3,412,979
Investments in others	134,079	158,601
Quoted equities securities	75,834	76,830
Unit and property trust funds quoted in Malaysia	5,007	4,898
	3,543,108	3,653,308

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13. INVESTMENTS (CONT'D.)

13.2 AC

	Unaudited 30.09.2022 RM'000	Audited 31.03.2022 RM'000
At amortised cost:		
Fixed and call deposits with licensed banks	23,225	20,096
Loans:		
Mortgage loans	347	393
Less: Provision for expected credit loss ("ECL")	(70)	(70)
	<u>277</u>	<u>323</u>
	<u>23,502</u>	<u>20,419</u>

The carrying values of the fixed and call deposits with licensed banks approximate fair value due to the relatively short term maturities.

The carrying values of the mortgage loans and other loans are reasonable approximates of fair values due to the insignificant impact of discounting.

13.3 Collective investment schemes - Investments in subsidiaries

	Unaudited 30.09.2022 RM'000	Audited 31.03.2022 RM'000
At fair value:		
FVTPL (Note 13.1)	<u>3,328,188</u>	<u>3,412,979</u>

Details of the Company's Collective investment schemes - Investments in subsidiaries in Malaysia are as follows:

Name of wholesale unit trust fund	Principal activities	% of ownership interest held by the Company	
		30.09.2022	31.03.2022
AmIncome Institutional 1	Investment in debt securities and money market	99.88%	99.88%
AmIncome Institutional 3	Investment in debt securities and money market	99.94%	99.94%
AmCash Plus	Investment in government related securities and money market	99.54%	99.45%

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13. INVESTMENTS (CONT'D.)

13.4 Carrying values of investments

	AC RM'000	FVTPL RM'000	TOTAL RM'000
Unaudited			
At 1 April 2022	20,419	3,653,308	3,673,727
Purchases	3,129	69,321	72,450
Dividend reinvestment	-	72,349	72,349
Maturities	(46)	-	(46)
Disposals	-	(198,249)	(198,249)
Recorded in income statement:			
Realised losses	-	(1,786)	(1,786)
Fair value losses	-	(51,835)	(51,835)
At 30 September 2022	<u>23,502</u>	<u>3,543,108</u>	<u>3,566,610</u>
	AC RM'000	FVTPL RM'000	TOTAL RM'000
Audited			
At 1 April 2021	20,636	3,619,428	3,640,064
Purchases	-	510,185	510,185
Maturities	(217)	-	(217)
Disposals	-	(432,428)	(432,428)
Recorded in income statement:			
Realised losses	-	(1,043)	(1,043)
Fair value losses	-	(42,834)	(42,834)
At 31 March 2022	<u>20,419</u>	<u>3,653,308</u>	<u>3,673,727</u>

14. REINSURANCE ASSETS

	Note	Unaudited 30.09.2022 RM'000	Audited 31.03.2022 RM'000
Reinsurance assets on:			
Claims liabilities	19.1	448,556	457,845
Premium liabilities	19.2	56,402	61,306
		<u>504,958</u>	<u>519,151</u>
Allowance for impairment losses		(923)	(923)
		<u>504,035</u>	<u>518,228</u>

15. INSURANCE RECEIVABLES

	Unaudited 30.09.2022 RM'000	Audited 31.03.2022 RM'000
Due premiums including agents, brokers and co-insurers balances	60,423	71,040
Due from reinsurers and cedants	11,112	9,639
	<u>71,535</u>	<u>80,679</u>
Allowance for impairment losses	(14,235)	(18,201)
	<u>57,300</u>	<u>62,478</u>

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16. OTHER RECEIVABLES

	Unaudited 30.09.2022 RM'000	Audited 31.03.2022 RM'000
Income due and accrued	710	11,093
Share of net assets held under Malaysian Motor Insurance Pool ("MMIP") *	41,951	44,155
Amounts owing by other related companies **	1	1,893
Reinsurance deposits	53	48
Sundry receivables	8,923	9,401
Current account with Custodian	15,921	17,546
	<u>67,559</u>	<u>84,136</u>
Allowance for impairment losses	(263)	(246)
	<u>67,296</u>	<u>83,890</u>

* As a participating member of MMIP, the Company shares a proportion of the Pool's net assets/liabilities. At each reporting date, the Company accounts for its share of the assets, liabilities and performance of the Pool. The net assets held under MMIP represents the Company's share of the Pool's net assets before insurance contract liabilities. The Company's share of the Pool's insurance contract liabilities is disclosed in Note 19.

