



Unaudited Condensed
Interim Financial Statements
for the six months period ended
30 June 2024



Company No.

200601012246 (731996-H)

ZURICH TAKAFUL MALAYSIA BERHAD

(Incorporated in Malaysia)

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Company No.

200601012246 (731996-H)

ZURICH TAKAFUL MALAYSIA BERHAD

(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

ASSETS	Note	Family Takaful Fund		Company	
		30.06.2024	31.12.2023	30.06.2024	31.12.2023
		RM'000	RM'000	RM'000	RM'000
Property and equipment		-	-	5,991	6,791
Right-of-use assets		-	-	2,783	3,062
Intangible assets		-	-	10	51
Investments	11	951,393	824,854	1,194,883	1,041,074
Retakaful certificate assets	12	4,806	-	4,806	-
Other receivables		1,747	829	8,563	5,846
Tax recoverable		2,669	2,404	10,667	8,120
Deferred tax assets		-	2,726	7,646	-
Cash and cash equivalents		74,252	82,112	94,759	97,265
TOTAL ASSETS		1,034,867	912,925	1,330,108	1,162,209

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

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ZURICH TAKAFUL MALAYSIA BERHAD

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UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024 (CONTINUED)

	Note	Family Takaful Fund		Company	
		30.06.2024 RM'000	31.12.2023 RM'000	30.06.2024 RM'000	31.12.2023 RM'000
EQUITY, PARTICIPANTS' FUND AND SHAREHOLDER'S EQUITY					
Share capital		-	-	230,000	180,000
Retained earnings		-	-	55,434	67,699
Other reserve		-	-	778	556
TOTAL SHAREHOLDER'S EQUITY		-	-	286,212	248,255
LIABILITIES					
Takaful certificate liabilities	12	994,789	874,946	985,892	845,779
Retakaful certificate liabilities	12	-	1,689	-	1,689
Lease liabilities		-	-	2,936	3,219
Tax payable		2,830	1,694	2,830	1,694
Deferred tax liabilities		3,548	-	-	8,236
Other payables		33,700	34,596	52,238	53,337
TOTAL LIABILITIES		1,034,867	912,925	1,043,896	913,954
TOTAL LIABILITIES, PARTICIPANTS' FUNDS AND SHAREHOLDER'S EQUITY		1,034,867	912,925	1,330,108	1,162,209

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

Company No.

200601012246 (731996-H)

ZURICH TAKAFUL MALAYSIA BERHAD

(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024

	Family Takaful Fund		Company	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Takaful revenue	215,208	180,705	322,645	236,663
Takaful service expense	(192,941)	(185,047)	(261,589)	(225,053)
Takaful service result before retakaful certificates held	22,267	(4,342)	61,056	11,610
Allocation of retakaful contributions	(11,408)	(18,971)	(11,408)	(18,971)
Amounts recoverable from retakaful operators for incurred claims	7,730	12,636	7,730	12,636
Net expense from retakaful certificates held	(3,678)	(6,335)	(3,678)	(6,335)
Takaful service result	18,589	(10,677)	57,378	5,275
Investment income	13,106	12,664	18,022	16,721
Realised gains/(losses)	4,450	(1,526)	4,450	(1,544)
Fair value gains/(losses)	76,002	(6,367)	76,002	(6,367)
Impairment gains/(losses) on financial assets	312	(283)	405	(301)
Total investment income	93,870	4,488	98,879	8,509

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UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024 (CONTINUED)

	Family Takaful Fund		Company	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Takaful finance (expense)/income for takaful certificates issued	(107,042)	3,497	(174,517)	1,112
Retakaful finance expense for retakaful certificates held	(2)	(24)	(2)	(24)
Net takaful financial result	(107,044)	3,473	(174,519)	1,088
Fee income	1,941	2,943	1,941	1,829
Other expense	-	(12)	(11,125)	(8,083)
Other finance cost	-	-	(9)	(21)
Profit/(loss) before zakat and taxation	7,356	215	(27,455)	8,597
Tax expense attributable to participants	(7,356)	(215)	(7,356)	(215)
Tax income/(expense) attributable to Takaful Operator	-	-	21,584	(2,287)
Zakat	-	-	962	-
Net (loss)/profit for the financial period	-	-	(12,265)	6,095
Basic/diluted earnings per share (sen)	-	-	(5.33)	3.39

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UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024

	Family Takaful Fund		Company	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Net (loss)/profit for the financial period	-	-	(12,265)	6,095
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 (losses)/gains on fair value changes	(9,219)	8,874	(8,713)	10,915
Realised gains transferred to profit or loss	11,308	78	11,308	60
Change in allowance for Expected Credit Loss ("ECL")	(312)	283	(405)	301
Deferred tax expenses	(142)	(738)	(241)	(1,229)
Net gains on fair value changes	1,635	8,497	1,949	10,047
Takaful finance income/(expense) for takaful certificates issued	543	(3,152)	451	(3,134)
Retakaful finance expense from retakaful certificates held	-	(42)	-	(42)
Other comprehensive loss attributable to participants	(2,178)	(5,303)	(2,178)	(5,303)
Total other comprehensive income, net of tax	-	-	222	1,568
Total comprehensive (loss)/income for the financial period	-	-	(12,043)	7,663

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

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UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024

