

**PROGRESSIVE INSURANCE BHD**  
**197401001891 (19002-P)**  
**(Incorporated in Malaysia)**

**Unaudited Condensed Interim Financial Statements**  
**For The Financial Period From 1 January 2022 To 30 June 2022**

197401001891 (19002-P)

**PROGRESSIVE INSURANCE BHD**  
**(Incorporated in Malaysia)**

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**PROGRESSIVE INSURANCE BHD**  
**(Incorporated in Malaysia)**

**UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2022**

	Note	Group		Company	
		30.06.2022 RM	31.12.2021 RM	30.06.2022 RM	31.12.2021 RM
<b>ASSETS</b>					
Property and equipment		17,465,807	16,997,551	17,465,807	16,997,551
Right-of-use assets		2,983,806	3,170,997	2,983,806	3,170,997
Investments:		264,054,026	282,069,165	264,113,087	287,931,691
- Available-for-sale ("AFS") financial assets	6 (a)	70,727,423	76,983,687	187,802,905	205,976,797
- Financial assets at fair value through profit or loss ("FVTPL")	6 (b)	193,326,603	205,085,478	76,310,182	81,954,894
Reinsurance assets	7	140,319,003	143,340,578	140,319,003	143,340,578
Loans and other receivables	8	111,811,367	134,079,398	108,016,996	124,553,353
Tax recoverable		3,416,605	541,605	3,416,605	541,605
Insurance receivables	9	21,150,979	21,620,371	21,150,979	21,620,371
Cash and bank balances		17,895,984	9,013,674	17,238,302	8,252,525
<b>TOTAL ASSETS</b>		<b>579,097,577</b>	<b>610,833,339</b>	<b>574,704,585</b>	<b>606,408,671</b>
<b>EQUITY AND LIABILITIES</b>					
Share capital		100,000,000	100,000,000	100,000,000	100,000,000
Reserves		176,162,677	194,528,304	176,228,764	194,598,050
		276,162,677	294,528,304	276,228,764	294,598,050
Non-controlling interests		4,381,605	4,416,003	-	-
<b>TOTAL EQUITY</b>		<b>280,544,282</b>	<b>298,944,307</b>	<b>276,228,764</b>	<b>294,598,050</b>

**PROGRESSIVE INSURANCE BHD**  
**(Incorporated in Malaysia)**

**UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2022 (CONT'D.)**

	Note	Group		Company	
		30.06.2022 RM	31.12.2021 RM	30.06.2022 RM	31.12.2021 RM
Insurance contract liabilities	10	242,819,847	246,245,146	242,819,847	246,245,146
Deferred tax liabilities		266,728	266,728	266,728	266,728
Lease liabilities		3,475,405	3,650,862	3,475,405	3,650,862
Other financial liabilities	11	26,964,309	28,108,348	26,964,309	28,108,348
Insurance payables	12	17,944,772	22,478,161	17,944,772	22,478,161
Other payables	13	7,082,234	11,139,787	7,004,760	11,061,376
<b>TOTAL LIABILITIES</b>		<u>298,553,295</u>	<u>311,889,032</u>	<u>298,475,821</u>	<u>311,810,621</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>579,097,577</u>	<u>610,833,339</u>	<u>574,704,585</u>	<u>606,408,671</u>

