

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

Unaudited Condensed Interim Financial Statements
For the six-month period ended 30 June 2024

197401001891 (19002-P)

PROGRESSIVE INSURANCE BHD
(Incorporated in Malaysia)

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PROGRESSIVE INSURANCE BHD
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UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	30.6.2024 RM	Group 31.12.2023 RM	30.6.2024 RM	Company 31.12.2023 RM
ASSETS					
Property and equipment		15,849,798	16,521,412	15,849,798	16,521,412
Right-of-use assets		943,118	2,495,086	943,118	2,495,086
Investments	9	303,014,314	291,291,696	312,370,959	303,013,870
Insurance contract assets	8	1,481,552	2,247,230	1,481,552	2,247,230
Reinsurance contract assets	8	75,490,270	80,477,607	75,490,270	80,477,607
Loans and other receivables	11	119,032,095	111,042,429	108,001,955	95,397,285
Deferred tax assets		4,894,395	4,894,394	4,894,395	4,894,394
Tax recoverable		2,780,856	5,297,526	2,780,856	5,297,526
Cash and bank balances		21,625,943	8,732,730	20,399,369	7,852,354
TOTAL ASSETS		545,112,342	523,000,110	542,212,272	518,196,764
EQUITY AND LIABILITIES					
Share capital		100,000,000	100,000,000	100,000,000	100,000,000
Reserves		177,430,011	161,334,280	181,995,873	161,238,404
		277,430,011	261,334,280	281,995,873	261,238,404
Non-controlling interests		7,417,312	4,636,078	-	-
TOTAL EQUITY		284,847,323	265,970,358	281,995,873	261,238,404
Insurance contract liabilities	8	211,672,329	203,892,451	211,672,329	203,892,451
Reinsurance contract liabilities	8	1,218,812	5,776,331	1,218,812	5,776,331
Lease liabilities		956,460	3,001,143	956,460	3,001,143
Other financial liabilities	7	27,207,120	25,283,379	27,207,120	25,283,379
Other payables	12	19,210,297	19,076,448	19,161,678	19,005,056
TOTAL LIABILITIES		260,265,019	257,029,751	260,216,399	256,958,360
TOTAL EQUITY AND LIABILITIES		545,112,342	523,000,110	542,212,272	518,196,764

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UNAUDITED CONDENSED INCOME STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

	Note	Group		Company	
		30.6.2024 RM	30.6.2023 RM	30.6.2024 RM	30.6.2023 RM
Insurance revenue	6	72,894,377	68,174,368	72,894,377	68,174,368
Insurance service expenses		(45,025,928)	(50,704,464)	(45,025,928)	(50,704,464)
Insurance service result before reinsurance contracts held		<u>27,868,449</u>	<u>17,469,904</u>	<u>27,868,449</u>	<u>17,469,904</u>
Allocation of reinsurance premiums		(38,739,827)	(39,183,547)	(38,739,827)	(39,183,547)
Amounts recoverable from reinsurers for incurred claims		<u>14,109,552</u>	<u>11,282,657</u>	<u>14,109,552</u>	<u>11,282,657</u>
Net expense from reinsurance contracts held		<u>(24,630,275)</u>	<u>(27,900,890)</u>	<u>(24,630,275)</u>	<u>(27,900,890)</u>
Insurance service result		<u>3,238,174</u>	<u>(10,430,986)</u>	<u>3,238,174</u>	<u>(10,430,986)</u>
Interest revenue calculated using the effective interest method		875,481	-	786,386	-
Other investment revenue		<u>16,553,597</u>	<u>5,386,790</u>	<u>21,001,387</u>	<u>6,949,080</u>
Net investment income		<u>17,429,078</u>	<u>5,386,790</u>	<u>21,787,773</u>	<u>6,949,080</u>
Insurance finance expenses for insurance contracts issued		(3,082,115)	(3,411,652)	(3,082,115)	(3,411,652)
Reinsurance finance income for reinsurance contracts held		<u>1,230,286</u>	<u>1,671,920</u>	<u>1,230,286</u>	<u>1,671,920</u>
Net insurance financial result		<u>(1,851,829)</u>	<u>(1,739,732)</u>	<u>(1,851,829)</u>	<u>(1,739,732)</u>
Other operating income		2,692,780	1,544,444	2,692,780	1,544,444
Other operating expenses		<u>(2,270,929)</u>	<u>(1,392,197)</u>	<u>(2,059,425)</u>	<u>(1,392,197)</u>
Net other operating income/(expenses)		<u>421,851</u>	<u>152,247</u>	<u>633,355</u>	<u>152,247</u>
Profit/(loss) before taxation		<u>19,237,274</u>	<u>(6,631,681)</u>	<u>23,807,472</u>	<u>(5,069,391)</u>
Taxation		<u>(3,050,000)</u>	<u>(258,727)</u>	<u>(3,050,000)</u>	<u>(258,727)</u>
Net profit/(loss) for the year		<u>16,187,274</u>	<u>(6,890,408)</u>	<u>20,757,472</u>	<u>(5,328,118)</u>

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UNAUDITED CONDENSED INCOME STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024 (CONT'D.)

