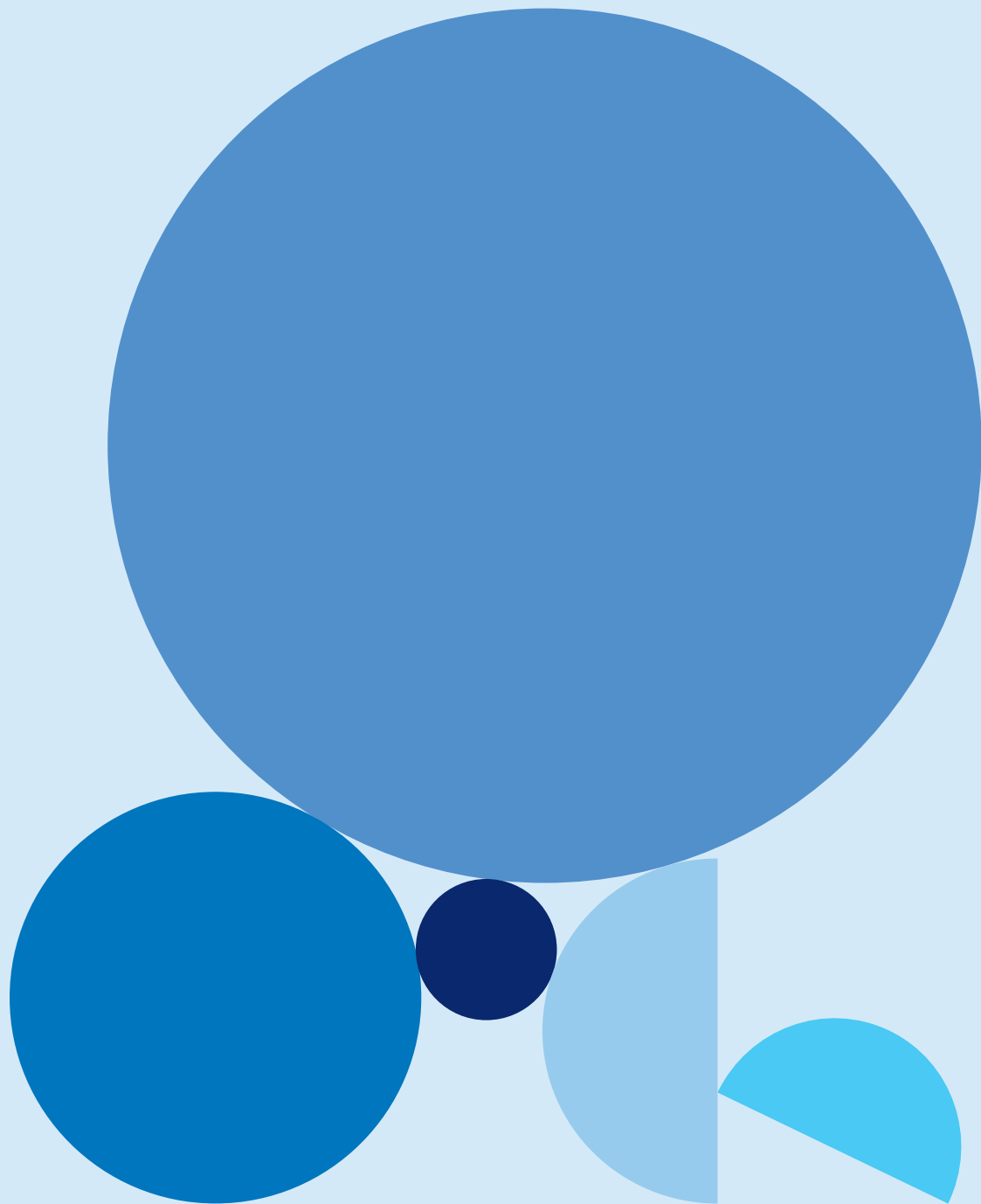


Unaudited Condensed
Interim Financial Statements
for the six months period ended
30 June 2025



Company No.

