

**ZURICH TAKAFUL MALAYSIA BERHAD (200601012246 (731996-H))**  
**(Incorporated in Malaysia)**

**Unaudited Condensed Interim Financial Statements**  
For The Financial Period From 1 January 2023 To 30 June 2023

**ZURICH TAKAFUL MALAYSIA BERHAD (200601012246 (731996-H))**  
**(Incorporated in Malaysia)**

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**ZURICH TAKAFUL MALAYSIA BERHAD (200601012246 (731996-H))**  
**(Incorporated in Malaysia)**

**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2023**

	Family Takaful Fund			Company		
	30.06.2023	31.12.2022	01.01.2022	30.06.2023	31.12.2022	01.01.2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Note		Restated	Restated		Restated	Restated
<b>ASSETS</b>						
Property, plant and equipment	-	-	-	5,503	6,150	6,143
Right-of-use assets	-	-	-	3,719	4,659	1,906
Intangible assets	-	-	-	110	466	1,286
Investments	11 776,965	745,833	744,008	984,746	941,929	937,431
Other receivables	20,512	21,212	11,060	23,889	23,767	12,236
Current tax assets	3,953	2,712	2,077	6,257	4,515	2,243
Deferred tax assets	4,947	5,441	2,350	11,456	10,768	7,132
Cash and cash equivalents	70,653	93,029	110,751	99,412	118,942	126,721
<b>Total assets</b>	<b>877,030</b>	<b>868,227</b>	<b>870,246</b>	<b>1,135,092</b>	<b>1,111,196</b>	<b>1,095,098</b>
<b>EQUITY, PARTICIPANTS' FUNDS AND LIABILITIES</b>						
<b>Shareholders' equity</b>						
Share capital	-	-	-	180,000	180,000	180,000
Accumulated losses	-	-	-	(74,115)	(79,991)	(71,789)
Other reserves	-	-	-	915	(873)	(17)
<b>Total equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>106,800</b>	<b>99,136</b>	<b>108,194</b>
<b>Liabilities</b>						
Takaful certificate liabilities	13 850,569	823,932	827,097	973,424	963,787	944,326
Retakaful certificate liabilities	14 7,542	1,401	1,294	7,542	1,401	1,294
Lease liabilities	-	-	-	3,864	4,749	2,076
Current tax liabilities	2,059	1,084	1,381	2,059	1,084	1,381
Other payables	16,860	41,810	40,474	41,403	41,039	37,827
<b>Total liabilities</b>	<b>877,030</b>	<b>868,227</b>	<b>870,246</b>	<b>1,028,292</b>	<b>1,012,060</b>	<b>986,904</b>
<b>Total shareholders' equity, participants' funds and liabilities</b>	<b>877,030</b>	<b>868,227</b>	<b>870,246</b>	<b>1,135,092</b>	<b>1,111,196</b>	<b>1,095,098</b>

**ZURICH TAKAFUL MALAYSIA BERHAD (200601012246 (731996-H))**  
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**UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023**

	Family Takaful Fund		Company	
	30.06.2023 RM'000	30.6.2022 RM'000 Restated	30.06.2023 RM'000	30.6.2022 RM'000 Restated
Takaful revenue	186,540	191,522	242,499	249,645
Takaful service expense	(192,161)	(170,055)	(232,167)	(225,279)
<b>Takaful service results before retakaful certificates held</b>	<b>(5,621)</b>	<b>21,467</b>	<b>10,332</b>	<b>24,366</b>
Allocation of retakaful contributions	(18,971)	(19,957)	(18,971)	(19,957)
Amount recoverable from retakaful operators for incurred claims	12,636	13,886	12,636	13,886
<b>Net expenses from retakaful certificates held</b>	<b>(6,335)</b>	<b>(6,071)</b>	<b>(6,335)</b>	<b>(6,071)</b>
<b>Net takaful financial results</b>	<b>(11,956)</b>	<b>15,396</b>	<b>3,997</b>	<b>18,295</b>
Investment income	12,664	10,371	16,299	13,183
Net fair value losses on financial assets at fair value through profit or loss	(9,328)	(48,353)	(9,328)	(48,353)
Net fair value gains/(losses) on derecognition of financial assets at fair value through comprehensive income	78	(52)	60	(5)
Impairment losses on financial assets	(283)	-	(301)	-
Net foreign exchange income	1,357	1,505	1,356	1,505
<b>Total investment income</b>	<b>4,488</b>	<b>(36,529)</b>	<b>8,086</b>	<b>(33,670)</b>
Takaful finance expenses for takaful certificates issued	4,776	16,158	2,390	21,321
Retakaful finance (expenses)/income for retakaful certificates issued	(24)	122	(24)	122
<b>Net takaful financial result</b>	<b>4,752</b>	<b>16,280</b>	<b>2,366</b>	<b>21,443</b>
Fee (expense)/income	(68)	52	(68)	52
Other operating income/(expenses)	2,999	1,862	(5,763)	(6,610)
Other finance costs	-	-	(21)	(32)
<b>Profit/(loss) before zakat and taxation</b>	<b>215</b>	<b>(2,939)</b>	<b>8,597</b>	<b>(522)</b>
Tax expense attributable to participants	(215)	2,939	(215)	2,939
Tax expense attributable to Takaful Operator	-	-	(2,287)	(3,015)
<b>Net profit/(loss) for the financial period</b>	<b>-</b>	<b>-</b>	<b>6,095</b>	<b>(598)</b>
<b>Basic/diluted earnings per share (sen)</b>			<b>3.39</b>	<b>(0.33)</b>

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**UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023**

	Family Takaful Fund		Company	
	30.06.2023 RM'000	30.6.2022 RM'000 Restated	30.06.2023 RM'000	30.6.2022 RM'000 Restated
<b>Net profit/(loss) for the financial period</b>	-	-	6,095	(598)
<b>Other comprehensive income/(loss), net of tax:</b>				
<b>Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods</b>				
Fair value through OCI investments:				
Net gains/(losses) on fair value changes	-	-	2,040	(2,624)
Deferred tax	-	-	(490)	630
Fair value through OCI investments, net of deferred tax	-	-	1,550	(1,994)
Takaful finance income, net of deferred tax	-	-	18	323
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	-	-	1,568	(1,671)
<b>Other comprehensive income/(loss) for the financial period</b>	-	-	1,568	(1,671)
<b>Total comprehensive income/(loss) for the financial period</b>	-	-	7,663	(2,269)

**ZURICH TAKAFUL MALAYSIA BERHAD (200601012246 (731996-H))**  
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**UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023**

	Note	Non-distributable		Distributable	Total equity RM'000	
		Share capital RM'000	Fair value reserves RM'000	Takaful/ retakaful finance reserves RM'000		Retained earnings RM'000
<b>Company</b>						
At 1 January 2022 (As previously reported)		180,000	(494)	-	7,836	187,342
Impact of initial application of MFRS 17	2(i)	-	-	477	(79,625)	(79,148)
<b>At 1 January 2022 (Restated)</b>		<b>180,000</b>	<b>(494)</b>	<b>477</b>	<b>(71,789)</b>	<b>108,194</b>
Net loss for the financial period		-	-	-	(598)	(598)
Other comprehensive (loss)/income for the financial period		-	(1,994)	323	-	(1,671)
Total comprehensive (loss)/income for the financial period		-	(1,994)	323	(598)	(2,269)
<b>At 30 June 2022</b>		<b>180,000</b>	<b>(2,488)</b>	<b>800</b>	<b>(72,387)</b>	<b>105,925</b>
At 1 January 2023		180,000	(2,200)	1,327	(79,991)	99,136
Impact of initial application of MFRS 9	2(ii)	-	220	-	(220)	-
<b>At 1 January 2023 (Restated)</b>		<b>180,000</b>	<b>(1,980)</b>	<b>1,327</b>	<b>(80,211)</b>	<b>99,136</b>
Net profit for the financial period		-	-	-	6,095	6,095
Other comprehensive income for the financial period		-	1,550	18	-	1,568
Total comprehensive income for the financial period		-	1,550	18	6,095	7,663
<b>At 30 June 2023</b>		<b>180,000</b>	<b>(430)</b>	<b>1,345</b>	<b>(74,116)</b>	<b>106,799</b>

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**UNAUDITED STATEMENT OF CASH FLOW**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023**

	<u>Note</u>	<u>30.06.2023</u>	<u>30.06.2022</u>
		RM'000	RM'000
<b>OPERATING ACTIVITIES</b>			
Cash (used in)/generated from operating activities	15	(22,197)	20,462
Distribution income received		4,073	3,037
Profit income received		1,343	918
Interest expenses on lease liabilities		(59)	(40)
Income tax paid		(1,400)	(7,100)
<b>Net cash flows (used in)/generated from operating activities</b>		<u>(18,240)</u>	<u>17,277</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		-	169
<b>Net cash flows used in investing activities</b>		<u>-</u>	<u>169</u>
<b>Cash flows from financing activities</b>			
Payment of lease liabilities		(1,290)	(1,309)
<b>Net cash flows used in financing activities</b>		<u>(1,290)</u>	<u>(1,309)</u>
Net (decrease)/increase in cash and cash equivalents		(19,530)	16,137
Cash and cash equivalents at the beginning of the financial period		118,942	126,721
<b>Cash and cash equivalents at the end of the financial period</b>		<u>99,412</u>	<u>142,858</u>
<b>Cash and cash equivalents comprise:</b>			
Cash and bank balances		99,412	142,858
		<u>99,412</u>	<u>142,858</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

**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 2022, which were prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS"), except as disclose in Note 2 to the interim financial statements.

