

AmGENERAL INSURANCE BERHAD
197801007153
(Incorporated in Malaysia)

Interim Condensed Financial Statements
For The Period Ended 30 September 2021

Company No: 197801007153

AmGENERAL INSURANCE BERHAD
(Incorporated in Malaysia)

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AmGENERAL INSURANCE BERHAD
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INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

		Unaudited	Audited
		30.09.2021	31.03.2021
	Note	RM'000	RM'000
Assets			
Property and equipment		13,549	13,765
Right-of-use assets		19,835	45,681
Intangible assets		40,629	45,502
Investments	13	3,543,961	3,640,064
Reinsurance assets	14	342,489	379,795
Insurance receivables	15	55,764	52,892
Other receivables	16	80,770	80,330
Deferred tax assets		23,005	23,005
Cash and short-term deposits		163,038	139,967
Non-current asset held for sale	17	1,562	1,562
Total assets		<u>4,284,602</u>	<u>4,422,563</u>
Equity			
Share capital	18	1,061,000	1,061,000
Retained earnings		469,416	552,643
Total equity		<u>1,530,416</u>	<u>1,613,643</u>
Liabilities			
Insurance contract liabilities	19	2,374,320	2,422,975
Other liabilities		29,090	30,236
Insurance payables		38,568	56,033
Provision for taxation		26,126	5,414
Lease liabilities		20,471	46,480
Other payables		247,026	229,432
Provision for retirement benefits		18,585	18,350
Total liabilities		<u>2,754,186</u>	<u>2,808,920</u>
Total equity and liabilities		<u>4,284,602</u>	<u>4,422,563</u>

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

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INTERIM CONDENSED INCOME STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Unaudited 01.04.2021 to 30.09.2021 RM'000	Unaudited 01.04.2020 to 30.09.2020 RM'000
Gross earned premiums	756,928	773,669
Earned premiums ceded to reinsurers	(82,931)	(74,168)
Net earned premiums	<u>673,997</u>	<u>699,501</u>
Investment income	65,489	80,861
Realised gains/(losses)	1,578	(1,126)
Fair value (losses)/gains	(9,456)	72,005
Fees and commission income	20,099	17,388
Other operating income	278	1,951
Other revenue	<u>77,988</u>	<u>171,079</u>
Gross benefits and claims paid	(356,983)	(394,772)
Claims ceded to reinsurers	42,542	35,196
Gross change in contract liabilities	(24,707)	(32,450)
Change in contract liabilities ceded to reinsurers	(30,928)	2,711
Net claims	<u>(370,076)</u>	<u>(389,315)</u>
Fees and commission expenses	(88,071)	(93,561)
Management expenses	(149,965)	(201,102)
Other operating expenses	(1,525)	(108)
Finance costs	(734)	(1,435)
Other expenses	<u>(240,295)</u>	<u>(296,206)</u>
Profit before taxation	141,614	185,059
Taxation	(25,486)	(35,161)
Net profit for the period	<u>116,128</u>	<u>149,898</u>

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 2021

	Unaudited 01.04.2021 to 30.09.2021 RM'000	Unaudited 01.04.2020 to 30.09.2020 RM'000
Net profit for the period	116,128	149,898
Other comprehensive loss:		
<u>Other comprehensive loss not to be reclassified to the income statement in subsequent periods:</u>		
Re-measurement loss on defined benefit plans	-	(409)
Tax effects thereon	-	98
Net other comprehensive loss not to be reclassified to the income statement in subsequent periods	<u>-</u>	<u>(311)</u>
Total other comprehensive loss for the period, net of taxation	<u>-</u>	<u>(311)</u>
Total comprehensive income for the period	<u>116,128</u>	<u>149,587</u>
Earnings per share (sen)		
Basic	<u>19</u>	<u>25</u>
Diluted	<u>19</u>	<u>24</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 2021**

