

LPI CAPITAL BHD
Condensed Consolidated Statement of Profit or Loss for the Quarter Ended 31 March 2022 - Unaudited

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 31.03.2022 RM'000	Preceding Year Corresponding Quarter Ended 31.03.2021 RM'000	Current Year To Date Ended 31.03.2022 RM'000	Preceding Year Corresponding Period Ended 31.03.2021 RM'000
Operating revenue	397,739	440,786	397,739	440,786
Gross written premiums	476,582	470,711	476,582	470,711
Change in unearned premiums provision	(107,557)	(73,209)	(107,557)	(73,209)
Gross earned premiums	369,025	397,502	369,025	397,502
Gross written premiums ceded to reinsurers	(204,962)	(175,289)	(204,962)	(175,289)
Change in unearned premiums provision	53,132	30,278	53,132	30,278
Premiums ceded to reinsurers	(151,830)	(145,011)	(151,830)	(145,011)
Net earned premiums	217,195	252,491	217,195	252,491
Investment income	28,714	43,284	28,714	43,284
Realised gains	5	-	5	-
Fair value gains	393	679	393	679
Commission income	30,343	30,210	30,343	30,210
Other operating income	722	754	722	754
Other income	60,177	74,927	60,177	74,927
Gross claims paid	(132,268)	(159,286)	(132,268)	(159,286)
Claims ceded to reinsurers	54,870	63,563	54,870	63,563
Gross change in claims liabilities	(190,797)	(115,014)	(190,797)	(115,014)
Change in claims liabilities ceded to reinsurers	166,367	112,277	166,367	112,277
Net claims incurred	(101,828)	(98,460)	(101,828)	(98,460)
Fair value losses	(4,373)	(38,134)	(4,373)	(38,134)
Commission expense	(37,432)	(42,243)	(37,432)	(42,243)
Management expenses	(56,736)	(50,048)	(56,736)	(50,048)
Net impairment loss on insurance receivables	(890)	(1,204)	(890)	(1,204)
Other operating expense	(203)	-	(203)	-
Other expenses	(99,634)	(131,629)	(99,634)	(131,629)
Operating profit	75,910	97,329	75,910	97,329
Finance cost	(326)	(431)	(326)	(431)
Share of profit after tax of equity accounted associated company	184	1,250	184	1,250
Profit before tax	75,768	98,148	75,768	98,148
Tax expense	(14,240)	(15,838)	(14,240)	(15,838)
Profit for the period	61,528	82,310	61,528	82,310
Profit attributable to:				
Owners of the Company	61,528	82,310	61,528	82,310
Earnings per ordinary share (sen)				
- Basic	15.44	20.66	15.44	20.66
- Diluted	N/A	N/A	N/A	N/A

N/A - *Not Applicable.*

Note : The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Annual Financial Report for the year ended 31 December 2021.

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Quarter Ended 31 March 2022 - Unaudited

	Individual Period		Cumulative Period	
	Current Year Quarter Ended <u>31.03.2022</u> RM'000	Preceding Year Corresponding Quarter Ended <u>31.03.2021</u> RM'000	Current Year To Date Ended <u>31.03.2022</u> RM'000	Preceding Year Corresponding Period Ended <u>31.03.2021</u> RM'000
Profit for the period	61,528	82,310	61,528	82,310
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operation	603	1,089	603	1,089
Items that will not be reclassified to profit or loss				
Net gains on investments in equity instruments designated at fair value through other comprehensive income	112,338	17,612	112,338	17,612
Income tax relating to these items	(696)	(102)	(696)	(102)
Total other comprehensive income for the period, net of tax	112,245	18,599	112,245	18,599
Total comprehensive income for the period attributable to owners of the Company	173,773	100,909	173,773	100,909

Note : The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2021.

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Condensed Consolidated Statement of Financial Position As At 31 March 2022 - Unaudited

	As At <u>31.03.2022</u>	As At <u>31.12.2021</u>
	RM'000	RM'000
Assets		
Plant and equipment	5,570	4,717
Right-of-use assets	46,384	47,821
Investment properties	27,404	27,316
Intangible assets	8,086	8,401
Investment in an associated company	39,823	39,446
Other investments	2,191,541	2,169,029
Fair value through other comprehensive income	1,028,775	916,424
Fair value through profit or loss	1,032,974	1,137,794
Amortised cost	129,792	114,811
Deferred tax assets	-	7,061
Reinsurance assets	1,491,583	1,271,952
Loans and receivables, excluding insurance receivables	958,847	1,007,396
Insurance receivables	250,522	178,160
Deferred acquisition costs	46,875	45,605
Cash and cash equivalents	132,037	87,900
Total assets	<u>5,198,672</u>	<u>4,894,804</u>
Equity		
Share capital	398,383	398,383
Reserves	1,737,140	1,742,639
Total equity	<u>2,135,523</u>	<u>2,141,022</u>
Liabilities		
Insurance contract liabilities	2,746,903	2,448,068
Deferred tax liabilities	908	-
Lease liabilities	48,234	49,630
Insurance payables	150,597	120,630
Other payables	108,465	110,573
Current tax payables	8,042	24,881
Total liabilities	<u>3,063,149</u>	<u>2,753,782</u>
Total equity and liabilities	<u>5,198,672</u>	<u>4,894,804</u>

Note : The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2021.

