

Company No.

149520	U
--------	---

**TOKIO MARINE INSURANS (MALAYSIA) BERHAD**  
(Incorporated in Malaysia)

**UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED**

**30 JUNE 2013**

Company No.

149520

U

TOKIO MARINE INSURANS (MALAYSIA) BERHAD  
(Incorporated in Malaysia)

CONTENTS

	PAGE
STATEMENT OF FINANCIAL POSITION	1
INCOME STATEMENT	2
STATEMENT OF COMPREHENSIVE INCOME	3
STATEMENT OF CHANGES IN EQUITY	4
CASH FLOW STATEMENT	5 – 6
NOTES TO THE FINANCIAL STATEMENTS	7 - 18

Company No.

149520	U
--------	---

**TOKIO MARINE INSURANS (MALAYSIA) BERHAD**  
(Incorporated in Malaysia)

**UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013**

	<u>Note</u>	<u>30.06.2013</u> RM'000	<u>31.12.2012</u> RM'000
<b>ASSETS</b>			
Property, plant and equipment		14,311	14,801
Intangible assets		182,662	182,662
Investments	10	1,081,124	1,068,988
Held-to-maturity		15,270	35,568
Available-for-sale		962,980	939,714
Fair value through profit and loss		102,874	93,706
Tax recoverable		7,917	10,505
Reinsurance assets	11	453,902	496,967
Insurance receivables		201,334	176,792
Loans and receivables (excluding insurance receivables)		654,595	639,856
Cash and bank balances		2,150	4,128
<b>Total Assets</b>		<b>2,597,995</b>	<b>2,594,699</b>
<b>EQUITY, GENERAL FUNDS AND LIABILITIES</b>			
Share capital		403,471	403,471
Retained earnings		521,007	441,462
Other reserves		7,663	8,638
<b>Total Equity</b>		<b>932,141</b>	<b>853,571</b>
Insurance contract liabilities	12	1,457,158	1,479,638
Deferred tax liabilities		6,132	4,609
Other financial liabilities		17,872	22,989
Insurance payables		130,233	153,404
Other payables		54,459	80,488
<b>Total Liabilities</b>		<b>1,665,854</b>	<b>1,741,128</b>
<b>Total Equity and Liabilities</b>		<b>2,597,995</b>	<b>2,594,699</b>

The accompanying notes are an integral part of these financial statements.

Company No.

149520	U
--------	---

**TOKIO MARINE INSURANS (MALAYSIA) BERHAD**  
(Incorporated in Malaysia)

**UNAUDITED INCOME STATEMENT  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2013**

	6 months period ended 30.06.2013 RM'000	Restated 6 months period ended 30.06.2012 RM'000
OPERATING REVENUE	<u>549,496</u>	<u>430,571</u>
Gross earned premiums	519,956	404,803
Premiums ceded to reinsurers	(112,042)	(82,647)
NET EARNED PREMIUMS	<u>407,914</u>	<u>322,156</u>
Investment income	29,540	25,768
Realised gains and losses	(191)	1,016
Fair value gains and losses	10,324	4,796
Fee and commission income	24,124	21,953
OTHER REVENUE	<u>63,797</u>	<u>53,533</u>
Gross claims paid	(290,280)	(206,005)
Claims ceded to reinsurers	60,026	26,759
Gross change to insurance contract liabilities	25,130	(37,191)
Change in insurance contract liabilities ceded to reinsurers	(36,343)	24,747
NET CLAIMS INCURRED	<u>(241,467)</u>	<u>(191,690)</u>
Other operating income / (expenses)	441	(3,959)
Fee and commission expense	(60,804)	(49,237)
Management expenses	(66,990)	(58,490)
OTHER EXPENSES	<u>(127,353)</u>	<u>(111,686)</u>
PROFIT BEFORE TAXATION	102,891	72,313
Taxation	(23,346)	(17,369)
PROFIT FOR THE PERIOD	<u>79,545</u>	<u>54,944</u>
BASIC EARNINGS PER SHARE (SEN)	<u>20</u>	<u>20</u>

The accompanying notes are an integral part of these financial statements.

