

Unaudited Condensed Interim Financial Statements

For The Financial Period From
1 January 2022 To 30 June 2022

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 2022

		30.06.2022			31.12.2021		
	Note	Takaful Operator	Family Takaful Fund	Company	Takaful Operator	Family Takaful Fund	Company
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS							
Property and equipment		5,271	-	5,271	6,143	-	6,143
Intangible assets		869	-	869	1,286	-	1,286
Right-of-use assets		1,324	-	1,324	1,906	-	1,906
Investments	12	185,827	704,203	890,030	193,423	744,008	937,431
Takaful receivables		-	1,691	1,691	-	-	-
Qard receivable	13	(1,281)	-	-	5,739	-	-
Retakaful assets	14	-	22,806	22,806	-	23,403	23,403
Other receivables		16,486	18	3,078	31,173	2,060	3,808
Current tax assets		-	2,808	2,808	166	2,077	2,243
Deferred tax assets		7,008	7,124	14,132	4,781	2,350	7,131
Cash and bank balances		37,328	105,531	142,859	15,971	110,751	126,722
TOTAL ASSETS		252,832	844,181	1,084,868	260,588	884,649	1,110,073

Interfund balances are eliminated at Company level in accordance with MFRS 10 "Consolidated Financial Statements".
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 FINANCIAL POSITION AS AT 30 JUNE 2022 (CONTINUED)

	<u>Note</u>	30.06.2022			31.12.2021		
		Takaful Operator	Family Takaful Fund	Company	Takaful Operator	Family Takaful Fund	Company
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
LIABILITIES							
Takaful contract liabilities	15	-	791,235	798,255	-	829,422	829,422
Takaful payables		-	11,571	11,571	12,659	4,789	17,448
Qard payable		-	8,370	-	-	15,390	-
Other payables		39,678	39,253	65,505	26,824	49,057	46,456
Lease liabilities		1,474	-	1,474	2,076	-	2,076
Expense liabilities		25,082	-	25,082	25,948	-	25,948
Current tax liabilities		226	2,122	2,348	-	1,381	1,381
TOTAL LIABILITIES		66,460	852,551	904,235	67,507	900,039	922,731
SHAREHOLDERS' EQUITY							
Share capital		180,000	-	180,000	180,000	-	180,000
Retained earnings/(accumulated losses)		8,860	(8,370)	3,121	13,575	(15,390)	7,836
Available-for-sale reserve		(2,488)	-	(2,488)	(494)	-	(494)
		186,372	(8,370)	180,633	193,081	(15,390)	187,342
TOTAL LIABILITIES, PARTICIPANTS' FUNDS AND SHAREHOLDERS' EQUITY		252,832	844,181	1,084,868	260,588	884,649	1,110,073

Interfund balances are eliminated at Company level in accordance with MFRS 10 "Consolidated Financial Statements".
The accompanying notes form an integral part of these condensed interim financial statements.

Company No.
200601012246 (731996-H)

ZURICH TAKAFUL MALAYSIA BERHAD
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**UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**

	30.06.2022			30.06.2021		
	Takaful Operator	Family Takaful Fund	Company	Takaful Operator	Family Takaful Fund	Company
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Gross earned contributions	-	205,166	205,166	-	204,461	204,461
Contribution ceded to retakaful operators	-	(21,460)	(21,460)	-	(21,824)	(21,824)
Net earned contributions	-	183,706	183,706	-	182,637	182,637
Wakalah fee income	73,123	-	-	76,910	-	-
Investment income	3,346	10,344	13,690	3,387	10,952	14,339
Realised gains	138	-	138	-	-	-
Fair value gains	-	-	-	-	-	-
Other operating income – net	212	1,840	2,052	113	1,913	2,026
Other income	76,819	12,184	15,880	80,410	12,865	16,365
Total revenue	76,819	195,890	199,586	80,410	195,502	199,002
Gross benefits and claims paid	-	(100,877)	(100,877)	-	(71,176)	(71,176)
Claims ceded to retakaful operators	-	13,635	13,635	-	11,147	11,147
Gross change to contract liabilities	-	37,689	8,215	-	(21,475)	(30,440)
Change in contract liabilities ceded to retakaful operators	-	251	251	-	(2,855)	(2,855)
Net claims	-	(49,302)	(78,776)	-	(84,359)	(93,324)