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 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 2022.

The accounting policies and presentation 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 2022, except for the financial results relating to the adoption of MFRS 17 "Insurance Contracts" and MFRS 9 "Financial Instruments". The comparative information and disclosure have been prepared in accordance with MFRSs and restated where relevant to reflect the initial adoption of the new accounting standards, MFRS 17 and MFRS 9.

***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2023***

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 2022, except for the adoption of the following MFRS and amendments to MFRS:

<u>Description</u>	<u>Effective Date</u>
MFRS 17 "Insurance Contracts"	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 – Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements - Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023

The initial application of the abovementioned accounting standards and amendments issued by Malaysian Accounting Standards Board ("MASB") did not have any material financial impact to the current period and prior period financial statements of the Company upon their first adoption except as mentioned in Note 2 "Changes in Accounting Policies".



**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

**2. CHANGE IN ACCOUNTING POLICIES**

**(i) MFRS 17 Insurance Contracts**

MFRS 17 replaces MFRS 4 "Insurance Contracts" for annual periods beginning on or after 1 January 2023. This standard has brought significant changes to the accounting for takaful and retakaful contracts. As a result, the Company has restated certain comparative financial information, for the financial year ended 31 December 2022, including the opening balance as at 1 January 2022, by applying the transition requirements of MFRS 17.

***Changes to classification and measurement***

The adoption of MFRS 17 did not change the classification of the Company's takaful certificates. The Company was previously permitted under MFRS 4 to continue accounting using its previous accounting policies. However, MFRS 17 establishes specific principles for the recognition and measurement of takaful certificates issued and retakaful certificates held by the Company.

The key principles of MFRS 17 are that the Company:

- Identifies takaful certificates as those under which the Company accepts significant takaful risk from another party (the certificate holders) by agreeing to compensate the certificate holder if a specified uncertain future event (the covered event) adversely affects the certificate holder.
- Separates specified embedded derivatives, distinct investment components and distinct non-takaful goods or services from takaful certificates and accounts for them in accordance with other standards.
- Divides the takaful and retakaful certificates into groups it will recognise and measure.
- Recognises and measures groups of takaful certificates at:
  - A risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all available information about the fulfilment cash flows in a way that is consistent with observable market information.
  - Plus
  - An amount representing the unearned profit in the group of certificates (the contractual service margin or CSM).
- Recognises profit from a group of takaful certificates over the period the Company provides takaful coverage, as the Company is released from risk. If a group of certificates is expected to be onerous (i.e., loss-making) over the remaining coverage period, the Company recognises the loss immediately.
- Recognises an asset for takaful acquisition cash flows in respect of acquisition cash flows paid, or incurred, before the related group of takaful certificates is recognised. Such an asset is derecognised when the takaful acquisition cash flows are included in the measurement of the related group of takaful certificates.

**Level of aggregation**

Under MFRS 17, takaful and retakaful certificates are aggregated into groups for measurement purpose. Groups of certificates are determined by first identifying portfolios of certificates, each comprising certificates subject to similar risks and managed together. Each portfolio is divided into annual cohorts (i.e. by years of issuance and inception) and groups of certificates.

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

**2. CHANGE IN ACCOUNTING POLICIES (cont'd)**

**(i) MFRS 17 Insurance Contracts (cont'd.)**

***Changes to presentation and disclosure***

For presentation in the statement of financial position, the Company aggregates takaful and retakaful certificates issued and retakaful certificates held, respectively and presents separately:

- Portfolios of takaful certificates issued that are assets
- Portfolios of retakaful certificates held that are assets
- Portfolios of takaful certificates issued that are liabilities
- Portfolios of retakaful certificates held that are liabilities

The groups referred to above are those established at initial recognition in accordance with the MFRS 17 requirements.

The line item descriptions in the statement of profit or loss and other comprehensive income have been changed significantly compared with last year. Previously the Company reported the following main line items: contribution income, claims paid, and change in takaful certificate liabilities. MFRS 17 requires separate presentation of:

- takaful revenue
- takaful service expense
- takaful finance income or expense

The Company provides disaggregated qualitative and quantitative information in the notes to the financial statements about:

- The amounts recognised in its financial statements from takaful certificates
- Significant judgements, and changes in those judgements, made when applying the standard.

***Transition***

The Company determined the transition approach at groups of takaful certificates levels, depending on availability of reasonable and supportable historical information. The Company will apply a retrospective transition approach and expects that most groups of takaful certificates will follow either a full retrospective approach or fair value approach.

On transition date, 1 January 2022, the Company:

- Has identified, recognised and measured each group of takaful certificates as if MFRS 17 had always applied.
- Derecognised any existing balances that would not exist had MFRS 17 always applied.
- Recognised any resulting net difference in equity.

The Company has assessed that a significant portion of its family takaful liabilities (including unit-linked takaful liabilities, and certain family takaful certificates with Participant Investment Account ("PIA") qualify as direct participating certificates under MFRS 17 and eligible for the application of Variable Fee Approach ("VFA"). The optional exemption from the annual cohort requirement for such certificates is not applicable to the Company. For direct participating certificates, excluding unit-linked takaful certificates, the Company will apply the full retrospective approach. For non-participating certificates such as Ordinary Family certificates without PIA, Group Family certificates and in-force retakaful certificates held, the General Measurement Model or also known as Building Block Approach ("BBA") will be applied.

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

**2. CHANGE IN ACCOUNTING POLICIES (cont'd)**

**(i) MFRS 17 Insurance Contracts (cont'd.)**

*Transition (cont'd.)*

The Company applies full retrospective approach ("FRA") for the measurement of the Contractual Service Margin ("CSM") for all the groups of certificates at transition on 1 January 2023. The CSM is based on initial assumptions when groups of certificates were inceptioned and rolled forward to the date of transition as if MFRS 17 had always been applied. The fair value approach is used to estimate the initial CSM for the groups of certificates when the Company was acquired by Zurich Insurance Company Limited ("ZICL") on 1 July 2016. In the subsequent measurement, the groups of certificates accepted prior to the acquisition date and certificates written after the acquisition date was measured using the FRA.

The Company will be applying the GMM model for all retakaful certificates held.

The Company apply a bottom-up discount rate approach, i.e. risk-free yield curve plus an illiquidity premium where applicable. MFRS 17 requires using a market consistent yield curve factoring the illiquidity embedded in takaful liabilities. The methodology consists in using a Basic Risk-Free Rate (RFR), based on government bonds and adding on an illiquidity premium allowance to reflect the remuneration of illiquidity observed.

The surplus transferable from the family fund to participants and takaful operator is based on the surplus determined by an annual actuarial valuation of the long term liabilities to participants. Surplus distribution is determined at the fund level through the process of mutualisation which is in line with the actual surplus distribution by takaful operators. The Company applies surplus mutualisation in determining the level of aggregation, which is guided by the terms of the takaful certificates to ensure that it reflects the nature and terms of the takaful certificates. This is in line with Takaful concept of mutual guarantee whereby the participants mutually agree to contribute to a pool of Risk Fund and with the aim to provide mutual financial aid and assistance to the participants in case of need. Any deficit arises in a single certificate is mutualised among the product grouping.

Any deficit in the participants' risk fund within the Family Takaful Fund is made good via a Qard, which is a profit free financing, granted by the takaful operator fund to the participants' risk fund. In the participants' risk fund, the Qard is included in fulfilment cash flows used to measure the takaful liabilities under MFRS 17.

Qard is measured in the fulfilment cash flows at a value discounted for time value of money, which reflects the economic effect of the expected future cash flow, consistent with all the other cash flows measured in fulfilment cash flows. This accounting measurement does not affect the Family Takaful Fund's obligation to repay the nominal amount of Qard, nor does it affect or change any rights or obligations of the takaful operator fund. The Qard shall be repaid from future surpluses of the participants' risk fund.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023

2. CHANGE IN ACCOUNTING POLICIES (cont'd)

(i) MFRS 17 Insurance Contracts (cont'd.)