201701045981 (1260157-U)

ZURICH GENERAL TAKAFUL MALAYSIA BERHAD
(Incorporated in Malaysia)

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ZURICH GENERAL TAKAFUL MALAYSIA BERHAD

(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION AS AT
30 JUNE 2025**

		General Takaful Fund		Company	
		30.06.2025	31.12.2024	30.06.2025	31.12.2024
	Note	RM'000	RM'000	RM'000	RM'000
ASSETS					
Property and equipment		-	-	3,584	3,782
Right-of-use assets		-	-	366	944
Intangible assets		-	-	17,000	18,003
Investments	12	1,748,506	1,690,430	2,601,799	2,510,418
Retakaful certificate assets	13	43,296	48,700	43,296	48,700
Other receivables		107	9	548	655
Tax recoverable		6,025	-	6,025	-
Deferred tax assets		-	-	21,911	23,029
Cash and cash equivalents		77,708	30,618	104,167	45,112
TOTAL ASSETS		1,875,642	1,769,757	2,798,696	2,650,643
LIABILITIES					
Takaful certificate liabilities	14	1,801,632	1,690,577	1,919,469	1,805,676
Lease liabilities		-	-	737	1,321
Other payables		65,660	66,039	83,679	89,991
Tax payable		-	4,558	7,367	11,693
Deferred tax liabilities		8,350	8,583	-	-
TOTAL LIABILITIES		1,875,642	1,769,757	2,011,252	1,908,681
SHAREHOLDER'S EQUITY					
Share capital		-	-	447,000	447,000
Retained earnings		-	-	336,458	293,421
Fair value reserve		-	-	3,986	1,541
TOTAL SHAREHOLDER'S EQUITY		-	-	787,444	741,962
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES		1,875,642	1,769,757	2,798,696	2,650,643

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

ZURICH GENERAL TAKAFUL MALAYSIA BERHAD

(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

	General Takaful Fund		Company	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	RM'000	RM'000	RM'000	RM'000
Takaful revenue	602,026	529,534	598,313	519,144
Takaful service expense	(600,743)	(520,933)	(540,242)	(463,345)
Takaful service result before retakaful certificates held	1,283	8,601	58,071	55,799
Allocation of retakaful contributions	(17,603)	(17,440)	(17,603)	(17,440)
Amounts recoverable from retakaful operators for incurred claims	1,810	2,851	1,810	2,851
Net expense from retakaful certificates held	(15,793)	(14,589)	(15,793)	(14,589)
Takaful service result	(14,510)	(5,988)	42,278	41,210
Investment income	33,005	28,455	48,743	42,311
Realised losses	(45)	-	(84)	-
(Impairment losses)/Reversal of impairment losses on investments	(15)	346	(40)	530
Other investment expense	(26)	(31)	(610)	(679)
Total investment income	32,919	28,770	48,009	42,162
Takaful finance expenses for takaful certificates issued	(17,212)	(14,428)	(17,299)	(14,519)
Retakaful finance income for retakaful certificates held	98	659	98	659
Net takaful financial result	(17,114)	(13,769)	(17,201)	(13,860)
Other income/(expenses)	370	357	(13,232)	(12,236)
Profit before zakat and taxation	1,665	9,370	59,854	57,276
Tax expense borne by participants	(1,665)	(9,370)	(1,665)	(9,370)
Tax expense borne by Takaful Operator	-	-	(13,881)	(11,414)
Zakat	-	-	(1,271)	(1,260)
Net profit for the financial period	-	-	43,037	35,232
Basic and diluted earnings per share (sen)	-	-	10.41	8.52

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

ZURICH GENERAL TAKAFUL MALAYSIA BERHAD

(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

	General Takaful Fund		Company	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	-	-	43,037	35,232
Other comprehensive income, net of tax:				
Items that may be subsequently reclassified to profit or loss in subsequent periods:				
Fair value through other comprehensive income investments:				
Gross gains on fair value changes	2,844	851	6,100	1,656
Realised losses transferred to profit or loss	(45)	-	(84)	-
Deferred tax expenses	(672)	(204)	(1,444)	(397)
Net gains on fair value changes	<u>2,127</u>	<u>647</u>	<u>4,572</u>	<u>1,259</u>
Net takaful finance results:				
Takaful finance expenses for takaful certificates issued	(2,700)	(578)	(2,700)	(578)
Retakaful finance income from retakaful certificates held	219	112	219	112
Deferred tax income	595	112	595	112
Net takaful finance results, net of deferred tax	<u>(1,886)</u>	<u>(354)</u>	<u>(1,886)</u>	<u>(354)</u>
Other comprehensive income attributable to participants	(241)	(293)	(241)	(293)
Total other comprehensive income, net of tax	<u>-</u>	<u>-</u>	<u>2,445</u>	<u>612</u>
Total comprehensive income for the financial period	<u>-</u>	<u>-</u>	<u>45,482</u>	<u>35,844</u>

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

Company No.

