

Registration No.

198601000381 (149520-U)

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

**CONDENSED UNAUDITED FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL
PERIOD ENDED 30 JUNE 2021**

Registration No.

198601000381 (149520-U)

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

CONTENTS

	PAGE
CONDENSED UNAUDITED STATEMENT OF FINANCIAL POSITION	1
CONDENSED UNAUDITED INCOME STATEMENT	2
CONDENSED UNAUDITED STATEMENT OF COMPREHENSIVE INCOME	3
CONDENSED UNAUDITED STATEMENT OF CHANGES IN EQUITY	4 - 5
CONDENSED UNAUDITED STATEMENT OF CASH FLOWS	6 - 8
NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS	9 - 24

Registration No.

198601000381 (149520-U)

TOKIO MARINE INSURANS (MALAYSIA) BERHAD

(Incorporated in Malaysia)

**CONDENSED UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT
30 JUNE 2021**

	Note	Group		Company	
		30.06.2021	31.12.2020	30.06.2021	31.12.2020
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Property, plant and equipment		54,004	56,842	54,004	56,842
Intangible assets		179,943	179,943	179,943	179,943
Investments: Available-for-sale	10	1,544,668	1,625,511	1,661,146	1,701,942
Reinsurance assets	11	297,803	270,741	297,803	270,741
Insurance receivables		122,556	99,115	122,556	99,115
Loans and receivables (excluding insurance receivables)		520,495	573,080	403,829	496,419
Cash and bank balances		41,240	40,806	41,188	40,751
Total Assets		2,760,709	2,846,038	2,760,469	2,845,753
EQUITY AND LIABILITIES					
Share capital		403,471	403,471	403,471	403,471
Retained earnings		793,897	876,061	752,819	830,089
Other reserves		9,175	35,557	50,253	81,529
Total Equity		1,206,543	1,315,089	1,206,543	1,315,089
Insurance contract liabilities	12	1,358,949	1,311,330	1,358,949	1,311,330
Deferred tax liabilities		10,173	15,873	10,173	15,873
Provision for taxation		5,825	2,640	5,825	2,640
Other financial liabilities		25,847	19,049	25,847	19,049
Insurance payables		69,806	74,093	69,806	74,093
Other payables		83,566	107,964	83,326	107,679
Total Liabilities		1,554,166	1,530,949	1,553,926	1,530,664
Total Equity and Liabilities		2,760,709	2,846,038	2,760,469	2,845,753

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

Registration No.

198601000381 (149520-U)

TOKIO MARINE INSURANS (MALAYSIA) BERHAD

(Incorporated in Malaysia)

**CONDENSED UNAUDITED INCOME STATEMENT
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021**

	Note	Group		Company	
		6 months financial period ended 30.6.2021 RM'000	6 months financial period ended 30.6.2020 RM'000	6 months financial period ended 30.6.2021 RM'000	6 months financial period ended 30.6.2020 RM'000
Gross earned premiums		475,994	430,487	475,994	430,487
Premiums ceded to reinsurers		(109,037)	(86,356)	(109,037)	(86,356)
NET EARNED PREMIUMS		366,957	344,131	366,957	344,131
Investment income		36,086	40,903	36,370	43,417
Realised gain		1,136	10,512	134	664
Other operating income		-	51	-	51
Fee and commission income		28,111	23,345	28,111	23,345
OTHER REVENUE		65,333	74,811	64,615	67,477
TOTAL REVENUE		432,290	418,942	431,572	411,608
Gross claims paid		(195,150)	(188,895)	(195,150)	(188,895)
Claims ceded to reinsurers		30,363	21,566	30,363	21,566
Gross change to insurance contract liabilities		(36,092)	(25,725)	(36,092)	(25,725)
Change in insurance contract liabilities ceded to reinsurers		19,027	2,722	19,027	2,722
NET CLAIMS INCURRED		(181,852)	(190,332)	(181,852)	(190,332)
Other operating expense		(1,355)	-	(1,355)	-
Fair value losses		(5,358)	-	-	-
Fee and commission expense		(52,413)	(47,331)	(52,413)	(47,331)
Management expenses		(97,471)	(92,893)	(95,931)	(91,263)
Finance costs		(546)	(182)	(546)	(182)
OTHER EXPENSES		(157,143)	(140,406)	(150,245)	(138,776)
PROFIT BEFORE TAXATION		93,295	88,204	99,475	82,500
Taxation		(15,887)	(11,297)	(17,173)	(11,297)
PROFIT FOR THE FINANCIAL PERIOD		77,408	76,907	82,302	71,203
Attributable to:					
- Owner of the Company		77,408	76,907	82,302	71,203
BASIC EARNINGS PER SHARE (SEN)	13	19	19	20	18

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

Registration No.