	Note	Group		Company	
		30.6.2024 RM	30.6.2023 RM	30.6.2024 RM	30.6.2023 RM
Net profit/(loss) for the year		<u>16,187,274</u>	<u>(6,890,408)</u>	<u>20,757,472</u>	<u>(5,328,118)</u>
Earnings per ordinary share (sen)					
- Basic and diluted		<u>16.2</u>	<u>(6.9)</u>		
Net loss for the year					
attributable to:					
Equity holders of the Company		16,095,737	(6,968,614)		
Non-controlling interests		<u>91,537</u>	<u>78,206</u>		
		<u>16,187,274</u>	<u>(6,890,408)</u>		

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

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**UNAUDITED CONDENSED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2024**

	Note	Group		Company	
		30.6.2024 RM	30.6.2023 RM	30.6.2024 RM	30.6.2023 RM
Net profit/(loss) for the year		16,187,274	(6,890,408)	20,757,472	(5,328,118)
Other comprehensive profit/ (loss):					
<u>Items that may be reclassified to income statements in subsequent periods:</u>					
<i>Fair value changes on AFS financial assets:</i>					
- Losses on fair value changes		-	-	-	-
- Transferred to profit or loss upon disposal		-	-	-	-
Total comprehensive profit/ (loss) for the year		<u>16,187,274</u>	<u>(6,890,408)</u>	<u>20,757,472</u>	<u>(5,328,118)</u>
Total comprehensive profit/ (loss) for the year attributable to:					
Equity holders of the Company		16,095,737	(6,968,614)	20,757,472	(5,328,118)
Non-controlling interests		91,537	78,206	-	-
		<u>16,187,274</u>	<u>(6,890,408)</u>	<u>20,757,472</u>	<u>(5,328,118)</u>

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

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UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2024

Group	← Attributable to owners of the Company →						Total equity RM
	Share capital RM	Property revaluation reserve RM	AFS reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM	
At 1 January 2023, as previously reported	100,000,000	7,244,308	(1,675,187)	172,737,534	278,306,655	4,368,531	282,675,186
Effect of adopting MFRS 17	-	-	-	(14,657,709)	(14,657,709)	-	(14,657,709)
Effect of adopting MFRS 9			1,675,187	(1,675,187)			
At 1 January 2023	100,000,000	7,244,308	-	156,404,638	263,648,946	4,368,531	268,017,477
Total comprehensive income for the year	-	-	-	(2,314,666)	(2,314,666)	266,991	(2,047,675)
Net cancellation of units in wholesale unit trust funds	-	-	-	-	-	556	556
At 31 December 2023	100,000,000	7,244,308	-	154,089,972	261,334,280	4,636,078	265,970,358
At 1 January 2024	100,000,000	7,244,308	-	154,089,972	261,334,280	4,636,078	265,970,358
Total comprehensive income for the year	-	-	-	16,095,737	16,095,737	91,537	16,187,274
Net creation of units in wholesale unit trust funds	-	-	-	-	-	2,689,697	2,689,697
At 30 June 2024	100,000,000	7,244,308	-	170,185,709	277,430,011	7,417,312	284,847,323

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UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2024 (CONT'D.)

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
At 1 January 2023, as previously reported	100,000,000	7,244,308	155,747	170,845,816	278,245,871
Effect of adopting MFRS 17	-	-	-	(14,657,709)	(14,657,709)
Effect of adopting MFRS 9	-	-	(155,747)	155,747	-
At 1 January 2023	100,000,000	7,244,308	-	156,343,854	263,588,162
Total comprehensive income for the year	-	-	-	(2,349,758)	(2,349,758)
At 31 December 2023	100,000,000	7,244,308	-	153,994,096	261,238,404
At 1 January 2024	100,000,000	7,244,308	-	153,994,096	261,238,404
Total comprehensive income for the year	-	-	-	20,757,472	20,757,472
At 30 June 2024	100,000,000	7,244,308	-	174,751,568	281,995,873

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

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UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2024

Group	Note	30.6.2024	30.6.2023
		RM	RM
Cash flows from operating activities			
Profit/ (loss) before taxation		19,237,274	(6,631,681)
<u>Adjustments for:</u>			
Interest income		(3,514,859)	-
Dividend income		(929,669)	-
Realised gains		(3,441,520)	640,176
Fair value (gains)/losses		(12,960,511)	(1,834,522)
Purchase of fair value through profit or loss ("FVTPL") financial assets		(41,388,984)	(87,503,857)
Proceeds from disposal of FVTPL financial assets		46,011,223	48,896,372
Interest received		3,523,674	671,670
Dividends received		929,669	-
Interest expense on lease liabilities		28,905	-
Depreciation of property and equipment		860,148	915,618
Depreciation of right-of-use assets		1,551,967	174,485
Net amortisation of premiums		57,174	-
<u>Changes in working capital:</u>			
Increase/ (decrease) in insurance contract assets		765,677	(2,645,227)
Increase in reinsurance contract assets		4,987,337	6,584,358
(Decrease)/ increase in loans and other receivables		(5,642,513)	306,721
(Decrease)/increase in fixed and call deposits		(2,355,968)	17,255,696
Increase in insurance contract liabilities		7,779,879	23,749,030
Decrease in reinsurance contract liabilities		(4,557,519)	(1,585,742)
Increase in other financial liabilities		1,923,740	-
Increase in other payables		133,847	6,469,825
Cash generated from operating activities		<u>12,998,971</u>	<u>5,462,922</u>
Income tax paid, net		(533,330)	(1,058,727)
Net cash generated from operating activities		<u>12,465,641</u>	<u>4,404,195</u>

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UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2024 (CONT'D.)