201701045981 (1260157-U)

ZURICH GENERAL TAKAFUL MALAYSIA BERHAD

(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

	Issued and fully paid-up ordinary shares	Non- distributable	Distributable	
	Share capital	Fair value reserve	Retained earnings	Total
<u>Company</u>	RM'000	RM'000	RM'000	RM'000
At 1 January 2024	447,000	1,255	204,295	652,550
Net profit for the financial period	-	-	35,232	35,232
Other comprehensive income for the financial period	-	612	-	612
At 30 June 2024	<u>447,000</u>	<u>1,867</u>	<u>239,527</u>	<u>688,394</u>
At 1 January 2025	447,000	1,541	293,421	741,962
Net profit for the financial period	-	-	43,037	43,037
Other comprehensive income for the financial period	-	2,445	-	2,445
At 30 June 2025	<u>447,000</u>	<u>3,986</u>	<u>336,458</u>	<u>787,444</u>

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

ZURICH GENERAL TAKAFUL MALAYSIA BERHAD

(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

		Company	
		6 months period ended 30.06.2025	6 months period ended 30.06.2024
	Note	RM'000	RM'000
OPERATING ACTIVITIES			
Cash generated from operating activities	17	36,085	2,057
Net investment income received		49,661	36,029
Interest expense on lease liabilities		(15)	(39)
Income tax paid		(25,629)	(18,468)
Net cash inflows from operating activity		60,102	19,579
INVESTING ACTIVITY			
Purchase of property and equipment		(463)	(395)
Net cash outflows from investing activity		(463)	(395)
FINANCING ACTIVITY			
Payment of lease liabilities – principal portion		(584)	(561)
Net cash outflows from financing activity		(584)	(561)
Net increase in cash and cash equivalents		59,055	18,623
Cash and cash equivalents at the beginning of the financial period		45,112	53,308
Cash and cash equivalents at the end of the financial period		104,167	71,931
Cash and cash equivalents comprise:			
Cash and bank balances		71,571	71,931
Fixed deposits with licensed financial institutions with original maturities less than 3 months		32,596	-
		104,167	71,931

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

ZURICH GENERAL TAKAFUL MALAYSIA BERHAD

(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**1. BASIS OF PREPARATION**

The condensed interim financial statements of the Company are unaudited and have been prepared in accordance with MFRS 134 Interim Financial Reporting and Guidelines / Circulars issued by Bank Negara Malaysia ("BNM"). The unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the financial year ended 31 December 2024, which were prepared in accordance with MFRS Accounting Standards and IFRS Accounting Standards.

In accordance with the Islamic Financial Services Act 2013, the assets and liabilities of the Takaful fund is segregated from those of the Takaful Operator: a concept known as segregation of funds. However, in compliance with MFRS 10 Consolidated Financial Statements, the assets, liabilities, income and expenses of the Takaful fund is consolidated with those of the Takaful Operator to represent the control possessed by the operator over the respective funds.

The explanatory notes attached to the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant to gain an understanding of the changes in the financial position and performance of the Company since the financial year ended 31 December 2024.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted by the Company for the unaudited condensed interim financial statements are consistent with those adopted in the Company's audited financial statements for the financial year ended 31 December 2024, except for the adoption of the following amendments to MFRS:

Description	Effective for annual financial periods beginning on or after
Amendments to MFRS 121 <i>The Effects of Changes in Foreign Exchange Rates</i> – Lack of Exchangeability	1 January 2025

The adoption of the amendments above did not have any material impact to the unaudited condensed interim financial statements of the Company.

ZURICH GENERAL TAKAFUL MALAYSIA BERHAD

(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

3. AUDITOR'S REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditor's report on the audited financial statements for the financial year ended 31 December 2024 was not qualified.

4. SEASONAL OR CYCLICAL FACTORS

The Company's business operations are not significantly affected by any unusual seasonal or cyclical factors.

