

Company No.

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TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2019

Company No.

457556

X

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

CONTENTS

	PAGE
UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION	1
UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME	2 - 3
UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY	4
UNAUDITED CONDENSED STATEMENT OF CASH FLOWS	5 - 6
NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS	7 - 32

Company No.

457556	X
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TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019**

	<u>Note</u>	<u>30.06.2019</u> RM'000	<u>31.12.2018</u> RM'000
ASSETS			
Property, plant and equipment		174,065	174,798
Right-of-use assets		718	-
Investment properties		159,095	159,095
Intangible assets		24,872	39,522
Financial investments			
Available-for-sale ("AFS") financial assets	8a	5,622,870	5,352,099
Fair value through profit or loss ("FVTPL") financial assets	8b	988,076	860,571
Held-to-maturity ("HTM") financial assets	8c	984,792	985,000
Loans and receivables ("LAR")	8d	480,186	484,335
Insurance receivables		42,252	56,404
Other receivables		20,663	17,639
Cash and cash equivalents		465,744	512,104
TOTAL ASSETS		<u>8,963,333</u>	<u>8,641,567</u>
EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES			
Share capital		226,000	226,000
Retained earnings		649,364	668,902
Available-for-sale reserve		55,929	13,098
Asset revaluation reserve		3,029	3,029
TOTAL EQUITY		<u>934,322</u>	<u>911,029</u>
Insurance contract liabilities	9	7,194,130	6,925,261
Provision for agency long association benefits		30,420	29,480
Deferred tax liabilities		230,685	196,281
Insurance payables		512,547	508,263
Lease liabilities		704	-
Current tax liabilities		13,858	8,347
Other payables		46,667	62,906
TOTAL POLICYHOLDERS' FUNDS AND LIABILITIES		<u>8,029,011</u>	<u>7,730,538</u>
TOTAL EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES		<u>8,963,333</u>	<u>8,641,567</u>

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

Company No.

457556	X
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TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2019**

	6 months ended <u>30.06.2019</u> RM'000	6 months ended <u>30.06.2018</u> RM'000
Gross earned premium revenue	646,212	631,773
Premiums ceded to reinsurers	(22,665)	(19,707)
Net earned revenue	<u>623,547</u>	<u>612,066</u>
Investment income	171,637	169,908
Net realised gains/(losses)	57,183	(10,335)
Net fair value gains/(losses)	57,832	(45,202)
Commission income	1,727	2,891
Other income	<u>288,379</u>	<u>117,262</u>
Gross benefits and claims paid	(522,506)	(523,775)
Claims ceded to reinsurers	10,929	16,373
Gross change to insurance contract liabilities	(194,239)	34,732
Net insurance benefits and claims	<u>(705,816)</u>	<u>(472,670)</u>
Commission and agency expenses	(71,801)	(69,992)
Management expenses	(88,004)	(89,750)
Other operating (expenses)/income – net	(98)	2,216
Other expenses	<u>(159,903)</u>	<u>(157,526)</u>
Profit before taxation	46,207	99,132
Taxation	(29,045)	(28,437)
Net profit for the financial period	<u><u>17,162</u></u>	<u><u>70,695</u></u>

Company No.

457556

X

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.

(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2019 (CONTINUED)

	6 months ended <u>30.06.2019</u> RM'000	6 months ended <u>30.06.2018</u> RM'000
Other comprehensive income/(loss):		
<u>Items that will be reclassified subsequently to profit or loss</u>		
Fair value change on available-for-sale financial assets:		
Net gains/(losses) arising during the financial period	181,762	(130,001)
Realised gains transferred to profit or loss	(54,274)	(45,574)
Impairment losses transferred to profit or loss	654	39,678
Tax effects thereon	(20,838)	10,570
	<hr/>	<hr/>
Fair value gains/(losses), net of tax	107,304	(125,327)
Change in insurance contract liabilities arising from net fair value (gains)/losses	(64,473)	113,892
	<hr/>	<hr/>
Net fair value change	42,831	(11,435)
	<hr/>	<hr/>
<u>Items that will not be reclassified subsequently to profit or loss</u>		
Asset revaluation reserve:		
Gross asset revaluation surplus/(deficit)	-	-
Tax effects thereon	-	(659)
	<hr/>	<hr/>
Asset revaluation deficit, net of tax	-	(659)
	<hr/>	<hr/>
Total other comprehensive income/(loss)	42,831	(12,094)
	<hr/>	<hr/>
Total comprehensive income for the financial period	59,993	58,601
	<hr/> <hr/>	<hr/> <hr/>
Basic earnings per share (sen)	7.59	31.28
	<hr/> <hr/>	<hr/> <hr/>

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

Company No.

457556	X
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TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2019

	Share capital RM'000	Non-Distributable		Distributable	Total RM'000
		Available- for-sale reserve RM'000	Asset revaluation reserve RM'000	Retained earnings* RM'000	
Issued and fully paid ordinary shares:					
At 1 January 2018	226,000	13,782	3,296	570,809	813,887
Total comprehensive (loss)/income for the financial period	-	(11,435)	(659)	70,695	58,601
Dividend payable for the financial year ended 31 December 2017	-	-	-	(10,000)	(10,000)
At 30 June 2018	<u>226,000</u>	<u>2,347</u>	<u>2,637</u>	<u>631,504</u>	<u>862,488</u>
Issued and fully paid ordinary shares:					
At 1 January 2019	226,000	13,098	3,029	668,902	911,029
Total comprehensive income for the financial period	-	42,831	-	17,162	59,993
Dividend paid for the financial year ended 31 December 2018	-	-	-	(36,700)	(36,700)
At 30 June 2019	<u>226,000</u>	<u>55,929</u>	<u>3,029</u>	<u>649,364</u>	<u>934,322</u>

* Included in the retained earnings as at 30 June 2019 is unallocated surplus in the Non-participating Life Fund (net of deferred tax) of RM635,846,000 (30 June 2018: RM 575,895,000). These amounts are only distributable upon the actual recommended transfer from Non-participating Life Fund to the Shareholders' Fund by the Appointed Actuary.