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

**PROGRESSIVE INSURANCE BHD**  
**(Incorporated in Malaysia)**

**UNAUDITED CONDENSED INCOME STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2022**

	Note	Group		Company	
		30.06.2022 RM	30.06.2021 RM	30.06.2022 RM	30.06.2021 RM
Gross written premiums	10(ii)	56,477,902	63,475,424	56,477,902	63,475,424
Change in unearned premiums		1,301,463	211,321	1,301,463	211,321
Gross earned premiums	10(ii)	<u>57,779,365</u>	<u>63,686,745</u>	<u>57,779,365</u>	<u>63,686,745</u>
Gross written premiums ceded to reinsurers	10(ii)	(30,214,046)	(35,857,250)	(30,214,046)	(35,857,250)
Change in unearned premiums		<u>(3,967,734)</u>	<u>(895,591)</u>	<u>(3,967,734)</u>	<u>(895,591)</u>
Earned premiums ceded to reinsurers	10(ii)	<u>(34,181,780)</u>	<u>(36,752,841)</u>	<u>(34,181,780)</u>	<u>(36,752,841)</u>
<b>Net earned premiums</b>		<u>23,597,585</u>	<u>26,933,904</u>	<u>23,597,585</u>	<u>26,933,904</u>
Investment income, net		5,063,322	5,605,285	4,292,651	5,135,934
Realised (losses)/gains		(2,646,727)	11,341,527	(2,308,882)	11,222,329
Fair value losses		(12,452,004)	(10,969,932)	(9,149,688)	(7,711,196)
Commission income		7,646,891	6,674,808	7,646,891	6,674,808
Other operating income		<u>(40,385)</u>	<u>1,386,957</u>	<u>(40,385)</u>	<u>1,383,228</u>
<b>Other income</b>		<u>(2,428,903)</u>	<u>14,038,645</u>	<u>440,587</u>	<u>16,705,103</u>
Gross claims paid		(30,097,613)	(18,548,436)	(30,097,613)	(18,548,436)
Claims ceded to reinsurers		13,069,507	6,102,775	13,069,507	6,102,775
Gross change in contract liabilities		2,123,836	(42,256,522)	2,123,836	(42,256,522)
Change in contract liabilities ceded to reinsurers		<u>946,159</u>	<u>43,686,925</u>	<u>946,159</u>	<u>43,686,925</u>
<b>Net claims incurred</b>		<u>(13,958,111)</u>	<u>(11,015,258)</u>	<u>(13,958,111)</u>	<u>(11,015,258)</u>
Commission expenses		(7,757,845)	(5,936,084)	(7,757,845)	(5,936,084)
Management expenses					
- General fund		(16,086,411)	(13,880,284)	(15,871,988)	(13,671,027)
- Shareholders' fund		<u>(52,081)</u>	<u>(3,672)</u>	<u>(52,081)</u>	<u>(3,672)</u>
<b>Other expenses</b>		<u>(23,896,337)</u>	<u>(19,820,040)</u>	<u>(23,681,914)</u>	<u>(19,610,783)</u>

**PROGRESSIVE INSURANCE BHD**  
**(Incorporated in Malaysia)**

**UNAUDITED CONDENSED INCOME STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2022 (CONT'D.)**

	Note	Group		Company	
		30.06.2022 RM	30.06.2021 RM	30.06.2022 RM	30.06.2021 RM
<b>Profit before taxation</b>		(16,685,766)	10,137,251	(13,601,853)	13,012,966
Taxation		-	(3,140,000)	-	(3,140,000)
<b>Net profit for the year</b>		<u>(16,685,766)</u>	<u>6,997,251</u>	<u>(13,601,853)</u>	<u>9,872,966</u>
<b>Earnings per ordinary share (sen) - basic and diluted</b>		<u>(16.7)</u>	<u>7.0</u>		
<b>Net profit for the year attributable to:</b>					
Equity holders of the Company		(16,650,823)	7,019,584		
Non-controlling interests		<u>(34,943)</u>	<u>(22,333)</u>		
		<u>(16,685,766)</u>	<u>6,997,251</u>		

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

**PROGRESSIVE INSURANCE BHD**  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 30 JUNE 2022**

	<b>Group</b>		<b>Company</b>	
	<b>30.06.2022</b>	<b>30.06.2021</b>	<b>30.06.2022</b>	<b>30.06.2021</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Net profit for the year</b>	(16,685,766)	6,997,251	(13,601,853)	9,872,966
<b>Other comprehensive income/(loss)</b>				
<u>Items that may be reclassified to</u> <u>income statements in</u> <u>subsequent periods:</u>				
Fair value changes on AFS financial assets:				
- Losses on fair value changes	(1,902,699)	(2,843,126)	(4,837,822)	(5,698,443)
- Transferred to profit or loss upon disposal	187,895	-	70,389	-
<b>Other comprehensive income for the year, net of tax</b>	<u>(1,714,804)</u>	<u>(2,843,126)</u>	<u>(4,767,433)</u>	<u>(5,698,443)</u>
<b>Total comprehensive income for the year</b>	<u>(18,400,570)</u>	<u>4,154,125</u>	<u>(18,369,286)</u>	<u>4,174,523</u>
<b>Total comprehensive income for the year attributable to:</b>				
Equity holders of the Company	(18,365,627)	4,176,458	(18,369,286)	4,174,523
Non-controlling interests	(34,943)	(22,333)	-	-
	<u>(18,400,570)</u>	<u>4,154,125</u>	<u>(18,369,286)</u>	<u>4,174,523</u>

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**PROGRESSIVE INSURANCE BHD**  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 JUNE 2022**