5. UNUSUAL ITEMS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current financial period under review.

6. CHANGE IN ACCOUNTING ESTIMATES

There were no material changes in basis used for accounting estimates for the financial period ended 30 June 2025.

7. DIVIDEND PAYMENT

There was no dividend paid during the current financial period under review.

8. CHANGES IN COMPOSITION OF THE COMPANY

There were no changes in composition of the Company during the current financial period under review.

9. SUBSEQUENT EVENT

There is no material subsequent event from the end of the current financial period under review to the date of these unaudited condensed interim financial statements.

10. CONTINGENT LIABILITIES

There are no contingent liabilities as at the date of this report since the date of the last annual statement of financial position.

ZURICH GENERAL TAKAFUL MALAYSIA BERHAD

(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
(CONTINUED)**11. INTANGIBLE ASSETS**

Other intangible assets are the 15-year exclusive bancatakaful agreement with Alliance Islamic Bank Berhad for the distribution of the Company's takaful products, and direct customer relationship acquired through the acquisition of general takaful portfolio from a third party. These assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of 15 years.

12. INVESTMENTS

The General Takaful Fund's and the Company's investments are summarised by measurement categories as follows:

	General Takaful Fund		Company	
	30.06.2025	31.12.2024	30.06.2025	31.12.2024
	RM'000	RM'000	RM'000	RM'000
FVOCI financial assets	537,644	528,631	1,090,809	1,076,270
Financial assets at amortised cost	1,210,862	1,161,799	1,510,990	1,434,148
	<u>1,748,506</u>	<u>1,690,430</u>	<u>2,601,799</u>	<u>2,510,418</u>
The following investments mature after 12 months:				
FVOCI financial assets	455,957	464,482	880,684	890,989
	<u>455,957</u>	<u>464,482</u>	<u>880,684</u>	<u>890,989</u>

(a) Fair value through other comprehensive income ("FVOCI") financial assets

The breakdown of financial assets measured at FVOCI is set out in the table below:

	General Takaful Fund		Company	
	30.06.2025	31.12.2024	30.06.2025	31.12.2024
	RM'000	RM'000	RM'000	RM'000
At fair value				
Government Investment Issues	-	-	174,247	170,318
Islamic debt securities, unquoted	537,644	528,631	916,562	905,952
	<u>537,644</u>	<u>528,631</u>	<u>1,090,809</u>	<u>1,076,270</u>

ZURICH GENERAL TAKAFUL MALAYSIA BERHAD

(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
(CONTINUED)****12. INVESTMENTS (CONTINUED)**

The General Takaful Fund's and the Company's investments are summarised by measurement categories as follows: (continued)

(b) Financial assets at amortised cost

	General Takaful Fund		Company	
	30.06.2025	31.12.2024	30.06.2025	31.12.2024
<u>Amortised cost</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Fixed deposits with licensed financial institutions	1,210,862	1,161,799	1,510,990	1,434,148
	<u>1,210,862</u>	<u>1,161,799</u>	<u>1,510,990</u>	<u>1,434,148</u>

The carrying amounts of financial assets at amortised cost are reasonable approximations of fair values due to the short-term maturity of the financial assets.

As at 30 June 2025, the Company has fixed deposits of RM1,510,990,000 (31 December 2024: RM1,434,148,000), placed with licensed Islamic banks, with original maturity terms of more than 3 months.

ZURICH GENERAL TAKAFUL MALAYSIA BERHAD

(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
(CONTINUED)**13. RETAKAFUL CERTIFICATE ASSETS**

The roll-forward of net assets for retakaful certificates held for contracts measured under Premium Allocation Approach ("PAA"), showing liabilities for remaining coverage and amounts recoverable on incurred claims arising business from ceded to retakaful operators in the General Takaful Fund/Company, is disclosed in the table below:

	30.06.2025			
	Liabilities for remaining coverage	Amounts recoverable on incurred claims		
	Excluding loss recovery component	Estimates of the present value of future cash flows	Risk adjustment	Total
		RM'000	RM'000	RM'000
General Takaful Fund/Company				
Retakaful certificate assets as at 1 January 2025	(7,948)	53,548	3,100	48,700
Allocation of retakaful contributions	(17,603)	-	-	(17,603)
Amounts recoverable from retakaful operators:				
Amounts recoverable for incurred claims	-	4,205	-	4,205
Changes in amounts recoverable arising from changes in liability for incurred claims	-	(2,302)	(93)	(2,395)
Net (expense)/income from retakaful certificates held	(17,603)	1,903	(93)	(15,793)
Retakaful finance (expense)/income	(6)	255	68	317
Cash flows				
Contributions and similar expenses paid	12,926	-	-	12,926
Claims and other expenses paid	-	(2,854)	-	(2,854)
Total cash flows	12,926	(2,854)	-	10,072
Retakaful certificate assets as at 30 June 2025	(12,631)	52,852	3,075	43,296

ZURICH GENERAL TAKAFUL MALAYSIA BERHAD

(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
(CONTINUED)**13. RETAKAFUL CERTIFICATE ASSETS (CONTINUED)**

The roll-forward of net assets for retakaful certificates held for contracts measured under PAA, showing liabilities for remaining coverage and amounts recoverable on incurred claims arising business from ceded to retakaful operators in the General Takaful Fund/Company, is disclosed in the table below: (continued)

	31.12.2024			
	Liabilities for remaining coverage	Amounts recoverable on incurred claims		
	Excluding loss recovery component	Estimates of the present value of future cash flows	Risk adjustment	Total
<u>General Takaful Fund/Company</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Retakaful certificate assets as at 1 January 2024	(10,413)	60,842	2,943	53,372
Allocation of retakaful contributions	(36,966)	-	-	(36,966)
Amounts recoverable from retakaful operators:				
Amounts recoverable for incurred claims	-	8,556	-	8,556
Changes in amounts recoverable arising from changes in liability for incurred claims	-	(10,297)	48	(10,249)
Net (expense)/income from retakaful certificates held	(36,966)	(1,741)	48	(38,659)
Retakaful finance income	6	2,784	109	2,899
Cash flows				
Contributions and similar expenses paid	39,275	-	-	39,275
Amounts recovered				
Claims and other expenses paid	-	(8,337)	-	(8,337)
Total cash flows	39,275	(8,337)	-	30,938
Other movements	150	-	-	150
Retakaful certificate assets as at 31 December 2024	(7,948)	53,548	3,100	48,700

ZURICH GENERAL TAKAFUL MALAYSIA BERHAD

(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
(CONTINUED)**14. TAKAFUL CERTIFICATES LIABILITIES**

The roll-forward of net liabilities for takaful certificates issued for contracts measured under PAA, showing the liabilities for remaining coverage and the liabilities for incurred claims for liabilities included in the General Takaful Fund, is disclosed in the table below:

	30.06.2025			
	Liabilities for remaining coverage	Liabilities for incurred claims		Total
	Excluding loss component RM'000	Estimates of the present value of future cash flows RM'000	Risk adjustment RM'000	
General Takaful Fund				
Takaful certificate liabilities as at 1 January 2025	388,361	1,262,090	40,126	1,690,577
Takaful revenue	(602,026)	-	-	(602,026)
Takaful service expense:				
Incurred claims and other takaful service expenses	191,285	325,430	-	516,715
Changes to liabilities for incurred claims	-	81,433	2,595	84,028
Takaful service result	(410,741)	406,863	2,595	(1,283)
Takaful finance expenses	338	18,816	758	19,912
Cash flows				
Contributions received	610,797	-	-	610,797
Claims and other expenses paid	(191,285)	(327,327)	-	(518,612)
Total cash flows	419,512	(327,327)	-	92,185
Other movements	-	241	-	241
Takaful certificate liabilities as at 30 June 2025	397,470	1,360,683	43,479	1,801,632

ZURICH GENERAL TAKAFUL MALAYSIA BERHAD

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
(CONTINUED)**14. TAKAFUL CERTIFICATES LIABILITIES (CONTINUED)**

The roll-forward of net liabilities for takaful certificates issued for contracts measured under PAA, showing the liabilities for remaining coverage and the liabilities for incurred claims for liabilities included in the General Takaful Fund, is disclosed in the table below: (continued)