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Condensed Consolidated Statement of Changes in Equity for the Period Ended 31 March 2022 - Unaudited

	← Non-distributable	→	Distributable		
	Share capital RM'000	Foreign currency translation reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total RM'000
<u>3 Months Period Ended 31 March 2022</u>					
At 1 January 2022	398,383	25,709	756,981	959,949	2,141,022
Foreign currency translation differences for foreign operation	-	603	-	-	603
Net gains on investments in equity instruments designated at fair value through other comprehensive income	-	-	111,642	-	111,642
Total other comprehensive income for the period	-	603	111,642	-	112,245
Profit for the period	-	-	-	61,528	61,528
Total comprehensive income for the period	-	603	111,642	61,528	173,773
Distributions to owners of the Company					
Dividends to owners of the Company	-	-	-	(179,272)	(179,272)
Total transaction with owners of the Company	-	-	-	(179,272)	(179,272)
At 31 March 2022	398,383	26,312	868,623	842,205	2,135,523

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Condensed Consolidated Statement of Changes in Equity for the Period Ended 31 March 2022 - Unaudited (continued)

	← Non-distributable →		Distributable		
	Share capital	Foreign currency translation reserve	Fair value reserve	Retained earnings	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
3 Months Period Ended 31 March 2021					
At 1 January 2021	398,383	22,753	748,242	906,090	2,075,468
Foreign currency translation differences for foreign operation	-	1,089	-	-	1,089
Net gains on investments in equity instruments designated at fair value through other comprehensive income	-	-	17,510	-	17,510
Total other comprehensive income for the period	-	1,089	17,510	-	18,599
Profit for the period	-	-	-	82,310	82,310
Total comprehensive income for the period	-	1,089	17,510	82,310	100,909
Distributions to owners of the Company					
Dividends to owners of the Company	-	-	-	(175,289)	(175,289)
Total transaction with owners of the Company	-	-	-	(175,289)	(175,289)
At 31 March 2021	398,383	23,842	765,752	813,111	2,001,088

Notes : The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2021.

LPI CAPITAL BHD**Condensed Consolidated Statement of Cash Flow
for the Period Ended 31 March 2022 - Unaudited**

	Current Year To Date Ended <u>31.03.2022</u> RM'000	Preceding Year Corresponding Period Ended <u>31.03.2021</u> RM'000
Operating activities		
Profit before tax	75,768	98,148
Investment income	(28,714)	(43,284)
Net realised gains recorded in profit or loss	(5)	-
Net fair value losses recorded in profit or loss	3,980	37,455
Share of profit of equity accounted associated company	(184)	(1,250)
Proceeds from disposal of financial assets carried at fair value through profit or loss	650,002	30,000
Purchase of financial assets carried at fair value through profit or loss	(554,135)	(196,673)
Purchase of financial assets carried at amortised cost	(14,960)	(9,972)
Maturity of financial assets carried at amortised cost	-	5,000
Maturity of financial assets carried at fair value through profit or loss	5,000	-
Interest on lease liabilities	326	431
Non-cash items:		
Depreciation of plant and equipment	702	830
Depreciation of right-of-use assets	1,742	1,652
Amortisation of intangible assets	930	840
Unrealised foreign exchange gain	(57)	(97)
Net impairment loss on insurance receivables	890	1,204
Changes in working capital:		
Decrease in loans and receivables	48,735	163,959
Increase in reinsurance assets	(219,498)	(142,555)
Increase in insurance receivables	(73,211)	(91,233)
(Increase)/Decrease in deferred acquisition costs	(1,260)	2,356
Increase in insurance contract liabilities	298,354	188,223
Increase in insurance payables	29,957	30,027
Decrease in other payables	(2,184)	(10,476)
Cash generated from operating activities	222,178	64,585
Dividend income received	21,494	35,635
Interest income received	7,087	7,560
Rental income on investment property received	184	98
Interest paid	(326)	(431)
Income tax paid	(23,811)	(21,360)
Net cash flows generated from operating activities	<u>226,806</u>	<u>86,087</u>

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Condensed Consolidated Statement of Cash Flow for the Period Ended 31 March 2022 - Unaudited (continued)

	Current Year To Date Ended <u>31.03.2022</u> RM'000	Preceding Year Corresponding Period Ended <u>31.03.2021</u> RM'000
Investing activities		
Proceeds from disposal of plant and equipment	5	-
Purchase of plant and equipment	(1,553)	(182)
Purchase of intangible assets	(615)	(150)
Net cash flows used in investing activities	<u>(2,163)</u>	<u>(332)</u>
Financing activities		
Dividends paid to owners of the Company	(179,272)	(175,289)
Payment of lease liabilities	(1,701)	(1,508)
Net cash flows used in financing activities	<u>(180,973)</u>	<u>(176,797)</u>
Net increase/(decrease) in cash and cash equivalents	43,670	(91,042)
Cash and cash equivalents at 1 January	87,900	150,788
Effect of movement in exchange rates	467	491
Cash and cash equivalents at 31 March	<u>132,037</u>	<u>60,237</u>

Note : The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2021.

**PART A – NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
PURSUANT TO MALAYSIAN FINANCIAL REPORTING
STANDARD (“MFRS”) 134**

A1. BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with MFRS 134, Interim Financial Reporting in Malaysia and with IAS 34, Interim Financial Reporting, and Paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements. They do not include all of the information required for a complete set of MFRS/IFRS financial statements, and should be read in conjunction with the Group’s last annual consolidated audited financial statements as at and for the year ended 31 December 2021 (“last annual consolidated audited financial statements”). Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual consolidated audited financial statements.

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

MFRSs/Interpretations/Amendments	Effective date
Amendment to MFRS 16, <i>Leases – COVID-19-Related Rent Concessions beyond 30 June 2021</i>	1 April 2021
Amendments to MFRS 1, <i>First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)</i>	1 January 2022
Amendments to MFRS 3, <i>Business Combinations – Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 9, <i>Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)</i>	1 January 2022
Amendments to Illustrative Examples accompanying MFRS 16, <i>Leases (Annual Improvements to MFRS Standards 2018–2020)</i>	1 January 2022
Amendments to MFRS 116, <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137, <i>Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 141, <i>Agriculture (Annual Improvements to MFRS Standards 2018–2020)</i>	1 January 2022

A1. BASIS OF PREPARATION (CONTINUED)

The initial application of the abovementioned accounting standards, interpretations and amendments did not have any material impact to the current and prior periods financial statements upon their first adoption.