**Group**

	←————— Attributable to owners of the Company —————→						
	←————— Non-distributable			—————→ Distributable			
	Share capital RM	Property revaluation reserve RM	AFS reserve RM	Retained earnings RM	Total RM	Non- controlling interests RM	Total equity RM
<b>At 1 January 2021</b>	100,000,000	6,159,332	2,635,457	186,466,429	295,261,218	4,416,992	299,678,210
Total comprehensive income for the year	-	-	(2,843,126)	7,019,584	4,176,458	(22,333)	4,154,125
Net cancellation of units in wholesale unit trust funds	-	-	-	-	-	106	106
<b>At 30 June 2021</b>	<u>100,000,000</u>	<u>6,159,332</u>	<u>(207,669)</u>	<u>193,486,013</u>	<u>299,437,676</u>	<u>4,394,765</u>	<u>303,832,441</u>
<b>At 1 January 2022</b>	100,000,000	7,244,308	(1,438,690)	188,722,686	294,528,304	4,416,003	298,944,307
Total comprehensive income for the year	-	-	(1,714,804)	(16,650,823)	(18,365,627)	(34,943)	(18,400,570)
Net cancellation of units in wholesale unit trust funds	-	-	-	-	-	545	545
<b>At 30 June 2022</b>	<u>100,000,000</u>	<u>7,244,308</u>	<u>(3,153,494)</u>	<u>172,071,863</u>	<u>276,162,677</u>	<u>4,381,605</u>	<u>280,544,282</u>

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**PROGRESSIVE INSURANCE BHD**  
**(Incorporated in Malaysia)**

**UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 JUNE 2022**

**Company**

	←————— Attributable to owners of the Company —————→				
	←—————	Non-distributable	—————→	Distributable	
	Share capital RM	Property revaluation reserve RM	AFS reserve RM	Retained earnings RM	Total equity RM
<b>At 1 January 2021</b>	100,000,000	6,159,332	10,943,551	178,225,915	295,328,798
Total comprehensive income for the year	-	-	(5,698,443)	9,872,966	4,174,523
<b>At 30 June 2021</b>	100,000,000	6,159,332	5,245,108	188,098,881	299,503,321
<b>At 1 January 2022</b>	100,000,000	7,244,308	2,564,473	184,789,269	294,598,050
Total comprehensive income for the year	-	-	(4,767,433)	(13,601,853)	(18,369,286)
<b>At 30 June 2022</b>	100,000,000	7,244,308	(2,202,960)	171,187,416	276,228,764

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

**PROGRESSIVE INSURANCE BHD**  
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**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 JUNE 2022**

<b>Group</b>	<b>30.06.2022</b>	<b>30.06.2021</b>
	<b>RM</b>	<b>RM</b>
<b>Cash flow from operating activities</b>		
Profit before taxation	(16,685,766)	10,137,251
Adjustments for:		
Interest income	(532,025)	(3,397,869)
Dividend income	(1,513,080)	(1,183,801)
Distribution income	(646,435)	(1,405,387)
Realised gains	2,834,622	(11,341,527)
Fair value losses	12,452,004	10,969,932
Purchase of AFS financial assets	(646,435)	(2,405,387)
Proceeds from disposal of AFS financial assets	5,000,000	-
Purchase of FVTPL financial assets	(64,765,407)	(48,386,788)
Proceeds from disposal of FVTPL financial assets	61,379,005	79,501,046
Interest received	550,698	3,488,946
Dividends received	1,513,080	1,183,801
Reinvestment of distributions	646,435	1,405,387
Interest expense on lease liabilities	85,386	93,332
Non-cash items:		
Depreciation of property and equipment	758,441	593,714
Depreciation of right-of-use assets	187,191	186,936
Net amortisation of premiums	46,547	73,446
Allowance for impairment losses on insurance receivables	509,987	440,977
Gains on disposal of property and equipment	(49,278)	-
Changes in working capital:		
Decrease/(increase) in reinsurance assets	3,021,575	(42,791,334)
Decrease/(increase) in loans and receivables	878,683	(1,240,603)
Increase in insurance receivables, net of allowance for impairment	(40,595)	(3,891,835)
Decrease/(increase) in fixed and call deposits	21,370,675	(20,301,203)
(Decrease)/increase in insurance contract liabilities	(3,425,299)	42,045,201
(Decrease)/increase in insurance payables	(4,533,389)	1,308,495
Decrease in other payables	(5,201,592)	(3,337,642)
Cash generated from operating activities carried forward	<u>13,195,028</u>	<u>11,745,088</u>

**PROGRESSIVE INSURANCE BHD**  
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**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 JUNE 2022 (CONT'D.)**

<b>Group</b>	<b>30.06.2022</b>	<b>30.06.2021</b>
	<b>RM</b>	<b>RM</b>
<b>Cash flow from operating activities (Cont'd.)</b>		
Cash generated from operating activities brought forward	13,195,028	11,745,088
Income tax paid, net	(2,875,000)	(7,588)
Net cash generated from operating activities	<u>10,320,028</u>	<u>11,737,500</u>
<b>Investing Activities</b>		
Proceeds from disposal of property and equipment	124,850	-
Purchase of property and equipment	(1,302,269)	(1,259,874)
Net cash used in investing activities	<u>(1,177,419)</u>	<u>(1,259,874)</u>
<b>Financing Activities</b>		
Payment of lease liabilities	(260,844)	(257,928)
Proceeds from cancellation of units in wholesale unit trusts to non-controlling interests	545	106
Net cash used in financing activities	<u>(260,299)</u>	<u>(257,822)</u>
<b>Net increase in cash and cash equivalents</b>	8,882,310	10,219,804
<b>Cash and cash equivalents at beginning of year</b>	<u>9,013,674</u>	<u>7,250,756</u>
<b>Cash and cash equivalents at end of year</b>	<u>17,895,984</u>	<u>17,470,560</u>