Company No.

149520	U
--------	---

TOKIO MARINE INSURANS (MALAYSIA) BERHAD  
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2013

	6 months period ended 30.06.2013 RM'000	Restated 6 months period ended 30.06.2012 RM'000
Profit for the period	79,545	54,944
Other comprehensive income:		
Available-for-sale reserves		
Net loss arising during the period	(2,213)	(4,252)
Net realised gain transferred to Income Statement	-	863
	<u>(2,213)</u>	<u>(3,389)</u>
Tax effects thereon	1,238	856
	<u>(975)</u>	<u>(2,533)</u>
Total comprehensive income for the period	<u>78,570</u>	<u>52,411</u>

The accompanying notes are an integral part of these financial statements.

Company No.

149520	U
--------	---

**TOKIO MARINE INSURANS (MALAYSIA) BERHAD**  
(Incorporated in Malaysia)

**UNAUDITED STATEMENT OF CHANGES IN EQUITY  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2013**

	<u>Share capital</u> RM'000	<u>Revaluation reserves</u> RM'000	<u>Non-distributable Available- for-sale reserves</u> RM'000	<u>Distributable Retained earnings</u> RM'000	<u>Total</u> RM'000
<b>At 1 January 2012</b>	278,000	1,557	8,409	328,298	616,264
Total comprehensive income for the period					
- as previously stated	-	-	(2,533)	54,303	51,770
- prior year adjustment (Note 16)	-	-	-	641	641
	<u>-</u>	<u>-</u>	<u>(2,533)</u>	<u>54,944</u>	<u>52,411</u>
<b>At 30 June 2012, restated</b>	<u>278,000</u>	<u>1,557</u>	<u>5,876</u>	<u>383,242</u>	<u>668,675</u>
<b>At 1 January 2013</b>	403,471	1,557	7,081	441,462	853,571
Total comprehensive income for the period					
	<u>-</u>	<u>-</u>	<u>(975)</u>	<u>79,545</u>	<u>78,570</u>
<b>At 30 June 2013</b>	<u>403,471</u>	<u>1,557</u>	<u>6,106</u>	<u>521,007</u>	<u>932,141</u>

Company No.

149520	U
--------	---

**TOKIO MARINE INSURANS (MALAYSIA) BERHAD**  
(Incorporated in Malaysia)

**UNAUDITED STATEMENT OF CASH FLOW**  
**FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2013**

	<u>30.06.2013</u>	<u>Restated</u> <u>30.06.2012</u>
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the period	79,545	54,944
Adjustment of:		
Property, plant and equipment		
- depreciation	2,095	2,562
- gain on disposal	(26)	(323)
- write off	-	1
Fair value gain on financial assets at FVTPL	(10,324)	(4,796)
Amortisation of premiums	218	48
Loss on disposal of financial assets at FVTPL	218	169
Gain on disposal of AFS financial assets	-	(827)
Investment income	(29,758)	(25,816)
Allowance for/(writeback of allowance) for doubtful debts	2,058	(268)
Bad debts (written back)/written off	(199)	590
Tax expense	23,346	17,369
	<hr/>	<hr/>
Profit from operations before changes in operating assets and liabilities	67,173	43,653
Purchase of financial investments	(76,358)	(267,777)
Proceeds from disposal of financial investments	46,805	123,402
Proceeds from maturity of investments	25,000	25,000
Decrease/(increase) in reinsurance assets	42,365	(56,486)
Increase in insurance receivables	(25,811)	(29,545)
(Increase)/decrease in loans and receivables	(14,257)	20,422
(Decrease)/increase in insurance contract liabilities	(22,480)	98,591
(Decrease)/increase in other financial liabilities	(5,117)	13,959
(Decrease)/increase in insurance payables	(23,228)	10,850
Decrease in other payables	(26,029)	(3,774)
	<hr/>	<hr/>
Tax paid	(11,937)	(21,705)
	(17,997)	(11,477)
Investment income received:		
- Interest	14,680	11,539
- Dividend	14,795	12,452
- Others	60	64
	<hr/>	<hr/>
Net cash used in operating activities	(399)	(9,127)
	<hr/>	<hr/>

The accompanying notes are an integral part of these financial statements.

