

Company No.

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

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED

30 JUNE 2014

Company No.

149520

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

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

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	Note	Group		Company	
		30.06.2014 RM'000	31.12.2013 RM'000	30.06.2014 RM'000	31.12.2013 RM'000
ASSETS					
Property, plant and equipment		17,254	15,675	17,254	15,675
Intangible assets		179,943	179,943	179,943	179,943
Investments		1,171,146	1,196,083	1,261,448	1,259,376
Held-to-maturity		-	15,235	-	15,235
Available-for-sale		1,039,669	1,052,635	1,129,971	1,115,928
Fair value through profit and loss		131,477	128,213	131,477	128,213
Reinsurance assets	10	379,796	379,848	379,796	379,848
Insurance receivables		184,927	158,726	184,927	158,726
Loans and receivables (excluding insurance receivables)		654,698	661,444	551,087	585,162
Cash and bank balances		19,052	7,582	18,989	7,545
Total Assets		2,606,816	2,599,301	2,593,444	2,586,275
EQUITY, GENERAL FUNDS AND LIABILITIES					
Share capital		403,471	403,471	403,471	403,471
Retained earnings		587,733	603,482	586,262	599,562
Other reserves		(2,898)	(2,975)	(1,426)	945
		988,306	1,003,978	988,307	1,003,978
Non-controlling Interests		11,674	11,578	-	-
Total Equity		999,980	1,015,556	988,307	1,003,978
Insurance contract liabilities	11	1,386,262	1,367,138	1,386,262	1,367,138
Deferred tax liabilities		4,232	1,160	4,232	1,160
Other financial liabilities		7,727	13,111	7,727	13,111
Insurance payables		157,165	137,211	157,165	137,211
Tax payable		2,552	2,182	2,552	2,182
Other payables		48,898	62,943	47,199	61,495
Total Liabilities		1,606,836	1,583,745	1,605,137	1,582,297
Total Equity and Liabilities		2,606,816	2,599,301	2,593,444	2,586,275

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

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

**UNAUDITED INCOME STATEMENT
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2014**

	Group		Company	
	6 months period ended <u>30.6.2014</u> RM'000	6 months period ended <u>30.6.2013</u> RM'000	6 months period ended <u>30.6.2014</u> RM'000	6 months period ended <u>30.6.2013</u> RM'000
Gross earned premiums	527,511	519,956	527,511	519,956
Premiums ceded to reinsurers	(107,913)	(112,042)	(107,913)	(112,042)
NET EARNED PREMIUMS	<u>419,598</u>	<u>407,914</u>	<u>419,598</u>	<u>407,914</u>
Investment income	31,443	30,024	32,723	29,540
Realised gains and losses	(575)	445	(161)	(191)
Fair value gains and losses	6,960	10,324	6,960	10,324
Fee and commission income	27,060	24,124	27,060	24,124
OTHER REVENUE	<u>64,888</u>	<u>64,917</u>	<u>66,582</u>	<u>63,797</u>
TOTAL REVENUE	<u>484,486</u>	<u>472,831</u>	<u>486,180</u>	<u>471,711</u>
Gross claims paid	(280,768)	(290,280)	(280,768)	(290,280)
Claims ceded to reinsurers	42,203	60,026	42,203	60,026
Gross change to insurance contract liabilities	995	25,130	995	25,130
Change in insurance contract liabilities ceded to reinsurers	(2,665)	(36,343)	(2,665)	(36,343)
NET CLAIMS INCURRED	<u>(240,235)</u>	<u>(241,467)</u>	<u>(240,235)</u>	<u>(241,467)</u>
Other operating income	1,104	451	657	441
Fee and commission expense	(62,535)	(60,804)	(62,535)	(60,804)
Management expenses	(73,936)	(67,847)	(72,918)	(66,990)
OTHER EXPENSES	<u>(135,367)</u>	<u>(128,200)</u>	<u>(134,796)</u>	<u>(127,353)</u>
PROFIT BEFORE TAXATION	<u>108,884</u>	<u>103,164</u>	<u>111,149</u>	<u>102,891</u>
Taxation	(24,766)	(23,346)	(24,766)	(23,346)
PROFIT FOR THE PERIOD	<u>84,118</u>	<u>79,818</u>	<u>86,383</u>	<u>79,545</u>
Attributable to:				
- Owner of the Company	83,934	79,640	86,383	79,545
- Non-controlling interests	184	178	-	-
	<u>84,118</u>	<u>79,818</u>	<u>86,383</u>	<u>79,545</u>
BASIC EARNINGS PER SHARE (SEN)	<u>21</u>	<u>20</u>	<u>21</u>	<u>20</u>