Financial Impact

The impact of transition of MFRS 17 on the Company's balance sheet at 1 January 2022 is as follows:

Opening balance sheet

	MFRS 4 1 January 2022 RM'000	Remapping/ Removal of MFRS 4 RM'000	Remeasure- ment effect of MFRS 17 RM'000	MFRS 17 1 January 2022 RM'000
<u>Family takaful fund</u>				
<b>ASSETS</b>				
Investments	744,008	-	-	744,008
AFS financial assets	232,955	-	-	232,955
Financial assets at fair value through profit or loss	511,053	-	-	511,053
Retakaful certificate assets	23,403	(23,403)	-	-
Other receivables	2,060	9,000	-	11,060
Current tax assets	2,077	-	-	2,077
Deferred tax assets	2,350	-	-	2,350
Cash and cash equivalents	110,751	-	-	110,751
<b>Total assets</b>	<b>884,649</b>	<b>(14,403)</b>	<b>-</b>	<b>870,246</b>
<b>EQUITY, PARTICIPANTS' FUNDS AND LIABILITIES</b>				
Accumulated losses	(15,390)	-	15,390	-
<b>Total equity</b>	<b>(15,390)</b>	<b>-</b>	<b>15,390</b>	<b>-</b>
Takaful certificate liabilities	829,422	(1,031)	(1,294)	827,097
Retakaful certificate liabilities	-	-	1,294	1,294
Qard payables	15,390	-	(15,390)	-
Other payables	49,057	(8,583)	-	40,474
Takaful payables	4,789	(4,789)	-	-
Current tax liabilities	1,381	-	-	1,381
<b>Total liabilities</b>	<b>900,039</b>	<b>(14,403)</b>	<b>(15,390)</b>	<b>870,246</b>
<b>Total equity, participants' funds and liabilities</b>	<b>884,649</b>	<b>(14,403)</b>	<b>-</b>	<b>870,246</b>

ZURICH TAKAFUL MALAYSIA BERHAD (200601012246 (731996-H))  
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023

2. CHANGE IN ACCOUNTING POLICIES (cont'd)

(i) MFRS 17 Insurance Contracts (cont'd.)

Financial Impact (cont'd)

Opening balance sheet (cont'd)

	MFRS 4 1 January 2022 RM'000	Remapping/ Removal of MFRS 4 RM'000	Remeasure- ment effect of MFRS 17 RM'000	MFRS 17 1 January 2022 RM'000
<u>Company</u>				
<b>ASSETS</b>				
Property, plant and equipment	6,143	-	-	6,143
Right-of-use assets	1,906	-	-	1,906
Intangible assets	1,286	-	-	1,286
Investments	937,431	-	-	937,431
AFS financial assets	426,378	-	-	426,378
Financial assets at fair value through profit or loss	511,053	-	-	511,053
Retakaful certificate assets	23,403	(23,403)	-	-
Other receivables	3,808	8,428	-	12,236
Current tax assets	2,243	-	-	2,243
Deferred tax assets	7,131	-	-	7,131
Cash and cash equivalents	126,722	-	-	126,722
<b>Total assets</b>	<b>1,110,073</b>	<b>(14,975)</b>	<b>-</b>	<b>1,095,098</b>
<b>EQUITY, PARTICIPANTS' FUNDS AND LIABILITIES</b>				
Share capital	180,000	-	-	180,000
Retained earnings/ (accumulated losses)	7,836	-	(79,625)	(71,789)
Available-for-sale reserve	(494)	-	-	(494)
Other reserves	-	-	477	477
<b>Total equity</b>	<b>187,342</b>	<b>-</b>	<b>(79,148)</b>	<b>108,194</b>
Takaful certificate liabilities	829,422	37,004	77,900	944,326
Deferred tax liabilities	-	-	-	-
Lease liabilities	2,076	-	-	2,076
Expense liabilities	25,948	(25,948)	-	-
Other payables	46,456	(8,583)	(46)	37,827
Takaful payables	17,448	(17,448)	-	-
Retakaful certificate liabilities	-	-	1,294	1,294
Current tax liabilities	1,381	-	-	1,381
<b>Total liabilities</b>	<b>922,731</b>	<b>(14,975)</b>	<b>79,148</b>	<b>986,904</b>
<b>Total equity, participants' funds and liabilities</b>	<b>1,110,073</b>	<b>(14,975)</b>	<b>-</b>	<b>1,095,098</b>

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2. CHANGE IN ACCOUNTING POLICIES (cont'd)

(i) MFRS 17 Insurance Contracts (cont'd.)

Financial Impact (cont'd)

Opening balance sheet (cont'd)

	1 January 2022	
	Family takaful fund	Company
	RM'000	RM'000
	Restated	Restated
<b><u>Takaful certificate liabilities</u></b>		
Liabilities for remaining coverage		
Present value of future cash flows	827,097	576,707
Risk adjustment	-	25,427
Contractual service margin	-	342,190
	827,097	944,325
Liabilities for incurred claims	69,478	69,750
Net assets from receivables and payables for takaful business and others	-	-
Total	896,576	1,014,075
<b><u>Retakaful certificate that are liabilities</u></b>		
Liabilities for remaining coverage for retakaful certificates held	18,765	18,765
Liabilities for incurred claims	(17,471)	(17,471)
Total	1,294	1,294

The following table show the nature and amount of the measurement adjustments made to the opening balance sheet:

	Description
Remapping / Removal of MFRS 4	The items include: • Takaful receivables, takaful payables, retakaful certificate assets, takaful certificate liabilities and other payables were removed on transition and are net off within MFRS 17 equivalents.
Remeasurement effects of MFRS 17	The items includes: <u>Transition Contractual service margin ('CSM')</u> CSM is a new liability component that represents the future unearned profits associated with takaful certificates written which will be released to the profit and loss over the takaful certificate coverage period.

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**2. CHANGE IN ACCOUNTING POLICIES (cont'd)**

**(i) MFRS 17 Insurance Contracts (cont'd.)**

**Financial Impact (cont'd)**

**Opening balance sheet (cont'd)**

	<b>Description</b>
Remeasurement effects of MFRS 17 (cont'd.)	<p><u>Fulfilment cash flows ('FCF')</u>                      The measurement of takaful certificate assets/liabilities under MFRS 17 is based on groups of takaful certificates and includes a liability for fulfilling the certificate obligations associated with the takaful certificate, such as contributions, expenses, and takaful benefits and claims. These are recorded within the FCF component of the takaful certificate liabilities, together with the risk adjustment.</p> <p><u>Tax effect</u>                      New deferred tax were reported, where appropriate, on temporary differences between the new MFRS 17 accounting balances and associated tax bases.</p>

**(ii) MFRS 9 "Financial Instruments"**

MFRS 9 'Financial Instruments' replaces 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. However, as the Company qualifies for temporary exemption under the guidance on Amendments to MFRS 4 - Applying MFRS 9, Financial Instruments with MFRS 4, Insurance Contracts from applying MFRS 9 and has deferred and adopted MFRS 9 together with MFRS 17, Insurance Contracts for the financial year beginning on or after 1 January 2023.

The nature of the changes in accounting policies can be summarised as follows:

To determine their classification and measurement category, MFRS 9 requires all financial assets to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics.

The MFRS 139 measurement categories for financial assets fair value through profit or loss (FVTPL), available-for-sale (AFS), held-to-maturity (HTM) and loans and receivables (LAR) at amortised cost have been replaced by:

- Financial assets at fair value through profit or loss including equity instruments and debt instruments
- Debt instruments at fair value through other comprehensive income (FVOCI), with gains or losses recycled to profit or loss on derecognition
- Equity instruments at fair value through other comprehensive income, with no recycling of gains or losses to profit or loss on derecognition
- Financial assets at amortised cost

The Company has classified and measured all its quoted and unquoted equity instruments, as well as unit trusts at FVTPL. Its holding in debt instruments has been classified as FVTPL and FVOCI.

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**2. CHANGE IN ACCOUNTING POLICIES (cont'd)**

**(ii) MFRS 9 "Financial Instruments" (cont'd.)**

There will be no significant changes to the Company's accounting for financial liabilities as it largely retains the MFRS 139 requirements.

***Changes to the impairment calculation***

The adoption of MFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets held at FVOCI or amortised cost by replacing MFRS 139's incurred loss approach with a forward-looking expected credit loss "ECL" approach.

MFRS 9 requires the Company to record an allowance for ECLs for all debt instruments not held at FVTPL.

For debt instruments, the ECL is based on the portion of lifetime ECLs that would result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination or purchase of the assets, the allowance is based on the full lifetime ECL.



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2. CHANGE IN ACCOUNTING POLICIES (cont'd)

(ii) MFRS 9 Financial Instruments(cont'd.)

*Changes to the impairment calculation (cont'd.)*

The Company's debt instruments at FVOCI and FVTPL comprise solely of government investment issues and Islamic corporate debt securities that are graded in the top investment category by MARC and RAM therefore, are considered to be low credit risk investments. It is the Company's policy to measure such instruments on a 12-month ECL basis. The Company does, however, consider that there has been a significant increase in credit risk for a previously assessed low credit risk investment when any contractual payments on these instruments are more than 30 days past due. Where the credit risk of any Islamic debt securities deteriorates, the Company will sell the Islamic debt securities and purchase Islamic debt securities meeting the required investment grade.

The Company considers an instrument to be in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider an instrument to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full. There were no such instances in 2023 or 2022.

The adoption of the ECL requirements of MFRS 9 resulted in increases in impairment allowances related to the Company's debt instruments. The increase in allowance was adjusted to retained earnings.

**Disclosure**

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extend of the Company's disclosure about its financial instruments particularly in the year of the adoption of the new standard.

The Company has applied the new rules retrospectively from 1 January 2023, without restating prior periods' information and recognising any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in its opening retained earnings.

The following section sets out the impact of adopting MFRS 9 on the statement of financial position, including the effect of replacing MFRS 139's incurred credit loss calculations with MFRS 9's ECLs.

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2. CHANGE IN ACCOUNTING POLICIES (cont'd)

(ii) MFRS 9 Financial Instruments (cont'd.)