A2. COMMENTS ON SEASONALITY OR CYCLICALITY

The Group's insurance business operations were not significantly affected by seasonality or cyclical factors for the period under review.

However, for the investment holding segment, the dividend income generated from the dividend stocks are subject to timing of the payment of dividend which may fluctuate when comparing quarter to quarter. The Group's investment income is seasonally stronger in 1st Quarter and 3rd Quarter.

A3. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no items affecting assets, liabilities, equity, net income, or cash flows which are unusual because of their nature, size, or incidence in the current interim period ended 31 March 2022.

A4. CHANGES IN ESTIMATES

The preparation of these condensed consolidated interim financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual consolidated audited financial statements.

A5. ISSUES, CANCELLATIONS, REPURCHASES, RESALE AND REPAYMENTS OF DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities by LPI Capital Bhd ("LPI") in the current interim period ended 31 March 2022.

A6. DIVIDEND PAID

In the current interim period ended 31 March 2022, the Company paid a second interim single tier dividend of 45.00 sen per ordinary share amounting to RM179,272,239 in respect of the financial year ended 31 December 2021 on 2 March 2022.

A7. OPERATING SEGMENTS

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units are managed separately based on the Group's management and internal reporting structure. For each of the strategic business units, the Group's Chief Executive Officer (the chief operating decision maker) reviews internal management reports on a monthly basis. Inter-segment pricing, if any, is determined based on negotiated terms.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment assets and liabilities are measured based on all assets and liabilities of a segment, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer. Unallocated items mainly comprise interest-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

A7. OPERATING SEGMENTS (CONTINUED)

Business segments

The Group comprises the following main business segments:

General insurance - Underwriting of all classes of general insurance business, mainly carried out by Lonpac Insurance Bhd

Investment holding - Investment holding operations, mainly carried out by LPI Capital Bhd

Segment reporting:

RM'000	← 3 Months Ended →					
	General insurance		Investment holding		Total	
	2022	2021	2022	2021	2022	2021
External revenue	380,966	412,616	16,773	28,170	397,739	440,786
Inter-segment revenue	-	-	130,000	130,000	130,000	130,000
Segment profit before tax	61,433	71,926	144,335	156,222	205,768	228,148
Segment assets	4,163,429	3,677,732	1,235,243	1,174,424	5,398,672	4,852,156
Segment liabilities	3,059,883	2,648,202	3,266	2,866	3,063,149	2,651,068

A7. OPERATING SEGMENTS (CONTINUED)

Business segments (continued)

i) Reconciliation of reportable segment profit:

RM'000	← 3 Months Ended →	
	<u>2022</u>	<u>2021</u>
Total profit for reportable segments	205,768	228,148
Elimination of inter-segment profit	(130,000)	(130,000)
Consolidated profit before tax	<u>75,768</u>	<u>98,148</u>

ii) Reconciliation of reportable segment assets:

RM'000	← 3 Months Ended →	
	<u>2022</u>	<u>2021</u>
Total assets for reportable segments	5,398,672	4,852,156
Elimination of inter-segment assets	(200,000)	(200,000)
Consolidated assets	<u>5,198,672</u>	<u>4,652,156</u>

A8. EVENTS AFTER THE INTERIM PERIOD

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

A9. EFFECT OF CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the quarterly period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinued operations.

A10. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

On 22 February 2017, Lonpac Insurance Bhd (“Lonpac”), a wholly-owned subsidiary of LPI Capital Bhd (“LPI”), received a Notice of Proposed Decision by the Malaysia Competition Commission (“MyCC”) under Section 36 of the Competition Act 2010 (“the Act”).

MyCC informed that pursuant to its investigation, the commission on the preliminary basis finds that Lonpac together with the other 21 members of Persatuan Insurans Am Malaysia (“PIAM”) have infringed the prohibition under Section 4(2)(a) of the Act for fixing parts trade discounts and labour rates for repair workshops and are therefore liable for an infringement under Section 4(3) of the Act.

Lonpac has on 25 September 2020 received a Notice of Finding of An Infringement (“Notice”) by MyCC under Section 40 of the Act. MyCC determined that Lonpac has infringed Section 4 prohibition of the Act.

In the view of the impact of the COVID-19 pandemic, MyCC has granted a reduction of 25% of the financial penalties imposed on the 22 general insurers. The financial penalty imposed on Lonpac after taking into account the 25% reduction amounts to RM5,914,779.57. MyCC also granted a moratorium period up to 6 months from the date of the Notice. At the end of the moratorium period, Lonpac is allowed to make the payment of the financial penalty by equal monthly instalment for up to 6 months.

Lonpac believes that it has always conducted its business in full compliance with all relevant laws and regulations and had filed an appeal to the Competition Appeal Tribunal (“CAT”) on 13 October 2020. CAT has granted a stay on the financial penalty to Lonpac on 23 March 2021 pending the disposal of the appeal.

Save as disclosed above, the Group does not have any contingent assets and liabilities since the last annual balance sheet date.

A11. FINANCIAL INSTRUMENTS

Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables and payables reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

A11. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value information (continued)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the condensed consolidated statement of financial position.