** The amounts owing by other related companies are unsecured, interest free and repayable on demand.

17. NON-CURRENT ASSETS HELD FOR SALE

	Unaudited 30.09.2022 RM'000	Audited 31.03.2022 RM'000
At 30 September 2022/31 March 2022	<u>1,562</u>	<u>1,562</u>

The proposed disposal of the self-occupied property has not been completed as certain conditions precedent have yet to be met. Hence, as at 30 September 2022, the property remains classified as a non-current assets held for sale.

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18. SHARE CAPITAL

	<----- No. of shares ----->		<----- Amount ----->	
	Unaudited 30.09.2022 ('000)	Audited 31.03.2022 ('000)	Unaudited 30.09.2022 RM'000	Audited 31.03.2022 RM'000
Ordinary shares (a)	600,000	600,000	1,000,000	1,000,000
INCPS (b)	6,100	6,100	61,000	61,000
	<u>606,100</u>	<u>606,100</u>	<u>1,061,000</u>	<u>1,061,000</u>

(a) Ordinary shares

	Unaudited <-----30.09.2022----->		Audited <-----31.03.2022----->	
	No. of shares ('000)	Amount RM'000	No. of shares ('000)	Amount RM'000
Issued and paid-up: At 30 September 2022/ 31 March 2022	<u>600,000</u>	<u>1,000,000</u>	<u>600,000</u>	<u>1,000,000</u>

(b) INCPS

	Unaudited <-----30.09.2022----->		Audited <-----31.03.2022----->	
	No. of shares ('000)	Amount RM'000	No. of shares ('000)	Amount RM'000
Issued and paid-up: At 30 September 2022/ 31 March 2022	<u>6,100</u>	<u>61,000</u>	<u>6,100</u>	<u>61,000</u>

The salient features of the INCPS issued by the Company are as follows:

- (i) Subject always to the prior approval of BNM and the discretion of the Board, the INCPS confer on the holders the right to a non-cumulative preferential dividend calculated at 5.5% per annum each year to be declared and paid within six months from the end of each financial year, calculated based on the issue price of the INCPS, in priority to any other classes of shares to the extent that there are profits available for the distribution and compliance with the capital adequacy requirements as stipulated by BNM.
- (ii) The INCPS holders are entitled at any time to convert all or any of the INCPS held to ordinary shares in the Company, pari passu as between themselves, on the basis of one (1) INCPS for one (1) new ordinary share.
- (iii) The INCPS shall not be transferable (in whole or in part) except to Liberty Insurance Berhad [Company Registration No. 197301003242 (16688-K)] pursuant to Bank Negara Malaysia and/or Ministry of Finance approval dated 27 June 2022.

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19. INSURANCE CONTRACT LIABILITIES

	Note	Unaudited ←-----30.09.2022----->			Audited ←-----31.03.2022----->		
		Gross RM'000	Reinsurance RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000
Provision for claims reported by policyholders		1,183,494	(306,720)	876,774	1,147,696	(344,647)	803,049
Provision for incurred but not reported claims ("IBNR")		570,808	(105,787)	465,021	610,904	(76,303)	534,601
Provision for fund provision of risk margin for adverse deviation ("FPRAD")		146,662	(36,049)	110,613	146,256	(36,895)	109,361
Claims liabilities	19.1	1,900,964	(448,556)	1,452,408	1,904,856	(457,845)	1,447,011
Less: Impairment loss on reinsurance assets		-	923	923	-	923	923
		1,900,964	(447,633)	1,453,331	1,904,856	(456,922)	1,447,934
Premium liabilities	19.2	694,874	(56,402)	638,472	720,428	(61,306)	659,122
		<u>2,595,838</u>	<u>(504,035)</u>	<u>2,091,803</u>	<u>2,625,284</u>	<u>(518,228)</u>	<u>2,107,056</u>

As at 30 September 2022, the insurance contract liabilities above included the Company's share of MMIP's claims and premium liabilities amounting to RM16.1 million (As at 31 March 2022: RM19.0 million) and RM0.8 million (As at 31 March 2022: RM0.8 million) respectively.

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19. INSURANCE CONTRACT LIABILITIES (CONT'D.)