Company	Issued and fully paid-up ordinary shares	Non- distributable	Non- distributable Takaful/ retakaful finance reserves	Distributable	Total
	Share capital RM'000	Fair value reserve RM'000	RM'000	Retained earnings RM'000	
At 1 January 2023 (As previously stated)	180,000	(2,200)	-	22,180	199,980
Impact of initial application of MFRS 17	-	-	1,327	28,165	29,492
At 1 January 2023	180,000	(2,200)	1,327	50,345	229,472
Impact of initial application of MFRS 9	-	220	-	(220)	-
At 1 January 2023 (Restated)	180,000	(1,980)	1,327	50,125	229,472
Net profit for the financial period	-	-	-	6,095	6,095
Other comprehensive income for the period	-	1,550	18	-	1,568
At 30 June 2023	180,000	(430)	1,345	56,220	237,135
At 1 January 2024	180,000	581	(25)	67,699	248,255
Issuance of shares during the financial period	50,000	-	-	-	50,000
Net loss for the financial period	-	-	-	(12,265)	(12,265)
Other comprehensive income for the period	-	314	(92)	-	222
At 30 June 2024	230,000	895	(117)	55,434	286,212

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UNAUDITED CONDENSED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024

		6 months period ended 30.06.2024	6 months period ended 30.06.2023
	Note	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operating activities	15	(52,599)	(22,197)
Distribution income received		-	4,073
Profit income received		1,708	1,343
Interest expense on lease liabilities		(61)	(59)
Income tax paid		(710)	(1,400)
Net cash flows used in operating activities		(51,662)	(18,240)
CASH FLOWS FINANCING ACTIVITIES			
Proceeds from issuance of shares		50,000	-
Payment of lease liabilities (principal portion)		(844)	(1,290)
Net cash flows generated from/(used in) financing activities		49,156	(1,290)
Net decrease in cash and cash equivalents		(2,506)	(19,530)
Cash and cash equivalents at the beginning of the financial period		97,265	118,942
Cash and cash equivalents at the end of the financial period		94,759	99,412
Cash and cash equivalents comprise:			
Cash and bank balances		94,759	99,412
		94,759	99,412

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

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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 the Malaysian Financial Reporting Standard ("MFRS") 134: "Interim Financial Reporting", International Accounting Standard ("IAS") 34 "Interim Financial Reporting", Guidelines / Circulars issued by Bank Negara Malaysia ("BNM") and should be read in conjunction with the Company's audited financial statements for the financial year ended 31 December 2023, which were prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS").

The Islamic Financial Services Act 2013 ("IFSA") requires the assets and liabilities of the takaful funds being clearly segregated from those of the takaful operator. However, in preparing the Company-level financial statements, the balances and transactions of the takaful operator fund are consolidated with those of the takaful fund to represent the control possessed by the takaful 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 2023.

Amendments effective for annual periods beginning on or after 1 January 2024

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 2023, except for the adoption of the following amendments to MFRS:

	<u>Effective date</u>
Amendments to MFRS 16 Leases – <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 Presentation of Financial Statements – <i>(Non-current Liabilities with Covenants)</i>	1 January 2024
Amendments to MFRS 101 Presentation of Financial Statements – <i>(Classification of Liabilities as Current or Non-current)</i>	1 January 2024
Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures – <i>Supplier Finance Arrangements</i>	1 January 2024

The amendments above had no impact on the Company's condensed interim financial statements.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

2. CHANGES IN ACCOUNTING POLICIES

The were no changes in accounting policies for the financial period ended 30 June 2024.

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 2023 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 ESTIMATES

There were no material changes in basis used for accounting estimates for the financial period ended 30 June 2024.

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. SIGNIFICANT AND SUBSEQUENT EVENT

On 30 January 2024, the Board of Directors has approved the allotment of 50,000,000 new shares of the Company for a total consideration of RM50 million to Zurich Holdings Malaysia Berhad.

There is no material event subsequent to the end of the period under review, that has not been reported in the interim financial statements for the current financial period to date.

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.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

11. INVESTMENTS

The Company's investments are summarised by measurement categories as follows:

	Family Takaful Fund		Company	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
(a) Financial assets at FVOCI	387,378	333,715	630,868	544,584
(b) Financial assets at FVTPL	564,015	491,139	564,015	491,139
(c) Financial assets at amortised cost	-	-	-	5,351
	<u>951,393</u>	<u>824,854</u>	<u>1,194,883</u>	<u>1,014,074</u>
The following investments mature after 12 months:				
Financial assets at FVOCI	384,314	330,631	587,208	516,065
Financial assets at FVTPL	71,443	71,600	71,443	71,600
	<u>455,757</u>	<u>402,231</u>	<u>658,651</u>	<u>587,665</u>

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

11. INVESTMENTS (CONTINUED)

The breakdown of the financial assets by measurement categories are set out in the table below:

(a) Financial assets at FVOCI

	Family Takaful Fund		Company	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
<u>At fair value</u>				
Government Investment Issues	12,380	12,363	12,380	12,363
Unquoted Islamic debt securities	374,998	321,352	618,488	532,221
	<u>387,378</u>	<u>333,715</u>	<u>630,868</u>	<u>544,584</u>

(b) Financial assets at FVTPL

<u>At fair value</u>				
Government Investment Issues	311	314	311	314
Unquoted Islamic debt securities	72,410	71,794	72,410	71,794
Shariah-approved quoted equities	166,576	144,734	166,576	144,734
Unit trusts	324,718	274,297	324,718	274,297
	<u>564,015</u>	<u>491,139</u>	<u>564,015</u>	<u>491,139</u>