Group	Note	30.6.2024 RM	30.6.2023 RM
Cash flows from investing activities			
Purchase of property and equipment		(188,535)	18,380,526
Net cash used in investing activities		<u>(188,535)</u>	<u>18,380,526</u>
Cash flows from financing activities			
Payment of lease liabilities		(2,073,588)	(141,208)
Proceeds from cancellation of units in wholesale unit trusts to non-controlling interests		2,689,697	-
Net cash used in financing activities		<u>616,109</u>	<u>(141,208)</u>
Net increase/(decrease) in cash and cash equivalents		12,893,214	22,643,513
Cash and cash equivalents at beginning of year		<u>8,732,730</u>	<u>6,972,384</u>
Cash and cash equivalents at end of year		<u>21,625,943</u>	<u>29,615,897</u>

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UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2024 (CONT'D.)

Company	Note	30.6.2024 RM	30.6.2023 RM
Cash flows from operating activities			
Profit/ (loss) before taxation		23,807,472	(5,069,391)
<u>Adjustments for:</u>			
Interest income		(786,386)	-
Dividend income		(929,669)	-
Realised gains		(3,441,520)	640,176
Fair value (gains)/losses		(12,960,511)	(1,834,522)
Purchase of FVTPL financial assets		(38,966,279)	(66,373,057)
Proceeds from disposal of FVTPL financial assets		46,011,223	47,432,610
Interest received		794,066	-
Dividends received		929,669	-
Interest expense on lease liabilities		28,905	-
Depreciation of property and equipment		860,148	915,618
Depreciation of right-of-use assets		1,551,967	174,485
<u>Changes in working capital:</u>			
Increase/ (decrease) in insurance contract assets		765,677	(2,645,227)
Increase in reinsurance contract assets		4,987,337	6,584,358
(Decrease)/ increase in loans and other receivables		(5,642,513)	306,721
(Decrease)/ increase in fixed and call deposits		(6,969,838)	8,236,815
Increase in insurance contract liabilities		7,779,878	23,749,030
Decrease in reinsurance contract liabilities		(4,557,519)	(1,585,742)
Increase in other financial liabilities		1,923,740	-
Increase/(decrease) in other payables		156,622	(4,123,569)
Cash generated from operating activities		<u>15,342,468</u>	<u>6,408,305</u>
Income tax paid, net		(533,330)	(1,058,727)
Net cash generated from operating activities		<u>14,809,138</u>	<u>5,349,578</u>

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UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2024 (CONT'D.)

Company	Note	30.6.2024	30.6.2023
		RM	RM
Cash flows from investing activities			
Purchase of property and equipment		<u>(188,535)</u>	<u>(619,474)</u>
Net cash used in investing activities		<u>(188,535)</u>	<u>(619,474)</u>
Cash flows from financing activities			
Payment of lease liabilities		<u>(2,073,588)</u>	<u>(141,208)</u>
Net cash used in financing activities		<u>(2,073,588)</u>	<u>(141,208)</u>
Net increase/(decrease) in cash and cash equivalents			
		12,547,015	4,588,896
Cash and cash equivalents at beginning of year		<u>7,852,354</u>	<u>6,163,011</u>
Cash and cash equivalents at end of year		<u>20,399,369</u>	<u>10,751,907</u>

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

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
30 JUNE 2024

1. BASIS OF PREPARATION

The unaudited condensed interim financial statements for the six months ended 30 June 2024 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 2023.

The accounting policies and presentation adopted by the Company for the 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:

Amendments to standards effective for annual periods beginning on or after 1 January 2024:

- Amendment to MFRS 16, Leases – Lease Liability in a Sale and Leaseback
- Amendment to MFRS 101, Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current
- Amendments to MFRS 7, Financial Instruments: Disclosures and MFRS 107, Statement of Cash Flows – Supplier Finance Arrangements

Standards, amendments to published standards and interpretation to existing standards that are applicable to the Group and the Company but not yet effective:

- Amendment to MFRS 121, The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability
- Amendments to MFRS 9, Financial Instruments and MFRS 7, Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments
- MFRS 18, Presentation and Disclosure in Financial Statements
- MFRS 19, Subsidiaries without Public Accountability: Disclosures
- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
30 JUNE 2024 (CONT'D.)

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 2024 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 2024.

4. DIVIDEND PAID

No dividend has been declared for the interim period ended 30 June 2024.

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.