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

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2019**

	6 months ended <u>30.06.2019</u> RM'000	6 months ended <u>30.06.2018</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the financial period	17,162	70,695
Investment income	(171,637)	(169,908)
Realised gain of AFS financial assets	(57,837)	(29,251)
Fair value (gains)/ losses of FVTPL financial assets	(57,832)	45,202
Depreciation of property, plant and equipment	2,945	2,946
Depreciation of right-of-use assets	240	-
Gain on disposal of property, plant and equipment	-	(92)
Write-offs of property, plant and equipment	10	51
Amortisation of intangible assets	16,227	15,928
Impairment of AFS financial assets	654	39,678
Write back of impairment loss of insurance receivables	(74)	(825)
Impairment loss of loan receivables	446	-
Write back of impairment loss of other receivable	-	(1,474)
Write-offs of insurance receivables	178	-
Provision for agency long association benefits	3,287	2,300
Taxation	29,045	28,437
Changes in working capital:		
Purchase of financial assets	(812,484)	(497,792)
Proceeds from maturity or disposal of financial assets	654,689	483,829
Decrease/(increase) in loans	4,149	(3,147)
Decrease/(increase) in insurance receivables	14,226	(16,686)
Decrease in other receivables	1,248	8,740
Increase/(decrease) in insurance contract liabilities	204,396	(18,585)
Increase in insurance payables	4,284	22,424
Decrease in other payables	(19,840)	(12,320)
	<u>(166,518)</u>	<u>(29,850)</u>
Dividend income received	27,494	26,069
Interest income received	144,086	138,146
Rental income received	1,829	134
Agency long association benefits paid	(2,347)	(3,366)
Income tax paid	(9,971)	(12,433)
Net cash (outflows)/inflows from operating activities	<u>(5,427)</u>	<u>118,700</u>

Company No.

457556	X
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TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2019 (CONTINUED)

	6 months ended <u>30.06.2019</u> RM'000	6 months ended <u>30.06.2018</u> RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,222)	(3,089)
Proceed from disposal of property, plant and equipment	-	92
Purchase of intangible assets	(1,577)	(610)
Net cash outflows from investing activities	<u>(3,799)</u>	<u>(3,607)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(36,700)	-
Repayment of lease liabilities	(434)	-
Net cash outflows from financing activities	<u>(37,134)</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents	(46,360)	115,093
Cash and cash equivalents at 1 January	<u>512,104</u>	<u>302,254</u>
Cash and cash equivalents at 30 June	<u><u>465,744</u></u>	<u><u>417,347</u></u>
Cash and cash equivalents comprise:		
Cash and bank balances	32,532	52,170
Fixed and call deposits with maturity of less than three months	433,212	365,177
	<u><u>465,744</u></u>	<u><u>417,347</u></u>

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

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL
STATEMENTS - 30 JUNE 2019

1 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and presentation adopted by the Company for the condensed interim financial statements are consistent with those adopted by the Company's audited financial statements for the financial year ended 31 December 2018.

1.1 Basis of Preparation

The condensed interim financial statements of the Company are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting, issued by the Malaysian Accounting Standards Board ("MASB").

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 Company's audited financial statements for the year ended 31 December 2018.

The interim financial statements are authorised for issue by the Board of Directors on 13 August 2019.

1.2 Standards, amendments to published standards and interpretations to existing standards that are applicable and relevant to the Company

(a) The standard applicable for the first time for the financial year beginning on/after 1 January 2019:

(i) MFRS 16 'Leases'

MFRS 16 'Leases' supersedes MFRS 117 'Leases' and the related interpretations. Under MFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

MFRS 16 eliminates the classification of leases by the lessee as either finance leases (on balance sheet) or operating leases (off balance sheet). MFRS 16 requires a lessee to recognise a "right-of-use" of the underlying asset and a lease liability reflecting future lease payments for most leases.

The right-of-use asset is depreciated in accordance with the principle in MFRS 116 'Property, Plant and Equipment' and the lease liability is accreted over time with interest expense recognised in profit or loss.

For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently.

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2019 (CONTINUED)

1.2 Standards, amendments to published standards and interpretations to existing standards that are applicable and relevant to the Company (continued)

(a) The standard applicable for the first time for the financial year beginning on/after 1 January 2019 (continued)

(i) MFRS 16 'Leases' (continued)

The Company adopted MFRS 16 using the modified retrospective approach and measured the right-of-use assets equals to the lease liabilities as at 1 January 2019 with no restatement of comparative information, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet as at 31 December 2018.

The adoption of MFRS 16, Leases has resulted in changes in the Company's accounting policies. The effect arising from these changes on the statement of financial position of the Company are as follows:

	<u>31 December</u> <u>2018</u> RM'000	<u>Effects on adoption of</u> <u>MFRS 16</u> RM'000	<u>1 January</u> <u>2019</u> RM'000
<u>Assets</u>			
Right-of-use assets	-	957	957
<u>Liabilities</u>			
Lease liabilities	-	957	957

(b) The Company will apply the new standards, amendments to published standards and interpretations in the following financial period:

Financial year beginning on/after 1 January 2021:

(i) Amendments to MFRS 4 – Applying MFRS 9 'Financial Instruments' with MFRS 4 Insurance Contracts

The amendments allow entities to avoid temporary volatility in profit or loss that might result from adopting MFRS 9 "Financial Instruments" before the forthcoming new insurance contracts standard. This is because certain financial assets have to be measured at fair value through profit or loss under MFRS 9; whereas, under MFRS 4 "Insurance Contracts", the related liabilities from insurance contracts are often measured on amortised cost basis.