19.1 Claim liabilities

	Unaudited			Audited		
	<-----30.09.2022----->			<-----31.03.2022----->		
	Gross RM'000	Reinsurance RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000
At 1 April 2022/2021	1,904,856	(457,845)	1,447,011	1,713,871	(323,935)	1,389,936
Claims incurred in the current accident period/year (direct and facultative)	572,586	(43,937)	528,649	1,237,919	(255,786)	982,133
Adjustment to claims incurred in prior accident period/year (direct and facultative)	(142,104)	5,680	(136,424)	(300,182)	49,090	(251,092)
Claims incurred during the period/year (treaty inwards claims)	(2,102)	-	(2,102)	(3,781)	-	(3,781)
Claims paid during the period/year	(432,272)	47,546	(384,726)	(742,971)	72,786	(670,185)
At 30 September 2022/31 March 2022	1,900,964	(448,556)	1,452,408	1,904,856	(457,845)	1,447,011

19.2 Premium liabilities

	Unaudited			Audited		
	<-----30.09.2022----->			<-----31.03.2022----->		
	Gross RM'000	Reinsurance RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000
At 1 April 2022/2021	720,428	(61,306)	659,122	709,104	(57,932)	651,172
Premiums written during the period/year	757,035	(82,093)	674,942	1,518,013	(175,216)	1,342,797
Premiums earned during the period/year	(782,589)	86,997	(695,592)	(1,506,689)	171,842	(1,334,847)
At 30 September 2022/31 March 2022	694,874	(56,402)	638,472	720,428	(61,306)	659,122

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20. CAPITAL COMMITMENTS

	Unaudited 30.09.2022 RM'000	Audited 31.03.2022 RM'000
Capital expenditure:		
Approved and contracted for:		
Renovation, furniture and fitting and office equipment	103	35
Computer hardware and software	4,137	9,920
	<u>4,240</u>	<u>9,955</u>
Approved and but not contracted for:		
Computer hardware and software	<u>10,042</u>	<u>6,621</u>

21. RELATED PARTY DISCLOSURES

The Company's balances with related parties are as follows:

	Unaudited 30.09.2022 RM'000	Audited 31.03.2022 RM'000
Included in insurance receivables (Note 15):		
Due from agents, brokers and co-insurers:		
AmBank (M) Berhad	9,769	9,425
AON Insurance Brokers (Malaysia) Sdn Bhd	859	71
Liberty Insurance Berhad	6	-
	<u>10,634</u>	<u>9,496</u>
Included in amount owing by other related companies:		
AMMB Holdings Berhad	1	-
Insurance Australia Limited *	-	1,893
	<u>1</u>	<u>1,893</u>
Included in income due and accrued:		
AmIncome Institutional 1	-	3,603
AmIncome Institutional 3	-	6,214
AmCash Plus	-	687
	<u>-</u>	<u>10,504</u>

*With effective from 28 July 2022, IAG and its related companies ceased to be related parties of the Company.

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21. RELATED PARTY DISCLOSURES (CONT'D.)

The Company's balances with related parties are as follows (Cont'd.):

	Unaudited 30.09.2022 RM'000	Audited 31.03.2022 RM'000
Included in cash and short-term deposits :		
AmBank (M) Berhad	301,995	173,732
Included in insurance payables:		
Due to agents, brokers and co-insurers:		
AmBank (M) Berhad	3,240	3,154
AmCard Services Berhad	144	159
AmInvestment Bank Berhad	156	143
AON Insurance Brokers (Malaysia) Sdn Bhd	958	1,327
Liberty Mutual Insurance Europe Limited	52	-
	<u>4,550</u>	<u>4,783</u>
Included in amount owing to other related companies:		
AmBank (M) Berhad	6,206	8,699
AMMB Holdings Berhad	2,383	369
	<u>8,589</u>	<u>9,068</u>
Included in accrued expenses and deposits:		
AmBank (M) Berhad	4,601	5,256
Dividend payables on INCPS and ordinary shares to:		
Liberty Insurance Berhad	162,355	-

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21. RELATED PARTY DISCLOSURES (CONT'D.)