	31.12.2024			
	Liabilities for remaining coverage	Liabilities for incurred claims		
	Excluding loss component RM'000	Estimates of the present value of future cash flows RM'000	Risk adjustment RM'000	Total RM'000
General Takaful Fund				
Takaful certificate liabilities as at 1 January 2024	331,459	1,053,789	33,010	1,418,258
Takaful revenue	(1,120,607)	-	-	(1,120,607)
Takaful service expense:				
Incurred claims and other takaful service expenses	363,779	611,655	-	975,434
Changes to liabilities for incurred claims	-	112,118	5,954	118,072
Takaful service result	(756,828)	723,773	5,954	(27,101)
Takaful finance expenses	748	29,959	1,162	31,869
Cash flows				
Contributions received	1,176,783	-	-	1,176,783
Claims and other expenses paid	(363,779)	(544,750)	-	(908,529)
Total cash flows	813,004	(544,750)	-	268,254
Other movements	(22)	(681)	-	(703)
Takaful certificate liabilities as at 31 December 2024	388,361	1,262,090	40,126	1,690,577

ZURICH GENERAL TAKAFUL MALAYSIA BERHAD

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
(CONTINUED)**14. TAKAFUL CERTIFICATES LIABILITIES (CONTINUED)**

The roll-forward of net liabilities for takaful certificates issued for contracts measured under PAA, showing the liability for remaining coverage and the liability for incurred claims for liabilities included in the Company, is disclosed in the table below: (continued)

<u>Company</u>	30.06.2025			
	Liabilities for remaining coverage	Liabilities for incurred claims		Total
	Excluding loss component	Estimates of the present value of future cash flows	Risk adjustment	
		RM'000	RM'000	
Takaful certificate liabilities as at 1 January 2025	487,219	1,278,331	40,126	1,805,676
Takaful revenue	(598,313)	-	-	(598,313)
Takaful service expense:				
Incurred claims and other takaful service expenses	24,905	335,700	-	360,605
Changes to liabilities for incurred claims	-	82,506	2,595	85,101
Amortisation of takaful acquisition cash flows	94,536	-	-	94,536
Takaful service result	(478,872)	418,206	2,595	(58,071)
Takaful finance expenses	425	18,816	758	19,999
Cash flows				
Contributions received	610,797	-	-	610,797
Claims and other expenses paid	-	(337,597)	-	(337,597)
Takaful acquisition cash flows	(121,576)	-	-	(121,576)
Total cash flows	489,221	(337,597)	-	151,624
Other movements	-	241	-	241
Takaful certificate liabilities as at 30 June 2025	497,993	1,377,997	43,479	1,919,469

ZURICH GENERAL TAKAFUL MALAYSIA BERHAD

(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
(CONTINUED)**14. TAKAFUL CERTIFICATES LIABILITIES (CONTINUED)**

The roll-forward of net liabilities for takaful certificates issued for contracts measured under PAA, showing the liabilities for remaining coverage and the liabilities for incurred claims for liabilities included in the Company, is disclosed in the table below: (continued)

<u>Company</u>	31.12.2024			
	Liabilities for remaining coverage	Liabilities for incurred claims		
		Estimates of the present value of future cash flows	Risk adjustment	Total
	Excluding loss component RM'000	RM'000	RM'000	RM'000
Takaful certificate liabilities as at 1 January 2024	418,317	1,068,147	33,010	1,519,474
Takaful revenue	(1,096,174)	-	-	(1,096,174)
Takaful service expense:				
Incurred claims and other takaful service expenses	-	660,594	-	660,594
Changes to liabilities for incurred claims	-	144,000	5,954	119,954
Amortisation of takaful acquisition cash flows	169,868	-	-	169,868
Takaful service result	(926,306)	774,594	5,954	(145,758)
Takaful finance expenses	928	29,959	1,162	32,049
Cash flows				
Contributions received	1,176,784	-	-	1,176,784
Claims and other expenses paid	-	(593,688)	-	(593,688)
Takaful acquisition cash flows	(182,482)	-	-	(182,482)
Total cash flows	994,302	(593,688)	-	400,614
Other movements	(22)	(681)	-	(703)
Takaful certificate liabilities as at 31 December 2024	487,219	1,278,331	40,126	1,805,676

ZURICH GENERAL TAKAFUL MALAYSIA BERHAD

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

15. FAIR VALUE MEASUREMENTS

(a) Determination of fair value and fair value hierarchy

The carrying amounts of cash and cash equivalents, short-term receivables and payables reasonably approximate their fair value due to relative short-term nature of these financial instruments.