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

**PROGRESSIVE INSURANCE BHD**  
**(Incorporated in Malaysia)**

**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 JUNE 2022 (CONT'D.)**

<b>Company</b>	<b>30.06.2022</b>	<b>30.06.2021</b>
	<b>RM</b>	<b>RM</b>
<b>Cash flow from operating activities</b>		
(Loss)/profit before taxation	(13,601,853)	13,012,966
Adjustments for:		
Interest income	(456,436)	(643,321)
Dividend income	(1,513,080)	(1,183,801)
Distribution income	(2,663,930)	(3,617,137)
Realised losses/(gains)	2,308,882	(11,222,329)
Fair value losses	9,149,688	7,711,196
Purchase of AFS financial assets	(2,663,930)	(4,617,137)
Proceeds from disposal of AFS financial assets	16,000,000	-
Purchase of FVTPL financial assets	(51,264,907)	(30,627,838)
Proceeds from disposal of FVTPL financial assets	45,521,439	64,509,146
Interest received	475,109	721,519
Dividends received	1,513,080	1,183,801
Reinvestment of distributions	2,663,930	3,617,137
Interest expense on lease liabilities	85,386	93,332
Non-cash items:		
Depreciation of property and equipment	758,441	593,714
Depreciation of right-of-use assets	187,191	186,936
Allowance for impairment losses on insurance receivables	509,987	440,977
Gains on disposal of property and equipment	(49,278)	-
Changes in working capital:		
Decrease/(increase) in reinsurance assets	3,021,575	(42,791,334)
Decrease/(increase) in loans and receivables	878,683	(1,240,603)
Increase in insurance receivables, net of allowance for impairment	(40,595)	(3,891,835)
Decrease/(increase) in fixed and call deposits	15,639,001	(21,723,856)
(Decrease)/increase in insurance contract liabilities	(3,425,299)	42,045,201
(Decrease)/increase in insurance payables	(4,533,389)	1,308,495
Decrease in other payables	(5,200,655)	(3,318,189)
Cash generated from operating activities carried forward	<u>13,299,040</u>	<u>10,547,040</u>

**PROGRESSIVE INSURANCE BHD**  
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**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 JUNE 2022 (CONT'D.)**

<b>Company</b>	<b>30.06.2022</b>	<b>30.06.2021</b>
	<b>RM</b>	<b>RM</b>
<b>Cash flow from operating activities (Cont'd.)</b>		
Cash generated from operating activities carried forward	13,299,040	10,547,040
Income tax paid, net	(2,875,000)	(7,588)
Net cash generated from operating activities	<u>10,424,040</u>	<u>10,539,452</u>
<b>Investing Activities</b>		
Proceeds from disposal of property and equipment	124,850	-
Purchase of property and equipment	(1,302,269)	(1,259,874)
Net cash used in investing activities	<u>(1,177,419)</u>	<u>(1,259,874)</u>
<b>Financing Activities</b>		
Payment of lease liabilities	(260,844)	(257,928)
Net cash used in financing activities	<u>(260,844)</u>	<u>(257,928)</u>
<b>Net increase in cash and cash equivalents</b>	8,985,777	9,021,650
<b>Cash and cash equivalents at beginning of year</b>	<u>8,252,525</u>	<u>5,926,718</u>
<b>Cash and cash equivalents at end of year</b>	<u>17,238,302</u>	<u>14,948,368</u>

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

**PROGRESSIVE INSURANCE BHD**  
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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**30 JUNE 2022**

**1. BASIS OF PREPARATION**

The unaudited condensed interim financial statements for the six months ended 30 June 2022 of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 *Interim Financial Reporting*, International Financial Reporting Standards ("IFRS"), International Accounting Standards ("IAS") 34 *Interim Financial Reporting*, the requirements of the Companies Act, 2016, and the Financial Services Act, 2013 in Malaysia.

The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's and the Company's annual financial statements as at 31 December 2021.

The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those followed in the preparation of the Group's and the Company's annual financial statements for the year ended 31 December 2021. The Group and the Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

**2. UNUSUAL ITEM**

The assets, liabilities, equity, net income and cash flows of the Group and of the Company in the interim period ended 30 June 2022 were not substantially affected by any item of a material and unusual nature.

**3. CHANGES IN ESTIMATES**

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

**4. DIVIDEND PAID**

No dividend has been declared for the interim period ended 30 June 2022.

