

Company No.

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

**CONDENSED UNAUDITED FINANCIAL STATEMENTS FOR THE 6 MONTHS PERIOD
ENDED 30 JUNE 2016**

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)

**CONDENSED UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT
30 JUNE 2016**

	Note	Group		Company	
		30.06.2016 RM'000	31.12.2015 RM'000	30.06.2016 RM'000	31.12.2015 RM'000
ASSETS					
Property, plant and equipment		30,851	25,577	30,851	25,577
Intangible assets		179,943	179,943	179,943	179,943
Investments					
Available-for-sale		1,383,801	1,388,410	1,514,991	1,428,914
Tax recoverable		11,692	5,768	11,692	5,768
Reinsurance assets	10	381,325	528,850	381,325	528,850
Insurance receivables		220,625	183,943	220,625	183,943
Loans and receivables (excluding insurance receivables)		404,363	540,058	272,891	463,556
Deferred tax assets		-	3,147	-	3,147
Cash and bank balances		11,807	17,272	11,785	17,094
Total Assets		2,624,407	2,872,968	2,624,103	2,836,792
EQUITY, GENERAL FUNDS AND LIABILITIES					
Share capital		403,471	403,471	403,471	403,471
Retained earnings		613,652	631,500	602,747	628,321
Other reserves		10,877	825	21,782	4,057
		1,028,000	1,035,796	1,028,000	1,035,849
Non-controlling Interests		-	33,749	-	-
Total Equity		1,028,000	1,069,545	1,028,000	1,035,849
Insurance contract liabilities	11	1,452,191	1,597,610	1,452,191	1,597,610
Deferred tax liabilities		3,453	-	3,453	-
Other financial liabilities		2,086	2,416	2,086	2,416
Insurance payables		82,031	128,954	82,031	128,954
Other payables		56,646	74,443	56,342	71,963
Total Liabilities		1,596,407	1,803,423	1,596,103	1,800,943
Total Equity and Liabilities		2,624,407	2,872,968	2,624,103	2,836,792

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

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

**CONDENSED UNAUDITED INCOME STATEMENT
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2016**

	Group		Company	
	6 months period ended <u>30.6.2016</u> RM'000	6 months period ended <u>30.6.2015</u> RM'000	6 months period ended <u>30.6.2016</u> RM'000	6 months period ended <u>30.6.2015</u> RM'000
Gross earned premiums	544,453	538,066	544,453	538,066
Premiums ceded to reinsurers	(95,019)	(99,306)	(95,019)	(99,306)
NET EARNED PREMIUMS	<u>449,434</u>	<u>438,760</u>	<u>449,434</u>	<u>438,760</u>
Investment income	36,686	33,607	29,042	31,225
Realised losses	(4,069)	(78)	(5,335)	(515)
Fair value gains	-	581	-	581
Fee and commission income	19,425	21,745	19,425	21,745
OTHER REVENUE	<u>52,042</u>	<u>55,855</u>	<u>43,132</u>	<u>53,036</u>
TOTAL REVENUE	<u>501,476</u>	<u>494,615</u>	<u>492,566</u>	<u>491,796</u>
Gross claims paid	(401,108)	(286,731)	(401,108)	(286,731)
Claims ceded to reinsurers	111,151	67,702	111,151	67,702
Gross change to insurance contract liabilities	149,448	(98,150)	149,448	(98,150)
Change in insurance contract liabilities ceded to reinsurers	(145,802)	52,753	(145,802)	52,753
NET CLAIMS INCURRED	<u>(286,311)</u>	<u>(264,426)</u>	<u>(286,311)</u>	<u>(264,426)</u>
Other operating income	1,385	227	1,385	227
Fee and commission expense	(60,800)	(64,669)	(60,800)	(64,669)
Management expenses	(98,896)	(95,115)	(97,712)	(93,378)
OTHER EXPENSES	<u>(158,311)</u>	<u>(159,557)</u>	<u>(157,127)</u>	<u>(157,820)</u>
PROFIT BEFORE TAXATION	<u>56,854</u>	<u>70,632</u>	<u>49,128</u>	<u>69,550</u>
Taxation	(6,402)	(14,362)	(6,402)	(14,362)
PROFIT FOR THE PERIOD	<u>50,452</u>	<u>56,270</u>	<u>42,726</u>	<u>55,188</u>
Attributable to:				
- Owner of the Company	50,452	55,910	42,726	55,188
- Non-controlling interests	-	360	-	-
	<u>50,452</u>	<u>56,270</u>	<u>42,726</u>	<u>55,188</u>
BASIC EARNINGS PER SHARE (SEN)	<u>13</u>	<u>14</u>	<u>11</u>	<u>14</u>