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

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

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2014**

	Group		Company	
	6 months period ended <u>30.6.2014</u> RM'000	6 months period ended <u>30.6.2013</u> RM'000	6 months period ended <u>30.6.2014</u> RM'000	6 months period ended <u>30.6.2013</u> RM'000
Profit for the period	84,118	79,818	86,383	79,545
Other comprehensive income:				
<u>Items that may be subsequently reclassified to the income statement</u>				
Available-for-sale reserves				
Net loss on fair value arising during the year	(448)	(2,883)	(3,310)	(2,213)
Net realised gain transferred to income statement	(304)	636	110	-
	(752)	(2,247)	(3,200)	(2,213)
Tax effects thereon	829	1,238	829	1,238
	77	(1,009)	(2,371)	(975)
Total comprehensive income for the period	84,195	78,809	84,012	78,570
Total comprehensive income attributable:				
- Owner of the Company	84,011	78,631	84,012	78,570
- Non-controlling interest	184	178	-	-
	84,195	78,809	84,012	78,570

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

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

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2014**

	Non-distributable			Distributable	Total equity attributable to owner of the parent RM'000	Non- controlling interest RM'000	Total RM'000
	Share capital RM'000	Revaluation reserves RM'000	Available- for-sale reserves RM'000	Retained earnings RM'000			
Group							
At 1 January 2013	403,471	1,557	3,098	445,382	853,508	11,206	864,714
Capital contribution by non- controlling interest ("NCI")	-	-	-	-	-	(43)	(43)
Total comprehensive income for the period	-	-	(1,009)	79,640	78,631	178	78,809
At 30 June 2013	<u>403,471</u>	<u>1,557</u>	<u>2,089</u>	<u>525,022</u>	<u>932,139</u>	<u>11,341</u>	<u>943,480</u>
At 1 January 2014	403,471	1,557	(4,532)	603,482	1,003,978	11,578	1,015,556
Capital contribution by non- controlling interest	-	-	-	-	-	(88)	(88)
Total comprehensive income for the period	-	-	77	83,934	84,011	184	84,195
Dividends paid during the period	-	-	-	(99,683)	(99,683)	-	(99,683)
At 30 June 2014	<u>403,471</u>	<u>1,557</u>	<u>(4,455)</u>	<u>587,733</u>	<u>988,306</u>	<u>11,674</u>	<u>999,980</u>
Company							
At 1 January 2013	403,471	1,557	7,081	441,462	-	-	853,571
Total comprehensive income for the period	-	-	(975)	79,545	-	-	78,570
At 30 June 2013	<u>403,471</u>	<u>1,557</u>	<u>6,106</u>	<u>521,007</u>	<u>-</u>	<u>-</u>	<u>932,141</u>
At 1 January 2014	403,471	1,557	(612)	599,562	-	-	1,003,978
Total comprehensive income for the period	-	-	(2,371)	86,383	-	-	84,012
Dividends paid during the period	-	-	-	(99,683)	-	-	(99,683)
At 30 June 2014	<u>403,471</u>	<u>1,557</u>	<u>(2,983)</u>	<u>586,262</u>	<u>-</u>	<u>-</u>	<u>988,307</u>

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

**UNAUDITED STATEMENT OF CASH FLOW
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2014**

	Group		Company	
	6 months period ended <u>30.06.2014</u> RM'000	6 months period ended <u>30.06.2013</u> RM'000	6 months period ended <u>30.06.2014</u> RM'000	6 months period ended <u>30.06.2013</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit for the period	84,118	79,818	86,383	79,545
Adjustment of:				
Property, plant and equipment				
- depreciation	2,408	2,095	2,408	2,095
- gain on disposal	(8)	(26)	(8)	(26)
- write off	(1)	-	(1)	-
Fair value gain on financial assets at FVTPL	(6,960)	(10,324)	(6,960)	(10,324)
Amortisation of premium	1,246	1,164	244	218
Loss on disposal of financial assets at FVTPL	279	218	279	218
Loss/(Gain) on disposal of AFS financial assets	304	(636)	(110)	-
Investment income	(48,602)	(44,200)	(32,968)	(29,758)
(Recovery)/Allowance for doubtful debts	(3,161)	2,058	(3,161)	2,058
Bad debts written off/(write back)	2,185	(199)	2,185	(199)
Tax expense	24,766	23,346	24,766	23,346
Profit from operations before changes in operating assets and liabilities	56,574	53,314	73,057	67,173
Purchases of financial investments	(187,243)	(290,070)	(77,099)	(76,358)
Proceeds from disposal of financial investments	188,918	184,112	57,965	46,805
Proceeds from maturity of investments	26,000	70,000	20,000	25,000
(Increase)/Decrease in reinsurance assets	(868)	42,365	(868)	42,365
Increase in insurance receivables	(24,341)	(25,811)	(24,341)	(25,811)
Decrease/(increase) in loans and receivables	7,230	15,735	34,358	(14,257)
Increase/(Decrease) in insurance contract liabilities	19,124	(22,480)	19,124	(22,480)
Decrease in other financial liabilities	(5,384)	(5,117)	(5,384)	(5,117)
Increase/(Decrease) in insurance Payables	20,073	(23,228)	20,073	(23,228)
Decrease in other payables	(14,046)	(25,354)	(14,296)	(26,029)
	<u>86,037</u>	<u>(26,534)</u>	<u>102,589</u>	<u>(11,937)</u>