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

11. INVESTMENTS (CONTINUED)

The breakdown of the financial assets by measurement categories are set out in the table below: (continued)

(c) Financial assets at amortised cost

	Family Takaful Fund		Company	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
<u>At amortised cost</u>				
Fixed deposits with licensed financial institutions	-	-	-	5,351
	-	-	-	5,351

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 2024, the Company has fixed deposits of RM Nil (2023: RM5,351,000), placed with a licensed Islamic bank, with maturity term of more than 3 months.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

12. TAKAFUL AND RETAKAFUL CERTIFICATES

The breakdown of groups of takaful certificates issued and retakaful certificates held, that are in an asset position and those in a liability position is set out in the table below:

	30.06.2024			31.12.2023		
	Assets RM'000	Liabilities RM'000	Net RM'000	Assets RM'000	Liabilities RM'000	Net RM'000
<u>Family Takaful Fund</u>						
Takaful certificates						
Takaful certificates issued	-	(994,789)	(994,789)	-	(874,946)	(874,946)
Retakaful certificates held	4,806	-	4,806	-	(1,689)	(1,689)
Takaful and retakaful certificates assets/(liabilities)	4,806	(994,789)	(989,983)	-	(876,635)	(876,635)
<u>Company</u>						
Takaful certificates						
Takaful certificates issued	-	(985,892)	(985,892)	-	(845,779)	(845,779)
Retakaful certificates held	4,806	-	4,806	-	(1,689)	(1,689)
Takaful and retakaful certificates assets/(liabilities)	4,806	(985,892)	(981,086)	-	(847,468)	(847,468)

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

12. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

12.1 Takaful certificates issued

The roll-forward of the liabilities for takaful certificates issued, showing the liabilities for remaining coverage and the liabilities for incurred claims for portfolios included in the Family Takaful Fund, is disclosed in the table below:

	Note	30.06.2024				31.12.2023			
		Liabilities for remaining coverage		Liabilities for incurred claims	Total	Liabilities for remaining coverage		Liabilities for incurred claims	Total
		Excluding loss component	Loss component			Excluding loss component	Loss component		
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Family Takaful Fund									
Takaful certificate liabilities as at 1 January 2024/2023		815,236	-	59,710	874,946	751,494	-	56,849	808,343
Net family takaful certificate liabilities as at 1 January 2024/2023		815,236	-	59,710	874,946	751,494	-	56,849	808,343
Takaful revenue		(215,208)	-	-	(215,208)	(468,892)	-	-	(468,892)
Expected incurred claims and other takaful service expenses		(208,964)	-	-	(208,964)	(468,031)	-	-	(468,031)
Other amount		(6,244)	-	-	(6,244)	(861)	-	-	(861)
Takaful service expense		-	-	192,941	192,941	-	-	426,726	426,726
Incurred claims and other takaful service expenses		-	-	192,941	192,941	-	-	426,726	426,726
Investment components		(39,850)	-	39,850	-	(86,340)	-	86,340	-
Takaful service result		(255,058)	-	232,791	(22,267)	(555,232)	-	513,066	(42,166)
Takaful finance expenses	a	107,042	-	-	107,042	82,327	-	-	82,327
Other movements		1,631	-	-	1,631	10,811	-	-	10,811
Total changes in the statement of profit or loss and OCI		(146,385)	-	232,791	86,406	(462,094)	-	513,066	50,972

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

12. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

12.1 Takaful certificates issued (continued)

The roll-forward of the liabilities for takaful certificates issued, showing the liabilities for remaining coverage and the liabilities for incurred claims for portfolios included in the Family Takaful Fund, is disclosed in the table below: (continued)

	Note	30.06.2024				31.12.2023			
		Liabilities for remaining coverage		Liabilities for incurred claims	Total	Liabilities for remaining coverage		Liabilities for incurred claims	Total
		Excluding loss component	Loss component			Excluding loss component	Loss component		
<u>Family Takaful Fund</u>		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash flows									
Contributions and contribution tax received	b	266,673	-	-	266,673	529,173	-	-	529,173
Qard repaid	c	-	-	-	-	(3,337)	-	-	(3,337)
Claims and other expenses paid including investment components		-	-	(233,236)	(233,236)	-	-	(510,205)	(510,205)
Total cash flows		266,673	-	(233,236)	33,437	525,836	-	(510,205)	15,631
Net takaful certificate liabilities as at 30 June 2024/31 December 2023		935,524	-	59,265	994,789	815,236	-	59,710	874,946

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12. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

12.1 Takaful certificates issued (continued)

The roll-forward of the liabilities for takaful certificates issued, showing the liabilities for remaining coverage and the liabilities for incurred claims for portfolios included in the Company, is disclosed in the table below:

Company	Note	30.06.2024				31.12.2023			
		Liabilities for remaining coverage		Liabilities for incurred claims	Total	Liabilities for remaining coverage		Liabilities for incurred claims	Total
		Excluding loss component	Loss component			Excluding loss component	Loss component		
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Takaful certificate liabilities as at 1 January 2024/2023		735,437	49,008	61,334	845,779	684,057	68,442	57,103	809,602
Net family takaful certificate liabilities as at 1 January 2024/2023		735,437	49,008	61,334	845,779	684,057	68,442	57,103	809,602
Takaful revenue		(322,645)			(322,645)	(605,571)	-	-	(605,571)
Expected incurred claims and other takaful service expenses		(272,350)	-	-	(272,350)	(527,531)	-	-	(527,531)
Change in risk adjustment for non-financial risk expired		(3,261)	-	-	(3,261)	(3,050)	-	-	(3,050)
CSM recognised for service provided		(18,377)	-	-	(18,377)	(29,091)	-	-	(29,091)
Recovery of takaful acquisition cashflows		(22,413)	-	-	(22,413)	(45,038)	-	-	(45,038)
Other amount		(6,244)	-	-	(6,244)	(861)	-	-	(861)

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

12. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

12.1 Takaful certificates issued (continued)

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

Company	Note	30.06.2024				31.12.2023			
		Liabilities for remaining coverage		Liabilities for incurred claims	Total	Liabilities for remaining coverage		Liabilities for incurred claims	Total
		Excluding loss component	Loss component			Excluding loss component	Loss component		
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Takaful service expense		22,413	6,083	233,093	261,589	45,038	(25,440)	500,279	519,877
Incurring claims and other takaful service expenses		-	-	233,093	233,093	-	-	500,279	500,279
Net losses recognised on onerous certificates and reversals of those losses		-	6,083	-	6,083	-	(25,440)	-	(25,440)
Amortisation of takaful acquisition cash flows		22,413	-	-	22,413	45,038	-	-	45,038
Investment components		(39,850)	-	39,850	-	(86,340)	-	86,340	-
Takaful service result		(340,082)	6,083	272,943	(61,056)	(646,873)	(25,440)	586,619	(85,694)
Takaful finance expenses	a	177,819	(3,302)	-	174,517	82,291	6,006	-	88,297
Other movements		1,802	-	-	1,802	11,952	-	-	11,952
Total changes in the statement of profit or loss and OCI		(160,461)	2,781	272,943	115,263	(552,630)	(19,434)	586,619	14,555

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

12. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

12.1 Takaful certificates issued (continued)

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

Company	Note	30.06.2024				31.12.2023			
		Liabilities for remaining coverage		Liabilities for incurred claims	Total	Liabilities for remaining coverage		Liabilities for incurred claims	Total
		Excluding loss component	Loss component			Excluding loss component	Loss component		
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash flows									
Contributions and contribution tax received	b	334,751	-	-	334,751	675,235	-	-	675,235
Claims and other expenses paid including investment components		-	-	(273,700)	(273,700)	-	-	(582,388)	(582,388)
Takaful acquisition cash flows		(36,201)	-	-	(36,201)	(71,225)	-	-	(71,225)
Total cash flows		298,550	-	(273,700)	24,850	604,010	-	(582,388)	21,622
Net takaful certificate liabilities as at 30 June 2024/31 December 2023		873,526	51,789	60,577	985,892	735,437	49,008	61,334	845,779

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12. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

12.1 Takaful certificates issued (continued)

Notes:

- a. The Company disaggregates takaful finance expenses between profit or loss and other comprehensive income. The Company does not disaggregate changes in the risk adjustment for non-financial risk between takaful service result and takaful finance expenses.
- b. The refunds of contributions have been included in this line.
- c. Fulfillment cash flows include obligations to repay Qard advanced by the Shareholder's Fund to the Family Takaful Fund. Qard was advanced by the Shareholder's Fund in compliance with the requirements set out in paragraph 19 of the BNM Takaful Operational Framework ("TOF"). Consistent with those requirements, the amount did not bear interest. The amount was repayable out of available surpluses and resources of the Family Takaful Fund. In accordance with Paragraph 19.4 of the BNM TOF, the Shareholder's Fund has determined a time period during which the Qard shall be repaid and consequently the period beyond which any unpaid Qard will be deemed irrecoverable and the outstanding amount forgiven. The table below reconciles the nominal value of the Qard included in fulfillment cash flows:

Nominal amount	Family Takaful Fund	
	30.06.2024	31.12.2023
	RM'000	RM'000
Opening balance	-	3,337
Qard repaid during the period/year	-	(3,337)
Closing balance	-	-

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12. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

12.2 Retakaful certificates held

The roll-forward of the net liabilities or assets for retakaful certificates held, showing the assets for remaining coverage and the amounts recoverable on incurred claims arising from business ceded to retakaful operators in the Family Takaful Fund, is disclosed in the table below:

	Note	30.06.2024				31.12.2023			
		Assets for remaining coverage		Amounts recoverable on incurred claims	Total	Assets for remaining coverage		Amounts recoverable on incurred claims	Total
		Excluding loss-recovery component	Loss-recovery component			Excluding loss-recovery component	Loss-recovery component		
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Family Takaful Fund									
Retakaful certificate liabilities as at 1 January		30,928	-	(29,239)	1,689	-	-	-	-
Retakaful certificate assets as at 1 January		-	-	-	-	21,885	-	(24,895)	(3,010)
Net retakaful certificate liabilities/(assets) as at 1 January		30,928	-	(29,239)	1,689	21,885	-	(24,895)	(3,010)
Allocation of retakaful contributions		11,408	-	-	11,408	31,321	-	-	31,321
Amounts recoverable from retakaful operators		-	-	(7,730)	(7,730)	-	-	(25,547)	(25,547)
Net income or expense from retakaful certificates held		11,408	-	(7,730)	3,678	31,321	-	(25,547)	5,774
Retakaful finance income		-	-	-	-	129	-	-	129
Effect of changes in non-performance risk of retakaful operators		2	-	-	2	(69)	-	-	(69)
Total changes in the statement of profit or loss and OCI		11,410	-	(7,730)	3,680	31,381	-	(25,547)	5,834