198601000381 (149520-U)

TOKIO MARINE INSURANS (MALAYSIA) BERHAD

(Incorporated in Malaysia)

**CONDENSED UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021**

	<u>Group</u>		<u>Company</u>	
	<u>6 months financial period ended 30.6.2021 RM'000</u>	<u>6 months financial period ended 30.6.2020 RM'000</u>	<u>6 months financial period ended 30.6.2021 RM'000</u>	<u>6 months financial period ended 30.6.2020 RM'000</u>
Profit for the financial period	77,408	76,907	82,302	71,203
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 financial period	(33,970)	23,080	(41,152)	18,936
- Net realised gain transferred to income statement	<u>(1,002)</u>	<u>(10,511)</u>	<u>-</u>	<u>(663)</u>
	(34,972)	12,569	(41,152)	18,273
Tax effects	8,590	(4,385)	9,876	(4,385)
	<u>(26,382)</u>	<u>8,184</u>	<u>(31,276)</u>	<u>13,888</u>
Total comprehensive income for the financial period	<u>51,026</u>	<u>85,091</u>	<u>51,026</u>	<u>85,091</u>
Total comprehensive income attributable:				
- Owner of the Company	<u>51,026</u>	<u>85,091</u>	<u>51,026</u>	<u>85,091</u>

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

Registration No.

198601000381 (149520-U)

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

**CONDENSED UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021**

	<u>Non-distributable</u>			<u>Distributable</u>	<u>Total</u> RM'000
	<u>Share</u> <u>capital</u> RM'000	<u>Revaluation</u> <u>reserves</u> RM'000	<u>Available-</u> <u>for-sale</u> <u>reserves</u> RM'000	<u>Retained</u> <u>earnings</u> RM'000	
Group					
At 1 January 2020	403,471	4,916	20,144	818,144	1,246,675
Profit for the financial period	-	-	-	76,907	76,907
Other comprehensive income for the financial period	-	-	8,184	-	8,184
Dividend paid	-	-	-	(55,801)	(55,801)
At 30 June 2020	<u>403,471</u>	<u>4,916</u>	<u>28,328</u>	<u>839,250</u>	<u>1,275,965</u>
At 1 January 2021	403,471	7,197	28,360	876,061	1,315,089
Profit for the financial period	-	-	-	77,408	77,408
Other comprehensive income for the financial period	-	-	(26,382)	-	(26,382)
Dividend paid	-	-	-	(159,572)	(159,572)
At 30 June 2021	<u>403,471</u>	<u>7,197</u>	<u>1,978</u>	<u>793,897</u>	<u>1,206,543</u>

Registration No.

198601000381 (149520-U)

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

CONDENSED UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONTINUED)

		Non-distributable		Distributable	
	Share capital	Revaluation reserves	Available- for-sale reserves	Retained earnings	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Company					
At 1 January 2020	403,471	4,916	56,169	782,119	1,246,675
Profit for the financial period	-	-	-	71,203	71,203
Other comprehensive income for the financial period	-	-	13,888	-	13,888
Dividend paid	-	-	-	(55,801)	(55,801)
At 30 June 2020	<u>403,471</u>	<u>4,916</u>	<u>70,057</u>	<u>797,521</u>	<u>1,275,965</u>
At 1 January 2021	403,471	7,196	74,333	830,089	1,315,089
Profit for the financial period	-	-	-	82,302	82,302
Other comprehensive income for the financial period	-	-	(31,276)	-	(31,276)
Dividend paid	-	-	-	(159,572)	(159,572)
At 30 June 2021	<u>403,471</u>	<u>7,196</u>	<u>43,057</u>	<u>752,819</u>	<u>1,206,543</u>

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

Registration No.