	<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 2020	1,061,000	612,732	1,673,732
Net profit for the period	-	149,898	149,898
Other comprehensive loss	-	(311)	(311)
Total comprehensive income for the period	-	149,587	149,587
Dividends on ordinary shares	-	(198,000)	(198,000)
Dividends on INCPS and RNCPS	-	(8,855)	(8,855)
At 30 September 2020	1,061,000	555,464	1,616,464
Unaudited			
At 1 April 2021	1,061,000	552,643	1,613,643
Net profit for the period	-	116,128	116,128
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	116,128	116,128
Dividends on ordinary shares	-	(196,000)	(196,000)
Dividends on INCPS (Note 8)	-	(3,355)	(3,355)
At 30 September 2021	1,061,000	469,416	1,530,416

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 2021

	Unaudited 01.04.2021 to 30.09.2021 RM'000	Unaudited 01.04.2020 to 30.09.2020 RM'000
Profit before taxation	141,614	185,059
Adjustments for non-operating and non-cash items	<u>(38,867)</u>	<u>(134,570)</u>
Operating profit before working capital changes	102,747	50,489
Changes in working capital:		
Net change in operating assets	206,299	46,322
Net change in operating liabilities	(70,595)	64,207
Income tax paid	<u>(4,774)</u>	<u>(5,629)</u>
Net cash generated from operating activities	130,930	104,900
Net cash used in investing activities	(4,516)	(7,021)
Financing activities:		
Dividend paid on INCPS and RNCPS	(3,355)	(8,855)
Dividend paid on ordinary shares	(196,000)	(198,000)
Payment of lease liabilities	<u>(6,735)</u>	<u>(7,250)</u>
Net cash used in financing activities	(206,090)	(214,105)
Net increase/(decrease) in cash and cash equivalents	23,071	(65,737)
Cash and cash equivalents at beginning of financial period	<u>139,967</u>	<u>171,697</u>
Cash and cash equivalents at end of financial period	<u>163,038</u>	<u>105,960</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 liability 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 Menara Shell, No. 211 Jalan Tun Sambathan, 50470 Kuala Lumpur.

The immediate holding, penultimate holding and ultimate holding companies are AmGeneral Holdings Berhad, AMAB Holdings Sdn. Bhd. and AMMB Holdings Berhad ("AMMB"), respectively. All the aforesaid companies are incorporated and domiciled in Malaysia. The ultimate holding company, AMMB is listed on the Main Market of Bursa Malaysia Securities Berhad.

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 1 November 2021.

2. BASIS OF PREPARATION

The interim condensed financial statements of the Company is 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 2021.

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 2021.

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 2021, except for the following:

Amendments to Standards	Effective Date
<i>Interest Rate Benchmark Reform - Phase 2</i> (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021

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 2021.

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 2021.

6. CHANGE IN ESTIMATES

There were no changes in the basis used for the accounting estimates for the interim financial period ended 30 September 2021.

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 2021.

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8. DIVIDENDS

In the current interim financial period ended 30 September 2021, the Company paid the following dividends in respect of the financial year ended 31 March 2021.

	RM'000
Ordinary Shares	
Final dividend on ordinary shares declared on 22 April 2021 and paid on 7 September 2021	196,000
Irredeemable non-cumulative convertible preference shares ("INCPS"):	
Dividend of 5.5% per INCPS on 6,100,000 INCPS based on issued price of RM10.00 each declared on 22 April 2021 and paid on 7 September 2021	3,355
	<u>199,355</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 2021.

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13. INVESTMENTS

	Note	Unaudited 30.09.2021 RM'000	Audited 31.03.2021 RM'000
Equity securities		70,422	38,295
Unit and property trust funds		5,090	3,328
Loans		378	456
Fixed and call deposits		20,134	20,180
Collective investment schemes:			
Investments in subsidiaries	13.3	3,320,255	3,406,522
Investments in others		127,682	171,283
		3,447,937	3,577,805
		3,543,961	3,640,064

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

	Note	Unaudited 30.09.2021 RM'000	Audited 31.03.2021 RM'000
Fair value through profit & loss ("FVTPL")	13.1	3,523,449	3,619,428
Amortised cost ("AC")	13.2	20,512	20,636
		3,543,961	3,640,064

13.1 FVTPL

	Unaudited 30.09.2021 RM'000	Audited 31.03.2021 RM'000
At fair value:		
Mandatory measured:		
Collective investment schemes - Quoted in Malaysia		
Investments in subsidiaries (Note 13.3)	3,320,255	3,406,522
Investments in others	127,682	171,283
Equity securities quoted in Malaysia	70,422	38,295
Unit and property trust funds quoted in Malaysia	5,090	3,328
	3,523,449	3,619,428

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13. INVESTMENTS (CONT'D.)