Company No.

149520	U
--------	---

TOKIO MARINE INSURANS (MALAYSIA) BERHAD  
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF CASH FLOW  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2013 (CONTINUED)

	<u>30.06.2013</u> RM'000	<u>Restated</u> <u>30.06.2012</u> RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,721)	(4,160)
Proceeds from disposal of property, plant and equipment	142	1,096
Net cash used in investing activities	<u>(1,579)</u>	<u>(3,064)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,978)	(12,191)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	<u>4,128</u>	<u>25,829</u>
CASH AND CASH EQUIVALENTS AT 30 JUNE	<u>2,150</u>	<u>13,638</u>
Cash and bank balances	<u>2,150</u>	<u>13,638</u>

The accompanying notes are an integral part of these financial statements.



Company No.

149520	U
--------	---

**TOKIO MARINE INSURANS (MALAYSIA) BERHAD**  
(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS - 30 JUNE 2013**

**1 BASIS OF PREPARATION OF THE UNAUDITED FINANCIAL STATEMENTS**

The Company's unaudited financial statements comply with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and comply with the provisions of the Companies Act, 1965.

The unaudited financial statements of the Company have also been prepared on a historical cost basis, except for those financial instruments which have been measured at their fair values and insurance liabilities which have been measured in accordance with the valuation methods specified in the Risk-Based Capital Framework for Insurers issued by Bank Negara Malaysia ("Framework").

The Company has applied the same accounting policies, methods of computations and presentation as adopted in its audited financial statements for the financial year ended 31 December 2012, save and except for the adoption of the following new and revised FRSS which are mandatory for financial periods beginning on or after 1 January 2013 as described below:-

- 1) MFRS 13 : Fair value measurement
- 2) Amendment to MFRS 101 : Presentation of items of other comprehensive income
- 3) Amendment to MFRS 119 : Employee benefits
- 4) Amendment to MFRS 7 : Financial instruments: Disclosures

The adoption of the above applicable standards, amendments or interpretations did not have any significant impact to the Company's financial results and existing accounting policies.

The preparation of unaudited financial statements in conformity with MFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Company's accounting policies. Although these estimates are based on the Directors' best knowledge of current events and actions, actual results may differ from those estimates.

During the previous financial year, the Company changed the basis of estimation of Unearned Premium Reserves ("UPR"). This prior year adjustment was made in accordance with the requirements of MFRS 108 "Accounting Policies, Changes in Accounting Estimates and Errors", which requires retrospective application. The financial impact of this prior year adjustment is as disclosed in Note 16 to the financial statements.

**2 COMMENT ON SEASONALITY OR CYCLICALITY**

The Company is principally engaged in the underwriting of all classes of general insurance business. Its product and services are generally dependent on the Malaysian economy, customer demand and local market competition. Its business operations were not significantly affected by any seasonal or cyclical factors during the period under review.

**3 EXCEPTIONAL ITEMS**

There were no unusual items affecting the Company's assets, liabilities, equity, net income or cash flows.

Company No.

149520	U
--------	---

**TOKIO MARINE INSURANS (MALAYSIA) BERHAD**  
(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS - 30 JUNE 2013**  
**(CONTINUED)**

**4 ACCOUNTING ESTIMATES**

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current interim period.

**5 ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES**

There were no issuances, repurchases and repayment of debt or equity securities during the period under review.

**6 DIVIDEND PAID**

The Company did not pay any dividend during the period under review.

**7 EVENTS AFTER THE INTERIM PERIOD**

There was no material event or transaction after the interim period to the date of this announcement, which could affect substantially the results of the Company for the period ended 30 June 2013, in respect of which this announcement is made.

**8 EFFECT OF CHANGES IN COMPOSITION**

There were no changes to the composition of the Company during the period ended 30 June 2013.

**9 CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

The Company did not have any contingent liability or contingent asset at 30 June 2013 that may significantly render the financial results as reported misleading or inappropriate.