RM'000	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
31.03.2022										
Financial assets										
<i>Designated at fair value through other comprehensive income</i>										
- Quoted shares	1,028,775	-	-	1,028,775	-	-	-	-	1,028,775	1,028,775
<i>Mandatorily at fair value through profit or loss</i>										
- Unit trust	882,832	-	-	882,832	-	-	-	-	882,832	882,832
- Real estate investment trusts ("REITs")	3,252	-	-	3,252	-	-	-	-	3,252	3,252
- Exchange-traded fund ("ETF")	660	-	-	660	-	-	-	-	660	660
- Quoted shares	4,155	-	-	4,155	-	-	-	-	4,155	4,155
- Unquoted shares	-	-	1,392	1,392	-	-	-	-	1,392	1,392
- Corporate bonds and sukuk	-	140,683	-	140,683	-	-	-	-	140,683	140,683
<i>Amortised cost</i>										
- Malaysian government securities	-	-	-	-	-	15,087	-	15,087	15,087	15,343
- Government investment issues	-	-	-	-	-	29,305	-	29,305	29,305	29,782
- Malaysian government guaranteed loans	-	-	-	-	-	54,828	-	54,828	54,828	55,000
- Corporate bonds and sukuk	-	-	-	-	-	29,313	-	29,313	29,313	29,667
	1,919,674	140,683	1,392	2,061,749	-	128,533	-	128,533	2,190,282	2,191,541

A11. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value information (continued)

31.12.2021

RM'000	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
Financial assets										
<i>Designated at fair value through other comprehensive income</i>										
- Quoted shares	916,424	-	-	916,424	-	-	-	-	916,424	916,424
<i>Mandatorily at fair value through profit or loss</i>										
- Unit trust	982,477	-	-	982,477	-	-	-	-	982,477	982,477
- Real estate investment trusts ("REITs")	3,211	-	-	3,211	-	-	-	-	3,211	3,211
- Exchange-traded fund ("ETF")	668	-	-	668	-	-	-	-	668	668
- Quoted shares	3,791	-	-	3,791	-	-	-	-	3,791	3,791
- Unquoted shares	-	-	1,392	1,392	-	-	-	-	1,392	1,392
- Corporate bonds and sukuk	-	146,255	-	146,255	-	-	-	-	146,255	146,255
<i>Amortised cost</i>										
- Malaysian government securities	-	-	-	-	-	15,366	-	15,366	15,366	15,358
- Government investment issues	-	-	-	-	-	19,788	-	19,788	19,788	19,817
- Malaysian government guaranteed loans	-	-	-	-	-	50,298	-	50,298	50,298	50,000
- Corporate bonds and sukuk	-	-	-	-	-	29,760	-	29,760	29,760	29,636
	<u>1,906,571</u>	<u>146,255</u>	<u>1,392</u>	<u>2,054,218</u>	<u>-</u>	<u>115,212</u>	<u>-</u>	<u>115,212</u>	<u>2,169,430</u>	<u>2,169,029</u>

A11. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value information (continued)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the current interim period ended 31 March 2022 (31.12.2021: no transfer in either directions).

Level 3 fair value

The following table shows a reconciliation of Level 3 fair values:

	2022	2021
	RM'000	RM'000
Unquoted shares		
As at 1 January	1,392	1,375
Fair value gains in profit or loss	-	17
Balance as at 31 March 2022 / 31 December 2021	<u>1,392</u>	<u>1,392</u>

A11. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value information (continued)

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

Financial instruments carried at fair value

Type	Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Unquoted shares	The fair value is determined to approximate the net assets value of the investee as it is immaterial in the context of the condensed interim financial statements.	Net assets value	The higher the value of net assets the higher the fair value.

A12. SIGNIFICANT RELATED PARTY TRANSACTIONS

The significant related party transactions of the Group are as follows:-

	Associated Company		Companies in which a Director has substantial financial interest	
	Current Year To Date Ended	Preceding Year Corresponding Period Ended	Current Year To Date Ended	Preceding Year Corresponding Period Ended
RM'000	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Income earned:				
Premium income	325	345	30,042	28,552
Dividend income	-	-	17,204	28,879
Fixed deposits income	-	-	806	1,122
Corporate bonds and sukuk income	-	-	352	385
Information technology services	-	9	-	-
	<u>325</u>	<u>354</u>	<u>48,404</u>	<u>58,938</u>
Expenditure incurred:				
Rental paid	-	-	(999)	(835)
Insurance commission	(92)	(95)	(12,891)	(13,656)
	<u>(92)</u>	<u>(95)</u>	<u>(13,890)</u>	<u>(14,491)</u>

PART B – ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

B1. REVIEW OF GROUP PERFORMANCE

Table 1: Financial review for current quarter and financial year to date

RM'mil	Individual Period		Changes		Cumulative Period		Changes	
	Current Year Quarter Ended	Preceding Year Corresponding Quarter Ended			Current Year To Date Ended	Preceding Year Corresponding Period Ended		
	31.03.2022	31.03.2021	Amount	% / ppt (*)	31.03.2022	31.03.2021	Amount	% / ppt (*)
Revenue by segments								
General insurance segment	380.9	412.6	(31.7)	(7.7)%	380.9	412.6	(31.7)	(7.7)%
Gross earned premiums	369.0	397.5	(28.5)	(7.2)%	369.0	397.5	(28.5)	(7.2)%
Investment income	11.9	15.1	(3.2)	(21.2)%	11.9	15.1	(3.2)	(21.2)%
Investment holding segment								
Investment income	16.8	28.2	(11.4)	(40.4)%	16.8	28.2	(11.4)	(40.4)%
Total revenue	397.7	440.8	(43.1)	(9.8)%	397.7	440.8	(43.1)	(9.8)%
Revenue by geographical locations								
Malaysia	370.6	411.4	(40.8)	(9.9)%	370.6	411.4	(40.8)	(9.9)%
Singapore	27.1	29.4	(2.3)	(7.8)%	27.1	29.4	(2.3)	(7.8)%
Total revenue	397.7	440.8	(43.1)	(9.8)%	397.7	440.8	(43.1)	(9.8)%
Operating profit	75.9	97.3	(21.4)	(22.0)%	75.9	97.3	(21.4)	(22.0)%