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

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

**CONDENSED UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2016**

	<u>Group</u>		<u>Company</u>	
	6 months period ended <u>30.6.2016</u> RM'000	6 months period ended <u>30.6.2015</u> RM'000	6 months period ended <u>30.6.2016</u> RM'000	6 months period ended <u>30.6.2015</u> RM'000
Profit for the period	50,452	56,270	42,726	55,188
Other comprehensive income:				
<u>Items that may be subsequently reclassified to the income statement</u>				
Available-for-sale reserves				
Net gain on fair value arising during the period	19,723	4,570	28,662	5,728
Net realised gain/(loss) transferred to income statement	(4,074)	831	(5,340)	395
	15,649	5,401	23,322	6,123
Tax effects thereon	(5,597)	(1,489)	(5,597)	(1,489)
	10,052	3,912	17,725	4,634
Total comprehensive income for the period	<u>60,504</u>	<u>60,182</u>	<u>60,451</u>	<u>59,822</u>
Total comprehensive income attributable:				
- Owner of the Company	60,504	59,822	60,451	59,822
- Non-controlling interest	-	360	-	-
	<u>60,504</u>	<u>60,182</u>	<u>60,451</u>	<u>59,822</u>

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

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

**CONDENSED UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2016**

	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 2015	403,471	1,557	(3,072)	638,076	1,040,032	11,855	1,051,887
Capital contribution by non-controlling interest	-	-	-	-	-	20,961	20,961
Profit for the period	-	-	-	55,910	55,910	360	56,270
Other comprehensive income for the period	-	-	3,912	-	3,912	-	3,912
Dividend paid during the period	-	-	-	(105,546)	(105,546)	-	(105,546)
At 30 June 2015	<u>403,471</u>	<u>1,557</u>	<u>840</u>	<u>588,440</u>	<u>994,308</u>	<u>33,176</u>	<u>1,027,484</u>
At 1 January 2016	403,471	4,916	(4,091)	631,500	1,035,796	33,749	1,069,545
Capital withdrawal by non-controlling interest	-	-	-	-	-	(33,749)	(33,749)
Profit for the period	-	-	-	50,452	50,452	-	50,452
Other comprehensive income for the period	-	-	10,052	-	10,052	-	10,052
Dividend paid during the period	-	-	-	(68,300)	(68,300)	-	(68,300)
At 30 June 2016	<u>403,471</u>	<u>4,916</u>	<u>5,961</u>	<u>613,652</u>	<u>1,028,000</u>	<u>-</u>	<u>1,028,000</u>

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

CONDENSED UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2016 (CONTINUED)

	Non-distributable			Distributable	
	Share capital RM'000	Revaluation reserves RM'000	Available- for-sale reserves RM'000	Retained earnings RM'000	Total RM'000
Company					
At 1 January 2015	403,471	1,557	(1,231)	636,235	1,040,032
Profit for the period	-	-	-	55,188	55,188
Other comprehensive income for the period	-	-	4,634	-	4,634
Dividend paid during the period	-	-	-	(105,546)	(105,546)
At 30 June 2015	403,471	1,557	3,403	585,877	994,308
At 1 January 2016	403,471	4,916	(859)	628,321	1,035,849
Profit for the period	-	-	-	42,726	42,726
Other comprehensive income for the period	-	-	17,725	-	17,725
Dividend paid during the period	-	-	-	(68,300)	(68,300)
At 30 June 2016	403,471	4,916	16,866	602,747	1,028,000