Company No.

149520	U
--------	---

TOKIO MARINE INSURANS (MALAYSIA) BERHAD  
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS - 30 JUNE 2013  
(CONTINUED)

10 INVESTMENTS

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

	<u>30.06.2013</u>	<u>31.12.2012</u>
	RM'000	RM'000
Held-to-maturity financial assets ("HTM")	15,270	35,568
Available-for-sale financial assets ("AFS")	962,980	939,714
Fair value through profit & loss ("FVTPL")	102,874	93,706
Loans and receivables ("LAR")	654,595	639,856
	<u>1,735,719</u>	<u>1,708,844</u>

The following investments mature after 12 months:

HTM	-	15,093
AFS	217,532	197,228
LAR	10,046	10,165
	<u>227,578</u>	<u>222,486</u>

(a) Held-to-maturity ("HTM")

Amortised cost

Malaysian Government securities	5,059	25,101
Corporate debt securities – quoted in Malaysia	10,000	10,000
	<u>15,059</u>	<u>35,101</u>

Accrued interest income

Malaysian Government securities	43	298
Corporate debt securities – quoted in Malaysia	168	169
	<u>211</u>	<u>467</u>
	<u>15,270</u>	<u>35,568</u>

Fair value

Malaysian Government securities	5,126	25,452
Corporate debt securities – quoted in Malaysia	10,197	10,214
	<u>15,323</u>	<u>35,666</u>

Company No.

149520	U
--------	---

TOKIO MARINE INSURANS (MALAYSIA) BERHAD  
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS - 30 JUNE 2013  
(CONTINUED)

10 INVESTMENTS (CONTINUED)

(b) Available-for-sale ("AFS")

	<u>30.06.2013</u> RM'000	<u>31.12.2012</u> RM'000
<u>Fair value</u>		
Corporate debt securities:		
Quoted in Malaysia	3,279	3,315
Unquoted	219,302	193,914
	<u>222,581</u>	<u>197,229</u>
Unit trust funds	737,997	740,304
	<u>960,578</u>	<u>937,533</u>
<u>Accrued interest income</u>		
Corporate debt securities:		
Quoted in Malaysia	68	68
Unquoted	2,334	2,113
	<u>2,402</u>	<u>2,181</u>
	<u>962,980</u>	<u>939,714</u>

(c) Fair value through profit and loss ("FVTPL")

<u>Fair value</u>		
Held-for-trading:		
Equity securities	100,394	92,597
Unit and property trust funds	2,480	1,109
	<u>102,874</u>	<u>93,706</u>

Company No.

149520	U
--------	---

TOKIO MARINE INSURANS (MALAYSIA) BERHAD  
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS - 30 JUNE 2013 (CONTINUED)

10 INVESTMENTS (CONTINUED)

(d) Carrying values of financial assets

	<u>HTM</u>	<u>AFS</u>	<u>FVTPL</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
At 1 January 2012	55,784	532,314	77,686	665,784
Purchases	1,717	532,931	35,125	569,773
Maturities	(22,187)	(15,457)	-	(37,644)
Disposals	-	(107,632)	(30,129)	(137,761)
Fair value gains/(losses) recorded in :				
Income statement	-	-	11,024	11,024
Other comprehensive income	-	(1,712)	-	(1,712)
(Amortisation)/accretion adjustment	254	(730)	-	(476)
At 31 December 2012	<u>35,568</u>	<u>939,714</u>	<u>93,706</u>	<u>1,068,988</u>
Purchases	433	35,256	45,867	81,556
Maturities	(20,888)	(9,542)	-	(30,430)
Disposals	-	-	(47,023)	(47,023)
Fair value gains/(losses) recorded in:				
Income statement	-	-	10,324	10,324
Other comprehensive income	-	(2,156)	-	(2,156)
(Amortisation)/accretion adjustment	157	(292)	-	(135)
At 30 June 2013	<u><u>15,270</u></u>	<u><u>962,980</u></u>	<u><u>102,874</u></u>	<u><u>1,081,124</u></u>

Company No.