(* ppt – percentage points)

B1. REVIEW OF GROUP PERFORMANCE (CONTINUED)

Table 1: Financial review for current quarter and financial year to date (continued)

	Individual Period		Changes		Cumulative Period		Changes	
	Current Year Quarter Ended	Preceding Year Corresponding Quarter Ended			Current Year To Date Ended	Preceding Year Corresponding Period Ended		
	31.03.2022	31.03.2021	Amount	% / ppt (*)	31.03.2022	31.03.2021	Amount	% / ppt (*)
Profit before tax by segments								
General insurance (RM'mil)	61.5	71.9	(10.4)	(14.5)%	61.5	71.9	(10.4)	(14.5)%
Investment holding (RM'mil)	14.3	26.2	(11.9)	(45.4)%	14.3	26.2	(11.9)	(45.4)%
Total profit before tax	75.8	98.1	(22.3)	(22.7)%	75.8	98.1	(22.3)	(22.7)%
Profit before tax by geographical locations								
Malaysia (RM'mil)	71.2	92.7	(21.5)	(23.2)%	71.2	92.7	(21.5)	(23.2)%
Singapore (RM'mil)	4.4	4.1	0.3	7.3%	4.4	4.1	0.3	7.3%
Cambodia (RM'mil)	0.2	1.3	(1.1)	(84.6)%	0.2	1.3	(1.1)	(84.6)%
Total profit before tax	75.8	98.1	(22.3)	(22.7)%	75.8	98.1	(22.3)	(22.7)%
Profit attributable to owners of the Company (RM'mil)	61.5	82.3	(20.8)	(25.3)%	61.5	82.3	(20.8)	(25.3)%
Net return on equity (%)	2.9	4.1	-	(1.2) ppt	2.9	4.1	-	(1.2) ppt
Earnings per share (sen)	15.44	20.66	(5.22)	(25.3)%	15.44	20.66	(5.22)	(25.3)%

(* ppt – percentage points)

B1. REVIEW OF GROUP PERFORMANCE (CONTINUED)

Table 1: Financial review for current quarter and financial year to date (continued)

	Individual Period		Changes		Cumulative Period		Changes	
	Current Year Quarter Ended	Preceding Year Corresponding Quarter Ended			Current Year To Date Ended	Preceding Year Corresponding Period Ended		
	31.03.2022	31.03.2021	Amount	% / ppt (*)	31.03.2022	31.03.2021	Amount	% / ppt (*)
General insurance gross written premiums (RM'mil)	476.6	470.7	5.9	1.3%	476.6	470.7	5.9	1.3%
General insurance net earned premiums (RM'mil)	217.2	252.5	(35.3)	(14.0)%	217.2	252.5	(35.3)	(14.0)%
General insurance underwriting profit (RM'mil)	52.6	92.2	(39.6)	(43.0)%	52.6	92.2	(39.6)	(43.0)%
General insurance claims incurred ratio (%)	46.9	39.0	-	7.9 ppt	46.9	39.0	-	7.9 ppt
General insurance management expenses ratio (%)	25.6	19.7	-	5.9 ppt	25.6	19.7	-	5.9 ppt
General insurance commission ratio (%)	3.3	4.8	-	(1.5) ppt	3.3	4.8	-	(1.5) ppt
General insurance combined ratio (%)	75.8	63.5	-	12.3 ppt	75.8	63.5	-	12.3 ppt

(* ppt – percentage points)

B1. REVIEW OF GROUP PERFORMANCE (CONTINUED)

Table 3: Underwriting results of general insurance for the financial period ended 31 March :

RM'000	Fire		Motor		Marine, Aviation & Transit		Miscellaneous		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Gross written premiums	195,935	199,056	89,933	92,241	32,269	22,748	158,445	156,666	476,582	470,711
Change in unearned premiums provision	(41,798)	(42,739)	(2,036)	434	(7,578)	(1,407)	(56,145)	(29,497)	(107,557)	(73,209)
Gross earned premiums	<u>154,137</u>	<u>156,317</u>	<u>87,897</u>	<u>92,675</u>	<u>24,691</u>	<u>21,341</u>	<u>102,300</u>	<u>127,169</u>	<u>369,025</u>	<u>397,502</u>
Gross written premiums ceded to reinsurers	(85,314)	(74,078)	(5,144)	(4,267)	(26,655)	(17,728)	(87,849)	(79,216)	(204,962)	(175,289)
Change in unearned premiums provision	21,007	20,056	(57)	(103)	6,972	1,240	25,210	9,085	53,132	30,278
Premiums ceded to reinsurers	<u>(64,307)</u>	<u>(54,022)</u>	<u>(5,201)</u>	<u>(4,370)</u>	<u>(19,683)</u>	<u>(16,488)</u>	<u>(62,639)</u>	<u>(70,131)</u>	<u>(151,830)</u>	<u>(145,011)</u>
Net earned premiums	<u>89,830</u>	<u>102,295</u>	<u>82,696</u>	<u>88,305</u>	<u>5,008</u>	<u>4,853</u>	<u>39,661</u>	<u>57,038</u>	<u>217,195</u>	<u>252,491</u>
Net claims incurred	(14,251)	(16,027)	(63,120)	(53,974)	(1,985)	(2,818)	(22,472)	(25,641)	(101,828)	(98,460)
Commission income	12,218	10,957	400	426	3,195	2,972	14,530	15,855	30,343	30,210
Commission expense	(17,687)	(17,880)	(8,403)	(8,963)	(1,511)	(1,148)	(9,831)	(14,252)	(37,432)	(42,243)
Net commission	<u>(5,469)</u>	<u>(6,923)</u>	<u>(8,003)</u>	<u>(8,537)</u>	<u>1,684</u>	<u>1,824</u>	<u>4,699</u>	<u>1,603</u>	<u>(7,089)</u>	<u>(12,033)</u>
Total out-go	<u>(19,720)</u>	<u>(22,950)</u>	<u>(71,123)</u>	<u>(62,511)</u>	<u>(301)</u>	<u>(994)</u>	<u>(17,773)</u>	<u>(24,038)</u>	<u>(108,917)</u>	<u>(110,493)</u>
Underwriting surplus before management expenses	<u>70,110</u>	<u>79,345</u>	<u>11,573</u>	<u>25,794</u>	<u>4,707</u>	<u>3,859</u>	<u>21,888</u>	<u>33,000</u>	108,278	141,998
Management expenses of the insurance fund									(55,631)	(49,836)
Underwriting surplus after management expenses									<u>52,647</u>	<u>92,162</u>
Net claims incurred ratio (%)	15.9	15.7	76.3	61.1	39.6	58.1	56.7	45.0	46.9	39.0