The Company's significant transactions with related parties are as follows:

	Income/(Expenses)	
	Unaudited	Unaudited
	01.04.2022	01.04.2021
	to	to
	30.09.2022	30.09.2021
	RM'000	RM'000
Interest and dividend income from:		
AmBank (M) Berhad	6	13
AmIncome Institutional 1	21,452	22,931
AmIncome Institutional 3	36,221	36,245
AmInvestment Bank Berhad	-	855
AmCash Plus	2,940	2,658
AmIslamic Funds Management Sdn Bhd	93	36
	<u>60,712</u>	<u>62,738</u>
Commission income from:		
IAG Re Singapore Pte Ltd **	32	(290)
Insurance Australia Limited **	464	540
Liberty Mutual Insurance Europe Limited ^	12	-
	<u>508</u>	<u>250</u>
Gross premium income from:		
AmBank (M) Berhad	951	746
AMMB Holdings Berhad	579	546
AmMetLife Insurance Berhad	193	180
AmInvestment Bank Berhad	5	2
AmBank Islamic Berhad	(118)	4,011
AmCorp Properties Berhad	5	5
AmMetLife Takaful Berhad	2	2
AmCorp Energy Services Sdn Bhd	1	1
AmCorp Realty Sdn Bhd	12	12
AmCorp Services Sdn Bhd	15	16
AmCorp Sibujaya Sdn Bhd	32	23
AmCorp Borneo Sdn Bhd	1	1
AmFunds Management Bhd	3	1
AmIslamic Funds Management Sdn Bhd	2	1
AmProperty Holdings Sdn Bhd	121	121
AmMortgage One Berhad	1	1
	<u>1,805</u>	<u>5,669</u>
Commission expenses to:		
AmBank (M) Berhad	(5,856)	(6,679)
AmInvestment Bank Berhad	(3)	(2)
AON Insurance Brokers (Malaysia) Sdn Bhd	(1,892)	(1,936)
	<u>(7,751)</u>	<u>(8,617)</u>

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21. RELATED PARTY DISCLOSURES (CONT'D.)

The Company's significant transactions with related parties are as follows (Cont'd.):

	Income/(Expenses)	
	Unaudited	Unaudited
	01.04.2022	01.04.2021
	to	to
	30.09.2022	30.09.2021
	RM'000	RM'000
Administration and operating expenses to:		
AmBank (M) Berhad	(9,365)	(9,929)
AmFunds Management Bhd	(128)	(122)
AmMetLife Insurance Berhad	(3,929)	(623)
IERP Sdn. Bhd.	-	(40)
Insurance Australia Limited **	186	(485)
Harpers Travel (M) Sdn. Bhd.	(99)	-
	<u>(13,335)</u>	<u>(11,199)</u>
Reinsurance premiums ceded to:		
IAG Re Singapore Pte Ltd **	(91)	9
Insurance Australia Limited **	(524)	(820)
Liberty Insurance Berhad ^	7	-
Liberty Mutual Insurance Europe Limited ^	(64)	-
	<u>(672)</u>	<u>(811)</u>
Claims recovery from:		
IAG Re Singapore Pte Ltd **	162	5,942
Insurance Australia Limited **	1,285	4,936
	<u>1,447</u>	<u>10,878</u>
Rental income from:		
Insurance Australia Limited **	-	76
	<u>-</u>	<u>76</u>
Dividends on INCPS and ordinary share paid to:		
AmGeneral Holdings Berhad	-	(199,355)
	<u>-</u>	<u>(199,355)</u>

** Transactions with IAG are up to 28 July 2022.

^ Transactions with Liberty are on and after 28 July 2022.

22. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The Company measures certain financial instruments at fair value at each reporting date.

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 the Company.

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.

A 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 participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available 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:

- (a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (b) Level 2 - Valuation techniques for which all input that is significant to the fair value measurement is directly or indirectly observable
- (c) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the reporting date.

For investments in unit and property trust funds and collective investment schemes, fair value is determined by reference to published net asset values.

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23. FAIR VALUE HIERARCHY

The table below analyses those financial instruments carried at fair value and assets for which fair value is disclosed by their valuation methods.

- (a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (b) Level 2 - Valuation techniques for which all input that are significant to the fair value measurement is directly or indirectly observable
- (c) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Unaudited 30 September 2022	Note	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets measured at fair value on a recurring basis:					
FVTPL financial assets:					
Quoted equities securities	13	75,834	-	-	75,834
Unit and property trust funds	13	5,007	-	-	5,007
Collective investment schemes:					
Investments in subsidiaries	13.3	3,328,188	-	-	3,328,188
Investments in others		134,079	-	-	134,079
		<u>3,543,108</u>	<u>-</u>	<u>-</u>	<u>3,543,108</u>

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23. FAIR VALUE HIERARCHY (CONT'D.)