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6. INSURANCE REVENUE

	Group/Company	
	30.6.2024	30.6.2023
	RM	RM
Contracts not measured under the PAA		
Amounts relating to changes in liabilities for remaining coverage		
- CSM recognised for services provided	18,651,129	15,445,781
- Change in risk adjustment for non-financial risk for risk expired	6,569,596	6,962,498
- Expected incurred claims and other insurance service expenses	37,116,594	16,387,424
- Experience adjustments related to current services	9,067,805	7,929,381
- Others	(4,542,214)	-
Recovery of insurance acquisition cash flows	6,031,466	21,449,284
Total insurance revenue	<u>72,894,377</u>	<u>68,174,368</u>

7. OTHER FINANCIAL LIABILITIES

	Group/Company	
	30.6.2024	31.12.2023
	RM	RM
Cash collateral deposits received from policyholders	25,460,901	23,605,334
Interest on cash collateral deposits received from policyholders	1,746,219	1,678,045
	<u>27,207,120</u>	<u>25,283,379</u>

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8. INSURANCE AND REINSURANCE CONTRACTS

(a) **Movements in insurance contract**

(i) **Analysis by remaining coverage and incurred claims**

Group/Company	30.6.2024			Total RM
	Liabilities for remaining coverage Excluding loss component RM	Loss component RM	Liabilities for incurred claims RM	
Insurance contract assets	(2,247,230)	-	-	(2,247,230)
Insurance contract liabilities	25,541,168	9,335,315	169,015,968	203,892,451
At 1 January 2024	<u>23,293,938</u>	<u>9,335,315</u>	<u>169,015,968</u>	<u>201,645,221</u>
Insurance revenue	(72,894,377)	-	-	(72,894,377)
Insurance service expenses	6,097,233	1,649,474	37,279,220	45,025,928
Incurrd claims and other insurance service expenses	-	(9,495,235)	45,876,746	36,381,511
Amortisation of insurance acquisition cash flows	6,097,233	-	-	6,097,233
Losses on onerous contracts	-	11,144,709	-	11,144,709
Adjustments to liabilities for incurred claims	-	-	(8,597,526)	(8,597,526)
Insurance service result	<u>(66,797,144)</u>	<u>1,649,474</u>	<u>37,279,220</u>	<u>(27,868,449)</u>
Finance expenses from insurance contracts issued	429,264	234,386	2,418,466	3,082,116
Total changes in the statement of profit or loss	<u>(66,367,880)</u>	<u>1,883,860</u>	<u>39,697,686</u>	<u>(24,786,333)</u>
Cash flows				
Premiums received	77,216,979	-	-	77,216,979
Claims and other insurance service expenses paid, including investment components	-	-	(27,041,208)	(27,041,208)
Insurance acquisition cash flows	(16,843,882)	-	-	(16,843,882)
Total cash flows	<u>60,373,097</u>	<u>-</u>	<u>(27,041,208)</u>	<u>33,331,889</u>
At 30 June 2024	<u>17,299,155</u>	<u>11,219,175</u>	<u>181,672,446</u>	<u>210,190,777</u>
Insurance contract assets	(10,199,046)	-	5,675,827	(4,523,219)
Insurance contract liabilities	27,498,201	11,219,175	175,996,618	214,713,995
At 30 June 2024	<u>17,299,155</u>	<u>11,219,175</u>	<u>181,672,446</u>	<u>210,190,777</u>

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8. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)

(a) Movements in insurance contract (Cont'd.)

(i) Analysis by remaining coverage and incurred claims (Cont'd.)

Group/Company	31.12.2023			Total RM
	Liabilities for remaining coverage		Liabilities for	
	Excluding loss component RM	Loss component RM	incurred claims RM	
Insurance contract assets	(2,073,360)	-	-	(2,073,360)
Insurance contract liabilities	24,493,822	5,780,382	167,114,052	197,388,256
At 1 January 2023	<u>22,420,462</u>	<u>5,780,382</u>	<u>167,114,052</u>	<u>195,314,896</u>
Insurance revenue	(119,816,045)	-	-	(119,816,045)
Insurance service expenses	20,853,299	2,896,434	61,928,659	85,678,392
Incurred claims and other insurance service expenses	-	(15,011,107)	80,977,381	65,966,274
Amortisation of insurance acquisition cash flows	20,853,299	-	-	20,853,299
Losses on onerous contracts	-	17,907,541	-	17,907,541
Adjustments to liabilities for incurred claims	-	-	(19,048,722)	(19,048,722)
Insurance service result	<u>(98,962,746)</u>	<u>2,896,434</u>	<u>61,928,659</u>	<u>(34,137,653)</u>
Finance expenses from insurance contracts issued	1,220,554	658,499	5,692,937	7,571,990
Total changes in the statement of profit or loss	<u>(97,742,192)</u>	<u>3,554,933</u>	<u>67,621,596</u>	<u>(26,565,663)</u>
Cash flows				
Premiums received	128,568,967	-	-	128,568,967
Claims and other insurance service expenses paid, including investment components	-	-	(65,719,680)	(65,719,680)
Insurance acquisition cash flows	(29,953,299)	-	-	(29,953,299)
Total cash flows	<u>98,615,668</u>	<u>-</u>	<u>(65,719,680)</u>	<u>32,895,988</u>
At 31 December 2023	<u>23,293,938</u>	<u>9,335,315</u>	<u>169,015,968</u>	<u>201,645,221</u>
Insurance contract assets	(2,247,230)	-	-	(2,247,230)
Insurance contract liabilities	25,541,168	9,335,315	169,015,968	203,892,451
At 31 December 2023	<u>23,293,938</u>	<u>9,335,315</u>	<u>169,015,968</u>	<u>201,645,221</u>