149520	U
--------	---

TOKIO MARINE INSURANS (MALAYSIA) BERHAD  
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS - 30 JUNE 2013  
(CONTINUED)

10 INVESTMENTS (CONTINUED)

(e) Fair values of financial assets

The following tables show investments recorded at fair value, analysed by the different basis of fair values as follows:

	<u>AFS</u> RM'000	<u>FVTPL</u> RM'000	<u>Total</u> RM'000
<u>30 June 2013</u>			
Quoted market price (Level 1)	3,347	102,874	106,221
Valuation techniques (Level 2)			
– market observable inputs	959,633	-	959,633
	<u>962,980</u>	<u>102,874</u>	<u>1,065,854</u>
<u>31 December 2012</u>			
Quoted market price (Level 1)	3,383	93,706	97,089
Valuation techniques (Level 2)			
– market observable inputs	936,331	-	936,331
	<u>939,714</u>	<u>93,706</u>	<u>1,033,420</u>

Level 1

Included in the quoted price category are financial instruments that are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, secondary market via dealer and broker, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. These are considered as Level 1 valuation basis.

Level 2

Financial instruments measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions are instruments for which pricing is obtained via pricing services but where prices have not been determined in an active market, instruments with fair values based on broker quotes, investment in unit and property trusts with fair values obtained via fund managers and instruments that are valued using the Company's own models whereby the majority of assumptions are market observable. These are considered as Level 2 valuation basis.

Level 3

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently. Level 3 instruments include private non quoted securities. As observable prices are not available for those securities, valuation techniques are used to derive the fair value. There were no investments valued using this basis during the financial year.

Company No.

149520	U
--------	---

TOKIO MARINE INSURANS (MALAYSIA) BERHAD  
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS - 30 JUNE 2013  
(CONTINUED)

11 REINSURANCE ASSETS

	<u>30.06.2013</u> RM'000	<u>31.12.2012</u> RM'000
Reinsurance of insurance contracts	455,292	497,657
Allowance for impairment	(1,390)	(690)
	<u>453,902</u>	<u>496,967</u>

Company No.

149520	U
--------	---

TOKIO MARINE INSURANS (MALAYSIA) BERHAD  
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS - 30 JUNE 2013 (CONTINUED)

12 INSURANCE CONTRACT LIABILITIES

	30.6.2013			31.12.2012		
	Gross RM'000	Reinsurance RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000
Provision for outstanding claims	760,154	(291,608)	468,546	790,532	(322,871)	467,661
Provision for incurred but not reported claims ("IBNR")	219,317	(62,294)	157,023	214,070	(67,374)	146,696
Claims liabilities (i)	979,471	(353,902)	625,569	1,004,602	(390,245)	614,357
Premium liabilities (ii)	477,687	(101,390)	376,297	475,036	(107,412)	367,624
	<u>1,457,158</u>	<u>(455,292)</u>	<u>1,001,866</u>	<u>1,479,638</u>	<u>(497,657)</u>	<u>981,981</u>
(i) Claims liabilities						
At 1 January	1,004,602	(390,245)	614,357	531,299	(101,677)	429,622
Arising from acquisition of business	-	-	-	320,078	(177,668)	142,410
Claims incurred in the current accident year	231,223	(41,350)	189,873	559,557	(163,732)	395,825
Other movements in claims incurred in prior accident years	28,679	12,587	41,266	21,115	(3,717)	17,398
Movement of IBNR at 75% confidence level	5,247	5,080	10,327	6,386	(3,688)	2,698
Claims paid during the year	(290,280)	60,026	(230,254)	(433,833)	60,237	(373,596)
At 30 June / 31 December	<u>979,471</u>	<u>(353,902)</u>	<u>625,569</u>	<u>1,004,602</u>	<u>(390,245)</u>	<u>614,357</u>



Company No.