198601000381 (149520-U)

TOKIO MARINE INSURANS (MALAYSIA) BERHAD

(Incorporated in Malaysia)

**CONDENSED UNAUDITED STATEMENT OF CASH FLOWS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021**

	<u>Group</u>		<u>Company</u>	
	6 months financial period ended <u>30.6.2021</u> RM'000	6 months financial period ended <u>30.6.2020</u> RM'000	6 months financial period ended <u>30.6.2021</u> RM'000	6 months financial period ended <u>30.6.2020</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit for the financial period	77,408	76,907	82,302	71,203
Adjustment of:				
Property, plant and equipment				
- depreciation	2,796	2,736	2,796	2,736
- gain on disposal	(134)	(1)	(134)	(1)
- write off	3	5	3	5
Depreciation for right-of-use ("ROU") assets	3,726	3,338	3,726	3,338
Amortisation of asset restoration	54	58	54	58
Interest on lease liability	546	182	546	182
Gain on disposal of available-for-sale financial assets	(1,002)	(10,511)	-	(663)
Investment income	(36,086)	(40,903)	(36,370)	(43,417)
Allowance for impairment of investment	5,358	-	-	-
Write-back of impairment of insurance and other receivables	(1,579)	(1,509)	(1,579)	(1,509)
Bad debts written back	(137)	(21)	(137)	(21)
Tax expense	15,887	11,297	17,173	11,297
	<u>66,840</u>	<u>41,578</u>	<u>68,380</u>	<u>43,208</u>
Purchases of investments	(366,424)	(393,150)	(356)	(41,063)
Proceeds from disposal of investments	403,402	393,238	-	10,000
Increase in reinsurance assets	(27,747)	(16,788)	(27,747)	(16,788)
Increase in insurance receivables	(21,057)	(32,083)	(21,057)	(32,083)
Decrease in loans and receivables	50,770	5,232	90,773	45,028
Increase in insurance contract liabilities	47,619	35,540	47,619	35,540
Increase in other financial liabilities	6,798	904	6,798	904
(Decrease)/increase in insurance payables	(4,287)	5,718	(4,287)	5,718
Decrease in other payables	(23,138)	(7,454)	(23,093)	(16,953)
	<u>132,776</u>	<u>32,735</u>	<u>137,030</u>	<u>33,511</u>

Registration No.

198601000381 (149520-U)

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

CONDENSED UNAUDITED STATEMENT OF CASH FLOWS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONTINUED)

	Group		Company	
	6 months financial period ended <u>30.6.2021</u> RM'000	6 months financial period ended <u>30.6.2020</u> RM'000	6 months financial period ended <u>30.6.2021</u> RM'000	6 months financial period ended <u>30.6.2020</u> RM'000
Tax paid	(9,811)	(2,495)	(9,811)	(2,495)
Investment income received:				
- Interest	40,206	41,054	6,958	7,297
- Dividend	2,250	4,649	31,247	37,621
Interest paid on lease liabilities	(546)	(182)	(546)	(182)
Net cash generated from operating activities	<u>164,875</u>	<u>75,761</u>	<u>164,878</u>	<u>75,752</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(2,964)	(2,293)	(2,964)	(2,293)
Proceeds from disposal of property, plant and equipment	134	1	134	1
Net cash used in investing activities	<u>(2,830)</u>	<u>(2,292)</u>	<u>(2,830)</u>	<u>(2,292)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of lease liabilities	(2,039)	(2,807)	(2,039)	(2,807)
Dividend paid	(159,572)	(55,801)	(159,572)	(55,801)
Net cash used in financing activities	<u>(161,611)</u>	<u>(58,608)</u>	<u>(161,611)</u>	<u>(58,608)</u>
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	434	14,861	437	14,852
CASH AND CASH EQUIVALENTS AT 1 JANUARY	<u>40,806</u>	<u>25,906</u>	<u>40,751</u>	<u>25,872</u>
CASH AND CASH EQUIVALENTS AT 30 JUNE	<u>41,240</u>	<u>40,767</u>	<u>41,188</u>	<u>40,724</u>
Cash and bank balances	<u>41,240</u>	<u>40,767</u>	<u>41,188</u>	<u>40,724</u>

Registration No.

198601000381 (149520-U)

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

CONDENSED UNAUDITED STATEMENT OF CASH FLOWS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONTINUED)

Reconciliation of liabilities arising from financing activities

	<u>Group/Company</u>	
	<u>6 months</u> <u>financial</u> <u>period</u> <u>ended</u> <u>30.6.2021</u> <u>RM'000</u>	<u>6 months</u> <u>financial</u> <u>period</u> <u>ended</u> <u>30.6.2020</u> <u>RM'000</u>
Lease liabilities		
At 1 January	27,393	8,482
Cash flows	(2,585)	(2,989)
Interest charge	546	182
Lease addition	727	155
At 30 June	<u>26,081</u>	<u>5,830</u>

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

Registration No.