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8. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)

(a) **Movements in insurance contract (Cont'd.)**

(ii) **Analysis by measurement component**

Group/Company	30.6.2024			
	Estimates of present value of future cash flows RM	Risk adjustment for non-financial risk RM	Contractual service margin RM	Total RM
Insurance contract assets	(2,247,230)	-	-	(2,247,230)
Insurance contract liabilities	153,438,298	25,745,927	24,708,226	203,892,451
1 January 2024	<u>151,191,068</u>	<u>25,745,927</u>	<u>24,708,226</u>	<u>201,645,221</u>
Changes that relate to current services				
CSM recognised for services provided			(18,651,129)	(18,651,129)
Change in risk adjustment for non-financial risk for risk expired		(4,222,096)		(4,222,096)
Experience adjustments	(6,775,350)	-		(6,775,350)
Changes that relate to future services				
Contracts initially recognised in the year	(10,345,539)	8,317,219	13,219,130	11,190,810
Changes in estimates that adjust the CSM	(3,857,913)	(298,569)	4,156,482	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	(55,579)	9,477	-	(46,102)
Changes that relate to past services				
Adjustments to liabilities for incurred claims	(7,298,668)	(2,065,915)	-	(9,364,583)
Insurance service result	<u>(28,333,049)</u>	<u>1,740,116</u>	<u>(1,275,517)</u>	<u>(27,868,449)</u>
Finance expenses from insurance contracts issued	2,543,054	-	539,061	3,082,115
Total changes in the statement of profit or loss	<u>(25,789,995)</u>	<u>1,740,116</u>	<u>(736,456)</u>	<u>(24,786,334)</u>
Cash flows*	<u>33,331,889</u>			<u>33,331,889</u>
At 30 June 2024	<u>158,732,962</u>	<u>27,486,043</u>	<u>23,971,770</u>	<u>210,190,777</u>
Insurance contract assets	(5,336,801)	716,108	108,086	(4,512,607)
Insurance contract liabilities	164,069,763	26,769,935	23,863,685	214,703,383
At 30 June 2024	<u>158,732,962</u>	<u>27,486,043</u>	<u>23,971,770</u>	<u>210,190,777</u>

* Cash flows are analysed in the analysis by remaining coverage and incurred claims

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8. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)

(a) **Movements in insurance contract (Cont'd.)**

(ii) **Analysis by measurement component (Cont'd.)**

Group/Company	31.12.2023				Total RM
	Estimates of present value of future cash flows RM	Risk adjustment for non-financial risk RM	Contractual service margin RM		
Insurance contract assets	(2,073,360)	-	-		(2,073,360)
Insurance contract liabilities	147,984,998	23,234,148	26,169,110		197,388,256
1 January 2023	<u>145,911,638</u>	<u>23,234,148</u>	<u>26,169,110</u>		<u>195,314,896</u>
Changes that relate to current services					
CSM recognised for services provided	-	-	(35,943,257)		(35,943,257)
Change in risk adjustment for non-financial risk for risk expired	-	(7,543,893)	-		(7,543,893)
Experience adjustments	12,269,454	-	-		12,269,454
Changes that relate to future services					
Contracts initially recognised in the year	(38,743,903)	13,715,308	40,087,518		15,058,923
Changes in estimates that adjust the CSM	7,028,957	866,229	(7,895,186)		-
Changes in estimates that result in losses and reversal of losses on onerous contracts	2,443,166	405,452	-		2,848,618
Changes that relate to past services					
Adjustments to liabilities for incurred claims	(15,896,181)	(4,931,317)	-		(20,827,498)
Insurance service result	<u>(32,898,507)</u>	<u>2,511,779</u>	<u>(3,750,925)</u>		<u>(34,137,653)</u>
Finance expenses from insurance contracts issued	5,281,949	-	2,290,041		7,571,990
Total changes in the statement of profit or loss	<u>(27,616,558)</u>	<u>2,511,779</u>	<u>(1,460,884)</u>		<u>(26,565,663)</u>
Cash flows*	<u>32,895,988</u>				<u>32,895,988</u>
At 31 December 2023	<u>151,191,068</u>	<u>25,745,927</u>	<u>24,708,226</u>		<u>201,645,221</u>
Insurance contract assets	(2,247,230)	-	-		(2,247,230)
Insurance contract liabilities	153,438,298	25,745,927	24,708,226		203,892,451
At 31 December 2023	<u>151,191,068</u>	<u>25,745,927</u>	<u>24,708,226</u>		<u>201,645,221</u>