B1. REVIEW OF GROUP PERFORMANCE (CONTINUED)

Revenue

For the quarter ended 31 March 2022, the Group's revenue decreased by RM43.1 million to RM397.7 million from RM440.8 million in the first quarter of 2021, a decrease of 9.8% as compared to the corresponding quarter last year. The decrease was mainly driven by lower gross earned premium of 7.2% or RM28.5 million from its general insurance segment. Investment holding segment recorded lower revenue of RM16.8 million as compared to RM28.2 million in the corresponding quarter in 2021 due to lower dividend income received.

Profit Before Tax

Profit before tax of the Group for the first quarter of 2022 decreased by 22.7% to RM75.8 million from RM98.1 million in the corresponding quarter in 2021. The decrease was driven by the lower profit from investment holding segment, which decreased by 45.4% to RM14.3 million from RM26.2 million in the first quarter of 2021 mainly due to lower tax-exempt dividends income received from its equity investment. Underwriting surplus decreased by 43.0% to RM52.6 million from RM92.2 million reported in the previous corresponding quarter, mainly due to lower net earned premiums as well as higher net claims incurred and management expenses. Despite the general insurance segment reporting lower net fair value losses of RM4.0 million in its investments as compared to RM37.5 million registered in the previous corresponding quarter, its profit before tax from general insurance segment closed 14.5% lower at RM61.5 million for the current quarter under review from RM71.9 million achieved in the first quarter of 2021.

Business operations in Malaysia contributed to 93.9% of the Group's total profit before tax in the first quarter of 2022.

B1. REVIEW OF GROUP PERFORMANCE (CONTINUED)

Table 4: Other comprehensive income for current quarter and financial year to date

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 31.03.2022	Preceding Year Corresponding Quarter Ended 31.03.2021	Current Year To Date Ended 31.03.2022	Preceding Year Corresponding Period Ended 31.03.2021
RM'mil				
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operation	0.6	1.1	0.6	1.1
Items that will not be reclassified to profit or loss				
Net gains on investments in equity instruments designated at fair value through other comprehensive income	112.3	17.6	112.3	17.6
Income tax relating to these items	(0.7)	(0.1)	(0.7)	(0.1)
Total other comprehensive income for the period, net of tax	112.2	18.6	112.2	18.6

The Group's total other comprehensive income for the three months ended 31 March 2022 recorded a net gain of RM112.2 million as compared to RM18.6 million in the corresponding quarter in 2021. The net gain recorded was mainly due to unrealised fair value gain on its investment in quoted equities.

B1. REVIEW OF GROUP PERFORMANCE (CONTINUED)

Table 5: Review of assets and liabilities

RM'mil	As at 31.03.2022	As at 31.12.2021	Changes	
			Amount	%
Total assets	5,198.6	4,894.8	303.8	6.2
Total liabilities	3,063.1	2,753.8	309.3	11.2
Total equity	2,135.5	2,141.0	(5.5)	(0.3)

Total assets

As at 31 March 2022, the Group's total assets increased by RM303.8 million to RM5,198.6 million from RM4,894.8 million as at 31 December 2021. The increase was mainly due to the growth in reinsurance assets and higher market value of quoted equity investment designated as fair value through other comprehensive income. The general insurance segment accounted for 80.1% of the Group's total assets as at 31 March 2022.

Total liabilities

As at 31 March 2022, total liabilities of the Group increased by RM309.3 million to RM3,063.1 million from RM2,753.8 million as at 31 December 2021. This mainly consisted of RM298.8 million increase in insurance contract liabilities and RM30.0 million in insurance payables of its general insurance segment.

Total equity

The Group's total equity decreased by 0.3% or RM5.5 million to RM2,135.5 million from RM2,141.0 million as at 31 December 2021. The Group's retained earnings recorded a net decrease of RM117.8 million resulted from the payment of dividends of RM179.3 million offset by the current period's net profit of RM61.5 million. The fair value reserves increased by RM111.6 million due to the higher market value of quoted equity investment designated as fair value through other comprehensive income. Therefore, net tangible asset per share also decreased to RM5.34 from RM5.35 as at 31 December 2021.

B1. REVIEW OF GROUP PERFORMANCE (CONTINUED)

Table 6: Breakdown of Key Financial Information of Foreign Operation - Lonpac Insurance Bhd (Singapore Branch)

Exchange rate as at 31.03.2022 SGD1.00 = RM3.10	Functional Currency SGD'000	Reporting Currency RM'000
Gross earned premiums	8,420	26,101
Investment income	339	1,052
Total revenue	8,759	27,153
Profit before tax	1,403	4,349
Profit after tax	1,420	4,401
Total assets	73,145	226,751
Total liabilities	62,628	194,148

For consolidation purpose, the financial statements of Singapore Branch of its subsidiary, Lonpac Insurance Bhd are translated from SGD to RM at exchange rate at the end of the reporting period.