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12. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

12.2 Retakaful certificates held (continued)

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

	Note	30.06.2024				31.12.2023			
		Assets for remaining coverage		Amounts recoverable on incurred claims	Total	Assets for remaining coverage		Amounts recoverable on incurred claims	Total
		Excluding loss-recovery component	Loss-recovery component			Excluding loss-recovery component	Loss-recovery component		
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Family Takaful Fund									
Cash flows									
Contributions and similar expense paid		(23,897)	-	-	(23,897)	(22,338)	-	-	(22,338)
Amounts received from retakaful operators		-	-	13,722	13,722	-	-	21,203	21,203
Total cash flows		(23,897)	-	13,722	(10,175)	(22,338)	-	21,203	(1,135)
Net retakaful certificate (assets)/ liabilities as at 30 June 2024/31 December 2023		18,441	-	(23,247)	(4,806)	30,928	-	(29,239)	1,689

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12. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

12.2 Retakaful certificates held (continued)

The roll-forward of the net liabilities or assets for retakaful certificates held, showing the assets for remaining coverage and the amounts recoverable on incurred claims arising from business ceded to retakaful operators in the Company, is disclosed in the table below:

Company	Note	30.06.2024				31.12.2023			
		Assets for remaining coverage		Amounts recoverable on incurred claims	Total	Assets for remaining coverage		Amounts recoverable on incurred claims	Total
		Excluding loss-recovery/gain component	Loss-recovery component			Excluding loss-recovery/gain component	Loss-recovery component		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Retakaful certificate liabilities as at 1 January		30,928	-	(29,239)	1,689	-	-	-	-
Retakaful certificate assets as at 1 January		-	-	-	-	21,885	-	(24,895)	(3,010)
Net retakaful certificate liabilities/ (assets) as at 1 January		30,928	-	(29,239)	1,689	21,885	-	(24,895)	(3,010)
Allocation of retakaful contributions		11,408	-	-	11,408	31,321	-	-	31,321
Amounts recoverable from retakaful operators		-	-	(7,730)	(7,730)	-	-	(25,547)	(25,547)
Net income or expense from retakaful certificates held		11,408	-	(7,730)	3,678	31,321	-	(25,547)	5,774
Retakaful finance income		-	-	-	-	129	-	-	129
Effect of changes in non-performance risk of retakaful operators		2	-	-	2	(69)	-	-	(69)
Total changes in the statement of profit or loss and OCI		11,410	-	(7,730)	3,680	31,381	-	(25,547)	5,834

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12. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

12.2 Retakaful certificates held (continued)

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

<u>Company</u>	<u>Note</u>	<u>30.06.2024</u>				<u>31.12.2023</u>			
		<u>Assets for remaining coverage</u>				<u>Assets for remaining coverage</u>			
		<u>Excluding loss- recovery/ gain component</u>	<u>Loss- recovery component</u>	<u>Amounts recoverable on incurred claims</u>	<u>Total</u>	<u>Excluding loss- recovery/ gain component</u>	<u>Loss- recovery component</u>	<u>Amounts recoverable on incurred claims</u>	<u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	
Cash flows									
Contributions and similar expense paid		(23,897)	-	-	(23,897)	(22,338)	-	-	(22,338)
Amounts received from retakaful operators		-	-	13,722	13,722	-	-	21,203	21,203
Total cash flows		(23,897)	-	13,722	(10,175)	(22,338)	-	21,203	(1,135)
Net retakaful certificate (assets)/ liabilities as at 30 June 2024/31 December 2023		18,441	-	(23,247)	(4,806)	30,928	-	(29,239)	1,689

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

12. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

12.3 Takaful certificates issues – analysis by measurement components

The table below presents a roll-forward of the liabilities for takaful certificates issued, showing estimated of the present value of future cash flows, risk adjustment and CSM for portfolio of takaful certificates issued in the Family Takaful Fund:

	Note	30.06.2024				31.12.2023			
		Liabilities for remaining coverage				Liabilities for remaining coverage			
		Estimates of present value of future cash flows	Risk adjustment	Contractual service margin	Total	Estimates of present value of future cash flows	Risk adjustment	Contractual service margin	Total
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Family Takaful Fund									
Takaful certificate liabilities as at 1 January		874,946	-	-	874,946	808,343	-	-	808,343
Net takaful certificate liabilities as at 1 January		874,946	-	-	874,946	808,343	-	-	808,343
Changes that relate to current services:									
Experience adjustments		(78,930)	-	-	(78,930)	(196,213)	-	-	(196,213)
Changes that relate to past services:									
Adjustments to liabilities for incurred claims		56,663	-	-	56,663	154,047	-	-	154,047
Takaful service result		(22,267)	-	-	(22,267)	(42,166)	-	-	(42,166)
Takaful finance expenses	a	107,042	-	-	107,042	82,327	-	-	82,327
Other movements		1,631	-	-	1,631	10,811	-	-	10,811
Total changes in the statement of profit or loss and OCI		86,406	-	-	86,406	50,972	-	-	50,972