* Cash flows are analysed in the analysis by remaining coverage and incurred claims

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8. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)

(b) Movements in reinsurance contract

(i) Analysis by remaining coverage and incurred claims

Group/Company	30.6.2024			
	Assets for remaining coverage		Assets for incurred claims RM	Total RM
	Excluding loss-recovery component RM	Loss-recovery component RM		
Reinsurance contract liabilities	6,457,353	-	(681,022)	5,776,331
Reinsurance contract assets	8,775,428	(1,018,473)	(88,234,562)	(80,477,607)
At 1 January 2024	<u>15,232,781</u>	<u>(1,018,473)</u>	<u>(88,915,584)</u>	<u>(74,701,276)</u>
Allocation of reinsurance premiums paid	38,261,526			38,261,526
Amounts recoverable from reinsurers	-	(2,926)	(14,106,626)	(14,109,552)
Recoveries of incurred claims and other insurance service expenses		-	(17,072,533)	(17,072,533)
Recoveries of losses on onerous underlying contracts		(2,926)	-	(2,926)
Adjustments to assets for incurred claims			2,965,906	2,965,906
Net expense from reinsurance contracts held	38,261,526	(2,926)	(14,106,626)	24,151,974
Finance income from reinsurance contracts held	175,891	-	(1,406,177)	(1,230,286)
Total changes in the statement of profit or loss	<u>38,437,416</u>	<u>(2,926)</u>	<u>(15,512,803)</u>	<u>23,399,989</u>
Cash flows				
Premiums paid	(33,328,553)			(33,328,553)
Amounts received	5,187,193		5,109,970	10,297,164
Total cash flows	<u>(28,141,359)</u>	<u>-</u>	<u>5,109,970</u>	<u>(23,031,389)</u>
At 30 June 2024	<u>25,528,838</u>	<u>(1,021,399)</u>	<u>(99,318,417)</u>	<u>(74,271,458)</u>
Reinsurance contract liabilities	5,334,806	-	(670,010)	4,664,796
Reinsurance contract assets	20,194,032	(1,021,399)	(98,648,406)	(79,475,773)
At 30 June 2024	<u>25,528,838</u>	<u>(1,021,399)</u>	<u>(99,318,417)</u>	<u>(74,271,458)</u>

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8. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)

(b) Movements in reinsurance contract (Cont'd.)

(i) Analysis by remaining coverage and incurred claims (Cont'd.)

Group/Company	31.12.2023			
	Assets for remaining coverage		Assets for incurred claims RM	Total RM
	Excluding loss-recovery component RM	Loss-recovery component RM		
Reinsurance contract liabilities	14,382,241	-	(7,614,781)	6,767,460
Reinsurance contract assets	714,227	(622,719)	(92,970,997)	(92,879,489)
At 1 January 2023	15,096,468	(622,719)	(100,585,778)	(86,112,029)
Allocation of reinsurance premiums paid	65,244,987	-	-	65,244,987
Amounts recoverable from reinsurers	-	(395,754)	(12,049,081)	(12,444,835)
Recoveries of incurred claims and other insurance service expenses	-	-	(29,113,571)	(29,113,571)
Recoveries of losses on onerous underlying contracts	-	(395,754)	-	(395,754)
Adjustments to assets for incurred claims	-	-	17,064,490	17,064,490
Net expense from reinsurance contracts held	65,244,987	(395,754)	(12,049,081)	52,800,152
Finance income from reinsurance contracts held	245,011	-	(3,636,369)	(3,391,358)
Total changes in the statement of profit or loss	65,489,998	(395,754)	(15,685,450)	49,408,794
Cash flows				
Premiums paid	(77,747,035)	-	-	(77,747,035)
Amounts received	12,393,350	-	27,355,644	39,748,994
Total cash flows	(65,353,685)	-	27,355,644	(37,998,041)
At 31 December 2023	15,232,781	(1,018,473)	(88,915,584)	(74,701,276)
Reinsurance contract liabilities	6,457,353	-	(681,022)	5,776,331
Reinsurance contract assets	8,775,428	(1,018,473)	(88,234,562)	(80,477,607)
At 31 December 2023	15,232,781	(1,018,473)	(88,915,584)	(74,701,276)

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8. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)

(b) Movements in reinsurance contract (Cont'd.)

