

Registration No.

199301022976 (277714-A)

FWD INSURANCE BERHAD
(Incorporated in Malaysia)

FINANCIAL STATEMENTS

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024**

Registration No.

199301022976 (277714-A)

FWD INSURANCE BERHAD
(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD 30 JUNE 2024**

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FWD INSURANCE BERHAD
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UNAUDITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	<u>Note</u>	<u>30.06.2024</u> <u>RM'000</u>	<u>31.12.2023</u> <u>RM'000</u>
ASSETS			
Property and equipment		1,384	1,685
Investment property		-	5,400
Intangible assets		14,114	6,014
Right-of-use ("ROU") assets		19,767	15,638
Investments	9	1,893,507	1,854,644
Insurance contract assets	14	1,520	495
Reinsurance contract assets	10	11,035	11,616
Other receivables	11	17,382	19,182
Cash and cash equivalents		75,289	230,756
Deferred tax assets		-	6,103
TOTAL ASSETS		<u>2,033,998</u>	<u>2,151,533</u>
EQUITY AND LIABILITIES			
Share capital	12	305,000	305,000
(Accumulated losses)/Retained earnings	13	(33,414)	(44,883)
Fair value reserve	13	57,483	57,204
Asset revaluation reserve	13	603	603
Insurance/reinsurance finance reserve	13	(12,711)	(9,738)
TOTAL EQUITY		<u>316,961</u>	<u>308,186</u>
Insurance contract liabilities	14	1,591,006	1,741,654
Reinsurance contract liabilities	10	786	489
Deferred tax liabilities		9,910	-
Tax payable		2,826	63
Other payables	15	102,514	89,993
Lease liabilities		9,995	11,148
TOTAL LIABILITIES		<u>1,717,037</u>	<u>1,843,347</u>
TOTAL EQUITY AND LIABILITIES		<u>2,033,998</u>	<u>2,151,533</u>

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

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**UNAUDITED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024**

	6 months ended 30.06.2024 RM'000	6 months ended 30.06.2023 RM'000 Restated
Insurance revenue	62,307	68,742
Insurance service expense	(78,468)	(62,211)
Net expenses from reinsurance contracts held	(4,136)	(1,364)
Insurance service result	(20,297)	5,167
Interest revenue from financial assets not measured at fair value through profit or loss ("FVTPL")	31,021	31,400
Net gain/(losses) on FVTPL financial assets	88,246	(9,016)
Net gain on derecognition of financial assets measured at fair value through other comprehensive income ("FVOCI")	1,371	2
Impairment (loss)/gain on financial assets	(162)	9,649
Other investment income	9,596	(3,012)
Investment expenses	(4,050)	(3,863)
Net investment income	126,022	25,160
Insurance finance expenses for insurance contracts issued	(69,124)	(43,007)
Reinsurance finance expenses for reinsurance contracts held	76	(5)
Net insurance financial result	(69,048)	(43,012)
Net insurance and investment result	36,677	(12,685)
Other operating expenses	(4,401)	(4,670)
Income/(loss) before income tax	32,276	(17,355)
Tax (expense)/credit	(20,807)	2,811
Net income/(loss) for the financial year	11,469	(14,544)
Basic and diluted loss per share (sen)	0.04	(0.08)

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FWD INSURANCE BERHAD
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**UNAUDITED CONDENSED INTERIM STATEMENT OF OTHER
COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024**

	6 months ended <u>30.06.2024</u> RM'000	6 months ended <u>30.06.2023</u> RM'000 Restated
Net gain/(losses) for the financial year	<u>11,469</u>	<u>(14,544)</u>
Other comprehensive loss:		
Items that will be reclassified to the income statement		
Net gain on financial assets at FVOCI	140	29,901
Deferred tax relating to these items	<u>139</u>	<u>(2,506)</u>
	<u>279</u>	<u>27,395</u>
Insurance finance expenses for insurance contracts issued	(4,084)	(14,031)
Reinsurance finance income/(expenses) for reinsurance contracts held	172	(44)
Deferred tax relating to these items	<u>939</u>	<u>3,378</u>
	<u>(2,973)</u>	<u>(10,697)</u>
Total other comprehensive (loss)/income	<u>(2,694)</u>	<u>16,698</u>
Total comprehensive income for the financial year	<u>8,775</u>	<u>2,154</u>