A reconciliation between the carrying amounts under MFRS 139 to the balances reported under MFRS 9 as of 1 January 2023 is, as follows:

	31 December 2022		MFRS 9	1 January 2023	
	MFRS 139		Reclassification	MFRS 9	
	carrying amount			carrying amount	
Category	Amount	Amount	Amount	Amount	Category
	RM'000	RM'000	RM'000	RM'000	
<b>Family takaful fund</b>					
<b>Financial assets</b>					
Cash and cash equivalents	LAR	93,029	-	93,029	AC
		93,029	-	93,029	
Available-for-sale ("AFS") financial assets		268,438	-	268,438	
<i>To: Debt instrument at FVOCI</i>		-	(268,438)	(268,438)	
	AFS	268,438	(268,438)	-	
Debt instrument at FVOCI		-	-	-	
<i>From: AFS financial assets</i>		-	268,438	268,438	
		-	268,438	268,438	FVOCI
Financial assets at fair value through profit or loss	FVTPL	477,395	-	477,395	FVTPL
		477,395	-	477,395	
<b>Total financial assets</b>		<b>838,862</b>	<b>-</b>	<b>838,862</b>	

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2. CHANGE IN ACCOUNTING POLICIES (cont'd)

(ii) MFRS 9 Financial Instruments (cont'd.)

A reconciliation between the carrying amounts under MFRS 139 to the balances reported under MFRS 9 as of 1 January 2023 is, as follows:

	31 December 2022		1 January 2023		
	MFRS 139	MFRS 9	MFRS 9		
	carrying amount	Reclassification	carrying amount		
Category	Amount	Amount	Amount	Category	
	RM'000	RM'000	RM'000		
<i>Company</i>					
<b>Financial assets</b>					
Cash and cash equivalents	LAR	118,942	-	118,942	AC
Fixed deposits with licenses financial institutions	LAR	5,273	-	5,273	AC
		<u>124,215</u>	<u>-</u>	<u>124,215</u>	
AFS financial assets		464,534		464,534	
<i>To: Debt instrument at FVOCI</i>		(464,534)	(464,534)		
	AFS	<u>464,534</u>	<u>(464,534)</u>	<u>-</u>	
Debt instrument at FVOCI		-	-	-	
<i>From: AFS financial assets</i>		-	464,534	464,534	
		<u>-</u>	<u>464,534</u>	<u>464,534</u>	FVOCI
Financial assets at fair value through profit or loss	FVTPL	941,929	-	941,929	FVTPL
		<u>941,929</u>	<u>-</u>	<u>941,929</u>	
<b>Total financial assets</b>		<u>1,530,678</u>	<u>-</u>	<u>1,530,678</u>	

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2. CHANGE IN ACCOUNTING POLICIES (cont'd)

(ii) MFRS 9 Financial Instruments (cont'd.)

*Disclosure (cont'd)*

<u>Company</u>	<b>Reserves and retained earnings</b>
	<b>RM'000</b>
<b>Fair value reserve</b>	
Closing balance under MFRS 139 (31 December 2022)	(2,200)
Recognition of expected credit losses under MFRS 9 for financial assets at FVOCI	289
Deferred tax in relation to MFRS 9 application	(69)
<i>Opening balance under MFRS 9 (1 January 2023)</i>	<u>(1,980)</u>
<b>Retained earnings</b>	
Closing balance under MFRS 139 (31 December 2022)	22,180
Impact of initial application of MFRS 17	(102,171)
<i>Closing balance under MFRS 139 (31 December 2022) - Restated</i>	<u>(79,991)</u>
Recognition of MFRS 9 ECLs including those measured at FVOCI (see below)	(289)
Deferred tax in relation to MFRS 9 application	69
<i>Opening balance under MFRS 9 (1 January 2023)</i>	<u>(80,211)</u>
<b>Total change in equity due to application MFRS 17</b>	<u>(102,171)</u>
<b>Total change in equity due to application of MFRS 9</b>	<u>-</u>

The transition impact of MFRS 9 for Family Takaful Fund is recognised in the takaful certificate liabilities.

The following table reconciles the aggregate opening loan loss provision allowances under MFRS 139 to the ECL allowances under MFRS 9. Further details are disclosed in Note 2(ii).

	<b>Loss provision under MFRS 139 as at 31.12.2022</b>	<b>Re- measurement</b>	<b>ECLs under MFRS 9 as at 01.01.2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Family takaful fund</u>			
<b>Impairment allowance for:</b>			
AFS financial assets per MFRS 139/ Debt instruments at FVOCI under MFRS 9	-	1,935	1,935
	<u>-</u>	<u>1,935</u>	<u>1,935</u>
<u>Company</u>			
<b>Impairment allowance for:</b>			
AFS financial assets per MFRS 139/ Debt instruments at FVOCI under MFRS 9	-	289	289
	<u>-</u>	<u>289</u>	<u>289</u>

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
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**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 2022 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 other unusual items affecting assets, liabilities, equity, net income or cash flows for the current financial period under review.

**6. CHANGE IN ACCOUNTING ESTIMATES**

For interim financial reporting, the Company chooses to change the accounting estimates made in previous interim financial statements when applying MFRS 17 in subsequent interim financial statements and in the annual financial statements. Please refer to Note 2 Change in Accounting Policies.

**7. DIVIDEND PAYMENT**

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

**8. SUBSEQUENT EVENT**

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

**9. CHANGES IN COMPOSITION OF THE COMPANY**

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

**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**  
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**11. INVESTMENTS**

The table below analyses financial assets carried at fair value:

	<b>Family takaful fund</b>	<b>Company</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>At 30 June 2023</u>		
Government Investment Issues	8,545	8,545
Unquoted Islamic debt securities	370,819	573,327
Shariah-approved quoted equities	129,740	129,740
Unit trusts	267,861	267,861
Fixed deposits with licensed financial institution	-	5,273
	<u>776,965</u>	<u>984,746</u>
<u>At 31 December 2022</u>		
Government Investment Issues	8,119	8,119
Unquoted Islamic debt securities	328,445	524,541
Shariah-approved quoted equities	132,502	132,502
Unquoted Shariah-approved equities	996	996
Unit trusts	275,771	275,771
	<u>745,833</u>	<u>941,929</u>

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

	<b>Family takaful fund</b>	<b>Company</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>At 30 June 2023</u>		
(i) Financial assets at fair value through other comprehensive income	310,390	512,898
(ii) Financial assets at fair value through profit or loss	466,575	466,575
(iii) Financial assets at amortised cost	-	5,273
	<u>776,965</u>	<u>984,746</u>
Investments that mature after 12 months:		
Financial assets at fair value through other comprehensive income	309,885	507,873
Financial assets at fair value through profit or loss	65,993	65,993
	<u>375,878</u>	<u>573,866</u>
<u>At 31 December 2022</u>		
(i) AFS financial assets	268,438	464,534
(ii) Financial assets at fair value through profit or loss	477,395	477,395
	<u>745,833</u>	<u>941,929</u>
Investments that mature after 12 months:		
AFS financial assets	267,426	437,268
Financial assets at fair value through profit or loss	62,967	62,967
	<u>330,393</u>	<u>500,235</u>

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
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**12. FAIR VALUE MEASUREMENT**

**(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 - Valuation Techniques - 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.

**Transfer of fair value hierarchy**

There were transfer of financial asset fair value level between Level 2 and 3 during the financial period. (31 December 2022: no transfer in either directions). Please refer to note 12(c) below.

**Level 3 - Valuation Techniques - Unobservable input**

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, un-rated 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 judgments.

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**12. FAIR VALUE MEASUREMENT (CONT'D)**

**(b) Financial instruments and non-financial assets carried at fair value**

The following tables show the Company's financial instruments and non-financial assets 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>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b>Family takaful fund</b>				
<b>30 June 2023</b>				
Financial assets at fair value through other comprehensive income:				
Government Investment Issues	-	8,545	-	8,545
Unquoted Islamic debt securities	-	301,844	-	301,844
Financial assets at fair value through profit or loss:				
Unquoted Islamic debt securities	-	68,454	520	68,974
Shariah-approved quoted equities	129,321	-	419	129,740
Unit trusts	267,861	-	-	267,861
	<u>397,182</u>	<u>378,843</u>	<u>939</u>	<u>776,964</u>
<b>31 December 2022</b>				
AFS financial assets:				
Government Investment Issues	-	8,119	-	8,119
Unquoted Islamic debt securities	-	260,319	-	260,319
Financial assets at fair value through profit or loss:				
Unquoted Islamic debt securities	-	68,126	-	68,126
Shariah-approved quoted equities	132,502	-	-	132,502
Unquoted Shariah-approved equities	-	996	-	996
Unit trusts	275,771	-	-	275,771
	<u>408,273</u>	<u>337,560</u>	<u>-</u>	<u>745,833</u>



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**12. FAIR VALUE MEASUREMENT (CONT'D)**

**(b) Financial instruments and non-financial assets carried at fair value (cont'd)**

	<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>Company</u>				
<b>30 June 2023</b>				
Financial assets at fair value through other comprehensive income:				
Government Investment Issues	-	8,545	-	8,545
Unquoted Islamic debt securities	-	504,353	-	504,353
Financial assets at fair value through profit or loss:				
Unquoted Islamic debt securities	-	68,454	520	68,974
Shariah-approved quoted equities	129,321	-	419	129,740
Unit trusts	267,861	-	-	267,861
Financial assets at amortised cost:				
Fixed deposits with licensed financial institution	-	5,273	-	5,273
	<u>397,182</u>	<u>586,625</u>	<u>939</u>	<u>984,746</u>
<b>31 December 2022</b>				
AFS financial assets:				
Government Investment Issues	-	8,119	-	8,119
Unquoted Islamic debt securities	-	456,415	-	456,415
Financial assets at fair value through profit or loss:				
Unquoted Islamic debt securities	-	68,126	-	68,126
Shariah-approved quoted equities	132,502	-	-	132,502
Unquoted Shariah-approved equities	-	996	-	996
Unit trusts	275,771	-	-	275,771
	<u>408,273</u>	<u>533,656</u>	<u>-</u>	<u>941,929</u>

**(c) Transfer of fair value hierarchy**

The following table presents the changes in level 3 instrument for the 6 month period ended 30 June 2023.