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12. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

12.3 Takaful certificates issues – analysis by measurement components (continued)

The table below presents a roll-forward of the liabilities for takaful certificates issued, showing estimated of the present value of future cash flows, risk adjustment and CSM for portfolio of takaful certificates issued in the Family Takaful Fund: (continued)

	Note	30.06.2024				31.12.2023			
		Liabilities for remaining coverage				Liabilities for remaining coverage			
		Estimates of present value of future cash flows	Risk adjustment	Contractual service margin	Total	Estimates of present value of future cash flows	Risk adjustment	Contractual service margin	Total
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Family Takaful Fund									
Cash flows									
Contributions and contribution tax received		266,673	-	-	266,673	529,173	-	-	529,173
Qard repaid		-	-	-	-	(3,337)	-	-	(3,337)
Claims and other takaful service expenses paid		(233,236)	-	-	(233,236)	(510,205)	-	-	(510,205)
Total cash flows		33,437	-	-	33,437	15,631	-	-	15,631
Net takaful certificate liabilities as at 30 June 2024/31 December 2023		994,789	-	-	994,789	874,946	-	-	874,946

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12. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

12.3 Takaful certificates issues – analysis by measurement components (continued)

The table below presents a roll-forward of the liabilities for takaful certificates issued, showing estimated of the present value of future cash flows, risk adjustment and CSM for portfolio of takaful certificates issued in the Company:

Company	Note	30.06.2024				31.12.2023			
		Liabilities for remaining coverage				Liabilities for remaining coverage			
		Estimates of present value of future cash flows RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000	Estimates of present value of future cash flows RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000
Takaful certificate liabilities as at 1 January		576,144	24,918	244,717	845,779	582,024	22,368	205,210	809,602
Net takaful certificate liabilities as at 1 January		576,144	24,918	244,717	845,779	582,024	22,368	205,210	809,602
Changes that relate to current services:		(75,635)	(1,969)	(18,377)	(95,981)	(200,592)	(2,021)	(29,091)	(231,704)
Contractual service margin recognised for services provided		-	-	(18,377)	(18,377)	-	-	(29,091)	(29,091)
Risk adjustment for the risk expired		-	(1,969)	-	(1,969)	-	(2,021)	-	(2,021)
Experience adjustments		(75,635)	-	-	(75,635)	(200,592)	-	-	(200,592)

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12. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

12.3 Takaful certificates issues – analysis by measurement components (continued)

The table below presents a roll-forward of the liabilities for takaful certificates issued, showing estimated of the present value of future cash flows, risk adjustment and CSM for portfolio of takaful certificates issued in the Company: (continued)

Company	Note	30.06.2024				31.12.2023			
		Liabilities for remaining coverage				Liabilities for remaining coverage			
		Estimates of present value of future cash flows RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000	Estimates of present value of future cash flows RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000
Changes that relate to future services:		(29,805)	862	7,205	(21,738)	(77,874)	2,445	67,394	(8,035)
Certificates initially recognised in the period		(19,157)	1,336	18,063	242	(28,022)	1,893	26,129	-
Changes in estimates that adjust the contractual service margin		11,426	(568)	(10,858)	-	(41,860)	595	41,265	-
Changes in estimates that do not adjust the contractual service margin		(22,074)	94	-	(21,980)	(7,992)	(43)	-	(8,035)
Changes that relate to past services:		56,663	-	-	56,663	154,045	-	-	154,045
Adjustments to liabilities for incurred claims		56,663	-	-	56,663	154,045	-	-	154,045
Takaful services result		(48,777)	(1,107)	(11,172)	(61,056)	(124,421)	424	38,303	(85,694)
Takaful finance expenses		173,507	427	583	174,517	86,252	841	1,204	88,297
Other movements		1,881	(79)	-	1,802	10,667	1,285	-	11,952
Total changes in the statement of profit or loss and OCI		126,611	(759)	(10,589)	115,263	(27,502)	2,550	39,507	14,555

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12. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

12.3 Takaful certificates issues – analysis by measurement components (continued)

The table below presents a roll-forward of the liabilities for takaful certificates issued, showing estimated of the present value of future cash flows, risk adjustment and CSM for portfolio of takaful certificates issued in the Company: (continued)

Company	Note	30.06.2024				31.12.2023				
		Liabilities for remaining coverage				Liabilities for remaining coverage				
		Estimates of present value of future cash flows RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000	Estimates of present value of future cash flows RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000	
Cash flows										
		Contributions and contribution tax received	334,751	-	-	334,751	675,235	-	-	675,235
		Claims and other takaful service expenses paid	(273,700)	-	-	(273,700)	(582,388)	-	-	(582,388)
		Takaful acquisition cash flows	(36,201)	-	-	(36,201)	(71,225)	-	-	(71,225)
		Total cash flows	24,850	-	-	24,850	21,622	-	-	21,622
		Net takaful certificate liabilities as at 30 June 2024/31 December 2023	727,605	24,159	234,128	985,892	576,144	24,918	244,717	845,779

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12. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

12.4 Retakaful certificates held – analysis by measurement components

The table below presents a roll-forward of the net liabilities/(assets) for retakaful certificates held, showing estimated of the present value of future cash flows, risk adjustment and CSM for portfolio of retakaful certificates held by the Family Takaful Fund:

	Note	30.06.2024				31.12.2023			
		Liabilities for remaining coverage				Liabilities for remaining coverage			
		Estimates of present value of future cash flows	Risk adjustment	Contractual service margin	Total	Estimates of present value of future cash flows	Risk adjustment	Contractual service margin	Total
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Family Takaful Fund									
Retakaful certificate liabilities as at 1 January		1,689	-	-	1,689	-	-	-	-
Retakaful certificate assets as at 1 January		-	-	-	-	(3,010)	-	-	(3,010)
Net takaful certificate liabilities/(assets) as at 1 January		1,689	-	-	1,689	(3,010)	-	-	(3,010)
Changes that relate to current services:									
Experience adjustments		11,408	-	-	11,408	31,321	-	-	31,321
Changes that relate to past services:									
Changes in amounts recoverable arising from changes in liability for incurred claims		(7,730)	-	-	(7,730)	(25,547)	-	-	(25,547)

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12. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

12.4 Retakaful certificates held – analysis by measurement components (continued)

The table below presents a roll-forward of the net liabilities/(assets) for retakaful certificates held, showing estimated of the present value of future cash flows, risk adjustment and CSM for portfolio of retakaful certificates held by the Family Takaful Fund: (continued)

	Note	30.06.2024				31.12.2023			
		Liabilities for remaining coverage				Liabilities for remaining coverage			
		Estimates of present value of future cash flows	Risk adjustment	Contractual service margin	Total	Estimates of present value of future cash flows	Risk adjustment	Contractual service margin	Total
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Family Takaful Fund									
Retakaful finance expense		-	-	-	-	129	-	-	129
Effect of changes in non-performance risk of retakaful operators	2	-	-	-	2	(69)	-	-	(69)
Total changes in the statement of profit or loss and OCI		3,680	-	-	3,680	5,834	-	-	5,834
Cash flows									
Contributions and similar expenses paid		(23,897)	-	-	(23,897)	(22,338)	-	-	(22,338)
Amounts received from retakaful operators		13,722	-	-	13,722	21,203	-	-	21,203
Total cash flows		(10,175)	-	-	(10,175)	(1,135)	-	-	(1,135)
Net retakaful certificate (assets)/ liabilities as at 30 June 2024/31 December 2023		(4,806)	-	-	(4,806)	1,689	-	-	1,689

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12. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

12.4 Retakaful certificates held – analysis by measurement components (continued)

The table below presents a roll-forward of the net liabilities/(assets) for retakaful certificates held, showing estimated of the present value of future cash flows, risk adjustment and CSM for portfolio of retakaful certificates held by the Company:

Company	Note	30.06.2024				31.12.2023			
		Liabilities for remaining coverage				Liabilities for remaining coverage			
		Estimates of present value of future cash flows	Risk adjustment	Contractual service margin	Total	Estimates of present value of future cash flows	Risk adjustment	Contractual service margin	Total
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Retakaful certificate liabilities as at 1 January		1,689	-	-	1,689	-	-	-	-
Retakaful certificate assets as at 1 January		-	-	-	-	(3,010)	-	-	(3,010)
Net takaful certificate liabilities/(assets) as at 1 January		1,689	-	-	1,689	(3,010)	-	-	(3,010)
Changes that relate to current services:									
Experience adjustments		11,408	-	-	11,408	31,321	-	-	31,321
Changes that relate to past services:									
Changes in amounts recoverable arising from changes in liability for incurred claims		(7,730)	-	-	(7,730)	(25,547)	-	-	(25,547)

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12. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

12.4 Retakaful certificates held – analysis by measurement components (continued)

The table below presents a roll-forward of the net liabilities/(assets) for retakaful certificates held, showing estimated of the present value of future cash flows, risk adjustment and CSM for portfolio of retakaful certificates held by the Company: (continued)

Company	Note	30.06.2024				31.12.2023			
		Liabilities for remaining coverage				Liabilities for remaining coverage			
		Estimates of present value of future cash flows	Risk adjustment	Contractual service margin	Total	Estimates of present value of future cash flows	Risk adjustment	Contractual service margin	Total
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Retakaful finance expense		-	-	-	-	129	-	-	129
Effect of changes in non-performance risk of retakaful operators	2	-	-	-	2	(69)	-	-	(69)
Total changes in the statement of profit or loss and OCI		3,680	-	-	3,680	5,834	-	-	5,834
Cash flows									
Contributions and similar expenses paid		(23,897)	-	-	(23,897)	(22,338)	-	-	(22,338)
Amounts received from retakaful operators		13,722	-	-	13,722	21,203	-	-	21,203
Total cash flows		(10,175)	-	-	(10,175)	(1,135)	-	-	(1,135)
Net retakaful certificate (assets)/ liabilities as at 30 June 2024/31 December 2023		(4,806)	-	-	(4,806)	1,689	-	-	1,689

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13. FAIR VALUE INFORMATION

(a) Determination of fair value and fair value hierarchy

The Company classifies fair value measurement using a fair value hierarchy that reflects the significant of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – Quoted market price

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.

Level 2 – Valuation Techniques - Market observable input

Financial instruments in this category are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. It includes financial 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 and discounted cash flows, the price of the most recent transactions may be used provided that there has not been a significant change in economic circumstances since the time of the transaction, or if the conditions have changed, that price should be adjusted to reflect the change in conditions by reference to current prices for similar financial instruments and investment in structured products with fair values obtained via investment bankers and/or fund managers.