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**UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022 (CONTINUED)**

	30.06.2022			30.06.2021		
	Takaful Operator	Family Takaful Fund	Company	Takaful Operator	Family Takaful Fund	Company
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Wakalah fee expenses	-	(73,123)	-	-	(76,910)	-
Fee and commission expenses	(49,047)	-	(49,047)	(51,224)	-	(51,224)
Management expenses	(29,762)	-	(29,762)	(30,349)	-	(30,349)
Fair value losses	-	(45,661)	(45,661)	-	(26,529)	(26,529)
Realised losses	-	(1,239)	(1,239)	(25)	-	(25)
Impairment on right-of-use asset	(40)	-	(40)	(63)	-	(63)
Other operating expenses	(536)	(30)	(566)	(560)	(30)	(590)
Tax borne by the participants	-	2,939	2,939	-	1,291	1,291
Expense liabilities	866	-	866	1,332	-	1,332
Other expenses	(78,519)	(117,114)	(122,510)	(80,889)	(102,178)	(106,157)
Total underwriting (loss)/surplus from operations	(1,700)	29,474	(1,700)	(479)	8,965	(479)
(Repayment of Qard)/additional Qard	-	(7,020)	-	-	227	-
Surplus transferred to unallocated surplus	-	(22,454)	-	-	(9,192)	-
Loss/(profit) before taxation	(1,700)	-	(1,700)	(479)	-	(479)
Zakat	-	-	-	-	-	-
Taxation	(3,015)	-	(3,015)	(1,774)	-	(1,774)
Net (loss)/profit for the financial period	(4,715)	-	(4,715)	(2,253)	-	(2,253)

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

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**UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022 (CONTINUED)**

	30.06.2022			30.06.2021		
	Takaful Operator	Family Takaful Fund	Company	Takaful Operator	Family Takaful Fund	Company
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net (loss)/profit for the financial period	(4,715)	-	(4,715)	(2,253)	-	(2,253)
Other comprehensive loss:						
<u>Items that may be subsequently reclassified to profit or loss:</u>						
Fair value changes on available-for-sale financial assets:						
- Gross fair value changes	(2,624)	-	(2,624)	(1,949)	-	(1,949)
- Deferred tax	630	-	630	468	-	468
- Net fair value changes	(1,994)	-	(1,994)	(1,481)	-	(1,481)
Other comprehensive loss for the financial period, net of tax	(1,994)	-	(1,994)	(1,481)	-	(1,481)
Total comprehensive (loss)/income for the financial period	(6,709)	-	(6,709)	(3,734)	-	(3,734)

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**UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**

	Share capital	Non- distributable Available- for- sale reserve	Distributable Retained earnings	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2022	180,000	(494)	7,836	187,342
Net profit for the financial period	-	-	(4,715)	(4,715)
Other comprehensive loss for the financial period	-	(1,994)	-	(1,994)
At 30 June 2022	180,000	(2,488)	3,121	180,633
At 1 January 2021	180,000	2,189	4,388	186,577
Net loss for the financial period	-	-	(2,253)	(2,253)
Other comprehensive loss for the financial period	-	(1,481)	-	(1,481)
At 30 June 2021	180,000	708	2,135	182,843

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

ZURICH TAKAFUL MALAYSIA BERHAD
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**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**