(ii) Analysis by measurement component

Group/Company	30.6.2024			
	Estimates of present value of future cash flows RM	Risk adjustment for non-financial risk RM	Contractual service margin RM	Total RM
Reinsurance contract liabilities	7,025,999	(103,979)	(1,145,689)	5,776,331
Reinsurance contract assets	(37,356,653)	(13,539,579)	(29,581,375)	(80,477,607)
1 January 2024	(30,330,654)	(13,643,558)	(30,727,064)	(74,701,276)
Changes that relate to current services				
CSM recognised for services received			20,991,988	20,991,988
Change in risk adjustment for non-financial risk for risk expired		994,942		994,942
Experience adjustments	(797,937)	-		(797,937)
Changes that relate to future services				
Contracts initially recognised in the year	19,625,846	(2,298,282)	(17,327,564)	-
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM			(560,706)	(560,706)
Changes in estimates that adjust the CSM	5,428,173	240,431	(5,668,604)	-
Changes in estimates that relate to losses and reversal of losses on underlying onerous contracts	(8,281)	(8,405)	574,466	557,780
Changes that relate to past services				
Adjustments to liabilities for incurred claims	2,213,492	752,414		2,965,906
Net expense from reinsurance contracts held	26,461,293	(318,900)	(1,990,420)	24,151,974
Finance income from reinsurance contracts held	(542,296)	-	(687,990)	(1,230,286)
Total changes in the statement of profit or loss	25,918,997	(318,900)	(2,678,410)	22,921,688
Cash flows*	(23,031,389)	-	-	(23,031,389)
At 30 June 2024	(27,443,047)	(13,962,457)	(33,405,474)	(74,271,458)
Reinsurance contract liabilities	6,317,684	(101,570)	(1,551,318)	4,664,796
Reinsurance contract assets	(33,760,731)	(13,860,886)	(31,854,156)	(79,475,773)
At 30 June 2024	(27,443,047)	(13,962,457)	(33,405,474)	(74,271,458)

* Cash flows are analysed in the analysis by remaining coverage and incurred claims

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8. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)

(b) Movements in reinsurance contract (Cont'd.)

(ii) Analysis by measurement component (Cont'd.)

Group/Company	31.12.2023			
	Estimates of present value of future cash flows RM	Risk adjustment for non-financial risk RM	Contractual service margin RM	Total RM
Reinsurance contract liabilities	7,598,022	(36,578)	(793,984)	6,767,460
Reinsurance contract assets	(51,793,465)	(13,580,838)	(27,505,186)	(92,879,489)
1 January 2023	(44,195,443)	(13,617,416)	(28,299,170)	(86,112,029)
Changes that relate to current services				
CSM recognised for services received	-	-	38,673,867	38,673,867
Change in risk adjustment for non-financial risk for risk expired	-	2,499,635	-	2,499,635
Experience adjustments	(5,042,085)	-	-	(5,042,085)
Changes that relate to future services				
Contracts initially recognised in the year	43,496,574	(5,591,945)	(37,904,629)	-
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	(939,400)	(939,400)
Changes in estimates that adjust the CSM	1,488,944	(741,926)	(747,018)	-
Changes in estimates that relate to losses and reversal of losses on underlying onerous contracts	(29,609)	(284,332)	857,587	543,646
Changes that relate to past services				
Adjustments to liabilities for incurred claims	12,972,063	4,092,426	-	17,064,489
Net expense from reinsurance contracts held	52,885,887	(26,142)	(59,593)	52,800,152
Finance income from reinsurance contracts held	(1,023,057)	-	(2,368,301)	(3,391,358)
Total changes in the statement of profit or loss	51,862,830	(26,142)	(2,427,894)	49,408,794
Cash flows*	(37,998,041)	-	-	(37,998,041)
At 31 December 2023	(30,330,654)	(13,643,558)	(30,727,064)	(74,701,276)
Reinsurance contract liabilities	7,025,999	(103,979)	(1,145,689)	5,776,331
Reinsurance contract assets	(37,356,653)	(13,539,579)	(29,581,375)	(80,477,607)
At 31 December 2023	(30,330,654)	(13,643,558)	(30,727,064)	(74,701,276)

* Cash flows are analysed in the analysis by remaining coverage and incurred claims

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9. INVESTMENTS

Financial Assets at FVTPL

	Group		Company	
	30.6.2024	31.12.2023	30.6.2024	31.12.2023
	RM	RM	RM	RM
Corporate debt securities	161,182,673	153,252,321	1	-
Wholesale unit trust funds	78,520,582	78,700,061	249,059,899	243,674,555
Real estate investment trusts (“REITs”)	3,024,121	3,700,467	3,024,121	3,700,467
Equity securities quoted in Malaysia	60,286,938	55,638,848	60,286,938	55,638,848
Total	303,014,314	291,291,697	312,370,959	303,013,870
Total investments	303,014,314	291,291,697	312,370,959	303,013,870

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10. FAIR VALUE ESTIMATION

As at 30 June 2024, the fair value of the Group's and of the Company's financial assets at FVTPL are as follows:

Group	Carrying Value RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Financial assets at FVTPL:					
Corporate debt securities	161,182,673	-	161,182,673	-	161,182,673
Wholesale unit trust funds	78,520,582	78,520,582	-	-	78,520,582
REITs	3,024,121	3,024,121	-	-	3,024,121
Equity securities quoted in Malaysia	60,286,938	60,286,938	-	-	60,286,938
	<u>303,014,314</u>	<u>141,831,641</u>	<u>161,182,673</u>	<u>-</u>	<u>303,014,314</u>

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10. FAIR VALUE ESTIMATION (CONT'D.)

As at 30 June 2024, the fair value of the Group's and of the Company's financial assets at FVTPL are as follows: (Cont'd.)