13.2 AC

	Unaudited	Audited
	30.09.2021	31.03.2021
	RM'000	RM'000
At amortised cost:		
Fixed and call deposits with licensed banks	20,134	20,180
Loans:		
Mortgage loans	444	519
Other loans	4	7
	448	526
Less: Provision for expected credit loss ("ECL")	(70)	(70)
	<u>378</u>	<u>456</u>
	<u>20,512</u>	<u>20,636</u>

The carrying value of the fixed and call deposits with licensed banks approximates 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	Audited
	30.09.2021	31.03.2021
	RM'000	RM'000
At fair value:		
FVTPL (Note 13.1)	<u>3,320,255</u>	<u>3,406,522</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	
		30.09.2021	31.03.2021
AmlIncome Institutional 1	Investment in debt securities and money market	99.88%	99.89%
AmlIncome Institutional 3	Investment in debt securities and money market	99.94%	99.94%
AmCash Plus	Investment in government related securities and money market	99.45%	99.45%
Nomura i-Income Fund 2	Investment in Islamic fixed income instruments and Islamic deposits	99.99%	0.00%

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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 2021	20,636	3,619,428	3,640,064
Purchases	-	132,631	132,631
Dividend reinvestment	-	66,618	66,618
Maturities	(124)	-	(124)
Disposals	-	(287,349)	(287,349)
Realised gains recorded in income statement	-	1,578	1,578
Fair value losses recorded in income statement	-	(9,457)	(9,457)
At 30 September 2021	<u>20,512</u>	<u>3,523,449</u>	<u>3,543,961</u>
	AC RM'000	FVTPL RM'000	TOTAL RM'000
Audited			
At 1 April 2020	20,468	3,568,656	3,589,124
Purchases	414	534,061	534,475
Maturities	(246)	-	(246)
Disposals	-	(470,981)	(470,981)
Realised gains recorded in income statement	-	205	205
Fair value losses recorded in income statement	-	(12,513)	(12,513)
At 31 March 2021	<u>20,636</u>	<u>3,619,428</u>	<u>3,640,064</u>

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14. REINSURANCE ASSETS

		Unaudited 30.09.2021 RM'000	Audited 31.03.2021 RM'000
Reinsurance assets on:			
Claims liabilities	19.1	293,007	323,935
Premium liabilities	19.2	51,554	57,932
		<u>344,561</u>	<u>381,867</u>
Allowance for impairment losses		<u>(2,072)</u>	<u>(2,072)</u>
		<u>342,489</u>	<u>379,795</u>

15. INSURANCE RECEIVABLES

		Unaudited 30.09.2021 RM'000	Audited 31.03.2021 RM'000
Due premiums including agents, brokers and co-insurers balances		65,154	65,737
Due from reinsurers and cedants		10,222	5,887
		<u>75,376</u>	<u>71,624</u>
Allowance for impairment losses		<u>(19,612)</u>	<u>(18,732)</u>
		<u>55,764</u>	<u>52,892</u>

16. OTHER RECEIVABLES

		Unaudited 30.09.2021 RM'000	Audited 31.03.2021 RM'000
Income due and accrued		10,489	13,746
Share of net assets held under Malaysian Motor Insurance Pool ("MMIP")		45,277	47,235
Amounts owing by ultimate holding, holding and other related companies *		1,727	548
Reinsurance deposits		2	9
Sundry receivables		9,817	11,781
Current account with Custodian		13,870	7,406
		<u>81,182</u>	<u>80,725</u>
Allowance for impairment losses		<u>(412)</u>	<u>(395)</u>
		<u>80,770</u>	<u>80,330</u>

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

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17. NON-CURRENT ASSET HELD FOR SALE

	Unaudited 30.09.2021 RM'000	Audited 31.03.2021 RM'000
At 1 April 2021/2020	1,562	1,562
At 30 September 2021/31 March 2021	<u>1,562</u>	<u>1,562</u>

The properties remain classified as non-current asset held for sale as at 30 September 2021.