B1. REVIEW OF GROUP PERFORMANCE (CONTINUED)

Table 7: Review of statement of cash flow

RM'mil	Current Year To Date Ended 31.03.2022	Preceding Year Corresponding Period Ended 31.03.2021
Profit after tax	61.5	82.3
Net cash flows generated from operating activities	226.8	86.1
Net cash flows used in investing activities	(2.2)	(0.3)
Net cash flows used in financing activities	(181.0)	(176.8)
Net increase/(decrease) in cash and cash equivalents	43.6	(91.0)
Cash and cash equivalents at 1 January	87.9	150.8
Effect of movement in exchange rates	0.5	0.4
Cash and cash equivalents at 31 March	132.0	60.2

For the three months period ended 31 March 2022, the operating cash flow of the Group remained healthy at RM226.8 million. The ratio of cash flow from operating activities to net income was 368.8% (RM226.8 million / RM61.5 million). The ratio indicates the ability of the Group to generate sufficient positive cash flow to maintain and grow its operations.

B1. REVIEW OF GROUP PERFORMANCE (CONTINUED)

Review of statement of cash flow (continued)

The Group had relatively low spending on plant and equipment and intangible assets as its core business is underwriting of general insurance. The Group's capital expenditure for the current financial period under review was RM2.2 million. The Group's main investing activities are in information technology and purchase of computer equipment.

The Group's balance sheet did not carry any debts other than insurance contract liabilities which increased by RM298.8 million to RM2,746.9 million for the three months period ended 31 March 2022. The Group had generated sufficient cash flow to pay second interim dividend of 45.0 sen per share amounting to RM179.3 million on 2 March 2022 in respect of the financial year ended 31 December 2021.

B2. MATERIAL CHANGES IN THE PROFIT BEFORE TAX FOR THE QUARTER REPORTED ON WITH THE IMMEDIATE PRECEDING QUARTER

	Current Year Quarter Ended 31.03.2022	Immediate Preceding Quarter Ended 31.12.2021	Changes	
			Amount	% / ppt
Gross earned premiums (RM'mil)	369.0	414.3	(45.3)	(10.9)%
Investment income (RM'mil)	28.7	14.7	14.0	95.2%
Total revenue (RM'mil)	397.7	429.0	(31.3)	(7.3)%
Operating profit (RM'mil)	75.9	98.0	(22.1)	(22.6)%
Profit before tax (RM'mil)	75.8	97.9	(22.1)	(22.6)%
Profit attributable to owners of the Company (RM'mil)	61.5	73.1	(11.6)	(15.9)%
Net return on equity (%)	2.9	3.4	-	(0.5) ppt
Earnings per share (sen)	15.44	18.34	(2.90)	(15.8)%
General insurance gross written premiums (RM'mil)	476.6	363.0	113.6	31.3%
General insurance net earned premiums (RM'mil)	217.2	256.3	(39.1)	(15.3)%
General insurance underwriting profit (RM'mil)	52.6	95.3	(42.7)	(44.8)%
General insurance claims incurred ratio (%)	46.9	37.7	-	9.2 ppt
General insurance management expenses ratio (%)	25.6	18.3	-	7.3 ppt
General insurance commission ratio (%)	3.3	6.8	-	(3.5) ppt
General insurance combined ratio (%)	75.8	62.8	-	13.0 ppt

For the first quarter ended 31 March 2022, the Group recorded a lower profit before tax of RM75.8 million as compared to RM97.9 million in the preceding quarter ended 31 December 2021. The decrease in the profit before tax for the said quarter was mainly due to lower net earned premiums as well as higher net claims incurred and management expenses.

B3. CURRENT YEAR PROSPECTS

- a) With the re-opening of the economy and the resumption of business activities, the demand for insurance is expected to increase. Though the LPI Group faced some headwinds in its performance for 1Q2022, the Group is confident that with its strengthened distribution channel and concerted efforts in executing its business plan, LPI will be able to report satisfactory performance for the remainder of FY2022.
- b) Commentary on the Company's progress to achieve the financial estimate, forecast, projection or internal targets in the remaining period to the end of the financial year and the forecast period which was previously announced or disclosed in a public document and steps taken or proposed to be taken to achieve the financial estimate, forecast, projection or internal targets. – Not Applicable.

B4. STATEMENT ON FINANCIAL ESTIMATE, FORECAST, PROJECTION OR INTERNAL TARGETS PREVIOUSLY ANNOUNCED OR DISCLOSED IN A PUBLIC DOCUMENT

A statement of the Board of Directors' opinion as to whether the financial estimate, forecast, projection or internal targets in the remaining period to the end of the financial year and the forecast period which was previously announced or disclosed in a public document are likely to be achieved. – Not Applicable.

B5. EXPLANATORY NOTE FOR VARIANCE FROM A FINANCIAL ESTIMATE, FORECAST OR PROJECTION OR PROFIT GUARANTEE PREVIOUSLY ANNOUNCED OR DISCLOSED IN A PUBLIC DOCUMENT

- a) Any variance of actual profit after tax and minority interest and the profit after tax and minority interest stated in the financial estimate, forecast or projection (where the variance exceeds 10%). – Not Applicable.
- b) Any shortfall in the profit guarantee received by the Company and steps to recover the shortfall. – Not Applicable.