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**UNAUDITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024**

	Share capital RM'000	Fair value reserves RM'000	Asset revaluation reserves RM'000	Insurance/ reinsurance finance reserves RM'000	Retained earnings		Total RM'000
					Non Distributable RM'000	Distributable RM'000	
At 1 January 2023	185,000	33,694	482	3,295	(19,415)	69,903	272,959
Net loss for the financial year	-	-	-	-	(115,096)	19,725	(95,371)
Other comprehensive (loss)/income for the financial year	-	23,510	121	(13,033)	-	-	10,598
Total comprehensive (loss)/Income for the financial year	-	23,510	121	(13,033)	(115,096)	19,725	(84,773)
Issuance of shares during the financial year	120,000	-	-	-	-	-	120,000
At 31 December 2023	305,000	57,204	603	(9,738)	(134,511)	89,628	308,186
Net loss for the financial year	-	-	-	-	13,453	(1,984)	11,469
Other comprehensive (loss)/income for the financial year	-	279	-	(2,973)	-	-	(2,694)
Total comprehensive (loss)/Income for the financial year	-	279	-	(2,973)	13,453	(1,984)	8,775
At 30 June 2024	305,000	57,483	603	(12,711)	(121,058)	87,644	316,961

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FWD INSURANCE BERHAD
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**UNAUDITED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024**

	<u>Note</u>	6 months ended <u>30.06.2024</u> RM'000	6 months ended <u>30.06.2023</u> RM'000 Restated
Loss before income tax		32,276	(17,355)
Interest revenue calculated using the effective interest method		(31,021)	(31,400)
Net (gains)/losses on financial assets at FVTPL		(88,246)	9,014
Net (gains)/losses on derecognition of financial assets at FVOCI		(1,371)	-
Other investment Income		(9,596)	(9,649)
Investment expenses		4,050	3,012
Impairment loss on financial assets		162	3,863
Purchases of FVTPL financial assets		(164,735)	(159,471)
Proceeds from sale of FVTPL financial assets		209,998	147,309
Purchases of FVOCI financial assets		(45,131)	(10,010)
Proceeds from sale of FVOCI financial assets		51,546	15,000
Placement of fixed and call deposits		(2,010)	-
Maturity of fixed and call deposits		822	-
Non-cash items:			
Depreciation of property and equipment		479	809
Depreciation of right-of-use assets		1,278	1,276
Interest expense on lease liabilities		452	239
Amortisation of intangible assets		2,572	1,353
Impairment of intangible assets		-	-
Gain on lease modification		-	-
Property and equipment written off		-	-
Changes in working capital:			
Increase in reinsurance contract assets		1,050	806
Increase/(decrease) in other receivables		4,040	(1,673)
Decrease in insurance contract liabilities		(155,757)	(7,864)
Increase/(decrease) in other payables		8,485	(4,365)
Cash used in operating activities		<u>(180,657)</u>	<u>(59,106)</u>

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**UNAUDITED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024 (CONTINUED)**

	6 months ended <u>Note</u> <u>30.06.2024</u> RM'000	6 months ended <u>30.06.2023</u> RM'000 Restated
Cash used in operating activities	(180,657)	(59,106)
Dividend income received	7,288	7,820
Interest Income received	31,412	30,534
Interest paid on lease liabilities	(452)	(239)
Rental income on investment property received	64	116
Income tax paid	(1,113)	(3,303)
Net cash (used in)/generated from operating activities	(143,458)	(24,178)
INVESTING ACTIVITIES		
Purchase of property and equipment	(410)	(266)
Purchase of intangible assets	(10,371)	(938)
Net cash used in investing activities	(10,781)	(1,204)
FINANCING ACTIVITIES		
Payment of principal portion of lease liabilities	(1,228)	(1,275)
Net cash generated from/(used in) financing activities	(1,228)	(1,275)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(155,467)	(26,657)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	230,756	195,366
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	75,289	168,709