	<u>FVTPL</u>	<u>TOTAL</u>
	<u>RM'000</u>	<u>RM'000</u>
<u>Family takaful fund/Company</u>		
<b>At 1 January 2023</b>	-	-
Transfer from level 2	520	520
Additions	419	419
<b>At 30 June 2023</b>	<u>939</u>	<u>939</u>

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**13. TAKAFUL CERTIFICATE LIABILITIES**

**13.1 Takaful certificates issued**

(i) The roll-forward of the net asset or liability for takaful certificates issued, showing the liability for remaining coverage and the liability for incurred claims for portfolios included in the family takaful fund, is disclosed in the table below:

	30.06.2023				31.12.2022			
	Liabilities for remaining coverage			Total	Liabilities for remaining coverage			Total
	Excluding loss component	Loss component	Liability for incurred claims		Excluding loss component	Loss component	Liability for incurred claims	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Family takaful fund</b>								
<b>At 1 January 2023/2022</b>								
Takaful certificate liabilities	751,457	-	72,474	823,931	757,619	-	69,478	827,097
Takaful certificate assets	-	-	-	-	-	-	-	-
<b>Net takaful certificate liabilities</b>	<b>751,457</b>	<b>-</b>	<b>72,474</b>	<b>823,931</b>	<b>757,619</b>	<b>-</b>	<b>69,478</b>	<b>827,097</b>
<b>Takaful revenue</b>								
Expected incurred claims and other takaful service results	(60,036)	-	-	(60,036)	(157,082)	-	-	(157,082)
Recovery of takaful acquisition cashflows	(7,114)	-	-	(7,114)	(8,343)	-	-	(8,343)
Other takaful revenue	(119,390)	-	-	(119,390)	(273,847)	-	-	(273,847)
	<b>(186,540)</b>	<b>-</b>	<b>-</b>	<b>(186,540)</b>	<b>(439,271)</b>	<b>-</b>	<b>-</b>	<b>(439,271)</b>
<b>Takaful service expense</b>								
Incurred claims and other takaful service expenses	125,261	-	59,787	185,047	232,282	-	157,753	390,034
Amortisation of takaful acquisition cash flows	7,114	-	-	7,114	8,343	-	-	8,343
	<b>132,375</b>	<b>-</b>	<b>59,787</b>	<b>192,161</b>	<b>240,624</b>	<b>-</b>	<b>157,753</b>	<b>398,377</b>
Investment components and contribution refunds	(38,951)	-	38,951	-	(78,903)	-	78,903	-
<b>Takaful service results</b>	<b>(93,116)</b>	<b>-</b>	<b>98,738</b>	<b>5,621</b>	<b>(277,550)</b>	<b>-</b>	<b>236,656</b>	<b>(40,894)</b>
<b>Takaful finance expenses</b>	<b>(1,957)</b>	<b>-</b>	<b>-</b>	<b>(1,957)</b>	<b>(46,463)</b>	<b>-</b>	<b>-</b>	<b>(46,463)</b>
<b>Other movements</b>	<b>2,298</b>	<b>-</b>	<b>-</b>	<b>2,298</b>	<b>50,763</b>	<b>-</b>	<b>-</b>	<b>50,763</b>
<b>Total changes in the statement of profit or loss and other comprehensive income ("OCI")</b>	<b>(92,776)</b>	<b>-</b>	<b>98,738</b>	<b>5,962</b>	<b>(273,250)</b>	<b>-</b>	<b>236,656</b>	<b>(36,595)</b>

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**13. TAKAFUL CERTIFICATE LIABILITIES (CONT'D)**

**13.1 Takaful certificates issued (cont'd)**

- (i) The roll-forward of the net asset or liability for takaful certificates issued, showing the liability for remaining coverage and the liability for incurred claims for portfolios included in the family takaful fund, is disclosed in the table below: (cont'd)

	30.06.2023				31.12.2022			
	Liabilities for remaining coverage			Liability for incurred claims	Liabilities for remaining coverage			Liability for incurred claims
	Excluding loss component	Loss component	Total		Excluding loss component	Loss component	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Family takaful fund (cont'd)								
<b>Total changes in the statement of profit or loss and OCI</b>	(92,776)	-	98,738	5,962	(273,250)	-	236,656	(36,595)
<b>Cash flows</b>								
Contributions and contribution tax received	252,510	-	-	252,510	559,514	-	-	559,514
Claims and other expenses paid, including investment components	(112,401)	-	(97,625)	(210,027)	(244,277)	-	(233,660)	(477,937)
Takaful acquisition cashflows	(21,807)	-	-	(21,807)	(48,147)	-	-	(48,147)
Total cash flows	118,301	-	(97,625)	20,676	267,090	-	(233,660)	33,430
<b>Net takaful certificate liabilities</b>	<b>776,982</b>	<b>-</b>	<b>73,586</b>	<b>850,569</b>	<b>751,458</b>	<b>-</b>	<b>72,474</b>	<b>823,932</b>
Family takaful certificate liabilities	776,983	-	73,586	850,569	751,458	-	72,474	823,932
Family takaful certificate assets	-	-	-	-	-	-	-	-
<b>Net takaful certificate liabilities</b>	<b>776,983</b>	<b>-</b>	<b>73,586</b>	<b>850,569</b>	<b>751,458</b>	<b>-</b>	<b>72,474</b>	<b>823,932</b>

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**13. TAKAFUL CERTIFICATE LIABILITIES (CONT'D)**

**13.1 Takaful certificates issued (cont'd)**

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

	30.06.2023				31.12.2022			
	Liabilities for remaining coverage			Liability for incurred claims	Liabilities for remaining coverage			Liability for incurred claims
	Excluding loss component	Loss component	Total		Excluding loss component	Loss component	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Company</u>								
<b>At 1 January 2023/2022</b>								
Takaful certificate liabilities	764,894	126,165	72,728	963,787	760,407	114,168	69,750	944,325
Takaful certificate assets	-	-	-	-	-	-	-	-
<b>Net takaful certificate liabilities</b>	<b>764,894</b>	<b>126,165</b>	<b>72,728</b>	<b>963,787</b>	<b>760,407</b>	<b>114,168</b>	<b>69,750</b>	<b>944,325</b>
<b>Takaful revenue</b>								
Expected incurred claims and other takaful service results	(60,036)	-	-	(60,036)	(157,082)	-	-	(157,082)
Change in risk adjustment for non-financial risk expired	(1,454)	-	-	(1,454)	(3,868)	-	-	(3,868)
CSM recognised for service provided	(7,197)	-	-	(7,197)	(22,337)	-	-	(22,337)
Recovery of takaful acquisition cashflows	(17,863)	-	-	(17,863)	(33,130)	-	-	(33,130)
Other takaful revenue	(155,949)	-	-	(155,949)	(347,777)	-	-	(347,777)
	(242,499)	-	-	(242,499)	(564,194)	-	-	(564,194)
<b>Takaful service expense</b>								
Incurred claims and other takaful service expenses	162,888	-	59,772	222,659	308,580	-	157,737	466,316
Losses on onerous underlying certificates and reversals of those losses	-	(8,355)	-	(8,355)	-	11,411	-	11,411
Amortisation of takaful acquisition cash flows	17,863	-	-	17,863	33,130	-	-	33,130
	180,751	(8,355)	59,772	232,167	341,710	11,411	157,737	510,857
Investment components and contribution refunds	(38,951)	-	38,951	-	(78,903)	-	78,903	-
<b>Takaful service results</b>	(100,699)	(8,355)	98,723	(10,332)	(301,387)	11,411	236,640	(53,336)
<b>Takaful finance (expenses)/income</b>	(209)	636	-	428	(45,859)	586	-	(45,272)
<b>Other movements</b>	5,524	-	-	5,524	62,421	-	-	62,421
<b>Total changes in the statement of profit or loss and OCI</b>	<b>(95,384)</b>	<b>(7,719)</b>	<b>98,723</b>	<b>(4,380)</b>	<b>(284,825)</b>	<b>11,997</b>	<b>236,640</b>	<b>(36,188)</b>