198601000381 (149520-U)

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

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS
- 30 JUNE 2021

1 BASIS OF PREPARATION OF THE CONDENSED UNAUDITED FINANCIAL STATEMENTS

The unaudited condensed interim financial statements 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 financial year ended 31 December 2020.

The condensed unaudited financial statements have been prepared under the historical cost convention, except for land and building and 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 the Company have adopted the same accounting policies, methods of computations and presentation as the audited financial statements for the financial year ended 31 December 2020, except for the adoption of the following:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

Interest Rate Benchmark Reform – Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)

The adoption of the amendments above did not have any impact on the current period or any prior period and is not likely to affect future periods.

MFRS 9, Financial Instruments

MFRS 9 replaces the guidance in MFRS 139, Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and financial liabilities and on hedge accounting, effective for annual periods beginning on or after 1 January 2018. The standard eliminates the existing MFRS 139 categories of held to maturity, loans and receivables and available for sale.

The Group and the Company have applied the temporary exemption under Amendments to MFRS 4 – Applying MFRS 9, Financial Instruments with MFRS 4, Insurance Contracts which enable eligible entities to defer the implementation date of MFRS 9 to annual periods beginning before 1 January 2023 at the latest. Hence, the Group and the Company have not adopted MFRS 9 for the financial year beginning on or after 1 January 2018.

Registration No.

198601000381 (149520-U)

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

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS
- 30 JUNE 2021 (CONTINUED)

1 BASIS OF PREPARATION OF THE CONDENSED UNAUDITED FINANCIAL STATEMENTS
(CONTINUED)

Amendments to MFRS 4 – Applying MFRS 9 “Financial Instruments” with MFRS 4
“Insurance Contracts”

The amendments are disclosed in Note 15 to the condensed unaudited financial statement.

The preparation of the condensed 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 financial period. It also requires the Directors to exercise their judgement 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.

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 financial period under review.

3 EXCEPTIONAL ITEMS

The current Covid-19 pandemic and uncertainty over the global economic outlook may impact the performance of the Group and the Company. The continued volatility in the financial markets resulting in fluctuations in the mark-to-market valuation of our assets and liabilities, all of which may impact our profit. Key determining factors are the direction of interest rates, credit spreads and overall outlook for inflation and domestic growth.

However for the current financial period, the results of the Group and the Company were not significantly impacted by the pandemic. The Group and the Company will continue to monitor the ensuing developments of the pandemic and measure the impact, if any, on the financial statements as they occur.

There were no other 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.

Registration No.

198601000381 (149520-U)

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

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS
- 30 JUNE 2021 (CONTINUED)

5 ISSUANCE OR REPAYMENT OF DEBIT AND EQUITY SECURITIES

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

6 DIVIDEND PAID

During the six month financial period ended 30 June 2021, the Company paid an interim and final dividend of RM0.14 and RM0.26 per share amounting to RM55,800,920 and RM103,770,896 in respect of the financial year ended 31 December 2020 on 24 March 2021 and 30 June 2021 respectively. (2020:RM55,800,920).

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 financial period ended 30 June 2021, in respect of which this announcement is made, except the item disclosed in Note 9 Contingent Liability and Contingent Asset.

8 EFFECT OF CHANGE IN COMPOSITION

There was no change to the composition of the Group and the Company during the financial period ended 30 June 2021.

9 CONTINGENT LIABILITY AND CONTINGENT ASSET

The Group and Company did not have any contingent liability or contingent asset as at 30 June 2021 that may significantly render the financial results as reported misleading or inappropriate.

Registration No.

198601000381 (149520-U)

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

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS
- 30 JUNE 2021 (CONTINUED)