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

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

CONDENSED UNAUDITED STATEMENT OF CASH FLOWS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2016

	<u>Group</u>		<u>Company</u>	
	6 months period ended <u>30.06.2016</u> RM'000	6 months period ended <u>30.06.2015</u> RM'000	6 months period ended <u>30.06.2016</u> RM'000	6 months period ended <u>30.06.2015</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit for the period	50,452	56,270	42,726	55,188
Adjustment of:				
Property, plant and equipment				
- depreciation	4,096	3,151	4,096	3,151
- (gain)/loss on disposal	(5)	66	(5)	66
- write off	25	9	25	9
Fair value gain on financial assets at FVTPL	-	(581)	-	(581)
Amortisation of premium	-	1,385	-	6
Loss on disposal of financial assets at FVTPL	-	843	-	843
Loss/(gain) on disposal of AFS financial assets	4,074	(831)	5,341	(395)
Investment income	(36,686)	(34,992)	(29,042)	(31,231)
Write off/(back) of doubtful debts	5,492	(60)	5,492	(60)
Bad debts written off	432	578	432	578
Tax expense	6,402	14,362	6,402	14,362
Profit from operations before changes in operating assets and liabilities	34,282	40,200	35,467	41,936
Purchases of investments	(1,530,532)	(1,023,444)	(1,403,189)	(613,627)
Proceeds from disposal of investments	1,542,464	511,274	1,335,094	135,405
Proceeds from maturity of investments	-	19,000	-	-
Decrease/(increase) in reinsurance assets	144,550	(50,118)	144,550	(50,118)
Increase in insurance receivables	(39,641)	(45,965)	(39,641)	(45,965)
Decrease in loans and receivables	134,861	554,266	189,704	559,426
(Decrease)/increase in insurance contract liabilities	(145,419)	109,232	(145,419)	109,232
Decrease in other financial liabilities	(330)	(5,051)	(330)	(5,051)
Decrease in insurance payables	(46,923)	(24,200)	(46,923)	(24,200)
Decrease in other payables	(17,798)	(29,502)	(15,622)	(22,134)
	<u>75,514</u>	<u>55,692</u>	<u>53,691</u>	<u>84,904</u>

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

CONDENSED UNAUDITED STATEMENT OF CASH FLOWS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2016 (CONTINUED)

	<u>Group</u>		<u>Company</u>	
	6 months period ended <u>30.06.2016</u> RM'000	6 months period ended <u>30.06.2015</u> RM'000	6 months period ended <u>30.06.2016</u> RM'000	6 months period ended <u>30.06.2015</u> RM'000
Tax paid	(11,325)	(17,821)	(11,325)	(17,821)
Investment income received:				
- Interest	17,801	21,309	6,031	12,999
- Dividend	23,920	21,978	23,920	21,978
- Others	63	59	63	59
Net cash generated from operating activities	<u>105,973</u>	<u>81,217</u>	<u>72,380</u>	<u>102,119</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(9,396)	(3,514)	(9,396)	(3,514)
Proceeds from disposal of property, plant and equipment	7	158	7	158
Net cash used in investing activities	<u>(9,389)</u>	<u>(3,356)</u>	<u>(9,389)</u>	<u>(3,356)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	(68,300)	(105,546)	(68,300)	(105,546)
Capital (withdrawal)/contribution by non-controlling interests	(33,749)	20,961	-	-
Net cash used in financing activities	<u>(102,049)</u>	<u>(84,585)</u>	<u>(68,300)</u>	<u>(105,546)</u>
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	<u>(5,465)</u>	<u>(6,724)</u>	<u>(5,309)</u>	<u>(6,783)</u>
CASH AND CASH EQUIVALENTS AT 1 JANUARY	<u>17,272</u>	<u>25,221</u>	<u>17,094</u>	<u>25,171</u>
CASH AND CASH EQUIVALENTS AT 30 JUNE	<u>11,807</u>	<u>18,497</u>	<u>11,785</u>	<u>18,388</u>
Cash and bank balances	<u>11,807</u>	<u>18,497</u>	<u>11,785</u>	<u>18,388</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 CONDENSED UNAUDITED FINANCIAL STATEMENTS
- 30 JUNE 2016

1 BASIS OF PREPARATION OF THE CONDENSED UNAUDITED FINANCIAL STATEMENTS

The condensed unaudited financial statements of the Group and the Company have been prepared in accordance to the Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting which do not include all the information as required for a full annual financial statements and should, therefore, be read in conjunction with the audited financial statements of the Group and the Company for the year ended 31 December 2015.

The condensed 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 have adopted the same accounting policies, methods of computations and presentation as adopted in its audited financial statements for the financial year ended 31 December 2015, save and except for the adoption of the following standards:

MFRSs, Interpretations and Amendments

Effective Date

Annual Improvements to MFRSs 2012-2014 Cycle (Amendments to MFRS 7 Financial Instruments: Disclosures, MFRS 119 Employee Benefits & MFRS 134 Interim Financial Reporting)

1 January 2016

Amendments to MFRS 101 Presentation of Financial Statements, MFRS 116 Property, Plant and Equipment & MFRS 138 Intangible Assets

1 January 2016

The adoption of the abovementioned MFRSs did not have any significant impact to the Group's and the Company's financial results and its existing accounting policies.

The preparation of the condensed unaudited financial statements 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 the Directors to exercise their judgements in the process of applying the Group's and 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.