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

UNAUDITED STATEMENT OF CASH FLOW
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2014 (CONTINUED)

	<u>Group</u>		<u>Company</u>	
	6 months period ended	6 months period ended	6 months period ended	6 months period ended
	<u>30.06.2014</u>	<u>30.06.2013</u>	<u>30.06.2014</u>	<u>30.06.2013</u>
	RM'000	RM'000	RM'000	RM'000
Tax paid	(20,495)	(17,997)	(20,495)	(17,997)
Investment income received:				
- Interest	31,227	29,183	14,561	14,680
- Dividend	18,389	14,795	18,389	14,795
- Others	60	60	60	60
Net cash generated from/(used in) operating activities	<u>115,218</u>	<u>(493)</u>	<u>115,104</u>	<u>(399)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(4,012)	(1,721)	(4,012)	(1,721)
Proceeds from disposal of property, plant and equipment	35	142	35	142
Net cash used in investing activities	<u>(3,977)</u>	<u>(1,579)</u>	<u>(3,977)</u>	<u>(1,579)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	(99,683)	-	(99,683)	-
Capital contribution from NCI	(88)	(43)	-	-
Net cash used in financing activities	<u>(99,771)</u>	<u>(43)</u>	<u>(99,683)</u>	<u>-</u>
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	11,470	(2,115)	11,444	(1,978)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	<u>7,582</u>	<u>4,714</u>	<u>7,545</u>	<u>4,128</u>
CASH AND CASH EQUIVALENTS AT 30 JUNE	<u>19,052</u>	<u>2,599</u>	<u>18,989</u>	<u>2,150</u>
Cash and bank balances	<u>19,052</u>	<u>2,599</u>	<u>18,989</u>	<u>2,150</u>

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

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

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS - 30 JUNE 2014

1 BASIS OF PREPARATION OF THE UNAUDITED FINANCIAL STATEMENTS

The Group's and 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 Group and Company have 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.

The Group and 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 2013, save and except for the adoption of the following standards:

<u>MFRSs, Interpretations and Amendments</u>	<u>Effective Date</u>
Amendments to MFRS 10, Consolidated Financial Statements: Investment Entities	1 January 2014
Amendments to MFRS 12, Disclosure of Interests in Other Entities: Investment Entities	1 January 2014
Amendments to MFRS 127, Separate Financial Statements (2011): Investment Entities	1 January 2014
Amendment to MFRS 132, Financial Instruments: Presentation	1 January 2014
Amendments to MFRS 136, Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to MFRS 139, Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21, Levies	1 January 2014

The adoption of the above amendments did not have any significant impact to the Group's and 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 Group's and 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.

2 COMMENT ON SEASONALITY OR CYCLICALITY

The Group and 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.

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

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS - 30 JUNE 2014
(CONTINUED)

3 EXCEPTIONAL ITEMS

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

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

During the six months period ended 30 June 2014, the Company paid a final dividend amounting to RM99,683,000 in respect of the financial year ended 31 December 2013 on 29 May 2014.

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 Group and Company for the period ended 30 June 2014, in respect of which this announcement is made.

8 EFFECT OF CHANGES IN COMPOSITION

There were no changes to the composition of the Group and Company during the period ended 30 June 2014.

9 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Group and Company did not have any contingent liability or contingent asset at 30 June 2014 that may significantly render the financial results as reported misleading or inappropriate.