Company	Carrying Value RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Financial assets at FVTPL:					
Corporate debt securities	1		1		1
Wholesale unit trust funds	249,059,899	249,059,899	-	-	249,059,899
REITs	3,024,121	3,024,121	-	-	3,024,121
Equity securities quoted in Malaysia	60,286,938	60,286,938	-	-	60,286,938
	<u>312,370,959</u>	<u>312,370,958</u>	<u>1</u>	<u>-</u>	<u>312,370,959</u>

PROGRESSIVE INSURANCE BHD
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10. FAIR VALUE ESTIMATION (CONT'D.)

As at 31 December 2023, the fair value of the Group's and of the Company's financial assets at FVTPL are as follows:

Group	Carrying Value RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Financial assets at FVTPL:					
Corporate debt securities	153,252,320	-	153,252,320	-	153,252,320
Wholesale unit trust funds	78,700,061	78,700,061	-	-	78,700,061
REITs	3,700,467	3,700,467	-	-	3,700,467
Equity securities quoted in Malaysia	55,638,848	55,638,848	-	-	55,638,848
	<u>291,291,696</u>	<u>138,039,376</u>	<u>153,252,320</u>	<u>-</u>	<u>291,291,696</u>

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10. FAIR VALUE ESTIMATION (CONT'D.)

As at 31 December 2023, the fair value of the Group's and of the Company's financial assets at FVTPL are as follows: (Cont'd.)

Company	Carrying Value RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Financial assets at FVTPL:					
Wholesale unit trust funds	243,674,555	243,674,555	-	-	243,674,555
REITs	3,700,467	3,700,467	-	-	3,700,467
Equity securities quoted in Malaysia	55,638,848	55,638,848	-	-	55,638,848
	<u>303,013,870</u>	<u>303,013,870</u>	<u>-</u>	<u>-</u>	<u>303,013,870</u>

PROGRESSIVE INSURANCE BHD
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11. LOANS AND OTHER RECEIVABLES

	Group		Company	
	30.6.2024	31.12.2023	30.6.2024	31.12.2023
	RM	RM	RM	RM
Other receivables				
Share of net assets held by				
Malaysian Motor				
Insurance Pool				
(“MMIP”)*	40,039,298	38,483,308	40,039,298	38,483,308
Income due and accrued	385,326	394,141	382,614	390,295
Other receivables and				
deposits	7,472,845	3,536,238	7,472,845	3,536,238
Prepayments	182,300	182,300	182,300	182,300
Amounts receivable from				
sale of shares	536,483	386,567	536,483	386,567
	<u>48,616,252</u>	<u>42,982,554</u>	<u>48,613,540</u>	<u>42,978,708</u>
<i>Less:</i> Allowance for				
impairment	(986,463)	(986,463)	(986,463)	(986,463)
	<u>47,629,789</u>	<u>41,996,091</u>	<u>47,627,077</u>	<u>41,992,245</u>
Fixed and call deposits				
Licensed banks in Malaysia	36,402,306	34,046,338	25,374,878	18,405,040
Borneo Housing Mortgage				
Finance Berhad	35,000,000	35,000,000	35,000,000	35,000,000
	<u>71,402,306</u>	<u>69,046,338</u>	<u>60,374,878</u>	<u>53,405,040</u>
Total loans and other				
 receivables	<u>119,032,095</u>	<u>111,042,429</u>	<u>108,001,955</u>	<u>95,397,285</u>

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12. OTHER PAYABLES

	Group		Company	
	30.6.2024	31.12.2023	30.6.2024	31.12.2023
	RM	RM	RM	RM
		Restated		Restated
Provision for bonus	4,512,918	2,791,950	4,512,918	2,791,950
Accrued expenses	1,323,135	1,640,258	1,311,682	1,628,211
Salaries and wages control	403,267	1,341,887	403,267	1,341,887
Amounts payable for purchase of shares	491,537	399,483	491,537	399,483
Other payables	12,479,440	12,902,870	12,442,274	12,843,525
	<u>19,210,297</u>	<u>19,076,448</u>	<u>19,161,678</u>	<u>19,005,056</u>

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13. 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 2024 and 31 December 2023, the Company has a capital adequacy ratio in excess of the minimum requirement.

The total capital available is measured based on the requirements prescribed under the Framework by BNM and differs from the measurement basis reported in the statutory financial statements prepared in accordance with Malaysian Financial Reporting Standards.

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

	30.6.2024	31.12.2023
	RM	RM
Eligible Tier 1 Capital		
Share capital (paid-up)	100,000,000	100,000,000
Retained earnings	<u>174,380,373</u>	<u>164,748,309</u>
	<u>274,380,373</u>	<u>264,748,309</u>
Tier 2 Capital		
Eligible reserves	<u>17,244,308</u>	<u>17,244,308</u>
	<u>17,244,308</u>	<u>17,244,308</u>
Deduction		
Amount deducted from capital	<u>(9,811,016)</u>	<u>(9,810,476)</u>
	<u>(9,811,016)</u>	<u>(9,810,476)</u>
Total capital available	<u>281,813,665</u>	<u>272,182,141</u>