10 INVESTMENTS

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

	<u>Group</u>		<u>Company</u>	
	<u>30.6.2021</u> RM'000	<u>31.12.2020</u> RM'000	<u>30.6.2021</u> RM'000	<u>31.12.2020</u> RM'000
Available-for-sale financial assets ("AFS")	1,544,668	1,625,511	1,661,146	1,701,942
Loans and receivables ("LAR")	520,495	573,080	403,829	496,419
	<u>2,065,163</u>	<u>2,198,591</u>	<u>2,064,975</u>	<u>2,198,361</u>
Current:				
	<u>Group</u>		<u>Company</u>	
	<u>30.6.2021</u> RM'000	<u>31.12.2020</u> RM'000	<u>30.6.2021</u> RM'000	<u>31.12.2020</u> RM'000
AFS	101,336	74,462	-	-
LAR	470,823	521,819	354,157	445,158
	<u>572,159</u>	<u>596,281</u>	<u>354,157</u>	<u>445,158</u>
Non current:				
	<u>Group</u>		<u>Company</u>	
	<u>30.6.2021</u> RM'000	<u>31.12.2020</u> RM'000	<u>30.6.2021</u> RM'000	<u>31.12.2020</u> RM'000
AFS	1,443,332	1,551,049	1,661,146	1,701,942
LAR	49,672	51,261	49,672	51,261
	<u>1,493,004</u>	<u>1,602,310</u>	<u>1,710,818</u>	<u>1,753,203</u>

Registration No.

198601000381 (149520-U)

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

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS
- 30 JUNE 2021 (CONTINUED)

10 INVESTMENTS (CONTINUED)

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

	<u>Group</u>		<u>Company</u>	
	<u>30.6.2021</u>	<u>31.12.2020</u>	<u>30.6.2021</u>	<u>31.12.2020</u>
	RM'000	RM'000	RM'000	RM'000
<u>Fair value</u>				
Malaysian Government Securities	134,377	157,242	-	-
Government Investment Issues	159,649	90,641	-	-
Corporate debt securities:				
Unquoted	1,026,605	1,151,500	-	-
	<u>1,320,631</u>	<u>1,399,383</u>	-	-
Unit trusts	210,382	210,474	210,382	210,474
Controlled structured entities	-	-	1,450,764	1,491,468
	<u>1,531,013</u>	<u>1,609,857</u>	<u>1,661,146</u>	<u>1,701,942</u>
<u>Accrued interest income</u>				
Malaysian Government Securities	651	1,852	-	-
Government Investment Issues	1,295	660	-	-
Corporate debt securities:				
Unquoted	11,709	13,142	-	-
	<u>13,655</u>	<u>15,654</u>	-	-
	<u>1,544,668</u>	<u>1,625,511</u>	<u>1,661,146</u>	<u>1,701,942</u>

Registration No.

198601000381 (149520-U)

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

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS
- 30 JUNE 2021 (CONTINUED)

10 INVESTMENTS (CONTINUED)

(b) Carrying values of financial assets

<u>Group</u>	<u>AFS</u> RM'000	<u>Total</u> RM'000
At 1 January 2020	1,656,128	1,656,128
Purchases	608,722	608,722
Disposals	(643,596)	(643,596)
Fair value gains/(loss) recorded in:		
Other comprehensive income	15,054	15,054
Allowance for impairment	(4,591)	(4,591)
Movement in investment income due and accrued	(6,206)	(6,206)
At 31 December 2020	<u>1,625,511</u>	<u>1,625,511</u>
At 1 January 2021	1,625,511	1,625,511
Purchases	366,424	366,424
Disposals	(402,400)	(402,400)
Fair value loss recorded in:		
Other comprehensive income	(34,972)	(34,972)
Allowance for impairment	(5,358)	(5,358)
Movement in investment income due and accrued	(4,537)	(4,537)
At 30 June 2021	<u>1,544,668</u>	<u>1,544,668</u>
<u>Company</u>		
At 1 January 2020	1,675,858	1,675,858
Purchases	41,672	41,672
Disposals	(39,349)	(39,349)
Fair value gains recorded in:		
Other comprehensive income	23,899	23,899
Movement in investment income due and accrued	(138)	(138)
At 31 December 2020	<u>1,701,942</u>	<u>1,701,942</u>
At 1 January 2021	1,701,942	1,701,942
Purchases	356	356
Disposals	-	-
Fair value loss recorded in:		
Other comprehensive income	(41,152)	(41,152)
Movement in investment income due and accrued	-	-
At 30 June 2021	<u>1,661,146</u>	<u>1,661,146</u>

Registration No.