18. SHARE CAPITAL

	<-----No. of shares----->		<-----Amount----->	
	Unaudited 30.09.2021 ('000)	Audited 31.03.2021 ('000)	Unaudited 30.09.2021 RM'000	Audited 31.03.2021 RM'000
Ordinary shares (a)	600,000	600,000	600,000	600,000
Share capital arising from redemption of RNCPS (a)	-	-	400,000	400,000
	600,000	600,000	1,000,000	1,000,000
INCPS (b)	6,100	6,100	61,000	61,000
RNCPS (c)	-	-	-	-
	<u>606,100</u>	<u>606,100</u>	<u>1,061,000</u>	<u>1,061,000</u>

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18. SHARE CAPITAL (CONT'D.)

(a) Ordinary shares

	Unaudited <-----30.09.2021----->		Audited <-----31.03.2021----->	
	No. of shares (‘000)	Amount RM’000	No. of shares (‘000)	Amount RM’000
Issued and paid-up:				
At 1 April 2021/2020	600,000	1,000,000	600,000	900,000
Arising from redemption of RNCPS pursuant to section 72 (4)(a) of the Companies Act, 2016	-	-	-	100,000
At 30 September 2021/ 31 March 2021	<u>600,000</u>	<u>1,000,000</u>	<u>600,000</u>	<u>1,000,000</u>

(b) INCPS

	Unaudited <-----30.09.2021----->		Audited <-----31.03.2021----->	
	No. of shares (‘000)	Amount RM’000	No. of shares (‘000)	Amount RM’000
Issued and paid-up:				
At beginning and end of period/year	<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) and shall not be redeemed by the Company.

18. SHARE CAPITAL (CONT'D.)

(c) RNCPS

	Unaudited ←-----30.09.2021----->		Audited ←-----31.03.2021----->	
	No. of shares (‘000)	Amount RM‘000	No. of shares (‘000)	Amount RM‘000
Issued and paid-up:				
At 1 April 2021/2020	-	-	10,000	100,000
Redemption during the period/year	-	-	(10,000)	(100,000)
At 30 September 2021/ 31 March 2021	-	-	-	-

During financial year ended 31 March 2021, the Company has fully redeemed the remaining 10,000,000 RNCPS.

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

- (i) Subject always to the prior approval of BNM and the discretion of the Board, the RNCPS 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 RNCPS, 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 RNCPS holders are entitled at any time to convert all or any of the RNCPS held to ordinary shares in the Company, pari passu as between themselves, on the basis of one (1) RNCPS for one (1) new ordinary share.
- (iii) The RNCPS shall not be transferable (in whole or in part). Subject to the prior approval of BNM and the Companies Act, 2016 in Malaysia, the RNCPS may at the sole discretion of the Company be redeemed at a redemption price which is equal to the issue price at which the relevant RNCPS have been issued. It should be redeemed upon and subject to the terms hereunder, provided that the Company shall not redeem any RNCPS during the first five years of the issue of the RNCPS.

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19. INSURANCE CONTRACT LIABILITIES

	Note	Unaudited 30.09.2021			Audited 31.03.2021		
		Gross RM'000	Reinsurance RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000
Provision for claims reported by policyholders		968,808	(219,214)	749,594	938,423	(218,755)	719,668
Provision for incurred but not reported claims ("IBNR")		635,785	(49,577)	586,208	641,810	(78,115)	563,695
Provision for fund provision of risk margin for adverse deviation ("FPRAD")		133,985	(24,216)	109,769	133,638	(27,065)	106,573
Claims liabilities	19.1	1,738,578	(293,007)	1,445,571	1,713,871	(323,935)	1,389,936
Less: Impairment loss on reinsurance assets		-	2,072	2,072	-	2,072	2,072
		1,738,578	(290,935)	1,447,643	1,713,871	(321,863)	1,392,008
Premium liabilities	19.2	635,742	(51,554)	584,188	709,104	(57,932)	651,172
		<u>2,374,320</u>	<u>(342,489)</u>	<u>2,031,831</u>	<u>2,422,975</u>	<u>(379,795)</u>	<u>2,043,180</u>