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2019 (CONTINUED)

1.2 Standards, amendments to published standards and interpretations to existing standards that are applicable and relevant to the Company (continued)

(b) The Company will apply the new standards, amendments to published standards and interpretations in the following financial period: (continued)

Financial year beginning on/after 1 January 2021: (continued)

(i) Amendments to MFRS 4 – Applying MFRS 9 ‘Financial Instruments’ with MFRS 4 Insurance Contracts (continued)

The amendments provide 2 different approaches for entities: (i) a temporary exemption from MFRS 9 for entities that meet specific requirements; and (ii) the overlay approach. Both approaches are optional.

The temporary exemption enables eligible entities to defer the implementation date of MFRS 9 for annual periods beginning before 1 January 2021 at the latest. An entity may apply the temporary exemption from MFRS 9 if its activities are predominantly connected with insurance, whilst the overlay approach allows an entity to adjust profit or loss for eligible financial assets by removing any accounting volatility to other comprehensive income that may arise from applying MFRS 9.

An entity can apply the temporary exemption from MFRS 9 from annual periods beginning on or after 1 January 2018. An entity may start applying the overlay approach when it applies MFRS 9 for the first time.

The Company’s business activity is predominately insurance and hence, qualifies for the temporary exemption approach. Consequently, management has decided to apply the temporary exemption from MFRS 9 from its annual period beginning 1 January 2018, and will adopt MFRS 9 together with MFRS 17, Insurance Contracts for its annual period beginning 1 January 2021.

The additional disclosure under amendments to MFRS 4 is as set out in Note 14.

(ii) MFRS 17 ‘Insurance Contracts’

MFRS 17 applies to insurance contracts issued, to all reinsurance contracts and to investment contracts with discretionary participating features if an entity also issues insurance contracts. For fixed-fee service contracts whose primary purpose is the provision of services, an entity has an accounting policy choice to account for them in accordance with either MFRS 17 or MFRS 15 ‘Revenue’. An entity is allowed to account financial guarantee contracts in accordance with MFRS 17 if the entity has asserted explicitly that it regarded them as insurance contracts.

Insurance contracts, (other than reinsurance) where the entity is the policyholder are not within the scope of MFRS 17.

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2019 (CONTINUED)

1.2 Standards, amendments to published standards and interpretations to existing standards that are applicable and relevant to the Company (continued)

(b) The Company will apply the new standards, amendments to published standards and interpretations in the following financial period: (continued)

(ii) MFRS 17 'Insurance Contracts' (continued)

Embedded derivatives and distinct investment and service components should be 'unbundled' and accounted for separately in accordance with the related MFRSs. Voluntary unbundling of other components is prohibited.

MFRS 17 requires a current measurement model where estimates are remeasured at each reporting period. The measurement is based on the building blocks of discounted, probability-weighted cash flows, a risk adjustment and a contractual service margin ("CSM") representing the unearned profit of the contract. An entity has a policy choice to recognise the impact of changes in discount rates and other assumptions that related to financial risks either in profit or loss or in other comprehensive income.

Alternative measurement models are provided for the different insurance coverages:

- Simplified Premium Allocation Approach if the insurance coverage period is a year or less.
- Variable Fee Approach should be applied for insurance contracts that specify a link between payments to the policyholder and the returns on the underlying items.

The requirements of MFRS 17 align the presentation of revenue with other industries. Revenue is allocated to the periods in proportion to the value of the expected coverage and other services that the insurer provides in the period, and claims are presented when incurred. Investment components are excluded from revenue and claims.

Insurers are required to disclose information about amounts, judgements and risks arising from insurance contracts.

The International Accounting Standards Board has tentatively proposed to amend the effective date of IFRS 17 'Insurance Contracts' to 1 January 2022.

The Company has not fully assessed the impact of MFRS 17 on its financial statements.

The Company has yet to assess the full impact of MFRS 9 and MFRS 17 onto the Company's accounting policies and will complete the process prior to the reporting requirement deadline.

Company No.

457556

X

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2019 (CONTINUED)

2 SEASONAL OR CYCLICAL FACTORS

There were no significant seasonal or cyclical factors that affect the business of the Company for the six months period under review.

3 UNUSUAL ITEMS

There are no unusual items affecting assets, liabilities, equity, net income and cash flows for the six months period under review.

4 CHANGE IN ESTIMATES

There were no material changes in the basis used for accounting estimates for the financial period ended 30 June 2019.

5 DEBT AND EQUITY SECURITIES

There were no issuances, cancellation, repurchases, resale and repayment of debt and equity securities during the current financial period.

6 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE PERIOD

There is no material event subsequent to the end of the period under review that has not been reflected in the interim financial statements.

7 DIVIDENDS

A final single tier dividend of 16.24 sen (2018: 4.42 sen) per ordinary share on 226,000,000 ordinary shares amounting to RM36,700,000 (2018: RM10,000,000) for the financial year ended 31 December 2018 was approved at the Annual General Meeting held on 27 June 2019 and this dividend was paid in full on 28 June 2019.