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024**

1 BASIS OF PREPARATION

The condensed interim financial statements for the six months ended 30 June 2024 are unaudited and have been prepared in accordance with Malaysia Financial Reporting Standard (“MFRS”) 134 – Interim Financial Reporting. The condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2023, which have been prepared in accordance with MFRSs, International Financial Reporting Standards (“IFRSs”) and comply with the requirements of the Companies Act 2016 in Malaysia, except as disclosed in note 2 to the interim financial statements.

The explanatory notes attached to the condensed interim financial statements provide an explanation of the events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company since the financial year ended 31 December 2023.

2 MATERIAL ACCOUNTING POLICY INFORMATION

The significant accounting policies adopted in the preparation of the unaudited condensed interim financial statements are consistent with those adopted in the Company’s audited financial statements for the financial year ended 31 December 2023, except for the adoption of the following MFRS and amendment to MFRS.

MFRSs/Interpretations	Effective Date
• Amendments to MFRS 107 and MFRS 7 – Supplier Finance Arrangements	1 January 2024
• Amendments to MFRS 9 and MFRS 7 – Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
• Amendments to MFRS 16 - Lease Liability in a Sale and Leaseback	1 January 2024
• Amendments to MFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
• Amendments to MFRS 101 – Non-current Liabilities with Covenants	1 January 2024

The adoption of the above standard and amendments to standard issued by Malaysian Accounting Standards Board (“MASB”) in the current financial period do not have any material impact to the condensed interim financial statements of the Company.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)**

3 SEASONAL OR CYCLICAL FACTORS

The business and operations of the Company was not materially affected by seasonal or cyclical factors during the interim financial period.

4 UNUSUAL ITEMS

There were no unusual items affecting the assets, liabilities, equity, net income, or cash flows of the Company since the last audited annual financial statements.

5 MATERIAL CHANGES IN ESTIMATES

There were no material changes in the basis used for the accounting estimates in the interim financial period other than those mentioned in Note 2.

6 DIVIDENDS

No dividend has been paid or declared by the Company during the interim financial period.

7 SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

There were no significant event during the interim financial period.

8 CHANGES IN THE COMPOSITION OF THE COMPANY

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

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)**

9 INVESTMENTS

	<u>30.06.2024</u>	<u>31.12.2023</u>
	<u>RM'000</u>	<u>RM'000</u>
Malaysian government securities	20,487	10,496
Malaysian government guaranteed bonds	695,111	710,851
Private debt securities	549,237	548,624
Quoted shares	418,441	379,772
Unquoted shares	20,288	20,288
Unit and property trust funds	186,303	182,157
Warrants	1,631	1,634
Fixed and call deposits	2,009	822
	<u>1,893,507</u>	<u>1,854,644</u>
Fair value through other comprehensive income ("FVOCI") financial assets	1,253,674	1,258,985
Fair value through profit or loss ("FVTPL") financial assets	637,824	594,837
Amortised cost ("AC") financial assets	2,009	822
	<u>1,893,507</u>	<u>1,854,644</u>

(a) FVOCI financial assets

	<u>30.06.2024</u>	<u>31.12.2023</u>
	<u>RM'000</u>	<u>RM'000</u>
<u>Fair value</u>		
Unquoted in Malaysia		
Unquoted shares	20,288	20,288
Private debt securities	511,368	510,722
Malaysian government securities	20,249	10,282
Malaysian government guaranteed bonds	687,762	703,293
Accrued interest	14,007	14,400
	<u>1,253,674</u>	<u>1,258,985</u>