	Note	6 months period ended 30.6.2022 RM'000	6 months period ended 30.6.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash utilised in operating activities		(103,938)	(42,314)
Distribution income received		2,969	4,376
Profit income received		125,579	10,327
Interest expenses on lease liabilities		(40)	(63)
Income tax paid		(7,100)	(1,395)
Net cash inflows/(outflows) from operating activities		17,470	(29,069)
CASH FLOWS FROM INVESTING ACTIVITIES			
Disposal/(purchase) of property and equipment		170	(98)
Purchase of intangible assets		-	(19)
Net cash inflows/(outflows) from investing activities		170	(117)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liabilities		(1,503)	(2,458)
Net cash outflows from financing activities		(1,503)	(2,458)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		16,137	(31,644)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD		126,722	159,107
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD		142,859	127,463
Cash and cash equivalents consist of:			
Cash and bank balances		142,859	122,416
Fixed deposit with licensed financial institutions with maturities less than 3 months		-	5,047
		142,859	127,463

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

ZURICH TAKAFUL MALAYSIA BERHAD
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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 Standards ("MFRS") 134 Interim Financial Reporting. The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Company for the financial year ended 31 December 2021, which were prepared in accordance with the MFRS and 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 an understanding of the changes in the financial position and performance of the Company since the year ended 31 December 2021.

2 SIGNIFICANT ACCOUNTING POLICIES

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 2021, except for the adoption of the following:

MFRSs / Interpretations / Amendments	Effective date
Amendments to MFRS 1, MFRS 9 and MFRS 16 – Annual Improvements to MFRS Standards 2018–2020	1 January 2022
Amendment to MFRS 116 – Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137 – Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 3 – Reference to the Conceptual Framework	1 January 2022

The adoption of the above mentioned standards, amendments and interpretations issued by Malaysian Accounting Standard Board ("MASB") in the current financial year did not have any material impact to the unaudited condensed interim financial statements of the Company.

3 CHANGES IN ACCOUNTING POLICIES

There were no changes in accounting policies for the financial period ended 30 June 2022.

4 AUDITORS REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditor's report on the audited financial statements for the financial year ended 31 December 2021 was not qualified.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

5 SEASONAL OR CYCLICAL FACTORS

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

6 UNUSUAL ITEMS

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

7 CHANGE IN ACCOUNTING ESTIMATES

There were no material changes in the basis used for accounting estimates for the financial period ended 30 June 2022.

8 DIVIDEND PAYMENT

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

9 SIGNIFICANT EVENT FOR THE FINANCIAL PERIOD

There is no significant event 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 CHANGES IN COMPOSITION OF THE COMPANY

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

11 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)

12 INVESTMENTS

	Takaful Operator	Family Takaful Fund	Company
	RM'000	RM'000	RM'000
<u>At 30 June 2022</u>			
Government Investment Issues	-	4,649	4,649
Unquoted Islamic debt securities	180,691	308,095	488,786
Shariah-approved quoted equities	-	125,914	125,914
Unquoted Shariah-approved equities	-	1,007	1,007
Unit trusts	-	264,538	264,538
Deposits with financial institutions	5,136	-	5,136
	185,827	704,203	890,030

At 31 December 2021

Government Investment Issues	-	3,241	3,241
Unquoted Islamic debt securities	193,423	295,365	488,788
Quoted Shariah-approved equities	-	147,678	147,678
Unquoted Shariah-approved equities	-	4,006	4,006
Unit trusts	-	293,718	293,718
	193,423	744,008	937,431

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

	Takaful Operator	Family Takaful Fund	Company
	RM'000	RM'000	RM'000
<u>At 30 June 2022</u>			
Available-for-sale ("AFS") financial assets	180,691	252,377	433,068
Fair value through profit or loss ("FVTPL") financial assets	-	451,826	451,826
Loans and receivables ("LAR")	5,136	-	5,136
	185,827	704,203	890,030

The following investments mature after 12 months:

AFS financial assets	142,081	247,803	389,884
FVTPL financial assets	-	56,477	56,477
LAR	-	-	-
	142,081	304,280	446,361

At 31 December 2021

AFS financial assets	193,423	232,955	426,378
FVTPL financial assets	-	511,053	511,053
	193,423	744,008	937,431

The following investments mature after 12 months:

AFS financial assets	148,036	230,865	378,901
FVTPL financial assets	-	61,149	61,149
	148,036	292,014	440,050

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

12 INVESTMENTS (CONTINUED)

	Takaful Operator	Family Takaful Fund	Company
	RM'000	RM'000	RM'000
<u>At 30 June 2022</u>			
(a) AFS financial assets			
<u>At 30 June 2022</u>			
Fair value:			
Government Investment Issue	-	4,649	4,649
Unquoted Islamic debt-securities	180,691	247,728	428,419
	<u>180,691</u>	<u>252,377</u>	<u>433,068</u>
(b) FVTPL financial assets			
Fair value at designation:			
Quoted Shariah-approved equities	-	125,914	125,914
Unquoted Shariah-approved equities	-	1,007	1,007
Unquoted Islamic debt securities	-	60,367	60,367
Unit trusts	-	264,538	264,538
	<u>-</u>	<u>451,826</u>	<u>451,826</u>
(c) LAR			
Amortised cost:			
Fixed and call deposits with licensed financial institutions	5,136	-	5,136
	<u>5,136</u>	<u>-</u>	<u>5,136</u>
<u>At 31 December 2021</u>			
(a) AFS financial assets			
<u>At 31 December 2021</u>			
Fair value:			
Government Investment Issues	-	3,241	3,241
Unquoted Islamic debt-securities	193,423	229,714	423,137
	<u>193,423</u>	<u>232,955</u>	<u>426,378</u>
(b) FVTPL financial assets			
Fair value at designation:			
Unquoted Islamic debt securities	-	65,651	65,651
Quoted Shariah-approved equities	-	147,678	147,678
Unquoted Shariah-approved equities	-	4,006	4,006
Unit trusts	-	293,718	293,718
	<u>-</u>	<u>511,053</u>	<u>511,053</u>

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

12 INVESTMENTS (CONTINUED)

(c) Fair values of investments

Determination of fair value and fair value hierarchy

The Company classifies fair value measurement using a fair value hierarchy that reflects the significance 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.

Level 3 – Valuation Techniques – Unobservable input

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. Examples of main asset classes in this category are unquoted equity securities, un-rated securities 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 views about the assumptions that market participants would use in pricing the instrument (including assumptions about risk). These inputs are developed based on the best information available, which might include the Company's own data and judgements.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

12 INVESTMENTS (CONTINUED)

(c) Fair values of investments (continued)

Recurring fair value measurements:

The following tables show the analysis of the different hierarchy of fair values for financial instruments recorded at fair value and financial instruments not measured at fair value but fair values are disclosed:

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
<u>At 30 June 2022</u>				
(i) Takaful Operator				
(a) AFS financial assets				
Unquoted Islamic debt securities	-	180,691	-	180,691
(ii) Family Takaful fund				
(a) AFS financial assets				
Government Investment Issue	-	4,649	-	4,649
Unquoted Islamic debt securities	-	247,728	-	247,728
	-	252,377	-	252,377
(b) FVTPL financial assets				
Unquoted Islamic debt securities	-	59,847	520	60,367
Quoted Shariah-approved equities	125,914	-	-	125,914
Unquoted Shariah-approved equities	-	1,007	-	1,007
Unit trusts	264,538	-	-	264,538
	390,452	60,854	520	451,826
(iii) Company				
(a) AFS financial assets				
Government Investment Issue	-	4,649	-	4,649
Unquoted Islamic debt securities	-	428,419	-	428,419
	-	433,068	-	433,068
(b) FVTPL financial assets				
Unquoted Islamic debt securities	-	59,847	520	60,367
Quoted Shariah-approved equities	125,914	-	-	125,914
Unquoted Shariah-approved equities	-	1,007	-	1,007
Unit trusts	264,538	-	-	264,538
	390,452	60,854	520	451,826

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

12 INVESTMENTS (CONTINUED)

(c) Fair values of investments (continued)

Recurring fair value measurements: (continued)