198601000381 (149520-U)

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

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS
- 30 JUNE 2021 (CONTINUED)

10 INVESTMENTS (CONTINUED)

(c) 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>Group</u>	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Total</u> RM'000
<u>30 June 2021</u>			
<u>Financial Assets</u>			
Available-for-sale financial assets:			
- Malaysian Government Securities	-	135,028	135,028
- Government Investment Issues	-	160,944	160,944
- Corporate debt securities	-	1,038,314	1,038,314
- Unit trusts	210,382	-	210,382
	<u>210,382</u>	<u>1,334,286</u>	<u>1,544,668</u>

31 December 2020

Financial Assets

Available-for-sale financial assets:			
- Malaysian Government Securities	-	159,094	159,094
- Government Investment Issues	-	91,301	91,301
- Corporate debt securities	-	1,164,642	1,164,642
- Unit trusts	210,474	-	210,474
	<u>210,474</u>	<u>1,415,037</u>	<u>1,625,511</u>

Company

Level 1
RM'000

30 June 2021

Financial Assets

Available-for-sale financial assets:	
- Unit trusts	210,382
- Controlled structured entities	1,450,764
	<u>1,661,146</u>

31 December 2020

Financial Assets

Available-for-sale financial assets:	
- Unit trusts	210,474
- Controlled structured entities	1,491,468
	<u>1,701,942</u>

Registration No.

198601000381 (149520-U)

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

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS
- 30 JUNE 2021 (CONTINUED)

10 INVESTMENTS (CONTINUED)

(c) Fair values of financial assets (continued)

There were no investments held by the Group and the Company that were classified under Level 3 as at 30 June 2021 (31.12.2020: Nil).

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, and 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 period.

There were no transfers of financial assets between levels during the period.

11 REINSURANCE ASSETS

	Group / Company	
	30.6.2021 RM'000	31.12.2020 RM'000
Reinsurance of insurance contracts	303,048	275,301
Allowance for impairment	(5,245)	(4,560)
	<u>297,803</u>	<u>270,741</u>

Registration No.

198601000381 (149520-U)

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

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS - 30 JUNE 2021 (CONTINUED)

12 INSURANCE CONTRACT LIABILITIES

<u>Group / Company</u>	30.6.2021			31.12.2020		
	<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	542,909	(140,509)	402,400	559,733	(135,309)	424,424
Provision for incurred but not reported claims ("IBNR")	371,123	(104,173)	266,950	318,207	(90,346)	227,861
Claims liabilities (i)	914,032	(244,682)	669,350	877,940	(225,655)	652,285
Premium liabilities (ii)	444,917	(58,366)	386,551	433,390	(49,646)	383,744
	<u>1,358,949</u>	<u>(303,048)</u>	<u>1,055,901</u>	<u>1,311,330</u>	<u>(275,301)</u>	<u>1,036,029</u>
(i) Claims liabilities						
At 1 January	877,940	(225,655)	652,285	837,569	(217,593)	619,976
Claims incurred in the current accident period / year	182,817	(34,424)	148,393	383,369	(54,865)	328,504
Other movements in claims incurred in prior accident years	(4,491)	(1,139)	(5,630)	(15,268)	8,494	(6,774)
Movement of IBNR at 75% confidence level	52,916	(13,827)	39,089	69,729	(1,940)	67,789
Claims paid during the financial period / year	(195,150)	30,363	(164,787)	(397,459)	40,249	(357,210)
At 30 June / 31 December	<u>914,032</u>	<u>(244,682)</u>	<u>669,350</u>	<u>877,940</u>	<u>(225,655)</u>	<u>652,285</u>

Registration No.

198601000381 (149520-U)

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

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS - 30 JUNE 2021 (CONTINUED)

12 INSURANCE CONTRACT LIABILITIES (CONTINUED)

<u>Group / Company</u>	30.6.2021			31.12.2020		
	<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	433,390	(49,646)	383,744	403,405	(37,621)	365,784
Premiums written in the period / year	487,521	(117,757)	369,764	880,052	(176,493)	703,559
Premiums earned during the financial period / year	(475,994)	109,037	(366,957)	(850,067)	164,468	(685,599)
At 30 June / 31 December	<u>444,917</u>	<u>(58,366)</u>	<u>386,551</u>	<u>433,390</u>	<u>(49,646)</u>	<u>383,744</u>

Registration No.

198601000381 (149520-U)

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

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS
- 30 JUNE 2021 (CONTINUED)

13 **BASIC EARNINGS PER SHARE (SEN)**

Basic earnings per share is calculated by dividing the profit for the financial period attributable to ordinary equity holders of the Group and the Company by the weighted average number of ordinary shares in issue during the financial period.