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13 TAKAFUL CERTIFICATE LIABILITIES (CONT'D)

13.1 Takaful certificates issued (cont'd)

- (i) The roll-forward of the net asset or liability for takaful certificates issued, showing the liability for remaining coverage and the liability for incurred claims for portfolios included in the Company, is disclosed in the table below: (cont'd)

	30.06.2023				31.12.2022			
	Liabilities for remaining coverage			Liability for incurred claims	Liabilities for remaining coverage			Liability for incurred claims
	Excluding loss component	Loss component	Total		Excluding loss component	Loss component	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<i>Company (cont'd)</i>								
<b>Total changes in the statement of profit or loss and OCI</b>	(95,384)	(7,719)	98,723	(4,380)	(284,825)	11,997	236,640	(36,188)
<b>Cash flows</b>								
Contributions and contribution tax received	315,584	-	-	315,584	724,056	-	-	724,056
Claims and other expenses paid, including investment components	(150,028)	-	(97,565)	(247,594)	(320,575)	-	(233,662)	(554,236)
Takaful acquisition cashflows	(53,973)	-	-	(53,973)	(114,170)	-	-	(114,170)
Total cash flows	111,582	-	(97,565)	14,017	289,311	-	(233,662)	55,650
<b>Net takaful certificate liabilities</b>	<b>781,092</b>	<b>118,446</b>	<b>73,886</b>	<b>973,424</b>	<b>764,894</b>	<b>126,165</b>	<b>72,728</b>	<b>963,787</b>
Takaful certificate liabilities	781,092	118,446	73,886	973,424	764,894	126,165	72,728	963,787
Takaful certificate assets	-	-	-	-	-	-	-	-
<b>Net takaful certificate liabilities</b>	<b>781,092</b>	<b>118,446</b>	<b>73,886</b>	<b>973,424</b>	<b>764,894</b>	<b>126,165</b>	<b>72,728</b>	<b>963,787</b>

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**13. TAKAFUL CERTIFICATE LIABILITIES (CONT'D)**

**13.1 Takaful certificates issued (cont'd)**

(ii) The balance and reconciliations of fulfilment cash flows include obligations to repay Qard advanced by the Takaful Operator to the Family Takaful Fund. Qard was advanced by the Takaful Operator in compliance with the requirements set out in paragraph 19 of the BNM Takaful Operating Framework. Consistent with those requirements, the amount does not bear interest. The amount is repayable, and if to the extent, the Family Takaful Fund has available resources. In accordance with Paragraph 19.4 of the BNM Takaful Operational Framework ("TOF"), the Takaful Operator 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 fulfilment cash flows:

<u>Nominal amount</u>	<u>Family Takaful Fund</u>	
	<u>30.06.2023</u>	<u>31.12.2022</u>
	<u>RM'000</u>	<u>RM'000</u>
Opening balance	3,337	15,390
Qard repaid during the financial period	<u>(3,337)</u>	<u>(12,053)</u>
<b>Closing balance</b>	<u><u>-</u></u>	<u><u>3,337</u></u>

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**13. TAKAFUL CERTIFICATE LIABILITIES (CONT'D)**

**13.1 Takaful certificates issued (cont'd)**

(iii) The table below presents a roll-forward of the net asset or liability for takaful certificates issued showing estimates of the present value of future cash flows, risk adjustment and CSM for portfolios included in the family takaful fund.

	30.06.2023				31.12.2022			
	Estimate of the present value of future cash flows	Risk adjustment	Contractual service margin	Total	Estimate of the 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
<b>Family takaful fund</b>								
<b>At 1 January 2023/2022</b>								
Takaful certificate liabilities	823,931	-	-	823,931	827,097	-	-	827,097
Takaful certificate assets	-	-	-	-	-	-	-	-
<b>Net takaful certificate liabilities</b>	<b>823,931</b>	<b>-</b>	<b>-</b>	<b>823,931</b>	<b>827,097</b>	<b>-</b>	<b>-</b>	<b>827,097</b>
Changes that relate to current services:								
Experience adjustments	(73,694)	-	-	(73,694)	(201,997)	-	-	(201,997)
Changes that relate to future services:								
Changes in estimates that do not adjust the contractual service margin	19,529	-	-	19,529	3,351	-	-	3,351
Changes that relate to past services:								
Adjustments to liabilities for incurred claims	59,787	-	-	59,787	157,753	-	-	157,753
<b>Takaful service results</b>	<b>5,621</b>	<b>-</b>	<b>-</b>	<b>5,621</b>	<b>(40,894)</b>	<b>-</b>	<b>-</b>	<b>(40,894)</b>
<b>Takaful finance expenses</b>	<b>(4,776)</b>	<b>-</b>	<b>-</b>	<b>(4,776)</b>	<b>(16,158)</b>	<b>-</b>	<b>-</b>	<b>(16,158)</b>
<b>Other movements</b>	<b>5,117</b>	<b>-</b>	<b>-</b>	<b>5,117</b>	<b>20,457</b>	<b>-</b>	<b>-</b>	<b>20,457</b>
<b>Total changes in the statement of profit or loss and OCI</b>	<b>5,962</b>	<b>-</b>	<b>-</b>	<b>5,962</b>	<b>(36,595)</b>	<b>-</b>	<b>-</b>	<b>(36,595)</b>

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**13. TAKAFUL CERTIFICATE LIABILITIES (CONT'D)**

**13.1 Takaful certificates issued (cont'd)**

(iii) The table below presents a roll-forward of the net asset or liability for takaful certificates issued showing estimates of the present value of future cash flows, risk adjustment and CSM for portfolios included in the family takaful fund. (cont'd)

	30.06.2023				31.12.2022			
	Estimate of the present value of future cash flows	Risk adjustment	Contractual service margin	Total	Estimate of the 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 (cont'd)								
<b>Total changes in the statement of profit or loss and OCI</b>	5,962	-	-	5,962	(36,595)	-	-	(36,595)
<b>Cash flows</b>								
Contributions and contribution tax received	252,510	-	-	252,510	559,514	-	-	559,514
Claims and other expenses paid, including investment components	(210,027)	-	-	(210,027)	(477,937)	-	-	(477,937)
Takaful acquisition cashflows	(21,807)	-	-	(21,807)	(48,147)	-	-	(48,147)
Total cash flows	20,676	-	-	20,676	33,430	-	-	33,430
<b>Net takaful certificate liabilities as at 30 June 2023/31 December 2022</b>	850,569	-	-	850,569	823,932	-	-	823,932
<b>At 30 June 2023/31 December 2022</b>								
Takaful certificate liabilities	850,569	-	-	850,569	823,932	-	-	823,932
Takaful certificate assets	-	-	-	-	-	-	-	-
<b>Net takaful certificate liabilities</b>	850,569	-	-	850,569	823,932	-	-	823,932



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**13. TAKAFUL CERTIFICATE LIABILITIES (CONT'D)**

**13.1 Takaful certificates issued (cont'd)**

(iii) The table below presents a roll-forward of the net asset or liability for takaful certificates issued showing estimates of the present value of future cash flows, risk adjustment and CSM for portfolios included in the Company.

	30.06.2023				31.12.2022			
	Estimate of the present value of future cash flows	Risk adjustment	Contractual service margin	Total	Estimate of the 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
<u>Company</u>								
<b>At 1 January 2023/2022</b>								
Takaful certificate liabilities	656,579	22,367	284,842	963,787	576,707	25,427	342,190	944,325
Takaful certificate assets	-	-	-	-	-	-	-	-
<b>Net takaful certificate liabilities</b>	<b>656,579</b>	<b>22,367</b>	<b>284,842</b>	<b>963,787</b>	<b>576,707</b>	<b>25,427</b>	<b>342,190</b>	<b>944,325</b>
Changes that relate to current services:								
Contractual service margin recognised for services provided	-	-	(7,197)	(7,197)	-	-	(22,337)	(22,337)
Risk adjustment recognised for the risk expired	-	(1,652)	-	(1,652)	-	(4,403)	-	(4,403)
Experience adjustments	(74,532)	-	-	(74,532)	(204,513)	-	-	(204,513)
Changes that relate to future services:								
Certificates initially recognised in the period	5,951	741	(6,692)	-	(56,093)	2,182	53,911	-
Changes in estimates that adjust the contractual service margin	(4,172)	557	3,615	-	88,713	698	(89,411)	-
Changes in estimates that do not adjust the contractual service margin	13,421	(52)	-	13,369	20,713	(988)	-	19,725
Changes that relate to past services:								
Adjustments to liabilities for incurred claims	59,772	-	-	59,772	157,737	-	-	157,737
Impairment of assets for takaful acquisition cash flows	(90)	-	-	(90)	454	-	-	454
<b>Takaful service results</b>	<b>348</b>	<b>(406)</b>	<b>(10,274)</b>	<b>(10,332)</b>	<b>7,011</b>	<b>(2,511)</b>	<b>(57,837)</b>	<b>(53,336)</b>
<b>Takaful finance (expenses)/income</b>	<b>(3,126)</b>	<b>406</b>	<b>330</b>	<b>(2,390)</b>	<b>(21,259)</b>	<b>(550)</b>	<b>488</b>	<b>(21,321)</b>
<b>Other movements</b>	<b>8,341</b>	<b>-</b>	<b>-</b>	<b>8,341</b>	<b>38,470</b>	<b>-</b>	<b>-</b>	<b>38,470</b>
<b>Total changes in the statement of profit or loss and OCI</b>	<b>5,564</b>	<b>-</b>	<b>(9,944)</b>	<b>(4,380)</b>	<b>24,222</b>	<b>(3,061)</b>	<b>(57,349)</b>	<b>(36,188)</b>