As at 30 September 2021, the insurance contract liabilities above included the Company's share of MMIP's claims and premium liabilities amounting to RM22.8 million (As at 31 March 2021: RM23.8 million) and RM0.8 million (As at 31 March 2021: RM1.3 million) respectively.

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19. INSURANCE CONTRACT LIABILITIES (CONT'D.)

19.1 Claim liabilities

	Unaudited			Audited		
	<-----30.09.2021----->			<-----31.03.2021----->		
	Gross RM'000	Reinsurance RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000
At 1 April 2021/2020	1,713,871	(323,935)	1,389,936	1,727,339	(340,940)	1,386,399
Claims incurred in the current accident period/year (direct and facultative)	598,022	(100,591)	497,431	1,092,370	(128,685)	963,685
Adjustment to claims incurred in prior accident period/year (direct and facultative)	(216,021)	88,977	(127,044)	(252,603)	68,318	(184,285)
Claims incurred during the period/year (treaty inwards claims)	(311)	-	(311)	(2,365)	-	(2,365)
Claims paid during the period/year	(356,983)	42,542	(314,441)	(850,870)	77,372	(773,498)
At 30 September 2021/31 March 2021	1,738,578	(293,007)	1,445,571	1,713,871	(323,935)	1,389,936

19.2 Premium liabilities

	Unaudited			Audited		
	<-----30.09.2021----->			<-----31.03.2021----->		
	Gross RM'000	Reinsurance RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000
At 1 April 2021/2020	709,104	(57,932)	651,172	709,720	(54,690)	655,030
Premiums written during the period/year	683,566	(76,553)	607,013	1,559,472	(164,772)	1,394,700
Premiums earned during the period/year	(756,928)	82,931	(673,997)	(1,560,088)	161,530	(1,398,558)
At 30 September 2021/31 March 2021	635,742	(51,554)	584,188	709,104	(57,932)	651,172

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20. CAPITAL COMMITMENTS

	Unaudited 30.09.2021 RM'000	Audited 31.03.2021 RM'000
Capital expenditure:		
Approved and contracted for:		
Renovation, furniture and fitting and office equipment	255	391
Computer hardware and software	7,759	3,426
	<u>8,014</u>	<u>3,817</u>
Approved and but not contracted for:		
Renovation, furniture and fitting and office equipment	-	4
Computer hardware and software	7,899	9,452
	<u>7,899</u>	<u>9,456</u>

21. RELATED PARTY DISCLOSURES

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

	Unaudited 30.09.2021 RM'000	Audited 31.03.2021 RM'000
Included in insurance receivables (Note 15):		
Due from agents, brokers and co-insurers:		
AmBank (M) Berhad	10,962	7,519
AmCard Services Berhad	-	7
AON Insurance Brokers (Malaysia) Sdn Bhd	1,104	273
	<u>12,066</u>	<u>7,799</u>
Included in amount owing by ultimate holding, holding and other related companies:		
Insurance Australia Limited	1,727	548
	<u>1,727</u>	<u>548</u>

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21. RELATED PARTY DISCLOSURES (CONT'D.)