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
<u>At 31 December 2021</u>				
(i) Takaful Operator				
(a) AFS financial assets				
Unquoted Islamic debt securities	-	193,423	-	193,423
(ii) Family Takaful fund				
(a) AFS financial assets				
Government Investment Issues	-	3,241	-	3,241
Unquoted Islamic debt securities	-	229,714	-	229,714
	-	232,955	-	232,955
(b) FVTPL financial assets				
Unquoted Islamic debt securities	-	65,651	-	65,651
Quoted Shariah-approved equities	147,678	-	-	147,678
Unquoted Shariah-approved equities	-	4,006	-	4,006
Unit trusts	293,718	-	-	293,718
	441,396	69,657	-	511,053
(iii) Company				
(a) AFS financial assets				
Government Investment Issues	-	3,241	-	3,241
Unquoted Islamic debt securities	-	423,137	-	423,137
	-	426,378	-	426,378
(b) FVTPL financial assets				
Unquoted Islamic debt securities	-	65,651	-	65,651
Quoted Shariah-approved equities	147,678	-	-	147,678
Unquoted Shariah-approved equities	-	4,006	-	4,006
Unit trusts	293,718	-	-	293,718
	441,396	69,657	-	511,053

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

13 QARD RECEIVABLE

	Takaful Operator	
	30.6.2022	31.12.2021
	RM'000	RM'000
Qard receivable	15,390	21,712
Less : Repayment of Qard	(7,020)	(6,322)
	8,370	15,390
Less : Allowance for impairment loss	(9,651)	(9,651)
	(1,281)	5,739
Movement in allowance for impairment loss:		
Allowance for impairment loss	9,651	17,651
Less : Write back of impairment loss	-	(8,000)
	9,651	9,651

Allowance for impairment loss represents the difference between the carrying amount of Qard receivable and its projected recoverable amount. As at 31 December 2021, the Company has made an assessment of the Qard recoverable based on the projection of surplus or deficit of the Ordinary Family Takaful risk fund for the next 5 years, taking into consideration of the risk fund balance less the best estimates of net liabilities for certificates. Based on the projection, the Company has not made further impairment to the balance of Qard receivable in the Takaful Operator Fund.

14 RETAKAFUL ASSETS

	30.6.2022	31.12.2021
	RM'000	RM'000
Retakaful of Takaful contracts (Note 15)		
- Family Takaful Fund	22,806	23,403

The carrying amount disclosed above in respect of retakaful of takaful contracts approximate fair values at the date of the statement of financial position.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

15 TAKAFUL CONTRACT LIABILITIES

The takaful contract liabilities and movements are further analysed as follows:

Family takaful fund

	30.6.2022			31.12.2021		
	Gross	Retakaful	Net	Gross	Retakaful	Net
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Certificateholders' liabilities	232,643	(17,226)	215,417	226,903	(18,073)	208,830
Net asset value						
attributable to unitholders	493,860	-	493,860	541,992	-	541,992
Actuarial liabilities	726,503	(17,226)	709,277	768,895	(18,073)	750,822
Unallocated surplus						
attributable to unitholders	28,405	-	28,405	15,259	-	15,259
Accumulated deficits						
of non-investment-						
linked funds	(851)	-	(851)	(14,428)	-	(14,428)
Qard	8,370	-	8,370	15,390	-	15,390
Claims liabilities	40,951	(5,580)	35,371	43,844	(5,330)	38,514
Available-for-sale ("AFS")						
fair value adjustment	(12,143)	-	(12,143)	462	-	462
	791,235	(22,806)	768,429	829,422	(23,403)	806,019