	<u>Group</u>		<u>Company</u>	
	<u>30.6.2021</u>	<u>30.6.2020</u>	<u>30.6.2021</u>	<u>30.6.2020</u>
	RM'000	RM'000	RM'000	RM'000
Profit attributable to ordinary equity holders	<u>77,408</u>	<u>76,907</u>	<u>82,302</u>	<u>71,203</u>
Weighted average number of shares in issue	<u>403,471</u>	<u>403,471</u>	<u>403,471</u>	<u>403,471</u>
Basic earnings per share (sen)	<u>19</u>	<u>19</u>	<u>20</u>	<u>18</u>

No diluted earnings per share is disclosed in these financial statements as there are no dilutive potential ordinary shares.

Registration No.

198601000381 (149520-U)

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

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS
- 30 JUNE 2021 (CONTINUED)

14 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 2021, as prescribed under the Framework, is provided below:

	<u>30.6.2021</u>	<u>31.12.2020</u>
	RM'000	RM'000
<u>Eligible Tier 1 Capital</u>		
Share capital (paid-up)	403,471	403,471
Retained earnings	752,819	830,089
	<u>1,156,290</u>	<u>1,233,560</u>
<u>Tier 2 Capital</u>		
Available-for-sale reserves	43,057	74,333
Revaluation reserves	7,196	7,196
	<u>50,253</u>	<u>81,529</u>
Amounts deducted from Capital	(179,943)	(179,943)
Total Capital Available	<u>1,026,600</u>	<u>1,135,146</u>

The Company has met the minimum capital requirements specified in the framework for the financial period ended 30 June 2021 and financial year ended 2020.

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

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS
- 30 JUNE 2021 (CONTINUED)

15 **AMENDMENTS TO MFRS 4 – APPLYING MFRS 9 “FINANCIAL INSTRUMENTS” WITH MFRS 4 “INSURANCE CONTRACTS” (“THE AMENDMENTS”)**

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.

The Amendments provide 2 different approaches for the Group and the Company:

- Temporary exemption from MFRS 9 for entities that meet specific requirements; and
- The overlay approach. Both approaches are optional.

The temporary exemption enables eligible entities to defer the implementation date of MFRS 9 to annual periods beginning before 1 January 2021 at the least. 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 temporary exemption from MFRS 9 from annual periods beginning on or after 1 January 2018 and may start applying the overlay approach when it applies MFRS 9 for the first time.

The Group’s and the Company’s business activity is predominantly insurance as the insurance liabilities made up more than 90% of the Group’s and the Company’s total liabilities. Hence the Group’s and the Company qualify for the temporary exemption approach.

Amendments to MFRS 4 “Extension of the temporary exemption from applying MFRS 9” extend the expiry date for the temporary exemption from applying MFRS 9 by two years.

Management has decided to apply the extension of the temporary exemption from MFRS 9 for the current financial period and will adopt MFRS 9 for its annual period beginning 1 January 2023.

Company No.

198601000381 (149520-U)

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

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS - 30 JUNE 2021 (CONTINUED)

15 **AMENDMENTS TO MFRS 4 – APPLYING MFRS 9 “FINANCIAL INSTRUMENTS” WITH MFRS 4 “INSURANCE CONTRACTS” (“THE AMENDMENTS”)**
(CONTINUED)

As required under the Amendments to MFRS 4 for entity qualified and elected the temporary exemption from applying MFRS 9, the following table provides the additional disclosure on the Group’s and 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”).

<u>Group</u>	<u>Note</u>	Fair value as at <u>30.06.2021</u> RM’000	Fair value as at <u>31.12.2020</u> RM’000	Changes in fair value <u>30.06.2021</u> RM’000	Changes in fair value <u>30.06.2020</u> RM’000	Cash flows characteristic
Financial assets						
Malaysian Government Securities	10(c)	135,028	159,094	(518)	(6,144)	SPPI
Government Investment Issues	10(c)	160,944	91,301	(717)	(1,757)	SPPI
Corporate debt securities	10(c)	1,038,314	1,164,642	(39,648)	11,004	SPPI
Unit trusts	10(c)	210,382	210,474	5,911	9,466	Non SPPI
		<u>1,544,668</u>	<u>1,625,511</u>	<u>(34,972)</u>	<u>12,569</u>	
Loans and receivables*		515,257	567,942	-	-	SPPI
Cash and bank balances		41,240	40,806	-	-	SPPI
		<u>2,101,165</u>	<u>2,234,259</u>	<u>(34,972)</u>	<u>12,569</u>	
<u>Company</u>						
Financial assets						
Unit Trusts		210,382	210,474	(449)	(1,045)	Non SPPI
Controlled structured entities		1,450,764	1,491,468	(40,703)	19,318	Non SPPI
	10(c)	<u>1,661,146</u>	<u>1,701,942</u>	<u>(41,152)</u>	<u>18,273</u>	
Loans and receivables*		398,591	491,281	-	-	SPPI
Cash and bank balances		41,188	40,751	-	-	SPPI
		<u>2,100,925</u>	<u>2,233,974</u>	<u>(41,152)</u>	<u>18,273</u>	