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2019 (CONTINUED)

8 FINANCIAL INVESTMENTS

	As at 30.06.2019 RM'000	As at 31.12.2018 RM'000
Malaysian government securities	551,116	534,699
Malaysian government guaranteed bonds	1,517,736	1,405,288
Government investment issues	406,559	349,967
Corporate debt securities	2,943,313	2,882,303
Equity securities	1,642,293	1,535,711
Collective investment schemes	534,721	489,702
Loans	480,186	484,335
	<u>8,075,924</u>	<u>7,682,005</u>

The Company's financial investments are summarised by the following categories:

AFS financial assets	5,622,870	5,352,099
FVTPL financial assets	988,076	860,571
HTM financial assets	984,792	985,000
Loans and receivables	480,186	484,335
	<u>8,075,924</u>	<u>7,682,005</u>

8a AFS FINANCIAL ASSETS

At fair value:

Malaysian government securities	287,268	272,477
Malaysian government guaranteed bonds	1,069,084	957,054
Government investment issues	240,638	197,154
Corporate debt securities	2,472,995	2,442,721
Equity securities	1,433,229	1,363,485
Collective investment schemes	119,656	119,208
	<u>5,622,870</u>	<u>5,352,099</u>
Current	412,582	320,275
Non-current	5,210,288	5,031,824
	<u>5,622,870</u>	<u>5,352,099</u>

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2019 (CONTINUED)

8 FINANCIAL INVESTMENTS (CONTINUED)

8a AFS FINANCIAL ASSETS (CONTINUED)

Movement in impairment allowance accounts:

	As at <u>30.06.2019</u> RM'000	As at <u>31.12.2018</u> RM'000
Provision for impairment loss:		
At 1 January	95,007	49,797
Transferred to realized gain upon disposal	(18,964)	(20,346)
Impairment loss during the financial period/year	654	65,556
At 30 June/31 December	<u>76,697</u>	<u>95,007</u>

The impairment losses arose on equity securities for which there have been significant or prolonged decline in fair value.

8b FVTPL FINANCIAL ASSETS

	As at <u>30.06.2019</u> RM'000	As at <u>31.12.2018</u> RM'000
At fair value:		
Malaysian government securities	31,914	30,323
Malaysian government guaranteed bonds	5,610	5,085
Government investment issues	48,890	35,726
Corporate debt securities	277,533	246,717
Equity securities	209,064	172,226
Collective investment schemes	415,065	370,494
	<u>988,076</u>	<u>860,571</u>
Current	43,715	30,289
Non-current	944,361	830,282
	<u>988,076</u>	<u>860,571</u>

Company No.

457556	X
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TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL
STATEMENTS - 30 JUNE 2019 (CONTINUED)

8 FINANCIAL INVESTMENTS (CONTINUED)

8c HTM FINANCIAL ASSETS

	As at <u>30.06.2019</u> RM'000	As at <u>31.12.2018</u> RM'000
At amortised cost:		
Malaysian government securities	231,934	231,899
Malaysian government guaranteed bonds	443,041	443,149
Government investment issues	117,031	117,087
Corporate debt securities	192,786	192,865
	<u>984,792</u>	<u>985,000</u>
Current	41,067	20,160
Non-current	943,725	964,840
	<u>984,792</u>	<u>985,000</u>
At fair value:		
Malaysian government securities	244,770	232,261
Malaysian government guaranteed bonds	485,669	452,309
Government investment issues	125,769	117,297
Corporate debt securities	204,137	198,284
	<u>1,060,345</u>	<u>1,000,151</u>

Company No.

457556	X
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TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2019 (CONTINUED)

8 FINANCIAL INVESTMENTS (CONTINUED)

8d LOANS AND RECEIVABLES

	As at <u>30.06.2019</u> RM'000	As at <u>31.12.2018</u> RM'000
At amortised cost:		
Secured:		
Policy loans*	479,198	483,310
Mortgage loans	981	1,010
Other loans	7	15
	<u>480,186</u>	<u>484,335</u>

*Accrued interest income is included at fixed rate

The carrying values of loans and receivables approximate the fair values at the date of the statement of financial position.

	As at <u>30.06.2019</u> RM'000	As at <u>31.12.2018</u> RM'000
Current	-	-
Non-current	480,186	484,335
	<u>480,186</u>	<u>484,335</u>

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL
STATEMENTS - 30 JUNE 2019 (CONTINUED)

8 FINANCIAL INVESTMENTS (CONTINUED)

8e CARRYING VALUES OF FINANCIAL INSTRUMENTS

	<u>AFS</u> RM'000	<u>FVTPL</u> RM'000	<u>HTM</u> RM'000	<u>LAR</u> RM'000	<u>Total</u> RM'000
At 1 January 2018	5,489,109	813,666	961,325	477,247	7,741,347
Purchases	1,063,412	217,860	49,668	-	1,330,940
Maturities	(763,415)	(10,000)	(25,000)	-	(798,415)
Disposals	(275,109)	(77,440)	(1,000)	-	(353,549)
Increase in loans	-	-	-	7,088	7,088
Movement of investment income accrued	1,554	962	25	-	2,541
Fair value losses recorded in:					
- Profit or loss	(2,299)	(84,477)	(25)	-	(86,801)
- Other comprehensive loss	(166,712)	-	-	-	(166,712)
Amortisation adjustment	5,559	-	7	-	5,566
At 31 December 2018	5,352,099	860,571	985,000	484,335	7,682,005
Purchases	606,449	206,193	-	-	812,642
Maturities	(362,015)	(96,717)	-	-	(458,732)
Disposals	(162,406)	(40,117)	-	-	(202,523)
Decrease in loans	-	-	-	(4,149)	(4,149)
Movement of investment income accrued	380	315	(175)	-	520
Fair value gains recorded in:					
- Profit or loss	76,147	57,831	-	-	133,978
- Other comprehensive income	109,178	-	-	-	109,178
Amortisation adjustment	3,038	-	(33)	-	3,005
At 30 June 2019	5,622,870	988,076	984,792	480,186	8,075,924

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2019 (CONTINUED)

8 FINANCIAL INVESTMENTS (CONTINUED)

8f FAIR VALUES OF FINANCIAL INSTRUMENTS

The following tables show financial 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>HTM</u> RM'000	<u>Total</u> RM'000
<u>30 June 2019</u>				
Level 1	1,451,796	209,064	-	1,660,860
Level 2	4,158,380	779,012	1,060,345	5,997,737
Level 3	12,694	-	-	12,694
	<u>5,622,870</u>	<u>988,076</u>	<u>1,060,345</u>	<u>7,671,291</u>
<u>31 December 2018</u>				
Level 1	1,384,719	172,227	-	1,556,946
Level 2	3,954,686	688,344	1,000,151	5,643,181
Level 3	12,694	-	-	12,694
	<u>5,352,099</u>	<u>860,571</u>	<u>1,000,151</u>	<u>7,212,821</u>

Level 1 financial instruments 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.