Family takaful fund

	Gross	Retakaful	Net
	RM'000	RM'000	RM'000
At 1 January 2021	762,030	(27,120)	734,910
Contributions received	417,888	(42,661)	375,227
Liabilities paid for death, maturities, surrenders, benefits and claims	(155,917)	22,981	(132,936)
Movement in claims liabilities	12,433	3,801	16,235
Experience variance on inforce Takaful certificates	11,247	(364)	10,882
Reserve on new policies	(4,595)	449	(4,146)
Miscellaneous	(49,596)	19,511	(30,085)
Fees deducted	(132,638)	-	(132,638)
Surplus distributed to Takaful Operator	(9,500)	-	(9,500)
Qard repayment (Note 13)	(6,322)	-	(6,322)
Prior year surplus distributed to participants' fund	(5,000)	-	(5,000)
Movement in AFS fair value adjustments:			
- gross fair value changes	(10,705)	-	(10,705)
- fair value loss transferred to profit or loss on disposal	(826)	-	(826)
- deferred tax	922	-	923
Movement in AFS fair value adjustments	(10,608)	-	(10,608)
At 31 December 2021	829,422	(23,403)	806,019

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

15 TAKAFUL CONTRACT LIABILITIES (CONTINUED)

Family takaful fund

	Gross	Retakaful	Net
	RM'000	RM'000	RM'000
At 1 January 2022	829,422	(23,403)	806,019
Contributions received	205,166	(21,460)	183,706
Liabilities paid for death, maturities, surrenders, benefits and claims	(100,877)	13,635	(87,242)
Movement in claims liabilities	(2,893)	(250)	(3,143)
Experience variance on inforce Takaful certificates	11,525	(999)	10,526
Reserve on new policies	(3,523)	151	(3,372)
Miscellaneous	(45,338)	9,520	(35,818)
Fees deducted	(73,123)	-	(73,123)
Qard repayment (Note 13)	(7,020)	-	(7,020)
Prior year surplus distributed to participant fund	(9,500)	-	(9,500)
Movement in AFS fair value adjustments:			
- gross fair value changes	(13,700)	-	(13,700)
- fair value loss transferred to profit or loss on disposal			
- deferred tax	1,096	-	1,096
Movement in AFS fair value adjustments	(12,604)		(12,604)
At 30 June 2022	791,235	(22,806)	768,429

Any surplus arising during the financial period/year will only be distributed at year end as recommended by the Appointed Actuary.

16 RISK MANAGEMENT FRAMEWORK

Capital Management

	2022	2021
	RM'000	RM'000
<u>Tier 1 Capital</u>		
Paid-up capital	180,000	180,000
Valuation surplus in takaful fund	27,553	(8,670)
Retained earnings	8,860	13,575
	216,413	184,905
<u>Tier 2 Capital</u>		
Available-for-sale reserves	(10,757)	(337)
Qard	8,370	15,390
	(2,387)	15,053
Amount deducted from capital	(7,161)	(10,518)
Total Capital Available	206,865	189,440

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

17 ADDITIONAL DISCLOSURE UNDER AMENDMENTS TO MFRS 4 INSURANCE CONTRACT LIABILITIES

The Company has applied the temporary exemption from the adoption of MFRS 9 “Financial Instruments” from 1 January 2018 to no later than 1 January 2023. In order to compare with entities applying MFRS 9, the amendments require deferring entities to disclose additional information including contractual cash flows characteristics and credit exposure of the financial assets.

The following table presents the Company’s financial assets by their contractual cash flows characteristics, which indicate if they are solely payments of principal and interest on the principal outstanding (“SPPI”). Takaful receivables and retakaful assets have been excluded from the above assessment as they will be under the scope of MFRS 17 “Insurance Contracts”:

Takaful Operator

	Fair value at 30 June 2022	Change in fair value	Results of the cash flows characteristics
	RM'000	RM'000	
<u>30 June 2022</u>			
AFS financial assets:			
Unquoted Islamic debt-securities	180,691	(2,624)	Non-SPPI
Loans and receivables	5,136	-	SPPI
Other receivables*	15,098	-	SPPI
Cash and cash equivalents	37,328	-	SPPI
	<u>238,253</u>	<u>(2,624)</u>	