**PROGRESSIVE INSURANCE BHD**  
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**5. EVENTS AFTER THE INTERIM PERIOD**

There were no material events after the interim period that have not been reflected in the condensed interim financial statements for the interim period.

**6. INVESTMENTS**

**(a) AFS Financial Assets**

	<b>Group</b>		<b>Company</b>	
	<b>30.06.2022</b>	<b>31.12.2021</b>	<b>30.06.2022</b>	<b>31.12.2021</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Corporate debt securities	1	1,000,001	1	1,000,001
Wholesale unit trust funds	70,727,422	75,983,686	187,802,904	204,976,796
<b>Total (a)</b>	<b>70,727,423</b>	<b>76,983,687</b>	<b>187,802,905</b>	<b>205,976,797</b>

**(b) Financial Assets at FVTPL**

	<b>Group</b>		<b>Company</b>	
	<b>30.06.2022</b>	<b>31.12.2021</b>	<b>30.06.2022</b>	<b>31.12.2021</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<u>Held for trading:</u>				
Corporate debt securities	117,016,421	123,130,584	-	-
Real estate investment trusts (REITs)	1,140,294	3,937,622	1,140,294	3,937,622
Equity securities quoted in Malaysia	75,169,888	78,017,272	75,169,888	78,017,272
<b>Total (b)</b>	<b>193,326,603</b>	<b>205,085,478</b>	<b>76,310,182</b>	<b>81,954,894</b>
<b>Total investments (a) + (b)</b>	<b>264,054,026</b>	<b>282,069,165</b>	<b>264,113,087</b>	<b>287,931,691</b>

**PROGRESSIVE INSURANCE BHD**  
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**6. INVESTMENTS (CONT'D.)**

**(c) Investments in subsidiaries - Wholesale unit trust funds**

The Company's investments in subsidiaries are wholesale unit trust funds amounting to RM117,075,482 (2021: RM128,993,110) in Malaysia as follows:

<u>Established in Malaysia</u>	<u>Effective Direct Interests</u>	
	<b>30.06.2022</b>	<b>31.12.2021</b>
Affin Hwang Institutional Bond Fund	96.17%	96.53%
United Institutional Income Fund	96.86%	96.86%

The Company considers that the non-controlling interests in the above subsidiaries are not significant and accordingly no disclosures are provided in respect of the summarised income statements, summarised statements of comprehensive income, summarised statements of financial position and summarised statements of cash flow.

The principal activities of the subsidiaries are as follows:

<u>Subsidiary</u>	<u>Principal activity</u>
Affin Hwang Institutional Bond Fund	Unit trust fund holding investments in fixed income securities/sukuk
United Institutional Income Fund	Unit trust fund holding investments in fixed income securities

**7. REINSURANCE ASSETS**

	<b>Note</b>	<b>Group/Company</b>	
		<b>30.06.2022</b>	<b>31.12.2021</b>
		<b>RM</b>	<b>RM</b>
Reinsurance of insurance contracts:			
Claim liabilities	10 (i)	110,406,090	109,459,931
Premium liabilities	10 (ii)	29,912,913	33,880,647
		<u>140,319,003</u>	<u>143,340,578</u>

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**8. LOANS AND OTHER RECEIVABLES**

	<b>Group</b>		<b>Company</b>	
	<b>30.06.2022</b>	<b>31.12.2021</b>	<b>30.06.2022</b>	<b>31.12.2021</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<u>Other receivables:</u>				
Other receivables				
and deposits	1,437,402	1,448,200	1,437,402	1,448,200
Prepayments	568,091	87,916	568,091	87,916
Income due and accrued	208,287	226,960	208,287	226,960
Share of net assets held by				
Malaysian Motor Insurance				
Pool ("MMIP")	42,852,724	44,502,437	42,852,724	44,502,437
Amounts receivable from sale				
of shares	450,415	148,762	450,415	148,762
	<u>45,516,919</u>	<u>46,414,275</u>	<u>45,516,919</u>	<u>46,414,275</u>
Less: Allowance for				
impairment	(986,463)	(986,463)	(986,463)	(986,463)
	<u>44,530,456</u>	<u>45,427,812</u>	<u>44,530,456</u>	<u>45,427,812</u>
<u>Fixed and call deposits with:</u>				
Licensed banks in Malaysia	33,280,911	54,651,586	29,486,540	45,125,541
Other financial institutions	34,000,000	34,000,000	34,000,000	34,000,000
	<u>67,280,911</u>	<u>88,651,586</u>	<u>63,486,540</u>	<u>79,125,541</u>
<b>Total loans and other</b>				
<b>    receivables</b>	<u>111,811,367</u>	<u>134,079,398</u>	<u>108,016,996</u>	<u>124,553,353</u>

The carrying amounts of financial assets disclosed above approximate fair values at reporting date.