(b) FVTPL financial assets

	<u>30.06.2024</u>	<u>31.12.2023</u>
	<u>RM'000</u>	<u>RM'000</u>
<u>Fair value</u>		
Quoted in Malaysia		
Mandatorily measured		
Quoted shares	418,441	379,772
Warrants	1,631	1,634
Unit trust and property trust funds	186,303	182,157
Unquoted in Malaysia		
By designation		
Private debt securities	31,135	30,963
Accrued interest	314	311
	<u>637,824</u>	<u>594,837</u>

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)**

9 INVESTMENTS (CONTINUED)

(c) AC financial assets

	<u>30.06.2024</u>	<u>31.12.2023</u>
	<u>RM'000</u>	<u>RM'000</u>
<u>Fair value</u>		
Unquoted in Malaysia		
Fixed and call deposits	<u>2,009</u>	<u>822</u>

(d) Carrying value of financial assets

	<u>AC</u>	<u>FVOCI</u>	<u>FVTPL</u>	<u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
At 1 January 2024	822	1,258,985	594,837	1,854,644
Purchases/placement of deposits	2,009	44,308	167,687	214,004
Maturity/proceeds from sale	(822)	(50,724)	(212,933)	(264,479)
Realised gains	-	1,372	17,184	18,556
Fair value gains recorded in:	-	-	-	-
Income statement	-	-	71,046	71,046
Other comprehensive income	-	140	-	140
Accretion of discount	-	(13)	-	(13)
Movement of accrued interest	-	(394)	3	(391)
At 30 June 2023	<u>2,009</u>	<u>1,253,674</u>	<u>637,824</u>	<u>1,893,507</u>
At 1 January 2023	800	1,244,288	555,384	1,800,472
Purchases/placement of deposits	822	47,918	282,046	330,786
Maturity/proceeds from sale	(800)	(65,098)	(252,101)	(317,999)
Realised gains	-	764	2,263	3,027
Fair value gains recorded in:	-	-	-	-
Income statement	-	-	7,245	7,245
Other comprehensive income	-	29,758	-	29,758
Accretion of discount	-	14	-	14
Movement of accrued interest	-	1,341	-	1,341
At 31 December 2023	<u>822</u>	<u>1,258,985</u>	<u>594,837</u>	<u>1,854,644</u>

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

9 INVESTMENTS (CONTINUED)

(e) Changes in the fair value and the corresponding ECL

No loss allowance is recognised in the statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the fair value reserve.

Movements in allowances for impairment, which reflects the expected credit loss ("ECL") model on impairment, recognised in other comprehensive income.

The loss allowance for FVOCI financial assets of RM 0.53mil (2023: RM 0.37mil) does not reduce the carrying amount of these investments (which are measured at fair value) but gives rise to an equal and opposite gain in OCI.

(f) Estimation of fair value

Fair value hierarchy disclosure

The following table presents the Company's assets that are measured at fair value.

	<u>Level 1</u> <u>RM'000</u>	<u>Level 2</u> <u>RM'000</u>	<u>Level 3</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>
<u>30 June 2024</u>				
FVTPL financial assets				
Quoted in Malaysia				
Shares and warrants	420,072	-	-	420,072
Unit trust and property trust funds	186,303	-	-	186,303
	-	-	-	-
Unquoted in Malaysia				
Private debt securities	-	31,135	-	31,135
Accrued Interest	-	314	-	314
FVOCI financial assets				
Unquoted in Malaysia				
Shares	-	-	20,288	20,288
Private debt securities	-	503,165	8,203	511,368
Malaysian government securities	-	20,249	-	20,249
Malaysian government guaranteed bonds	-	687,762	-	687,762
Accrued Interest	-	14,007	-	14,007
Fixed and call deposits	2,009	-	-	2,009
Total investments	<u>608,384</u>	<u>1,256,632</u>	<u>28,491</u>	<u>1,893,507</u>

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9 INVESTMENTS (CONTINUED)

(f) Estimation of fair value (continued)

Fair value hierarchy disclosure

The following table presents the Company's assets that are measured at fair value.