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

	Unaudited 30.09.2021 RM'000	Audited 31.03.2021 RM'000
Included in income due and accrued:		
AmBank (M) Berhad	-	1
AmIncome Institutional 1	3,435	5,356
AmIncome Institutional 3	6,225	7,174
AmCash Plus	445	1,016
	<u>10,105</u>	<u>13,547</u>
Included in cash and short-term deposits :		
AmBank (M) Berhad	<u>116,686</u>	<u>93,643</u>
Included in insurance payables:		
Due to agents, brokers and co-insurers:		
AmBank (M) Berhad	3,008	3,744
AmCard Services Berhad	159	159
AmInvestment Bank Berhad	151	116
AON Insurance Brokers (Malaysia) Sdn Bhd	955	1,202
	<u>4,273</u>	<u>5,221</u>
Included in amount owing to other related companies:		
AmBank (M) Berhad	<u>5,404</u>	<u>6,519</u>
Included in accrued expenses and deposits:		
AmBank (M) Berhad	5,677	6,140
Insurance Australia Limited	1,858	1,748
	<u>7,535</u>	<u>7,888</u>
Included in deposit from reinsurers		
IAG Re Singapore Pte Ltd	<u>-</u>	<u>3,160</u>

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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
	01.04.2021	01.04.2020
	to	to
	30.09.2021	30.09.2020
	RM'000	RM'000
Interest and dividend income from:		
AmBank (M) Berhad	13	77
AmIncome Institutional 1	22,931	24,130
AmIncome Institutional 3	36,245	44,677
AmInvestment Bank Berhad	855	1,579
AmCash Plus	2,658	6,713
AmIslamic Funds Management Sdn Bhd	36	-
	<u>62,738</u>	<u>77,176</u>
Commission income from:		
IAG Re Labuan (L) Berhad	-	(1,242)
IAG Re Singapore Pte Ltd	(290)	2,245
Insurance Australia Limited	540	-
	<u>250</u>	<u>1,003</u>
Gross premium income from:		
AmBank (M) Berhad	746	2,142
AMMB Holdings Berhad	546	556
AmMetLife Insurance Berhad	180	181
AmInvestment Bank Berhad	2	17
AmBank Islamic Berhad	4,011	1,681
AmCorp Properties Berhad	5	37
AmMetLife Takaful Berhad	2	3
AmCorp Energy Services Sdn Bhd	1	1
AmCorp Perting Hydro Sdn Bhd	-	8
AmCorp Realty Sdn Bhd	12	12
AmCorp Services Sdn Bhd	16	23
AmCorp Sibujaya Sdn Bhd	23	21
AmCorp Borneo Sdn Bhd	1	-
AmFunds Management Bhd	1	2
AmIslamic Funds Management Sdn Bhd	1	-
AmProperty Holdings Sdn Bhd	121	-
AmMortgage One Berhad	1	-
	<u>5,669</u>	<u>4,684</u>
Commission expenses to:		
AmBank (M) Berhad	(6,679)	(6,671)
AmInvestment Bank Berhad	(2)	(7)
AON Insurance Brokers (Malaysia) Sdn Bhd	(1,936)	(949)
	<u>(8,617)</u>	<u>(7,627)</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
	01.04.2021	01.04.2020
	to	to
	30.09.2021	30.09.2020
	RM'000	RM'000
Administration and operating expenses to:		
AmBank (M) Berhad	(9,929)	(9,805)
AmFunds Management Bhd	(122)	(23)
AmMetLife Insurance Berhad	(623)	(620)
IERP Sdn. Bhd.	(40)	(19)
Insurance Australia Limited	(485)	(1,091)
Harpers Travel (M) Sdn. Bhd.	-	(20)
	<u>(11,199)</u>	<u>(11,578)</u>
Reinsurance premiums ceded to:		
IAG Re Labuan (L) Berhad	-	1,484
IAG Re Singapore Pte Ltd	9	(7,017)
Insurance Australia Limited	(820)	-
	<u>(811)</u>	<u>(5,533)</u>
Claims recovery from:		
IAG Re Labuan (L) Berhad	-	21,588
IAG Re Singapore Pte Ltd	5,942	(3,161)
Insurance Australia Limited	4,936	-
	<u>10,878</u>	<u>18,427</u>
Rental income from:		
AmMetLife Insurance Berhad	-	40
Insurance Australia Limited	76	-
	<u>76</u>	<u>40</u>
Dividends on INCPS, RNCPS and ordinary share paid to:		
AmGeneral Holdings Berhad	<u>(199,355)</u>	<u>(206,855)</u>

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 by 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:

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

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22. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONT'D.)