Included in the fixed and call deposits are cash collaterals received from policyholders of RM25,333,366 (2021: RM26,478,302) for guarantees issued on behalf of policyholders (Note 11).

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**9. INSURANCE RECEIVABLES**

	<b>Group/Company</b>	
	<b>30.06.2022</b>	<b>31.12.2021</b>
	<b>RM</b>	<b>RM</b>
Due premiums including agents/brokers and co-insurers balances	22,625,973	21,185,858
Due from reinsurers and cedants	4,821,680	6,221,200
	<u>27,447,653</u>	<u>27,407,058</u>
Less: Allowance for impairment	(6,296,674)	(5,786,687)
	<u>21,150,979</u>	<u>21,620,371</u>

	<b>Group/Company</b>		
	<b>Individually impaired</b>	<b>Collectively impaired</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
Movement in allowance accounts:			
At 1 January 2022	1,474,584	4,312,103	5,786,687
Allowance for impairment losses	(57,201)	567,188	509,987
At 30 June 2022	<u>1,417,383</u>	<u>4,879,291</u>	<u>6,296,674</u>

	<b>Group/Company</b>		
	<b>Individually impaired</b>	<b>Collectively impaired</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
Movement in allowance accounts:			
At 1 January 2021	1,735,479	3,737,690	5,473,169
Allowance for impairment losses	(260,895)	574,413	313,518
At 31 December 2021	<u>1,474,584</u>	<u>4,312,103</u>	<u>5,786,687</u>

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**10. INSURANCE CONTRACT LIABILITIES**

Group/Company	← 30.06.2022 →			← 31.12.2021 →		
	Gross RM	Reinsurance RM	Net RM	Gross RM	Reinsurance RM	Net RM
Provision for claims reported by policyholders	135,204,008	(88,642,617)	46,561,391	140,160,616	(90,729,599)	49,431,017
Provision for incurred but not reported claims ("IBNR")	31,964,883	(12,286,045)	19,678,838	29,284,841	(9,240,518)	20,044,323
Claims handling expenses	2,519,822	-	2,519,822	2,417,267	-	2,417,267
Provision of risk margin for adverse deviations ("PRAD")	13,908,106	(9,587,639)	4,320,467	13,857,931	(9,600,025)	4,257,906
Less: Impairment on reinsurance assets	-	110,211	110,211	-	110,211	110,211
Claim liabilities (i)	183,596,819	(110,406,090)	73,190,729	185,720,655	(109,459,931)	76,260,724
Premium liabilities (ii)	59,223,028	(29,912,913)	29,310,115	60,524,491	(33,880,647)	26,643,844
	<u>242,819,847</u>	<u>(140,319,003)</u>	<u>102,500,844</u>	<u>246,245,146</u>	<u>(143,340,578)</u>	<u>102,904,568</u>
<b>(i) Claim Liabilities</b>						
<b>At 1 January</b>	185,720,655	(109,459,931)	76,260,724	172,059,654	(89,808,884)	82,250,770
Claims incurred in the current accident year	27,212,635	(12,513,665)	14,698,970	104,762,839	(52,379,145)	52,383,694
Movements in claims incurred in prior accident years	761,142	(1,502,001)	(740,859)	(48,694,478)	14,155,828	(34,538,650)
Claims paid during the year	(30,097,613)	13,069,507	(17,028,106)	(42,407,360)	18,572,270	(23,835,090)
<b>At 30 June / 31 December</b>	<u>183,596,819</u>	<u>(110,406,090)</u>	<u>73,190,729</u>	<u>185,720,655</u>	<u>(109,459,931)</u>	<u>76,260,724</u>

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**10. INSURANCE CONTRACT LIABILITIES (CONT'D)**

Group/Company (Cont'd.)	← 30.06.2022 →			← 31.12.2021 →		
	Gross RM	Reinsurance RM	Net RM	Gross RM	Reinsurance RM	Net RM
<b>(ii) Premium Liabilities</b>						
<b>At 1 January</b>	60,524,491	(33,880,647)	26,643,844	64,652,401	(36,403,458)	28,248,943
Premiums written in the year	56,477,902	(30,214,046)	26,263,856	123,639,865	(74,160,422)	49,479,443
Premiums earned during the year	(57,779,365)	34,181,780	(23,597,585)	(127,767,775)	76,683,233	(51,084,542)
<b>At 30 June / 31 December</b>	<b>59,223,028</b>	<b>(29,912,913)</b>	<b>29,310,115</b>	<b>60,524,491</b>	<b>(33,880,647)</b>	<b>26,643,844</b>

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**11. OTHER FINANCIAL LIABILITIES**

	<b>Group/Company</b>	
	<b>30.06.2022</b>	<b>31.12.2021</b>
	<b>RM</b>	<b>RM</b>
Cash collateral deposits received from policyholders (Note 8)	25,333,366	26,478,302
Interest on cash collateral deposits received from policyholders	1,630,943	1,630,046
	<u>26,964,309</u>	<u>28,108,348</u>