* Loans and receivable excluded prepayment of RM5,238,230 (31.12.2020:RM5,137,423).

Insurance receivables and reinsurance assets have been excluded from the above and following table as they will be under the scope of MFRS 17 “Insurance Contracts”.

Company No.

198601000381 (149520-U)

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

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS - 30 JUNE 2021 (CONTINUED)

15 **AMENDMENTS TO MFRS 4 – APPLYING MFRS 9 “FINANCIAL INSTRUMENTS” WITH MFRS 4 “INSURANCE CONTRACTS” (“THE AMENDMENTS”)**
(CONTINUED)

The following table provides information regard credit risk exposure of the Group’s and Company’s financial assets with SPPI cash flows under the Amendments to MFRS 4.

30.06.2021

Financial assets with SPPI cash flows	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>C</u>	<u>Not rated</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Group</u>						
Malaysian Government Securities	-	-	-	-	135,028	135,028
Government Investment Issues	-	-	-	-	160,944	160,944
Corporate debt securities	237,156	372,204	5,123	8,047	415,784	1,038,314
Loans and receivables						
Staff loans	-	-	-	-	743	743
Fixed and call deposits	254,072	149,458	44,591	-	16,365	464,486
Other receivables*	-	-	-	-	50,028	50,028
Cash and bank balances	36,622	3,423	1,119	-	76	41,240
Total	527,850	525,085	50,833	8,047	778,968	1,890,783
<u>Company</u>						
Loans and receivables						
Staff loans	-	-	-	-	743	743
Fixed and call deposits	137,885	149,458	44,591	-	16,365	348,299
Other receivables*	-	-	-	-	49,549	49,549
Cash and bank balances	36,622	3,423	1,118	-	25	41,188
Total	174,507	152,881	45,709		66,682	439,779

* Loans and receivable excluded prepayment of RM5,238,230

Financial assets with SPPI cash flows

All financial assets with SPPI cash flows of the Group and the Company as at 30 June 2021 have low credit risk.

Company No.

198601000381 (149520-U)

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

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS - 30 JUNE 2021 (CONTINUED)

15 **AMENDMENTS TO MFRS 4 – APPLYING MFRS 9 “FINANCIAL INSTRUMENTS” WITH MFRS 4 “INSURANCE CONTRACTS” (“THE AMENDMENTS”)**
(CONTINUED)

The following table provides information regard credit risk exposure of the Group’s and Company’s financial assets with SPPI cash flows under the Amendments to MFRS 4.

31.12.2020

Financial assets with SPPI cash flows	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BBB</u>	<u>Not rated</u>	<u>Total</u>
Gross carrying amounts under MFRS	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Group</u>						
Malaysian Government Securities	-	-	-	-	159,094	159,094
Government Investment Issues	-	-	-	-	91,301	91,301
Corporate debt securities	221,601	380,382	5,158	13,451	544,050	1,164,642
Loans and receivables						
Staff loans	-	-	-	-	902	902
Fixed and call deposits	224,169	200,212	91,239	-	-	515,620
Other receivables*	-	-	-	-	51,420	51,420
Cash and bank balances	34,350	3,683	2,695	-	78	40,806
Total	480,120	584,277	99,092	13,451	846,845	2,023,785
<u>Company</u>						
Loans and receivables						
Staff loans	-	-	-	-	902	902
Fixed and call deposits	147,508	200,212	91,239	-	-	438,959
Other receivables*	-	-	-	-	51,420	51,420
Cash and bank balances	34,350	3,683	2,696	-	22	40,751
Total	181,858	203,895	93,935	-	52,344	532,032

* Loans and receivable excluded prepayment of RM5,137,423

Financial assets with SPPI cash flows

All financial assets with SPPI cash flows of the Group and the Company as at 31 December 2020 have low credit risk.