Level 2 financial instruments are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions that 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.

Level 3 financial instruments are determined in whole or in part using a valuation technique based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. The main asset class in this category are unquoted equity securities. Valuation techniques are used to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the instrument at the measurement date. However, the fair value measurement objective remains the same, that is, an exit price from the perspective of the Company. Therefore, unobservable inputs reflect the Company's own assumptions about the assumptions that market participants would use in pricing the instrument (including assumptions about risk). These inputs are developed based on the best information available, which might include the Company's own data.

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL
STATEMENTS - 30 JUNE 2019 (CONTINUED)

8 FINANCIAL INVESTMENTS (CONTINUED)

8f FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

The following table presents the changes in the Level 3 instruments:

	As at 30.06.2019 RM'000	AFS As at 31.12.2018 RM'000
At the beginning of the financial period/year	12,694	8,259
Fair value gains recognized in other comprehensive income	-	4,435
	<u>12,694</u>	<u>12,694</u>

9 INSURANCE CONTRACT LIABILITIES

	As at 30.06.2019 RM'000	As at 31.12.2018 RM'000
Life insurance contract liabilities	<u>7,194,130</u>	<u>6,925,261</u>

The life insurance contract liabilities and the movements are further analysed as follows:

	As at 30.06.2019 RM'000	As at 31.12.2018 RM'000
Actuarial liabilities	5,713,596	5,678,189
Unallocated surplus	332,642	266,111
Provision for outstanding claims	158,877	148,720
Available-for-sale fair value adjustment	485,321	420,848
Asset revaluation surplus adjustment	42,152	42,152
Net asset value attributable to unitholders (Note 13)	461,542	369,241
	<u>7,194,130</u>	<u>6,925,261</u>

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL
STATEMENTS - 30 JUNE 2019 (CONTINUED)

9 INSURANCE CONTRACT LIABILITIES (CONTINUED)

			Gross
	With DPF RM'000	Without DPF RM'000	<u>Total</u> RM'000
At 1 January 2019	5,593,286	1,331,975	6,925,261
Premiums received	179,951	477,773	657,724
Liabilities paid for death, maturities, surrenders, benefits and claims	(346,327)	(184,898)	(531,225)
Benefits and claims experience variation	(66,730)	(38,682)	(105,412)
Policy movements	156,881	(70,607)	86,274
Adjustments due to changes in assumptions:			
Expenses	200	-	200
Movement in unallocated surplus	66,531	-	66,531
Available-for-sale fair value adjustment	64,473	-	64,473
Net asset value attributable to unitholders	-	20,147	20,147
Movement in provision for outstanding claims	5,653	4,504	10,157
At 30 June 2019	<u>5,653,918</u>	<u>1,540,212</u>	<u>7,194,130</u>
At 1 January 2018	5,813,613	1,094,684	6,908,297
Premiums received	413,620	887,271	1,300,891
Liabilities paid for death, maturities, surrenders, benefits and claims	(666,383)	(335,159)	(1,001,542)
Benefits and claims experience variation	100,705	(148,753)	(48,048)
Policy movements	181,684	(167,668)	14,016
Adjustments due to changes in assumptions:			
Mortality/morbidity	-	8,708	8,708
Lapse and surrender rates	-	(5,694)	(5,694)
Expenses	763	1,734	2,497
Others	79,460	999	80,459
Movement in unallocated deficit	(199,857)	-	(199,857)
Available-for-sale fair value adjustment	(155,687)	-	(155,687)
Net asset value attributable to unitholders	-	(30,843)	(30,843)
Movement in provision for outstanding claims	19,437	26,696	46,133
Asset revaluation surplus adjustment	5,931	-	5,931
At 31 December 2018	<u>5,593,286</u>	<u>1,331,975</u>	<u>6,925,261</u>

Company No.

457556	X
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TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2019 (CONTINUED)

10 CAPITAL COMMITMENTS

Capital expenditure not provided for in the financial statements are as follows:

	As at <u>30.06.2019</u> RM'000	As at <u>31.12.2018</u> RM'000
Authorised and contracted but not provided for:		
- Computer hardware and software	1,915	2,447
- Renovation	1,370	1,025
- Bancassurance fee	84,000	84,000
	<u>87,285</u>	<u>87,472</u>

11 REGULATORY CAPITAL FRAMEWORK

The capital structure of the Company, consisting of all funds, as at 30 June 2019, as prescribed under the RBC Framework is provided below:

	As at <u>30.06.2019</u> RM'000	As at <u>31.12.2018</u> RM'000
Eligible Tier 1 Capital		
Share capital (paid-up)	226,000	226,000
Reserves, including retained earnings	1,950,664	1,970,784
Tier 2 Capital	600,199	482,956
Amount deducted from capital	(24,872)	(39,523)
Total capital available	<u>2,751,991</u>	<u>2,640,217</u>

The Company has met both the minimum and internal capital requirements specified in the RBC Framework for the six months period ended 30 June 2019 and for the financial year ended 31 December 2018.

Company No.

457556	X
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TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2019 (CONTINUED)

12 INSURANCE FUNDS

The Company's activities are organised by funds and segregated into the Life Fund and Shareholders' Fund ("SHF") in accordance with the Financial Services Act, 2013 and Insurance Regulations, 1996. The Company's statement of financial position and statement of comprehensive income have been further analysed by funds which includes Life Fund and the SHF. The Life insurance business offers a wide range of participating and non-participating Whole Life, Term Assurance, Endowment and Investment-linked products.