149520	U
--------	---

TOKIO MARINE INSURANS (MALAYSIA) BERHAD  
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS - 30 JUNE 2013 (CONTINUED)

12 INSURANCE CONTRACT LIABILITIES (CONTINUED)

	30.6.2013			31.12.2012		
	Gross RM'000	Reinsurance RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000
(ii) Premium liabilities						
At 1 January	475,036	(107,412)	367,624	337,459	(57,706)	279,753
Arising from acquisition of business	-	-	-	106,645	(44,708)	61,937
Premiums written in the year	522,607	(106,020)	416,587	910,108	(189,936)	720,172
Premiums earned during the year	(519,956)	112,042	(407,914)	(879,176)	184,938	(694,238)
At 30 June / 31 December	<u>477,687</u>	<u>(101,390)</u>	<u>376,297</u>	<u>475,036</u>	<u>(107,412)</u>	<u>367,624</u>

Company No.

149520	U
--------	---

TOKIO MARINE INSURANS (MALAYSIA) BERHAD  
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS - 30 JUNE 2013  
(CONTINUED)

13 OPERATING LEASE ARRANGEMENTS

The Company has rental commitments under non-cancellable operating leases and the future minimum lease payments as at 30 June 2013 are as follows:

	<u>30.06.2013</u> RM'000	<u>31.12.2012</u> RM'000
Not later than 1 year	7,234	7,255
Later than 1 year and not later than 5 years	1,425	4,654
	<u>8,659</u>	<u>11,909</u>

14 CAPITAL COMMITMENTS

	<u>30.06.2013</u> RM'000	<u>31.12.2012</u> RM'000
<u>Capital expenditure</u>		
Approved and contracted for:		
Property, plant and equipment	886	2,042
	<u>886</u>	<u>2,042</u>

Company No.

149520	U
--------	---

TOKIO MARINE INSURANS (MALAYSIA) BERHAD  
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS - 30 JUNE 2013  
(CONTINUED)

15 REGULATORY CAPITAL REQUIREMENTS

Regulatory capital is the minimum amount of assets that must be held throughout the year to meet statutory solvency requirements governed under the Framework. As part of the statutory requirements, the Company is required to provide a capital position on a quarterly basis to Bank Negara Malaysia.

The capital structure of the Company as at 30 June 2013, as prescribed under the Framework, is provided below:

	<u>30.06.2013</u> RM'000	<u>31.12.2012</u> RM'000
<u>Eligible Tier 1 Capital</u>		
Share capital (paid-up)	403,471	403,471
Retained earnings	521,007	441,462
	<hr/> 924,478	<hr/> 844,933
<u>Tier 2 Capital</u>		
Available-for-sale reserves	6,106	7,081
Revaluation reserves	1,557	1,557
	<hr/> 7,663	<hr/> 8,638
Amounts deducted from capital	<hr/> (182,662)	<hr/> (182,662)
Total Capital Available	<hr/> <hr/> 749,479	<hr/> <hr/> 670,909

The Company has met the minimum capital requirements specified in the framework for the period ended 30 June 2013 and financial year ended 2012.

Company No.

149520	U
--------	---

TOKIO MARINE INSURANS (MALAYSIA) BERHAD  
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS - 30 JUNE 2013  
(CONTINUED)

16 PRIOR YEAR ADJUSTMENT

During the previous financial year, the Company changed the basis of computation for its UPR. In the previous years preceding to last financial year, the Company had recognised the deduction of premium ceded under loss-occurrence non-proportional treaties in its UPR computation which resulted in lower UPR being recognised in the financial statements. The Company has in the previous year disallowed this deduction to recognise the substance of these treaties in which the coverage period is only limited to the particular contract period. Hence premiums ceded related to those treaties should not be deferred to match against future claims liabilities.

The effects of the prior year adjustment to the Company's income statement/statement of comprehensive income for the interim period ended 30 June 2012 are as follows:

	<u>As previously stated</u> RM'000	<u>Effects of prior year adjustment</u> RM'000	<u>As restated</u> RM'000
Premium ceded to reinsurers	(83,501)	854	(82,647)
Profit before taxation	71,459	854	72,313
Taxation	(17,156)	(213)	(17,369)
Profit for the year	54,303	641	54,944

There is no effect on the cash flows of the Company for the interim period ended 30 June 2012 as a result of the prior year adjustment.