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 – Quoted market price

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 - Market observable input

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly. These include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in inactive markets, inputs that are observable that are not prices (such as interest rates, credit risks, etc.) and inputs that are derived from or corroborated by observable market data.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial period. (31 December 2024: No transfer in either direction).

Level 3 - Unobservable inputs

Level 3 fair value, if any, is estimated using unobservable inputs for the financial assets and liabilities. The main asset classes in this category are unquoted equity securities, unrated securities and debt securities from organisations in default. 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 and judgements.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
(CONTINUED)**15. FAIR VALUE MEASUREMENTS (CONTINUED)****(b) Financial instruments carried at fair value**

The table below shows the financial instruments which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
<u>General Takaful Fund</u>				
<u>30 June 2025</u>				
Financial assets				
FVOCI financial assets:				
- Islamic debt securities, unquoted	-	537,644	-	537,644
	<u>-</u>	<u>537,644</u>	<u>-</u>	<u>537,644</u>
<u>31 December 2024</u>				
Financial assets				
FVOCI financial assets:				
- Islamic debt securities, unquoted	-	528,631	-	528,631
	<u>-</u>	<u>528,631</u>	<u>-</u>	<u>528,631</u>
<u>Company</u>				
<u>30 June 2025</u>				
Financial assets				
FVOCI financial assets:				
- Government Investment Issues	-	174,247	-	174,247
- Islamic debt securities, unquoted	-	916,562	-	916,562
	<u>-</u>	<u>1,090,809</u>	<u>-</u>	<u>1,090,809</u>
<u>31 December 2024</u>				
Financial assets				
FVOCI financial assets:				
- Government Investment Issues	-	170,318	-	170,318
- Islamic debt securities, unquoted	-	905,952	-	905,952
	<u>-</u>	<u>1,076,270</u>	<u>-</u>	<u>1,076,270</u>

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
(CONTINUED)**16. TOTAL CAPITAL AVAILABLE**

The regulated capital of the Company as at 30 June 2025 comprised of Available Capital of RM958,085,000 (31 December 2024: RM899,054,000).

The capital structure of the Company as at 30 June 2025, as prescribed under the RBCT Framework, is shown below:

	30.06.2025	31.12.2024
	RM'000	RM'000
<u>Tier 1 Capital</u>		
Paid-up share capital	447,000	447,000
Reserves, including retained earnings	545,535	494,578
	<u>992,535</u>	<u>941,578</u>
<u>Tier 2 Capital</u>		
Fair value through other comprehensive income ("FVOCI") reserves	8,154	3,582
	<u>8,154</u>	<u>3,582</u>
Less:		
<u>Deductions</u>		
Other intangible assets (Note 11)	(17,000)	(18,000)
Deferred tax assets	(25,604)	(28,106)
	<u>(42,604)</u>	<u>(46,106)</u>
Total Capital Available	<u>958,085</u>	<u>899,054</u>

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
(CONTINUED)**17. CASH GENERATED FROM OPERATING ACTIVITIES**

	Company	
	30.06.2025	30.06.2024
	RM'000	RM'000
Cash flow from operating activities		
Net profit for the financial period	43,037	35,232
Investment income	(48,743)	(42,311)
Realised losses recorded in profit or loss	84	-
Purchase of financial assets	(147,481)	(95,322)
Proceeds from maturity and disposal of financial assets	136,657	76,700
Adjustments for:		
Depreciation of property and equipment	661	555
Impairment losses/(gains) on investments	40	(184)
Depreciation of right-of-use of assets	578	578
Amortisation of intangible assets	1,003	1,051
Interest expenses on lease liabilities	15	39
Tax expense	15,546	20,784
Operating gain/(loss) before changes in working capital	1,397	(2,878)
Changes in working capital:		
Increase in financial assets at amortised cost	(75,582)	(169,359)
Increase in takaful certificate liabilities	111,071	173,395
Decrease in retakaful certificate assets	5,404	6,994
Decrease/(increase) in other receivables	107	(222)
Decrease in other payables	(6,312)	(5,873)
Cash generated from operating activities	36,085	2,057

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