B6. TAXATION

RM'000	Individual Period		Cumulative Period	
	Current Year Quarter Ended <u>31.03.2022</u>	Preceding Year Corresponding Quarter Ended <u>31.03.2021</u>	Current Year To Date Ended <u>31.03.2022</u>	Preceding Year Corresponding Period Ended <u>31.03.2021</u>
Profit before tax	75,768	98,148	75,768	98,148
Income tax:				
Current tax charge	7,063	25,154	7,063	25,154
Overprovision in prior year	(96)	-	(96)	-
Deferred taxation	7,273	(9,316)	7,273	(9,316)
Total tax expense	14,240	15,838	14,240	15,838
Effective tax rate on current tax charge	19%	16%	19%	16%

The effective tax rate on the current tax charge of the Group for the current quarter and financial period ended 31 March 2022 is lower than the statutory tax rate mainly due to tax-exempt dividends received and certain income being taxed at a reduced rate.

B7. STATUS OF CORPORATE PROPOSALS

- a) There was no corporate proposal announced but not completed as at 7 April 2022, the latest practicable date which is not earlier than 7 days from the date of the issue of this quarterly report.
- b) Brief explanation of the status of utilisation of proceeds raised from any corporate proposal – Not Applicable.

B8. GROUP BORROWINGS AND DEBT SECURITIES

The Group has no outstanding borrowings and debt securities for the current interim period ended 31 March 2022.

B9. DISCLOSURE OF DERIVATIVES

A disclosure on outstanding derivatives (including financial instruments designated as hedging instruments) as at 31 March 2022. – Not Applicable.

B10. GAINS/ LOSSES ARISING FROM FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

There were no gains/ losses arising from fair value changes of the financial liabilities for the current quarter and financial period ended 31 March 2022.

B11. CHANGES IN MATERIAL LITIGATION

There were no pending material litigations since the last annual balance sheet date up to 7 April 2022, which is not earlier than 7 days from date of issue of this quarterly report.

B12. DIVIDEND

No interim ordinary dividend has been recommended in this quarter.

B13. EARNINGS PER SHARE

a) Basic earnings per share

	Individual Period		Cumulative Period	
	Current Year Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year To Date Ended	Preceding Year Corresponding Period Ended
	<u>31.03.2022</u>	<u>31.03.2021</u>	<u>31.03.2022</u>	<u>31.03.2021</u>
Profit after tax (RM'000)	61,528	82,310	61,528	82,310
Weighted average no. of ordinary shares in issue ('000)	398,383	398,383	398,383	398,383
Basic earnings per share (sen)	15.44	20.66	15.44	20.66

b) Diluted earnings per share. – Not Applicable.

B14. PROFIT FOR THE PERIOD

	Individual Period		Cumulative Period	
	Current Year Quarter Ended <u>31.03.2022</u> RM'000	Preceding Year Corresponding Quarter Ended <u>31.03.2021</u> RM'000	Current Year To Date Ended <u>31.03.2022</u> RM'000	Preceding Year Corresponding Period Ended <u>31.03.2021</u> RM'000
Profit for the period is arrived at after charging:				
Finance costs	326	431	326	431
Depreciation of plant and equipment (NI)	702	830	702	830
Depreciation of right-of-use assets (NI)	1,742	1,652	1,742	1,652
Amortisation of intangible assets (NI)	931	840	931	840
Net impairment loss on insurance receivables	890	1,204	890	1,204
and after crediting:				
Interest income (N2)	7,036	7,551	7,036	7,551
Dividend income (N2)	21,494	35,635	21,494	35,635
Rental income (N2)	184	98	184	98
Net foreign exchange gain (NI)	46	112	46	112

B14. PROFIT FOR THE PERIOD (CONTINUED)

Other than the items above which have been included in the Condensed Consolidated Statement of Profit or Loss, there were no impairment of assets, gain or loss on derivatives and exceptional items for the current financial period ended 31 March 2022.

(N1) Depreciation of plant and equipment, depreciation of right-of-use assets, amortisation of intangible assets and net foreign exchange gain/(loss) are reported under item management expenses in the Condensed Consolidated Statement of Profit or Loss.

(N2) Interest income, dividend income and rental income are reported under item investment income in the Condensed Consolidated Statement of Profit or Loss.

B15. ADDITIONAL DISCLOSURE INFORMATION

Trade receivables

The credit terms of trade receivables granted to related parties are no different from those granted to non-related parties.

A trade receivable is deemed past due when the counterparty has failed to make payment when the outstanding amount is contractually due.

Age analysis of trade receivables past due but not impaired:

	<30 Days RM'000	31 - 60 days RM'000	61 - 90 days RM'000	91 - 180 days RM'000	>180 days RM'000	Total RM'000
31.03.2022						
Insurance						
receivables	5,927	3,906	-	-	-	9,833
31.12.2021						
Insurance						
receivables	11,816	2,493	3,565	584	-	18,458

The past due trade receivables above are deemed collectable.

The following table shows reconciliations from the opening balance to the closing balance of the allowance for impairment by class of financial instrument.

B15. ADDITIONAL DISCLOSURE INFORMATION (CONTINUED)

Trade receivables (continued)

RM'000

	31.03.2022				31.12.2021			
	12-months ECL Due from Corporate bonds and sukuk	12-months ECL Due from reinsurers and cedants	Lifetime ECL Due premiums including agents and brokers and co-insurers	Total	12-months ECL Due from Corporate bonds and sukuk	12-months ECL Due from reinsurers and cedants	Lifetime ECL Due premiums including agents and brokers and co-insurers	Total
As at 1 January	6	7	2,723	2,736	5	51	2,586	2,642
Net remeasurement of allowance for impairment	-	23	867	890	1	(44)	136	93
Effect of movement in exchange rates	-	-	-	-	-	-	1	1
As at 31 March 2022 / 31 December 2021	6	30	3,590	3,626	6	7	2,723	2,736

B16. DISCLOSURE ON QUALIFICATION OF AUDIT REPORT

The audit report of the Group's preceding annual financial statements was not qualified.