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer (Chief Operating decision maker). The company has two segments comprises Life Fund and Shareholders' Fund in Malaysia.

Unaudited Condensed Statement of Financial Position by Funds

	Shareholders' Fund		Life Fund		Inter-fund elimination		Total	
	30.06.2019 RM'000	31.12.2018 RM'000	30.06.2019 RM'000	31.12.2018 RM'000	30.06.2019 RM'000	31.12.2018 RM'000	30.06.2019 RM'000	31.12.2018 RM'000
ASSETS								
Property, plant and equipment	-	-	174,065	174,798	-	-	174,065	174,798
Right-of-use assets	-	-	718	-	-	-	718	-
Investment properties	-	-	159,095	159,095	-	-	159,095	159,095
Intangible assets	12,625	25,249	12,247	14,273	-	-	24,872	39,522
Financial investments								
AFS financial assets	204,565	222,779	5,418,305	5,129,320	-	-	5,622,870	5,352,099
FVTPL financial assets	7,734	7,646	980,342	852,925	-	-	988,076	860,571
HTM financial assets	-	-	984,792	985,000	-	-	984,792	985,000
Loans and receivables	305	327	479,881	484,008	-	-	480,186	484,335
Insurance receivables	-	-	42,252	56,404	-	-	42,252	56,404
Other receivables	8,548	24,734	13,741	13,331	(1,626)	(20,426)	20,663	17,639
Cash and cash equivalents	14,688	12,848	451,056	499,256	-	-	465,744	512,104
TOTAL ASSETS	248,465	293,583	8,716,494	8,368,410	(1,626)	(20,426)	8,963,333	8,641,567

Company No.

457556

X

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.

(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2019 (CONTINUED)

12 INSURANCE FUNDS (CONTINUED)

Unaudited Condensed Statement of Financial Position by Funds (continued)

	Shareholders' Fund		Life Fund		Inter-fund elimination		Total	
	<u>30.06.2019</u>	<u>31.12.2018</u>	<u>30.06.2019</u>	<u>31.12.2018</u>	<u>30.06.2019</u>	<u>31.12.2018</u>	<u>30.06.2019</u>	<u>31.12.2018</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES								
Share capital	226,000	226,000	-	-	-	-	226,000	226,000
Retained earnings	13,518	64,001	635,846	604,901	-	-	649,364	668,902
Available-for-sale reserve	3,881	806	52,048	12,292	-	-	55,929	13,098
Asset revaluation reserve	-	-	3,029	3,029	-	-	3,029	3,029
TOTAL EQUITY	243,399	290,807	690,923	620,222	-	-	934,322	911,029
Insurance contract liabilities	-	-	7,194,130	6,925,261	-	-	7,194,130	6,925,261
Provision for agency long association benefits	-	-	30,420	29,480	-	-	30,420	29,480
Deferred tax liabilities	1,104	51	229,581	196,230	-	-	230,685	196,281
Insurance payables	-	-	512,547	508,263	-	-	512,547	508,263
Lease liabilities	-	-	704	-	-	-	704	-
Current tax liabilities	416	1,179	13,442	7,168	-	-	13,858	8,347
Other payables	3,546	1,546	44,747	81,786	(1,626)	(20,426)	46,667	62,906
TOTAL POLICYHOLDERS' FUNDS AND LIABILITIES	5,066	2,776	8,025,571	7,748,188	(1,626)	(20,426)	8,029,011	7,730,538
TOTAL EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES	248,465	293,583	8,716,494	8,368,410	(1,626)	(20,426)	8,963,333	8,641,567

Company No.

457556	X
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TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2019 (CONTINUED)

12 INSURANCE FUNDS (CONTINUED)

Unaudited Condensed Statement of Financial Position by Funds (continued)

	<u>Shareholders' Fund</u>		<u>Life Fund</u>		<u>Inter-fund elimination</u>		<u>Total</u>	
	<u>30.06.2019</u>	<u>31.12.2018</u>	<u>30.06.2019</u>	<u>31.12.2018</u>	<u>30.06.2019</u>	<u>31.12.2018</u>	<u>30.06.2019</u>	<u>31.12.2018</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Additional information:								
Purchase of property, plant and equipment	-	-	2,222	6,392	-	-	2,222	6,392
Purchase of intangible assets	-	-	1,577	2,155	-	-	1,577	2,155

Company No.

457556	X
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TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2019 (CONTINUED)

12 INSURANCE FUNDS (CONTINUED)

Unaudited Condensed Statement of Comprehensive Income by Funds

	Shareholders' Fund		Life Fund		Inter-fund elimination		Total	
	6 months ended 30.06.2019 RM'000	6 months ended 30.06.2018 RM'000	6 months ended 30.06.2019 RM'000	6 months ended 30.06.2018 RM'000	6 months ended 30.06.2019 RM'000	6 months ended 30.06.2018 RM'000	6 months ended 30.06.2019 RM'000	6 months ended 30.06.2018 RM'000
Gross earned premium revenue	-	-	646,212	631,773	-	-	646,212	631,773
Premiums ceded to reinsurers	-	-	(22,665)	(19,707)	-	-	(22,665)	(19,707)
Net earned revenue	-	-	623,547	612,066	-	-	623,547	612,066
Investment income	3,848	3,828	167,789	166,080	-	-	171,637	169,908
Net realised gains/(losses)	45	663	57,138	(10,998)	-	-	57,183	(10,335)
Net fair value gains/(losses)	89	(10)	57,743	(45,192)	-	-	57,832	(45,202)
Commission income	-	-	1,727	2,891	-	-	1,727	2,891
Other income	3,982	4,481	284,397	112,781	-	-	288,379	117,262

Company No.