Audited 31 March 2022	Note	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets measured at fair value on a recurring basis:					
FVTPL financial assets:					
Quoted equities securities	13	76,830	-	-	76,830
Unit and property trust funds	13	4,898	-	-	4,898
Collective investment schemes:					
Investments in subsidiaries	13.3	3,412,979	-	-	3,412,979
Investments in others		158,601	-	-	158,601
		<u>3,653,308</u>	<u>-</u>	<u>-</u>	<u>3,653,308</u>

There were no transfers between Level 1 or Level 2 of the fair value hierarchy during the current period and previous financial year for assets which are carried at fair value.

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24. REGULATORY CAPITAL REQUIREMENTS

The total capital available of the Company as at 30 September 2022, as prescribed under the RBC Framework is provided below:

	Unaudited 30.09.2022 RM'000	Audited 31.3.2022 RM'000
Eligible Tier 1 capital		
Fully paid-up ordinary shares (Note 18)	1,000,000	1,000,000
Paid-up non-cumulative irredeemable preference shares	61,000	61,000
Retained earnings	464,511	553,155
	<u>1,525,511</u>	<u>1,614,155</u>
Amounts deducted from capital	<u>(95,330)</u>	<u>(87,612)</u>
Total capital available	<u>1,430,181</u>	<u>1,526,543</u>

25. SIGNIFICANT AND SUBSEQUENT EVENTS

25.1 The Malaysian Competition Commission ("MyCC")'s Decision against PIAM and its 22 members

On 22 February 2017, MyCC issued a proposed decision against PIAM and 22 of its members, general insurers, for an alleged infringement of the Competition Act, 2010 ("CA 2010"). The Proposed Decision ("PD") included proposed financial penalties on all 22 general insurers, including AmGeneral Insurance Berhad ("AmGeneral"). AmGeneral's share of the proposed infringement penalties amounted to RM45,156,098.

AmGeneral responded to the proposed penalties with written and oral representations. On 13 May 2019, AmGeneral's legal counsel delivered its third oral representation to MyCC and followed up with Members of the Commission ("MOC") and reiterated AmGeneral's position that it had not infringed Section 4 of the CA 2010 and that no infringement penalties should be imposed.

Pursuant to Section 40 of the CA 2010, MyCC had determined that PIAM and its 22 members infringed Section 4 of the CA 2010 prohibition by participating in an agreement which allegedly has, the object of preventing, restricting or distorting competition in the market for parts trade and labour charges for PIAM Approved Repairers Scheme ("PARS").

MyCC then issued an Infringement Decision ("ID") on 14 September 2020 pursuant to Section 40 CA 2010 that PIAM and the 22 general insurers had infringed Section 4 CA 2010 and imposed a fine of RM13,713,569 on AmGeneral.

On 13 October 2020, AmGeneral submitted a Notice of Appeal to MyCC pursuant to Section 51 of the CA 2010 and, on 23 October 2020, submitted an Application for Stay to the Competition Appeal Tribunal ("COMPAT") pursuant to Section 53 of the CA 2010. Thereafter, AmGeneral submitted an application for a Judicial Review at the Malaysian High Court on 24 December 2020.

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25. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D.)

25.1 The Malaysian Competition Commission ("MyCC")'s Decision against PIAM and its 22 members (cont'd.)

Subsequently, on 25 and 26 February 2021, the hearing for the stay applications of the insurers before the COMPAT took place. On 23 March 2021, the COMPAT panel unanimously decided to grant a stay on the financial penalties and the Cease-and-Desist Order pending the disposal of the appeal on the merits with no order as to costs.

On 26 April 2021, the High Court had granted AmGeneral's Application for Leave for Judicial Review and extended the interim stay which was granted on 15 March 2021 until the hearing of any objections or application by MyCC to set it aside. The grant of leave meant that the High Court had agreed to hear arguments on AmGeneral's substantive application to set aside MyCC's decision.

On 20 October 2021, the High Court allowed MyCC's application to set aside the leave and stay order granted by the High Court. Subsequently, AmGeneral lodged an appeal to the Court of Appeal on 18 November 2021 to preserve its rights.

On 2 September 2022, the COMPAT had unanimously allowed the general insurers' appeal and MyCC's decision was being set aside.

The time frame for MyCC to file for Judicial Review would be three (3) months from the date the decision was delivered by COMPAT on 2 September 2022. To-date, MyCC have not filed for Judicial Review and AmGeneral's position remains unchanged.

With regards to the appeal filed by AmGeneral on the Judicial Review, AmGeneral have instructed the appointed solicitor to withdraw the appeal to the Court of Appeal on 2 September 2022 after AmGeneral's appeal was allowed by COMPAT.