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

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS
- 30 JUNE 2016 (CONTINUED)

2 COMMENTS ON SEASONALITY OR CYCLICALITY

The Group and the Company are principally engaged in the underwriting of all classes of general insurance business. Its product and services are generally dependent on the performance of the Malaysian economy, customers 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 Group's and the 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 reporting 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 2016, the Company paid a first and final dividend amounting to RM68,300,000 in respect of the financial year ended 31 December 2015 on 30 June 2016 (2015: RM105,546,000).

7 EVENTS AFTER THE REPORTING PERIOD

There was no material event or transaction after the reporting period to the date of this announcement, which could affect substantially the results of the Group and the Company for the period ended 30 June 2016, 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 the Company during the period ended 30 June 2016.

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

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS
- 30 JUNE 2016 (CONTINUED)

9 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Group and the Company did not have any contingent liability or contingent asset as at 30 June 2016 that may significantly render the financial results as reported misleading or inappropriate.

10 REINSURANCE ASSETS

	<u>Group / Company</u>	
	<u>30.06.2016</u>	<u>31.12.2015</u>
	RM'000	RM'000
Reinsurance of insurance contracts	388,143	532,692
Allowance for impairment	<u>(6,818)</u>	<u>(3,842)</u>
	<u>381,325</u>	<u>528,850</u>

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TOKIO MARINE INSURANS (MALAYSIA) BERHAD
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NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS - 30 JUNE 2016 (CONTINUED)

11 INSURANCE CONTRACT LIABILITIES

<u>Group / Company</u>	30.06.2016			31.12.2015		
	<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
Provision for outstanding claims	704,105	(237,176)	466,929	830,343	(360,864)	469,479
Provision for incurred but not reported claims ("IBNR")	279,030	(100,406)	178,624	302,240	(122,520)	179,720
Claims liabilities (i)	983,135	(337,582)	645,553	1,132,583	(483,384)	649,199
Premium liabilities (ii)	469,056	(50,561)	418,495	465,027	(49,308)	415,719
	<u>1,452,191</u>	<u>(388,143)</u>	<u>1,064,048</u>	<u>1,597,610</u>	<u>(532,692)</u>	<u>1,064,918</u>
(i) Claims liabilities						
At 1 January	1,132,583	(483,384)	649,199	1,005,309	(406,670)	598,639
Claims incurred in the current accident period / year	254,600	(20,552)	234,048	671,014	(189,437)	481,577
Other movements in claims incurred in prior accident years	20,270	33,089	53,359	(4,034)	37,600	33,566
Movement of IBNR at 75% confidence level	(23,210)	22,114	(1,096)	55,418	(34,386)	21,032
Claims paid during the period / year	(401,108)	111,151	(289,957)	(595,124)	109,509	(485,615)
At 30 June / 31 December	<u>983,135</u>	<u>(337,582)</u>	<u>645,553</u>	<u>1,132,583</u>	<u>(483,384)</u>	<u>649,199</u>

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TOKIO MARINE INSURANS (MALAYSIA) BERHAD
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NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS - 30 JUNE 2016 (CONTINUED)

11 INSURANCE CONTRACT LIABILITIES (CONTINUED)

<u>Group / Company</u>	30.06.2016			31.12.2015		
	<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	465,027	(49,308)	415,719	463,992	(67,530)	396,462
Premiums written in the period / year	548,482	(96,272)	452,210	1,060,374	(180,326)	880,048
Premiums earned during the period / year	<u>(544,453)</u>	<u>95,019</u>	<u>(449,434)</u>	<u>(1,059,339)</u>	<u>198,548</u>	<u>(860,791)</u>
At 30 June / 31 December	<u>469,056</u>	<u>(50,561)</u>	<u>418,495</u>	<u>465,027</u>	<u>(49,308)</u>	<u>415,719</u>

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TOKIO MARINE INSURANS (MALAYSIA) BERHAD
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NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS
- 30 JUNE 2016 (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 Risk-based Capital 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 2016, as prescribed under the Framework, is provided below:

	Company	
	<u>30.06.2016</u>	<u>31.12.2015</u>
	RM'000	RM'000
<u>Eligible Tier 1 Capital</u>		
Share capital (paid-up)	403,471	403,471
Retained earnings	602,747	628,321
	<u>1,006,218</u>	<u>1,031,792</u>
<u>Tier 2 Capital</u>		
Available-for-sale reserves	16,866	(859)
Revaluation reserves	4,916	4,916
	<u>21,782</u>	<u>4,057</u>
Amounts deducted from Capital	(179,943)	(183,090)
Total Capital Available	<u>848,057</u>	<u>852,759</u>

The Company has met the minimum capital requirements specified in the framework for the period ended 30 June 2016 and financial year ended 2015.