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TOKIO MARINE INSURANS (MALAYSIA) BERHAD
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NOTES TO THE UNAUDITED FINANCIAL STATEMENTS - 30 JUNE 2014
(CONTINUED)

10 REINSURANCE ASSETS

	Group / Company	
	<u>30.06.2014</u>	<u>31.12.2013</u>
	RM'000	RM'000
Reinsurance of insurance contracts	385,796	384,928
Allowance for impairment	<u>(6,000)</u>	<u>(5,080)</u>
	<u>379,796</u>	<u>379,848</u>

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TOKIO MARINE INSURANS (MALAYSIA) BERHAD
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NOTES TO THE UNAUDITED FINANCIAL STATEMENTS - 30 JUNE 2014 (CONTINUED)

11 INSURANCE CONTRACT LIABILITIES

<u>Group / Company</u>	30.06.2014			31.12.2013		
	Gross RM'000	Reinsurance RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000
Provision for outstanding claims	689,493	(236,608)	452,885	698,937	(243,232)	455,705
Provision for incurred but not reported claims ("IBNR")	214,689	(62,225)	152,464	206,239	(58,266)	147,973
Claims liabilities (i)	904,182	(298,833)	605,349	905,176	(301,498)	603,678
Premium liabilities (ii)	482,080	(86,963)	395,117	461,962	(83,430)	378,532
	<u>1,386,262</u>	<u>(385,796)</u>	<u>1,000,466</u>	<u>1,367,138</u>	<u>(384,928)</u>	<u>982,210</u>
(i) Claims liabilities						
At 1 January						
As previously reported	905,176	(301,498)	603,678	1,004,602	(390,245)	614,357
Fair value adjustments on completion of accounting for business combination	-	-	-	(2,719)	-	(2,719)
As previously reported	905,176	(301,498)	603,678	1,001,883	(390,245)	611,638
Claims incurred in the current accident period / year	531,441	(89,208)	442,233	531,530	(95,469)	436,061
Other movements in claims incurred in prior accident years	(260,117)	53,629	(206,488)	(11,967)	44,789	32,822
Movement of IBNR at 75% confidence level	8,450	(3,959)	4,491	(5,112)	9,108	3,996
Claims paid during the period / year	(280,768)	42,203	(238,565)	(611,158)	130,319	(480,839)
At 30 June / 31 December	<u>904,182</u>	<u>(298,833)</u>	<u>605,349</u>	<u>905,176</u>	<u>(301,498)</u>	<u>603,678</u>

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TOKIO MARINE INSURANS (MALAYSIA) BERHAD
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NOTES TO THE UNAUDITED FINANCIAL STATEMENTS - 30 JUNE 2014 (CONTINUED)

11 INSURANCE CONTRACT LIABILITIES (CONTINUED)

<u>Group / Company</u>	30.06.2014			31.12.2013		
	<u>Gross</u> RM'000	<u>Reinsurance</u> RM'000	<u>Net</u> RM'000	<u>Gross</u> RM'000	<u>Reinsurance</u> RM'000	<u>Net</u> RM'000
(ii) Premium liabilities						
At 1 January	461,962	(83,430)	378,532	475,036	(107,412)	367,624
Premiums written in the period / year	547,629	(111,446)	436,183	1,012,771	(196,479)	816,292
Premiums earned during the period / year	(527,511)	107,913	(419,598)	(1,025,845)	220,461	(805,384)
At 30 June / 31 December	<u>482,080</u>	<u>(86,963)</u>	<u>395,117</u>	<u>461,962</u>	<u>(83,430)</u>	<u>378,532</u>

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TOKIO MARINE INSURANS (MALAYSIA) BERHAD
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NOTES TO THE UNAUDITED FINANCIAL STATEMENTS - 30 JUNE 2014
(CONTINUED)

12 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 2014, as prescribed under the Framework, is provided below:

	Group / Company	
	<u>30.06.2014</u>	<u>31.12.2013</u>
	RM'000	RM'000
<u>Eligible Tier 1 Capital</u>		
Share capital (paid-up)	403,471	403,471
Retained earnings	586,262	599,562
	<u>989,733</u>	<u>1,003,033</u>
<u>Tier 2 Capital</u>		
Available-for-sale reserves	(2,983)	(612)
Revaluation reserves	1,557	1,557
	<u>(1,426)</u>	<u>945</u>
Amounts deducted from Capital	(179,943)	(179,943)
Total Capital Available	<u>808,364</u>	<u>824,035</u>

The Company has met the minimum capital requirements specified in the framework for the period ended 30 June 2014 and financial year ended 2013.