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**13. TAKAFUL CERTIFICATE LIABILITIES (CONT'D)**

**13.1 Takaful certificates issued (cont'd)**

(iii) The table below presents a roll-forward of the net asset or liability for takaful certificates issued showing estimates of the present value of future cash flows, risk adjustment and CSM for portfolios included in the Company. (cont'd)

	30.06.2023				31.12.2022			
	Estimate of the present value of future cash flows	Risk adjustment	Contractual service margin	Total	Estimate of the 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
<u>Company (cont'd)</u>								
<b>Total changes in the statement of profit or loss and OCI</b>	5,564	-	(9,944)	(4,380)	24,222	(3,061)	(57,349)	(36,188)
<b>Cash flows</b>								
Contributions and contribution tax received	315,584	-	-	315,584	724,056	-	-	724,056
Claims and other expenses paid, including investment components	(247,594)	-	-	(247,594)	(554,236)	-	-	(554,236)
Takaful acquisition cashflows	(53,973)	-	-	(53,973)	(114,170)	-	-	(114,170)
Total cash flows	14,017	-	-	14,017	55,650	-	-	55,650
<b>Net takaful certificate liabilities as at 30 June 2023/31 December 2022</b>	<u>676,160</u>	<u>22,367</u>	<u>274,898</u>	<u>973,424</u>	<u>656,579</u>	<u>22,367</u>	<u>284,842</u>	<u>963,787</u>
<b>At 30 June 2023/31 December 2022</b>								
Takaful certificate liabilities	676,160	22,367	274,898	973,424	656,579	22,367	284,842	963,787
Takaful certificate assets	-	-	-	-	-	-	-	-
<b>Net takaful certificate liabilities</b>	<u>676,160</u>	<u>22,367</u>	<u>274,898</u>	<u>973,424</u>	<u>656,579</u>	<u>22,367</u>	<u>284,842</u>	<u>963,787</u>

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**14. RETAKAFUL CERTIFICATE LIABILITIES**

**14.1 Retakaful certificates held**

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

	30.06.2023				31.12.2023			
	Assets for remaining coverage			Amount recoverable on incurred claims	Assets for remaining coverage			Amount recoverable on incurred claims
	Excluding loss-recovery component	Loss-recovery component	Total		Excluding loss-recovery component	Loss-recovery component	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Family takaful fund</u>								
<b>At 1 January 2023/2022</b>								
Retakaful certificate assets	-	-	-	-	-	-	-	-
Retakaful certificate liabilities	21,919	-	(20,518)	1,401	18,765	-	(17,471)	1,294
<b>Net retakaful certificate liabilities</b>	21,919	-	(20,518)	1,401	18,765	-	(17,471)	1,294
Allocation of retakaful contributions	18,971	-	-	18,971	40,783	-	-	40,783
Amounts recoverable from retakaful operators	-	-	(12,636)	(12,636)	-	-	-	-
<b>Net income or expense from retakaful certificates held</b>	18,971	-	(12,636)	6,335	40,783	-	-	40,783
<b>Retakaful finance expenses</b>	64	-	-	64	131	-	-	131
<b>Effect of changes in non-performance risk of retakaful operators</b>	(40)	-	-	(40)	(118)	-	-	(118)
<b>Other movements</b>	42	-	-	42	35	-	229	264
<b>Total changes in the statement of profit or loss and OCI</b>	19,037	-	(12,636)	6,401	40,830	-	229	41,059

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14. RETAKAFUL CERTIFICATE LIABILITIES

14. RETAKAFUL CERTIFICATE LIABILITIES (CONT'D)

14.1 Retakaful certificates held (cont'd)

(i) The roll-forward of the net asset or liability for retakaful certificates held showing assets for remaining coverage and amounts recoverable on incurred claims arising from business ceded to retakaful operators in the family takaful fund, is disclosed in the table below: (cont'd)

	30.06.2023				31.12.2023			
	Assets for remaining coverage			Amount recoverable on incurred claims	Assets for remaining coverage			Amount recoverable on incurred claims
	Excluding loss-recovery component	Loss-recovery component	Total		Excluding loss-recovery component	Loss-recovery component	Total	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Family takaful fund (cont'd)								
<b>Total changes in the statement of profit or loss and OCI</b>	19,037	-	(12,636)	6,401	40,830	-	229	41,059
<b>Cash flows</b>								
Contributions and similar expenses paid	-	-	8,878	8,878	-	-	(3,277)	(3,277)
Amounts received	(9,139)	-	-	(9,139)	(37,676)	-	-	(37,676)
Total cash flows	(9,139)	-	8,878	(261)	(37,676)	-	(3,277)	(40,952)
<b>Net retakaful certificate liabilities</b>	<b>31,818</b>	<b>-</b>	<b>(24,275)</b>	<b>7,542</b>	<b>21,919</b>	<b>-</b>	<b>(20,518)</b>	<b>1,401</b>
Retakaful certificate assets	-	-	-	-	-	-	-	-
Retakaful certificate liabilities	31,818	-	(24,275)	7,542	21,919	-	(20,518)	1,401
<b>Net retakaful certificate liabilities</b>	<b>31,818</b>	<b>-</b>	<b>(24,275)</b>	<b>7,542</b>	<b>21,919</b>	<b>-</b>	<b>(20,518)</b>	<b>1,401</b>

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14. RETAKAFUL CERTIFICATE LIABILITIES

14. RETAKAFUL CERTIFICATE LIABILITIES (CONT'D)

14.1 Retakaful certificates issued (cont'd)

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

	30.06.2023				31.12.2023			
	Assets for remaining coverage			Amount recoverable on incurred claims	Assets for remaining coverage			Amount recoverable on incurred claims
	Excluding loss-recovery component	Loss-recovery component	Total		Excluding loss-recovery component	Loss-recovery component	Total	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>Company</u>								
<b>At 1 January 2023/2022</b>								
Retakaful certificate assets	-	-	-	-	-	-	-	-
Retakaful certificate liabilities	21,919	-	(20,518)	1,401	18,765	-	(17,471)	1,294
<b>Net retakaful certificate liabilities</b>	21,919	-	(20,518)	1,401	18,765	-	(17,471)	1,294
Allocation of retakaful contributions	18,971	-	-	18,971	40,783	-	-	40,783
Amounts recoverable from retakaful operators	-	-	(12,636)	(12,636)	-	-	-	-
<b>Net income or expense from retakaful certificates held</b>	18,971	-	(12,636)	6,335	40,783	-	-	40,783
Retakaful finance expenses	64	-	-	64	131	-	-	131
Effect of changes in non-performance risk of retakaful operators	(40)	-	-	(40)	(118)	-	-	(118)
Other movements	42	-	-	42	35	-	229	264
<b>Total changes in the statement of profit or loss and OCI</b>	19,037	-	(12,636)	6,401	40,830	-	229	41,059

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**14. RETAKAFUL CERTIFICATE LIABILITIES**

**14. RETAKAFUL CERTIFICATE LIABILITIES (CONT'D)**

**14.1 Retakaful certificates held (cont'd)**

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

	30.06.2023				31.12.2023			
	Assets for remaining coverage			Total	Assets for remaining coverage			Total
Excluding loss-recovery component	Loss-recovery component	Amount recoverable on incurred claims	RM'000		Excluding loss-recovery component	Loss-recovery component	Amount recoverable on incurred claims	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Company (cont'd)</u>								
<b>Total changes in the statement of profit or loss and OCI</b>	19,037	-	(12,636)	6,401	40,830	-	229	41,059
<b>Cash flows</b>								
Contributions and similar expenses paid	-	-	8,878	8,878	-	-	(3,277)	(3,277)
Amounts received	(9,139)	-	-	(9,139)	(37,676)	-	-	(37,676)
Total cash flows	(9,139)	-	8,878	(261)	(37,676)	-	(3,277)	(40,952)
<b>Net retakaful certificate liabilities</b>	<b>31,818</b>	<b>-</b>	<b>(24,275)</b>	<b>7,542</b>	<b>21,919</b>	<b>-</b>	<b>(20,518)</b>	<b>1,401</b>
Retakaful certificate assets	-	-	-	-	-	-	-	-
Retakaful certificate liabilities	31,818	-	(24,275)	7,542	21,919	-	(20,518)	1,401
<b>Net retakaful certificate liabilities</b>	<b>31,818</b>	<b>-</b>	<b>(24,275)</b>	<b>7,542</b>	<b>21,919</b>	<b>-</b>	<b>(20,518)</b>	<b>1,401</b>

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**14. RETAKAFUL CERTIFICATE LIABILITIES (CONT'D)**

**14.1 Retakaful certificates held (cont'd)**

(ii) The table below presents a roll-forward of the net asset or liability for retakaful certificates held showing estimates of the present value of future cash flows, risk adjustment and CSM for retakaful held portfolios included in the family takaful fund.