Family Takaful fund

	Fair value at 30 June 2022	Change in fair value	Results of the cash flows characteristics
	RM'000	RM'000	
<u>30 June 2022</u>			
AFS financial assets:			
Government Investment Issues	4,650	(94)	Non-SPPI
Unquoted Islamic debt-securities	247,727	(13,606)	Non-SPPI
FVTPL investments:			
Unquoted Islamic debt-securities	60,367	(2,041)	SPPI
Quoted Shariah-approved equities	125,914	(13,793)	SPPI
Unquoted Shariah-approved equities	1,007	(7)	SPPI
Unit trusts	264,538	(31,318)	SPPI
Other receivables	18	-	SPPI
Cash and cash equivalents	105,531	-	SPPI
	<u>809,752</u>	<u>(60,859)</u>	

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

17 ADDITIONAL DISCLOSURE UNDER AMENDMENTS TO MFRS 4 INSURANCE CONTRACT LIABILITIES (CONTINUED)

Company

	Fair value at 30 June 2022 RM'000	Change in fair value RM'000	Results of the cash flows characteristics
<u>30 June 2022</u>			
AFS financial assets:			
Government Investment Issues	4,650	(94)	Non-SPPI
Unquoted Islamic debt-securities	428,418	(16,230)	Non-SPPI
FVTPL investments:			
Unquoted Islamic debt-securities	60,367	(2,041)	SPPI
Quoted Shariah-approved equities	125,914	(13,793)	SPPI
Unquoted Shariah-approved equities	1,007	(7)	SPPI
Unit trusts	264,538	(31,318)	SPPI
Loans and receivables	5,136	-	SPPI
Other receivables*	1,690	-	SPPI
Cash and cash equivalents	142,859	-	SPPI
	<u>1,034,579</u>	<u>(63,483)</u>	

Takaful Operator

	Fair value at 31 December 2021 RM'000	Change in fair value RM'000	Results of the cash flows characteristics
<u>31 December 2021</u>			
AFS financial assets:			
Unquoted Islamic debt-securities	193,423	(3,530)	Non-SPPI
Other receivables*	31,059	-	SPPI
Cash and cash equivalents	15,971	-	SPPI
	<u>240,453</u>	<u>(3,530)</u>	

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

17 ADDITIONAL DISCLOSURE UNDER AMENDMENTS TO MFRS 4 INSURANCE CONTRACT LIABILITIES (CONTINUED)

Family Takaful fund

	Fair value at 31 December 2021 RM'000	Change in fair value RM'000	Results of the cash flows characteristics
<u>31 December 2021</u>			
AFS financial assets:			
Government Investment Issues	3,241	(175)	Non-SPPI
Unquoted Islamic debt-securities	229,714	(11,356)	Non-SPPI
FVTPL investments:			
Unquoted Islamic debt-securities	65,651	(2,474)	SPPI
Quoted Shariah-approved equities	147,678	(1,064)	SPPI
Unquoted Shariah-approved equities	4,006	(176)	SPPI
Unit trusts	293,718	(4,989)	SPPI
Other receivables	2,060	-	SPPI
Cash and cash equivalents	110,751	-	SPPI
	<u>856,819</u>	<u>(20,234)</u>	

Company

	Fair value at 31 December 2021 RM'000	Change in fair value RM'000	Results of the cash flows characteristics
<u>31 December 2021</u>			
AFS financial assets:			
Government Investment Issues	3,241	(175)	Non-SPPI
Unquoted Islamic debt-securities	423,137	(14,886)	Non-SPPI
FVTPL investments:			
Unquoted Islamic debt-securities	65,651	(2,474)	SPPI
Quoted Shariah-approved equities	147,678	(1,014)	SPPI
Unquoted Shariah-approved equities	4,006	(176)	SPPI
Unit trusts	293,718	(4,989)	SPPI
Other receivables*	3,694	-	SPPI
Cash and cash equivalents	126,722	-	SPPI
	<u>1,067,847</u>	<u>(23,714)</u>	

* Excludes prepayments of RM1,388,000 from Takaful Operator fund as at 30 June 2022 (31 December 2021: RM114,000).

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