**12. INSURANCE PAYABLES**

	<b>Group/Company</b>	
	<b>30.06.2022</b>	<b>31.12.2021</b>
	<b>RM</b>	<b>RM</b>
Due to reinsurers and cedants	16,337,023	20,720,017
Due to agents/brokers and co-insurers balances	1,607,749	1,758,144
	<u>17,944,772</u>	<u>22,478,161</u>

**13. OTHER PAYABLES**

	<b>Group</b>		<b>Company</b>	
	<b>30.06.2022</b>	<b>31.12.2021</b>	<b>30.06.2022</b>	<b>31.12.2021</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Provision for bonus	1,636,332	1,824,717	1,636,332	1,824,717
Amounts payable for purchase of shares/bonds	57,289	4,123,192	57,289	4,123,192
Salaries and wages control	1,869,112	384,371	1,869,112	384,371
Other payables	1,989,241	1,883,944	1,911,767	1,805,533
Accrued expenses	1,530,260	2,923,563	1,530,260	2,923,563
	<u>7,082,234</u>	<u>11,139,787</u>	<u>7,004,760</u>	<u>11,061,376</u>

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**14. FAIR VALUE ESTIMATION**

As at 30 June 2022, the fair value of the Group's and the Company's financial assets at FVTPL and AFS financial assets and property and equipment are as follows:

<b>Group</b>	<b>Carrying Value RM</b>	<b>Level 1 RM</b>	<b>Level 2 RM</b>	<b>Level 3 RM</b>	<b>Total RM</b>
<b>Property and equipment:</b>					
Freehold					
office lots	7,400,000	-	-	7,400,000	7,400,000
Long-term					
leasehold					
office lots	5,722,666	-	-	5,722,666	5,722,666
	<u>13,122,666</u>	<u>-</u>	<u>-</u>	<u>13,122,666</u>	<u>13,122,666</u>
<b>AFS financial assets:</b>					
Corporate debt securities	1	-	1	-	1
Wholesale unit trust funds	70,727,422	70,727,422	-	-	70,727,422
	<u>70,727,423</u>	<u>70,727,422</u>	<u>1</u>	<u>-</u>	<u>70,727,423</u>
<b>Financial assets at FVTPL:</b>					
Corporate debt securities	117,016,421	-	117,016,421	-	117,016,421
REITs	1,140,294	1,140,294	-	-	1,140,294
Equity securities	75,169,888	75,169,888	-	-	75,169,888
	<u>193,326,603</u>	<u>76,310,182</u>	<u>117,016,421</u>	<u>-</u>	<u>193,326,603</u>

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**14. FAIR VALUE ESTIMATION (CONT'D.)**

As at 30 June 2022, the fair value of the Group's and the Company's financial assets at FVTPL and AFS financial assets and property and equipment are as follows: (Cont'd.)

<b>Company</b>	<b>Carrying Value RM</b>	<b>Level 1 RM</b>	<b>Level 2 RM</b>	<b>Level 3 RM</b>	<b>Total RM</b>
<b>Property and equipment:</b>					
Freehold					
office lots	7,400,000	-	-	7,400,000	7,400,000
Long-term					
leasehold					
office lots	5,722,666	-	-	5,722,666	5,722,666
	<u>13,122,666</u>	<u>-</u>	<u>-</u>	<u>13,122,666</u>	<u>13,122,666</u>
<b>AFS financial assets:</b>					
Corporate debt securities	1	-	1	-	1
Wholesale unit trust funds	187,802,904	187,802,904	-	-	187,802,904
	<u>187,802,905</u>	<u>187,802,904</u>	<u>1</u>	<u>-</u>	<u>187,802,905</u>
<b>Financial assets at FVTPL:</b>					
REITs	1,140,294	1,140,294	-	-	1,140,294
Equity securities	75,169,888	75,169,888	-	-	75,169,888
	<u>76,310,182</u>	<u>76,310,182</u>	<u>-</u>	<u>-</u>	<u>76,310,182</u>

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**14. FAIR VALUE ESTIMATION (CONT'D.)**

As at 31 December 2021, the fair value of the Group's and the Company's financial assets at FVTPL and AFS financial assets and property and equipment are as follows:

<b>Group</b>	<b>Carrying Value RM</b>	<b>Level 1 RM</b>	<b>Level 2 RM</b>	<b>Level 3 RM</b>	<b>Total RM</b>
<b>Property and equipment:</b>					
Freehold					
office lots	7,475,000	-	-	7,475,000	7,475,000
Long-term					
leasehold					
office lots	5,780,667	-	-	5,780,667	5,780,667
	<u>13,255,667</u>	<u>-</u>	<u>-</u>	<u>13,255,667</u>	<u>13,255,667</u>
<b>AFS financial assets:</b>					
Corporate debt securities	1,000,001	-	1,000,001	-	1,000,001
Wholesale unit trust funds	75,983,686	75,983,686	-	-	75,983,686
	<u>76,983,687</u>	<u>75,983,686</u>	<u>1,000,001</u>	<u>-</u>	<u>76,983,687</u>
<b>Financial assets at FVTPL:</b>					
Corporate debt securities	123,130,584	-	123,130,584	-	123,130,584
REITs	3,937,622	3,937,622	-	-	3,937,622
Equity securities	78,017,272	78,017,272	-	-	78,017,272
	<u>205,085,478</u>	<u>81,954,894</u>	<u>123,130,584</u>	<u>-</u>	<u>205,085,478</u>

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**14. FAIR VALUE ESTIMATION (CONT'D.)**

As at 31 December 2021, the fair value of the Group's and the Company's financial assets at FVTPL and AFS financial assets and property and equipment are as follows: (Cont'd.)

<b>Company</b>	<b>Carrying Value RM</b>	<b>Level 1 RM</b>	<b>Level 2 RM</b>	<b>Level 3 RM</b>	<b>Total RM</b>
<b>Property and equipment:</b>					
Freehold					
office lots	7,475,000	-	-	7,475,000	7,475,000
Long-term leasehold					
office lots	5,780,667	-	-	5,780,667	5,780,667
	<u>13,255,667</u>	<u>-</u>	<u>-</u>	<u>13,255,667</u>	<u>13,255,667</u>
<b>AFS financial assets:</b>					
Corporate debt securities	1,000,001	-	1,000,001	-	1,000,001
Wholesale unit trust funds	204,976,796	204,976,796	-	-	204,976,796
	<u>205,976,797</u>	<u>204,976,796</u>	<u>1,000,001</u>	<u>-</u>	<u>205,976,797</u>
<b>Financial assets at FVTPL:</b>					
REITs	3,937,622	3,937,622	-	-	3,937,622
Equity securities	78,017,272	78,017,272	-	-	78,017,272
	<u>81,954,894</u>	<u>81,954,894</u>	<u>-</u>	<u>-</u>	<u>81,954,894</u>

For investments in unit trust funds consisting of Real Estate Investment Trust ("REIT"), fair value is determined by reference to published net asset values, while the fair values of equity securities are obtained from Bursa Malaysia. The fair value of wholesale unit trust funds, REITs and equity securities are regarded as Level 1 as the fair values are derived from prices quoted in an active market.

The fair values of Malaysian Government Securities and corporate debt securities are obtained from Bond Pricing Agency Malaysia ("BPAM"). These financial instruments are regarded as Level 2 as the significant inputs are observable.

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**14. FAIR VALUE ESTIMATION (CONT'D.)**

For property and equipment, the fair value is obtained from valuations performed by external valuers using the comparison method and are regarded as Level 3 as the significant inputs are not observable.

There were no changes in classification of assets under Level 1 and Level 2 of the fair value hierarchy.

The following financial assets and liabilities are not carried at fair values, but their carrying values approximate fair values as they are short term in nature or the impact of discounting is not material:

- Loans and receivables (that are classified as financial instruments)
- Insurance receivables
- Cash and bank balances
- Other financial liabilities
- Insurance payables
- Other payables (that are classified as financial instruments)

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**15. REGULATORY CAPITAL REQUIREMENTS**

The Company is required to comply with the mandatory capital requirements prescribed in the RBC Framework issued by BNM. Under the RBC Framework, insurance companies are required to satisfy a minimum capital adequacy ratio of 130%. As at 30 June 2022 and 31 December 2021, the Company has a capital adequacy ratio in excess of the minimum

The capital structure of the Company as prescribed under the RBC Framework is provided below:

	<b>30.06.2022</b>	<b>31.12.2021</b>
	<b>RM</b>	<b>RM</b>
<b>Eligible Tier 1 Capital</b>		
Share capital (paid-up)	100,000,000	100,000,000
Retained earnings*	178,687,416	184,789,269
	<u>278,687,416</u>	<u>284,789,269</u>
<b>Tier 2 Capital</b>		
Eligible reserves*	(2,458,652)	9,808,781
	<u>(2,458,652)</u>	<u>9,808,781</u>
<b>Deduction</b>		
Amount deducted from capital	(2,869,487)	(4,479,593)
	<u>(2,869,487)</u>	<u>(4,479,593)</u>
<b>Total capital available</b>	<u>273,359,277</u>	<u>290,118,457</u>

\*RM7.5 million of asset replacement reserve was reclassified from retained earnings to eligible reserves which is in-line with Insurance Companies Statistical System (“ICSS”) Guidance Notes Part IV, Section 64, definition of general reserves.