457556	X
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TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2019 (CONTINUED)

12 INSURANCE FUNDS (CONTINUED)

Unaudited Condensed Statement of Comprehensive Income by Funds (continued)

	Shareholders' Fund		Life Fund		Inter-fund elimination		Total	
	6 months ended 30.06.2019 RM'000	6 months ended 30.06.2018 RM'000	6 months ended 30.06.2019 RM'000	6 months ended 30.06.2018 RM'000	6 months ended 30.06.2019 RM'000	6 months ended 30.06.2018 RM'000	6 months ended 30.06.2019 RM'000	6 months ended 30.06.2018 RM'000
Gross benefits and claims paid	-	-	(522,506)	(523,775)	-	-	(522,506)	(523,775)
Claims ceded to reinsurers	-	-	10,929	16,373	-	-	10,929	16,373
Gross change to insurance contract liabilities	-	-	(194,239)	34,732	-	-	(194,239)	34,732
Net insurance benefits and claims	-	-	(705,816)	(472,670)	-	-	(705,816)	(472,670)
Commission and agency expenses	(2,970)	(2,148)	(68,831)	(67,844)	-	-	(71,801)	(69,992)
Management expenses	(14,268)	(16,456)	(73,736)	(73,294)	-	-	(88,004)	(89,750)
Other operating (expenses)/income – net	-	-	(98)	2,216	-	-	(98)	2,216
Other expenses	(17,238)	(18,604)	(142,665)	(138,922)	-	-	(159,903)	(157,526)
(Loss)/profit before taxation	(13,256)	(14,123)	59,463	113,255	-	-	46,207	99,132
Taxation	(528)	(583)	(28,517)	(27,854)	-	-	(29,045)	(28,437)
Net (loss)/profit for the financial period	(13,784)	(14,706)	30,946	85,401	-	-	17,162	70,695

Company No.

457556	X
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TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2019 (CONTINUED)

12 INSURANCE FUNDS (CONTINUED)

Unaudited Condensed Statement of Comprehensive Income by Funds (continued)

	Shareholders' Fund		Life Fund		Inter-fund elimination		Total	
	6 months ended <u>30.06.2019</u> RM'000	6 months ended <u>30.06.2018</u> RM'000	6 months ended <u>30.06.2019</u> RM'000	6 months ended <u>30.06.2018</u> RM'000	6 months ended <u>30.06.2019</u> RM'000	6 months ended <u>30.06.2018</u> RM'000	6 months ended <u>30.06.2019</u> RM'000	6 months ended <u>30.06.2018</u> RM'000
Other comprehensive income/(loss):								
<u>Items that may be reclassified subsequently to profit or loss</u>								
Fair value change on available-for-sale financial assets:								
Net gains/(losses) arising during financial period	4,029	(264)	177,733	(129,737)	-	-	181,762	(130,001)
Realised losses/(gains) transferred to profit or loss	17	(4)	(54,291)	(45,570)	-	-	(54,274)	(45,574)
Impairment losses transferred to profit or loss	-	-	654	39,678	-	-	654	39,678
Tax effects thereon	(971)	64	(19,867)	10,506	-	-	(20,838)	10,570
Fair value gains/(losses), net of tax	3,075	(204)	104,229	(125,123)	-	-	107,304	(125,327)
Change in insurance contract liabilities arising from net fair value (gains)/losses	-	-	(64,473)	113,892	-	-	(64,473)	113,892
Net fair value change	3,075	(204)	39,756	(11,231)	-	-	42,831	(11,435)

Company No.

457556	X
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TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2019 (CONTINUED)

12 INSURANCE FUNDS (CONTINUED)

Unaudited Condensed Statement of Comprehensive Income by Funds (continued)

	Shareholders' Fund		Life Fund		Inter-fund elimination		Total	
	6 months ended <u>30.06.2019</u> RM'000	6 months ended <u>30.06.2018</u> RM'000	6 months ended <u>30.06.2019</u> RM'000	6 months ended <u>30.06.2018</u> RM'000	6 months ended <u>30.06.2019</u> RM'000	6 months ended <u>30.06.2018</u> RM'000	6 months ended <u>30.06.2019</u> RM'000	6 months ended <u>30.06.2018</u> RM'000
Other comprehensive income/(loss): (continued)								
<u>Items that will not be reclassified subsequently to profit or loss</u>								
Asset revaluation reserve:								
Gross asset revaluation surplus/(deficit)	-	-	-	-	-	-	-	-
Tax effects thereon	-	-	-	(659)	-	-	-	(659)
Asset revaluation deficit, net of tax	-	-	-	(659)	-	-	-	(659)
Total comprehensive income/(loss)	3,075	(204)	39,756	(11,890)	-	-	42,831	(12,094)
Total comprehensive (loss)/income for the financial period	<u>(10,709)</u>	<u>(14,910)</u>	<u>70,702</u>	<u>73,511</u>	<u>-</u>	<u>-</u>	<u>59,993</u>	<u>58,601</u>

Company No.

457556	X
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TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2019 (CONTINUED)

12 INSURANCE FUNDS (CONTINUED)

Unaudited Condensed Statement of Comprehensive Income by Funds (continued)

	Shareholders' Fund		Life Fund		Inter-fund elimination		Total	
	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended
	<u>30.06.2019</u>	<u>30.06.2018</u>	<u>30.06.2019</u>	<u>30.06.2018</u>	<u>30.06.2019</u>	<u>30.06.2018</u>	<u>30.06.2019</u>	<u>30.06.2018</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Additional information:								
Interest income	3,976	4,014	140,183	133,818	-	-	144,159	137,832
Interest expenses	-	-	(606)	(214)	-	-	(606)	(214)
Depreciation	-	-	(3,185)	(2,946)	-	-	(3,185)	(2,946)
Amortisation	(12,625)	(12,625)	(3,602)	(3,303)	-	-	(16,227)	(15,928)

Company No.