Level 3 – Valuation Techniques - Unobservable inputs

Non-market observable inputs mean that fair values 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. Example of main asset classes in this category are unquoted equity securities, un-rated securities, investment properties, non-performing loans and debt securities from organisations in default. Valuation techniques of these portfolios 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 and judgments.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

13. FAIR VALUE INFORMATION (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:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Family Takaful Fund</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>30 June 2024</u>				
Financial assets at FVOCI:				
Government Investment Issues	-	12,380	-	12,380
Unquoted Islamic debt securities	-	374,998	-	374,998
Financial assets at FVTPL:				
Government Investment Issues	-	311	-	311
Unquoted Islamic debt securities	-	71,890	520*	72,410
Shariah-approved quoted equities	166,576	-	-	166,576
Unit trusts	324,718	-	-	324,718
	<u>491,294</u>	<u>459,579</u>	<u>520</u>	<u>951,393</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>31 December 2023</u>				
Financial assets at FVOCI:				
Government Investment Issues	-	12,363	-	12,363
Unquoted Islamic debt securities	-	321,352	-	321,352
Financial assets at FVTPL:				
Government Investment Issues	-	314	-	314
Unquoted Islamic debt securities	-	71,274	520*	71,794
Shariah-approved quoted equities	144,734	-	-	144,734
Unit trusts	274,297	-	-	274,297
	<u>419,031</u>	<u>405,303</u>	<u>520</u>	<u>824,854</u>

*There were no movements in fair value of Level 3 financial instrument of the Company during the current and previous financial year.

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13. FAIR VALUE INFORMATION (CONTINUED)

(b) Financial instruments carried at fair value (continued)

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:

<u>Company</u>	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
<u>30 June 2024</u>				
Financial assets				
FVOCI financial assets:				
Government Investment Issues	-	12,380	-	12,380
Islamic debt securities, unquoted	-	618,488	-	618,488
Financial assets at FVTPL:				
Government Investment Issues	-	311	-	311
Unquoted Islamic debt securities	-	71,890	520*	72,410
Shariah-approved quoted equities	166,576	-	-	166,576
Unit trusts	324,718	-	-	324,718
	<u>491,294</u>	<u>703,069</u>	<u>520</u>	<u>1,194,883</u>
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<u>31 December 2023</u>				
Financial assets at FVOCI:				
Government Investment Issues	-	12,363	-	12,363
Unquoted Islamic debt securities	-	532,221	-	532,221
Financial assets at FVTPL:				
Government Investment Issues	-	314	-	314
Unquoted Islamic debt securities	-	71,274	520*	71,794
Shariah-approved quoted equities	144,734	-	-	144,734
Unit trusts	274,297	-	-	274,297
Financial assets at amortised cost	<u>5,351</u>	<u>-</u>	<u>-</u>	<u>5,351</u>
	<u>424,382</u>	<u>616,172</u>	<u>520</u>	<u>1,041,074</u>

*There were no movements in fair value of Level 3 financial instrument of the Company during the current and previous financial year.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

14. TOTAL CAPITAL AVAILABLE

The regulated capital of the Company as at 30 June 2024 comprised of Available Capital of RM264,714,000. (31 December 2023: RM210,653,000).

The capital structure of the Company as at 30 June 2024, as prescribed under the RBCT Framework, is shown below:

	<u>30.06.2024</u>	<u>31.12.2023</u>
	RM'000	RM'000
<u>Tier 1 Capital</u>		
Paid-up share capital	230,000	180,000
Valuation surplus in takaful fund	42,486	15,941
Retained earnings of Shareholder's Fund	8,949	19,536
	<u>281,435</u>	<u>215,477</u>
<u>Tier 2 Capital</u>		
Fair value through other comprehensive income ("FVOCI") reserves	2,189	1,032
Less:		
Amount deducted from capital	<u>(18,910)</u>	<u>(5,856)</u>
Total capital available	<u>264,714</u>	<u>210,653</u>

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15. CASH USED IN OPERATING ACTIVITIES

	Company	
	30.06.2024	30.06.2023
	RM'000	RM'000
Cash flow from operating activities		
Net (loss)/profit for the financial period	(12,265)	6,095
Adjustments for:		
Depreciation of property and equipment	800	647
Depreciation of right-of-use assets	840	844
Amortisation of intangible assets	41	356
Investment income	(18,427)	(16,420)
Realised (gain)/loss recorded in profit or loss	(4,450)	1,544
Fair value (gain)/loss recorded in profit or loss	(76,002)	6,367
Interest expense on lease liabilities	61	60
Tax expense attributable to Takaful Operator	(21,584)	2,287
Tax income attributable to participants	7,356	215
Net cashflows from operating activities before changes in working capital	(123,630)	1,995
Changes in working capital:		
Decrease in financial assets at FVTPL	10,606	4,363
Increase in financial assets at FVOCI	(72,281)	(33,167)
Decrease/(increase) in financial assets at amortised cost	5,351	(5,236)
Increase in other receivables	(2,717)	(476)
Increase in takaful certificate liabilities	140,021	7,306
Decrease in other payables	(3,454)	(3,123)
(Decrease)/increase in retakaful certificate liabilities	(6,495)	6,141
Cash used in from operating activities	(52,599)	(22,197)

Zurich Takaful Malaysia Berhad

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