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.

There were no transfers between Level 1 or Level 2 of the fair value hierarchy during the financial period ended 30 September 2021 and financial year ended 31 March 2021.

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 bid values.

For financial instruments where there is no active market such as unquoted fixed income securities, i.e. unquoted bonds, fair values is obtained from Bond Pricing Agency Malaysia Sdn. Bhd. ("BPAM").

For unquoted shares, fair value is determined to approximate the net assets value of the investments.

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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 2021	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:					
Equity securities:					
Quoted in Malaysia	13	70,422	-	-	70,422
Unit and property trust funds	13	5,090	-	-	5,090
Collective investment schemes:					
Investments in subsidiaries	13	3,320,255	-	-	3,320,255
Investments in others	13	127,682	-	-	127,682
		<u>3,523,449</u>	<u>-</u>	<u>-</u>	<u>3,523,449</u>

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23. FAIR VALUE HIERARCHY (CONT'D.)

Audited 31 March 2021	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:					
Equity securities:					
Quoted in Malaysia	13	38,295	-	-	38,295
Unit and property trust funds	13	3,328	-	-	3,328
Collective investment schemes:					
Investments in subsidiaries	13	3,406,522	-	-	3,406,522
Investments in others	13	171,283	-	-	171,283
		<u>3,619,428</u>	<u>-</u>	<u>-</u>	<u>3,619,428</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 2021, as prescribed under the RBC Framework is provided below:

	Unaudited 30.09.2021 RM'000	Audited 31.3.2021 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	469,416	552,643
	<u>1,530,416</u>	<u>1,613,643</u>
Tier 2 capital		
RNCPS	-	-
	<u>-</u>	<u>-</u>
Amounts deducted from capital	(76,558)	(81,431)
Total capital available	<u>1,453,858</u>	<u>1,532,212</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 representations to MyCC and followed up with Members of the Commission ("MOC") reiterating AmGeneral's position that it had not infringed on Section 4(2)(a) of the CA 2010 and that no infringement penalties should be imposed.

On 25 September 2020, AmGeneral received the Notice of Finding ("Notice") of an infringement by the competition commission under Section 40 of the Competition Act 2010.

Pursuant to Section 40 of the Competition Act 2010, the Commission has determined that PIAM and its 22 members have infringed the Section 4 prohibition by participating in an agreement which has, as its object, the prevention, restriction or distortion in relation to the market parts of parts trade and labour charges for PIAM Approved Repairers Scheme ("PARS").

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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.)

Accordingly, the Commission concluded that a financial penalty of RM18,284,759 to be imposed on AmGeneral, down from the originally proposed infringement penalties of RM45,156,098. In view of the Covid-19 pandemic, the Commission also granted a further reduction of 25% of the financial penalty imposed, bringing the penalty amount to RM13,713,569, which was approximately a 70% reduction from the initial proposed amount.

On 13 October 2020, AmGeneral submitted a Notice of Appeal to MyCC pursuant to Section 51 of the CA and, on 23 October 2020, submitted an Application for Stay to the Competition Appeal Tribunal ("COMPAT") pursuant to Section 53 of the CA. On 3 December 2020, the COMPAT objected to AmGeneral's Notification of Application for Stay. After that, AmGeneral submitted an application for a Judicial Review at the Malaysian High Court.

On 15 February 2021, the court fixed the case management for a hearing of the Application for Leave for Judicial Review. 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 of the financial penalties and the cease and desist orders pending the disposal of the appeal on the merits with no order as to costs.

On 26 April 2021, the High Court has 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 means the High Court has agreed to hear arguments on AmGeneral's 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. AmGeneral is considering the legal advice on lodging an appeal to the Court of Appeal to preserve its rights and time, pending the outcome of the COMPAT proceedings.

25.2 COVID-19

The current challenging economic environment brought about by COVID-19 is expected to prevail over the remaining financial period. Situation remains uncertain with persistent high cases of COVID-19 infections throughout the nation. The Company will continue to monitor the progress of the outbreak and measure the impact, if any, of the outbreak on the Company's financial statements as they occur.