	<u>Level 1</u> <u>RM'000</u>	<u>Level 2</u> <u>RM'000</u>	<u>Level 3</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>
<u>31 December 2023</u>				
FVTPL financial assets				
Quoted in Malaysia				
Shares and warrants	381,406	-	-	381,406
Unit trust and property trust funds	182,157	-	-	182,157
Unquoted in Malaysia				
Private debt securities	-	30,963	-	30,963
Accrued Interest	-	311	-	311
FVOCI financial assets				
Unquoted in Malaysia				
Shares	-	-	20,288	20,288
Private debt securities	-	502,913	7,809	510,722
Malaysian government securities	-	10,282	-	10,282
Malaysian government guaranteed bonds	-	703,293	-	703,293
Accrued Interest	-	14,400	-	14,400
Fixed and call deposits	822	-	-	822
Total investments	<u>564,385</u>	<u>1,262,162</u>	<u>28,097</u>	<u>1,854,644</u>
			<u>30.06.2024</u>	<u>31.12.2023</u>
			RM'000	RM'000
<u>Level 3</u>				
At 1 January			28,097	27,405
Fair value gains			394	1,025
Impairment of financial assets				
FVOCI debt securities			-	(333)
At 31 December			<u>28,491</u>	<u>28,097</u>

As observable prices are not available for these securities, the Directors have determined the fair values of equity securities based on their net asset value per share and fair values of debt securities based on discounted cash flows and the binding bid price quoted by the issuer. The valuations are not sensitive to a change in unobservable inputs.

Level 3 valuations are reviewed on an annual basis by the Company's management. The management considers the appropriateness of the valuation model inputs, as well as the valuation result using the valuation method and techniques generally recognised as standard within industry.

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024 (CONTINUED)**

10 REINSURANCE CONTRACTS

The roll-forward of the net asset for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims arising business ceded to reinsurers is disclosed in the table below:

	Note	Excluding loss- recovery component RM'000	Loss- recovery component RM'000	Amounts recoverable on incurred claims RM'000	PAA Estimates of the present value of future cash flows RM'000	Total RM'000
<u>30.06.2024</u>						
Reinsurance contract assets as at 1 January		(8,676)	12,931	7,361	-	11,616
Reinsurance contract (liabilities) as at 1 January		(1,070)	(128)	779	(70)	(489)
Net reinsurance contract assets as at 1 January		(9,746)	12,803	8,140	(70)	11,127
Net Income/(expenses) from reinsurance contracts		(5,845)	(234)	2,166	(223)	(4,136)
Net finance income/(expenses) from reinsurance contracts		11	237	-	-	248
Total changes in the Income statement and OCI		(5,834)	3	2,166	(223)	(3,888)
Cash flows						
Premiums paid		6,939	-	-	48	6,987
Amounts received		-	-	(3,977)	-	(3,977)
Total cash flows		6,939	-	(3,977)	48	3,010
Net reinsurance contract assets as at 30 June		(8,641)	12,806	6,329	(245)	10,249
Reinsurance contract assets as at 30 June		(7,571)	12,939	5,667	-	11,035
Reinsurance contract (liabilities) as at 30 June		(1,070)	(133)	662	(245)	(786)
Net reinsurance contract assets as at 30 June		(8,641)	12,806	6,329	(245)	10,249

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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10 REINSURANCE CONTRACTS (CONTINUED)

The roll-forward of the net asset for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims arising business ceded to reinsurers is disclosed in the table below:

	Note	Excluding loss- recovery component RM'000	Loss- recovery component RM'000	Amounts recoverable on incurred claims RM'000	PAA Estimates of the present value of future cash flows RM'000	Total RM'000
<u>31.12.2023</u>						
Reinsurance contract assets as at 1 January		1,663	907	7,183	-	9,753
Reinsurance contract (liabilities) as at 1 January		(12,629)	154	3,014	(156)	(9,617)
Net reinsurance contract assets as at 1 January		(10,966)	1,061	10,197	(156)	136
Net Income/(expenses) from reinsurance contracts		(10,790)	11,694	8,683	(13)	9,574
Net finance income/(expenses) from reinsurance contracts		137	48	248	-	433
Total changes in the Income statement and OCI		(10,653)	11,742	8,931	(13)	10,007
Cash flows						
Premiums paid		11,873	-	-	99	11,972
Amounts received		-	-	(10,988)	-	(10,988)
Total cash flows		11,873	-	(10,988)	99	984
Net reinsurance contract assets as at 31 December		(9,746)	12,803	8,140	(70)	11,127
Reinsurance contract assets as at 31 December		(8,676)	12,931	7,361	-	11,616
Reinsurance contract (liabilities) as at 31 December		(1,070)	(128)	779	(70)	(489)
Net reinsurance contract assets as at 31 December		(9,746)	12,803	8,140	(70)	11,127

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11 OTHER RECEIVABLES

	<u>30.06.2024</u>	<u>31.12.2023</u>
	RM'000	RM'000
Income due and accrued	830	437
Receivable from fund managers and brokers	6,854	12,285
Receivable from related parties	1,094	1,092
Other receivables and deposits	8,604	5,368
	<u>17,382</u>	<u>19,182</u>

The Company does not offset its other receivables against other payables. The Company does not have any financial instruments subject to an enforceable master netting arrangement or financial collateral (pledged or received) as at 30 June 2024 (2023: RM nil).

12 SHARE CAPITAL

	<u>30.06.2024</u>		<u>31.12.2023</u>	
	Number of shares	Amount	Number of shares	Amount
	'000	RM'000	'000	RM'000
Issued and fully paid ordinary shares:				
At the beginning of the financial period/year	305,000	305,000	185,000	185,000
Issued during the financial period/year	-	-	120,000	120,000
At the end of financial period/year	<u>305,000</u>	<u>305,000</u>	<u>305,000</u>	<u>305,000</u>

13 RESERVES

(a) Retained earnings

Pursuant to the single tier system, any dividends distributed by the Company will be exempted from tax in the hand of shareholders. The Company shall not be entitled to deduct on dividend paid, credited or distributed to shareholders.

The Company may distribute single tier exempt dividend to its shareholders out of its retained earnings. Pursuant to Section 51(1) of the FSA, the Company is required to obtain BNM's written approval prior to declaring or paying any dividend with effect from the financial year beginning 1 December 2013. Pursuant to the RSC Framework for Insurers, the Company shall not pay dividends if its Capital Adequacy position is less than its internal target capital level or if the payment of dividend would impair its Capital Adequacy Ratio ("CAR") position to below its internal target.

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13 RESERVES (continued)

(b) Other reserves

Other reserves consist of fair value reserve, asset revaluation reserve and insurance/reinsurance finance reserve.

The fair value reserves of the Company represent the fair value gains or losses of the FVOCI financial assets, net of deferred tax.

The asset revaluation reserve represents the revaluation surplus of self-occupied properties.

The insurance finance reserves represent the impact of changes in market interest rate on the value of the Life insurance and related reinsurance assets and liabilities.

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14 INSURANCE CONTRACT LIABILITIES

- (i) The roll-forward of the net liability for Insurance contracts Issued, showing the liability for remaining coverage and the liability for Incurred claims for portfolios not measured under the PAA, is disclosed in the table below:

	30.06.2024			
	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss components	Loss component	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000
Insurance contract liabilities as at 1 January	1,367,327	82,983	291,344	1,741,654
Insurance contract (assets) as at 1 January	(2,659)	562	1,692	(405)
Net insurance contract liabilities as at 1 January	1,364,668	83,545	293,036	1,741,249
Insurance revenue	(61,427)	-	-	(61,427)
Contracts under the fair value approach	(48,718)	-	-	(48,718)
Other contracts	(12,709)	-	-	(12,709)
Insurance service expense	6,229	22,001	48,649	76,879
Incurred claims and other insurance service expenses	-	(10,231)	81,292	71,061
Amortisation of insurance acquisition cash flows	6,229	-	-	6,229
Losses and reversal of losses on onerous contracts	-	32,232	-	32,232
Adjustments to liabilities for Incurred claims	-	-	(32,643)	(32,643)
Investment components	(181,442)	-	181,442	-
Insurance service result	(236,640)	22,001	230,091	15,452
Net finance expenses for insurance contracts	71,792	1,416	-	73,208
Total changes in the income statement and OCI	(164,848)	23,417	230,091	88,660
Cash flows				
Premiums received	69,459	-	-	69,459
Claims and other Insurance service expenses paid, including investment components	-	-	(272,322)	(272,322)
Insurance acquisition cash flows	(40,364)	-	-	(40,364)
Total cash flows	29,095	-	(272,322)	(243,227)
Net insurance contract liabilities as at 30 June	1,228,915	106,962	250,805	1,586,682
Insurance contracts liabilities as at 30 June	1,235,979	102,492	249,731	1,588,202
Insurance contracts (assets) as at 30 June	(7,064)	4,470	1,074	(1,520)
Net insurance contract liabilities as at 30 June	1,228,915	106,962	250,805	1,586,682

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14 **INSURANCE CONTRACT LIABILITIES (continued)**

- (i) The roll-forward of the net liability for Insurance contracts Issued, showing the liability for remaining coverage and the liability for Incurred claims for portfolios not measured under the PAA, is disclosed In the table below:

	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss components	Loss component		
	RM'000	RM'000	RM'000	RM'000
Insurance contract liabilities as at 1 January	1,468,542	30,609	234,928	1,734,079
Insurance contract (assets) as at 1 January	(18)	-	-	(18)
Net Insurance contract liabilities as at 1 January	1,468,524	30,609	234,928	1,734,061
Insurance revenue	(135,909)	-	-	(135,909)
Contracts under the fair value approach	(118,262)	-	-	(118,262)
Other contracts	(17,647)	-	-	(17,647)
Insurance service expense	7,803	51,521	172,772	232,096
Incurred claims and other insurance service expenses	-	(10,049)	197,379	187,330
Amortisation of insurance acquisition cash flows	7,803	-	-	7,803
Losses and reversal of losses on onerous contracts	-	61,570	-	61,570
Adjustments to liabilities for Incurred claims	-	-	(24,607)	(24,607)
Investment components	(184,321)	-	184,321	-
Insurance service result	(312,427)	51,521	357,093	96,187
Net finance expenses for Insurance contracts	104,125	1,415	-	105,540
Total changes in the income statement and OCI	(208,302)	52,936	357,093	201,727
Cash flows				
Premiums received	152,451	-	-	152,451
Claims and other Insurance service expenses paid, including investment components	-	-	(298,985)	(298,985)
Insurance acquisition cash flows	(48,005)	-	-	(48,005)
Total cash flows	104,446	-	(298,985)	(194,539)
Net insurance contract liabilities as at 31 December	1,364,668	83,545	293,036	1,741,249
Insurance contracts liabilities as at 31 December	1,367,327	82,983	291,344	1,741,654
Insurance contracts (assets) as at 31 December	(2,659)	562	1,692	(405)
Net insurance contract liabilities as at 31 December	1,364,668	83,545	293,036	1,741,249

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14 **INSURANCE CONTRACT LIABILITIES (continued)**

- (ii) The roll-forward of the net liability for Insurance contracts Issued, showing the liability for remaining coverage and the liability for Incurred claims for portfolios measured under the PAA, is disclosed In the table below:

	30.06.2024			
	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss components	Loss component	for incurred claims	Total
	RM'000	RM'000	RM'000	RM'000
Insurance contract liabilities as at 1 January	-	-	-	-
Insurance contract (assets) as at 1 January	(544)	231	223	(90)
Net Insurance contract liabilities as at 1 January	(544)	231	223	(90)
Insurance revenue	(880)	-	-	(880)
Contracts under the fair value approach	-	-	-	-
Other contracts	(880)	-	-	(880)
Insurance service expense	488	528	573	1,589
Incurred claims and other insurance service expenses	-	(433)	624	191
Amortisation of insurance acquisition cash flows	488	-	-	488
Losses and reversal of losses on onerous contracts	-	961	-	961
Adjustments to liabilities for Incurred claims	-	-	(51)	(51)
Investment components	-	-	-	-
Insurance service result	(392)	528	573	709
Total changes in the income statement and OCI	(392)	528	573	709
Cash flows				
Premiums received	4,774	-	-	4,774
Claims and other Insurance service expenses paid, including investment components	-	-	(570)	(570)
Insurance acquisition cash flows	(2,019)	-	-	(2,019)
Total cash flows	2,755	-	(570)	2,185
Net insurance contract liabilities as at 30 June	1,819	759	226	2,804
Insurance contracts liabilities as at 30 June	1,819	759	226	2,804
Insurance contracts (assets) as at 30 June	-	-	-	-
Net insurance contract liabilities as at 30 June	1,819	759	226	2,804

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14 INSURANCE CONTRACT LIABILITIES (continued)

- (ii) The roll-forward of the net liability for Insurance contracts Issued, showing the liability for remaining coverage and the liability for Incurred claims for portfolios measured under the PAA, is disclosed In the table below:

	31.12.2023			
	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss components	Loss component	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000
Insurance contract liabilities as at 1 January	-	-	-	-
Insurance contract (assets) as at 1 January	(520)	192	116	(212)
Net Insurance contract liabilities as at 1 January	(520)	192	116	(212)
Insurance revenue	(1,261)	-	-	(1,261)
Contracts under the fair value approach	-	-	-	-
Other contracts	(1,261)	-	-	(1,261)
Insurance service expense	2,352	39	1,910	4,301
Incurred claims and other insurance service expenses	-	(2,465)	1,053	(1,412)
Amortisation of insurance acquisition cash flows	2,352	-	-	2,352
Losses and reversal of losses on onerous contracts	-	2,504	-	2,504
Adjustments to liabilities for Incurred claims	-	-	857	857
Investment components	-	-	-	-
Insurance service result	1,091	39	1,910	3,040
Total changes in the income statement and OCI	1,091	39	1,910	3,040
Cash flows				
Premiums received	1,247	-	-	1,247
Claims and other Insurance service expenses paid, including investment components	-	-	(1,803)	(1,803)
Insurance acquisition cash flows	(2,362)	-	-	(2,362)
Total cash flows	(1,115)	-	(1,803)	(2,918)
Net insurance contract liabilities as at 31 December	(544)	231	223	(90)
Insurance contracts liabilities as at 31 December	-	-	-	-
Insurance contracts (assets) as at 31 December	(544)	231	223	(90)
Net insurance contract liabilities as at 31 December	(544)	231	223	(90)

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15 OTHER PAYABLES

	<u>30.06.2024</u>	<u>31.12.2023</u>
	RM'000	RM'000
Accrued expenses	6,069	8,266
Provision for bonus	8,501	21,191
Unclaimed monies	6,667	6,786
Payable to investment brokers	-	931
Payable to agents	6,883	6,259
Payable to related parties	19,999	19,999
Other payable	54,395	26,561
	<u>102,514</u>	<u>89,993</u>

The carrying amounts disclosed above approximate fair value at the statement of financial position date.

The Company does not offset their other payables against other receivables. The Company does not have any financial instruments subject to an enforceable master netting arrangement or financial collateral (pledged or received) as at 30 June 2024 (2023: RM Nil).

16 CAPITAL COMMITMENTS

As of 30 June 2024, capital expenditure approved by Directors but not provided for in the financial statements are as follows:

	<u>30.06.2024</u>	<u>31.12.2023</u>
	RM'000	RM'000
Authorised and contracted but not provided for:		
Computer hardware and software	8	559
Property and equipment	2	7
Project - Integration project	-	71
Project - Distribution agreement	-	10,000
Project - Renovation cost	17,719	-
	<u>17,729</u>	<u>10,637</u>