	30.06.2023				31.12.2022			
	Estimate of the present value of future cash flows	Risk adjustment	Contractual service margin	Total	Estimate of the 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
<u>Family takaful fund</u>								
<b>At 1 January 2023/2022</b>								
Retakaful certificate assets	-	-	-	-	-	-	-	-
Retakaful certificate liabilities	1,401	-	-	1,401	1,294	-	-	1,294
<b>Net retakaful certificate liabilities</b>	<b>1,401</b>	<b>-</b>	<b>-</b>	<b>1,401</b>	<b>1,294</b>	<b>-</b>	<b>-</b>	<b>1,294</b>
Changes that relate to current services:								
Experience adjustments	18,971	-	-	18,971	40,783	-	-	40,783
Changes that relate to past services:								
Changes in amounts recoverable arising from changes in liability for incurred claims	(12,467)	-	-	(12,467)	-	-	-	-
<b>Retakaful finance expense</b>	<b>24</b>	<b>-</b>	<b>-</b>	<b>24</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>13</b>
<b>Other movements</b>	<b>42</b>	<b>-</b>	<b>-</b>	<b>42</b>	<b>264</b>	<b>-</b>	<b>-</b>	<b>264</b>
<b>Total changes in the statement of profit or loss and OCI</b>	<b>6,570</b>	<b>-</b>	<b>-</b>	<b>6,570</b>	<b>41,059</b>	<b>-</b>	<b>-</b>	<b>41,059</b>

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**14. RETAKAFUL CERTIFICATE LIABILITIES (CONT'D)**

**14.1 Retakaful certificates held (cont'd)**

(ii) The table below presents a roll-forward of the net asset or liability for retakaful certificates held showing estimates of the present value of future cash flows, risk adjustment and CSM for retakaful held portfolios included in the family takaful fund. (cont'd)

	30.06.2023				31.12.2022			
	Estimate of the present value of future cash flows	Risk adjustment	Contractual service margin	Total	Estimate of the 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 (cont'd)								
<b>Total changes in the statement of profit or loss and OCI</b>	6,570	-	-	6,570	41,059	-	-	41,059
<b>Cash flows</b>								
Contributions and similar expenses paid	(9,139)	-	-	(9,139)	(37,676)	-	-	(37,676)
Amounts received	8,709	-	-	8,709	(3,277)	-	-	(3,277)
Total cash flows	(430)	-	-	(430)	(40,952)	-	-	(40,952)
<b>Net retakaful certificate liabilities as at 30 June 2023</b>	<u>7,542</u>	<u>-</u>	<u>-</u>	<u>7,542</u>	<u>1,401</u>	<u>-</u>	<u>-</u>	<u>1,401</u>
<b>At 30 June 2023</b>								
Retakaful certificate assets	-	-	-	-	-	-	-	-
Retakaful certificate liabilities	7,542	-	-	7,542	1,401	-	-	1,401
<b>Net retakaful certificate liabilities</b>	<u>7,542</u>	<u>-</u>	<u>-</u>	<u>7,542</u>	<u>1,401</u>	<u>-</u>	<u>-</u>	<u>1,401</u>



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**14. RETAKAFUL CERTIFICATE LIABILITIES (CONT'D)**

**14.1 Retakaful certificates held (cont'd)**

(ii) The table below presents a roll-forward of the net asset or liability for retakaful certificates held showing estimates of the present value of future cash flows, risk adjustment and CSM for retakaful held portfolios included in the Company.

	30.06.2023				31.12.2022			
	Estimate of the present value of future cash flows	Risk adjustment	Contractual service margin	Total	Estimate of the 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
<u>Company</u>								
<b>At 1 January 2023/2022</b>								
Retakaful certificate assets	-	-	-	-	-	-	-	-
Retakaful certificate liabilities	1,401	-	-	1,401	1,294	-	-	1,294
<b>Net retakaful certificate liabilities</b>	<b>1,401</b>	<b>-</b>	<b>-</b>	<b>1,401</b>	<b>1,294</b>	<b>-</b>	<b>-</b>	<b>1,294</b>
Changes that relate to current services:								
Experience adjustments	18,971	-	-	18,971	40,783	-	-	40,783
Changes that relate to past services:								
Changes in amounts recoverable arising from changes in liability for incurred claims	(12,467)	-	-	(12,467)	-	-	-	-
<b>Retakaful finance expense</b>	<b>24</b>	<b>-</b>	<b>-</b>	<b>24</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>13</b>
<b>Effect of changes in non-performance risk of retakaful operators</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other movements</b>	<b>42</b>	<b>-</b>	<b>-</b>	<b>42</b>	<b>264</b>	<b>-</b>	<b>-</b>	<b>264</b>
<b>Total changes in the statement of profit or loss and OCI</b>	<b>6,570</b>	<b>-</b>	<b>-</b>	<b>6,570</b>	<b>41,059</b>	<b>-</b>	<b>-</b>	<b>41,059</b>

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**14. RETAKAFUL CERTIFICATE LIABILITIES (CONT'D)**

**14.1 Retakaful certificates held (cont'd)**

(ii) The table below presents a roll-forward of the net asset or liability for retakaful certificates held showing estimates of the present value of future cash flows, risk adjustment and CSM for retakaful held portfolios included in the Company. (cont'd)

	30.06.2023				31.12.2022			
	Estimate of the present value of future cash flows	Risk adjustment	Contractual service margin	Total	Estimate of the 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
<i>Company (cont'd)</i>								
<b>Total changes in the statement of profit or loss and OCI</b>	6,570	-	-	6,570	41,059	-	-	41,059
<b>Cash flows</b>								
Contributions and similar expenses paid	(9,139)	-	-	(9,139)	(37,676)	-	-	(37,676)
Amounts received	8,709	-	-	8,709	(3,277)	-	-	(3,277)
Total cash flows	(430)	-	-	(430)	(40,952)	-	-	(40,952)
<b>Net retakaful certificate liabilities as at 30 June 2023</b>	<u>7,542</u>	<u>-</u>	<u>-</u>	<u>7,542</u>	<u>1,401</u>	<u>-</u>	<u>-</u>	<u>1,401</u>
<b>At 30 June 2023</b>								
Retakaful certificate assets	-	-	-	-	-	-	-	-
Retakaful certificate liabilities	7,542	-	-	7,542	1,401	-	-	1,401
<b>Net retakaful certificate liabilities</b>	<u>7,542</u>	<u>-</u>	<u>-</u>	<u>7,542</u>	<u>1,401</u>	<u>-</u>	<u>-</u>	<u>1,401</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
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**15. CASH FLOWS**

	<u>30.06.2023</u>	<u>30.06.2022</u>
	RM'000	RM'000
<b>Cash flow from operating activities</b>		
<b>Net profit/(loss) for the financial period</b>	6,095	(598)
<b>Adjustments for:</b>		
Depreciation of property and equipment	647	794
Depreciation of right-of-use assets	844	616
Amortisation of intangible assets	356	417
Investment income	(16,721)	(13,717)
Realised loss recorded in profit or loss	1,545	1,192
Fair value losses recorded in profit or loss	6,148	45,661
Realised gain from disposal of property and equipment	-	(91)
Interest expenses on lease liabilities	60	41
Tax expense attributable to Takaful Operator	2,288	3,015
Tax income attributable to participants	215	(2,938)
<b>Net cashflows from operating activities before changes in working capital</b>	<u>1,476</u>	<u>34,392</u>
<b>Changes in working capital:</b>		
Decrease in financial assets at FVTPL	4,363	13,699
Increase in financial assets at FVOCI	(32,648)	(129)
Increase in financial assets at amortised cost/loans and receivables	(5,236)	(5,136)
(Increase)/decrease in other receivables	(476)	118
Increase/(decrease) in takaful certificate liabilities	7,306	(26,851)
Decrease in other payables	(3,123)	(1,447)
Increase in retakaful certificate liabilities	6,141	5,816
Cash (used in)/generated from operating activities	<u>(22,197)</u>	<u>20,462</u>

The Company classifies the cash flows from the acquisition and disposal of financial assets as operating cash flows, as the purchases are funded from the cash flows associated with the origination of takaful certificates, net of the cash flows for payments of benefits and claims incurred for takaful certificates, which are also classified under operating activities.

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**16. TOTAL CAPITAL AVAILABLE**

The regulated capital of the Company as at 30 June 2023 comprised capital available of RM209,465,000 (31 December 2022: RM200,558,000).

The capital structure of the Company as at 30 June 2023, as prescribed under the RBCT Framework, is shown below:

	<b>30.06.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Tier 1 Capital</u></b>		
Paid-up share capital	180,000	180,000
Valuation surplus in takaful fund	21,280	9,014
Reserves, including retained earnings	15,888	25,517
	<u>217,168</u>	<u>214,531</u>
<b><u>Tier 2 Capital</u></b>		
Fair value reserves	(887)	(8,525)
Qard	-	3,337
	<u>(887)</u>	<u>(5,188)</u>
<b>Amount deducted from capital</b>	<u>(6,816)</u>	<u>(8,785)</u>
<b>Total Capital Available</b>	<u><u>209,465</u></u>	<u><u>200,558</u></u>