457556	X
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TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2019 (CONTINUED)

13 INVESTMENT-LINKED FUND

The unaudited condensed statement of financial position and unaudited condensed statement of comprehensive income of investment-linked fund represent the assets, liabilities and net asset values of TokioMarine Orient Fund ("TMOF"), TokioMarine Enterprise Fund ("TMEF"), TokioMarine Bond Fund ("TMBF"), TokioMarine Dana Ikhtiar ("TMDI") and TokioMarine Luxury Fund ("TMLX").

The unaudited condensed statement of financial position of the investment-linked fund is represented by:

	As at 30.06.2019 RM'000	As at 31.12.2018 RM'000
ASSETS		
Fair value through profit and loss financial assets	403,282	309,237
Deferred tax assets	-	286
Other receivables	2,054	800
Tax recoverable	68	94
Cash and cash equivalents	57,829	60,935
TOTAL ASSETS	463,233	371,352
LIABILITIES		
Deferred tax liabilities	1,193	-
Other payables	498	2,111
TOTAL LIABILITIES	1,691	2,111
Net asset value of funds (Note 9)	461,542	369,241

The unaudited condensed statement of financial position has been adjusted for TokioMarine Managed Fund ("TMMF") which have been eliminated as TMMF invested mainly in TMEF and TMBF during the financial period/year:

	As at 30.06.2019 RM'000	As at 31.12.2018 RM'000
ASSETS		
Investments in other linked funds of insurer	176,510	129,380
Cash and cash equivalents	1	1
Net asset value of TMMF	176,511	129,381

Company No.

457556	X
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TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2019 (CONTINUED)

13 INVESTMENT-LINKED FUND (CONTINUED)

The unaudited condensed statement of comprehensive income of the investment-linked fund is represented by:

	6 months ended <u>30.06.2019</u> RM'000	6 months ended <u>30.06.2018</u> RM'000
Investment income	5,673	3,628
Fair value gains/(losses) on investments	18,393	(22,142)
Other operating income – net	17	17
	<hr/>	<hr/>
Other income/(loss)	24,083	(18,497)
	<hr/>	<hr/>
Management fees	(2,231)	(1,748)
Management expenses	(12)	(12)
	<hr/>	<hr/>
Other expenses	(2,243)	(1,760)
	<hr/>	<hr/>
Profit/(loss) before taxation	21,840	(20,257)
Taxation	(1,693)	1,654
	<hr/>	<hr/>
Net profit/(loss) for the financial period	<u>20,147</u>	<u>(18,603)</u>

The unaudited condensed statement of comprehensive income have been adjusted for TokioMarine Managed Fund (“TMMF”) which have been eliminated as TMMF invested mainly in TMEF and TMBF during the financial period:

	6 months ended <u>30.06.2019</u> RM'000	6 months ended <u>30.06.2018</u> RM'000
Fair value gain/(loss) on investments	5,601	(5,815)
Management expenses	(2)	(2)
	<hr/>	<hr/>
Net profit/(loss) for the financial period	<u>5,599</u>	<u>(5,817)</u>

Company No.

457556	X
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TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2019 (CONTINUED)

14 **ADDITIONAL DISCLOSURE UNDER AMENDMENTS TO MFRS 4 INSURANCE CONTRACT LIABILITIES**

The following additional disclosures, required by Amendments to MFRS 4 for entity qualified and elected the temporary exemption from applying MFRS 9, present the Company's financial assets by their contractual cash flows characteristics, which indicate if they are solely payments of principal and interest on the principal outstanding ("SPPI"):

	Financial assets with SPPI cash flows (RM'000)	All other financial assets (RM'000)
Fair value at end of reporting date	5,772,541	2,310,592
Fair value changes during the financial period	142,623	35,677
Gross carrying amount under MFRS 139 by credit risk rating grades as defined in MFRS 7	5,772,541	2,310,592
Financial assets defined in MFRS 9 B5.5.22, to separately disclose the following financial assets that do not have low credit risk: Fair value Gross carrying amount	- - -	- - -

* Insurance receivables and policy loans have been excluded from the above assessment as they are under the scope of MFRS 4 'Insurance Contracts'.

* Other than the financial assets included in the table above and assets that are within the scope of MFRS 4 'Insurance Contracts', all other assets in the statement of financial position are non-financial asset.

Company No.

457556	X
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TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2019 (CONTINUED)

14 ADDITIONAL DISCLOSURE UNDER AMENDMENTS TO MFRS 4 INSURANCE CONTRACT LIABILITIES (CONTINUED)

Financial assets with SPPI cash flows

	<u>AAA</u> RM'000	<u>AA</u> RM'000	<u>A</u> RM'000	<u>Government Guaranteed</u> RM'000	<u>Unrated</u> RM'000	<u>Total</u> RM'000
<u>30 June 2019</u>						
Investments						
Malaysian Government Securities	-	-	-	-	548,146	548,146
Malaysian Government Guaranteed Bond	-	-	-	1,515,499	-	1,515,499
Government Investment Issues	-	-	-	-	397,949	397,949
Corporate debt securities	1,111,717	1,407,309	267,574	-	36,952	2,823,552
Loans	-	-	-	-	988	988
Other receivables	-	-	-	-	20,663	20,663
Cash and cash equivalents	317,698	147,926	-	-	120	465,744
	<u>1,429,415</u>	<u>1,555,235</u>	<u>267,574</u>	<u>1,515,499</u>	<u>1,004,818</u>	<u>5,772,541</u>

All financial assets with SPPI cash flows of the Company as at 30 June 2019 have low credit risk.