

Company No.

738090	M
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HONG LEONG MSIG TAKAFUL BERHAD
(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015

Company No.

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HONG LEONG MSIG TAKAFUL BERHAD
(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	31.12.2015				30.06.2015			
		Takaful Operator RM'000	General Takaful Fund RM'000	Family Takaful Fund RM'000	Company RM'000	Takaful Operator RM'000	General Takaful Fund RM'000	Family Takaful Fund RM'000	Company RM'000
ASSETS									
Property and equipment		1,510	-	-	1,510	1,654	-	-	1,654
Intangible assets		6,657	-	-	6,657	7,271	-	-	7,271
Financial assets – available-for-sale	3	71,385	49,527	148,491	264,348	74,064	49,879	133,836	252,760
Financial assets – fair value through profit or loss	3	-	-	17,498	17,498	-	-	17,754	17,754
Loans and receivables		-	402	6,210	6,612	-	395	6,632	7,027
Retakaful assets	4	-	71,796	33,351	105,147	-	70,077	32,505	102,582
Deferred tax assets		723	1,015	(195)	1,543	551	578	(316)	813
Takaful receivables		-	11,080	3,630	14,710	-	11,755	4,823	16,578
Other receivables		9,808	2,313	1,345	4,678	11,902	2,312	1,125	5,780
Cash and cash equivalents		2,670	4,820	31,598	39,088	3,243	2,521	27,381	33,145
Total assets		92,753	140,953	241,928	461,791	98,685	137,517	223,740	445,364
LIABILITIES									
Takaful contract liabilities	5	-	120,192	230,314	345,451	-	114,594	213,112	322,687
Takaful payables		-	8,446	3,662	12,108	-	11,277	3,695	14,972
Expense liabilities		7,229	-	-	7,229	7,113	-	-	7,113
Other payables		4,678	8,130	6,183	10,203	6,598	8,477	5,431	10,947
Due to related companies		188	-	-	188	191	-	-	191
Current tax liabilities		(4,030)	4,185	1,769	1,924	(3,092)	3,169	1,502	1,579
Total liabilities		8,065	140,953	241,928	377,103	10,810	137,517	223,740	357,489
SHAREHOLDERS' EQUITY									
Share capital		100,000	-	-	100,000	100,000	-	-	100,000
Accumulated losses		(17,132)	-	-	(17,132)	(14,280)	-	-	(14,280)
Fair value reserve		1,820	-	-	1,820	2,155	-	-	2,155
Total equity		84,688	-	-	84,688	87,875	-	-	87,875
Total liabilities and equity		92,753	140,953	241,928	461,791	98,685	137,517	223,740	445,364

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

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HONG LEONG MSIG TAKAFUL BERHAD
(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015

	6 months ended 31.12.2015				6 months ended 31.12.2014			
	Takaful Operator RM'000	General Takaful Fund RM'000	Family Takaful Fund RM'000	Company RM'000	Takaful Operator RM'000	General Takaful Fund RM'000	Family Takaful Fund RM'000	Company RM'000
Gross contributions	-	21,482	32,440	53,922	-	22,486	27,622	50,108
Contributions ceded to retakaful	-	(8,908)	(5,560)	(14,468)	-	(12,004)	(4,918)	(16,922)
Net contributions	-	12,574	26,880	39,454	-	10,482	22,704	33,186
Change in unearned contribution reserve	-	(815)	-	(815)	-	1,024	-	1,024
Net earned contributions	-	11,759	26,880	38,639	-	11,506	22,704	34,210
Wakalah fee income	15,992	-	-	-	12,774	-	-	-
Share of investment profit from Family Takaful	282	-	-	-	279	-	-	-
Commission income	-	2,445	-	2,445	-	2,772	-	2,772
Investment income	1,528	1,101	3,757	6,668	1,768	975	2,878	5,900
Realised gains	86	27	325	438	-	18	-	18
Fair value (losses)/gains	(199)	(147)	(1,255)	(1,601)	-	-	102	102
Other operating income	370	-	1,222	1,236	1,253	55	1,609	2,490
Other income	18,059	3,426	4,049	9,186	16,074	3,820	4,589	11,282
Gross benefits and claims paid	-	(7,980)	(6,979)	(14,959)	-	(29,397)	(11,566)	(40,963)
Claims ceded to retakaful	-	4,886	3,898	8,784	-	26,360	8,680	35,040
Gross change to Takaful contract liabilities	-	(7,468)	(18,782)	(26,250)	-	(28,318)	(9,362)	(37,680)
Change to Takaful contract liabilities ceded to retakaful	-	4,291	845	5,136	-	22,905	(8,414)	14,491
Net benefits and claims	-	(6,271)	(21,018)	(27,289)	-	(8,450)	(20,662)	(29,112)
Wakalah fee expenses	-	(6,686)	(9,306)	-	-	(6,599)	(6,175)	-
Commission expenses	(6,403)	-	-	(6,403)	(7,345)	-	-	(7,345)
Management expenses	(14,293)	-	-	(14,293)	(13,105)	-	-	(13,105)
Other operating expenses	(116)	(1,612)	(415)	(1,787)	-	(363)	(448)	(384)
Other expenses	(20,812)	(8,298)	(9,721)	(22,483)	(20,450)	(6,962)	(6,623)	(20,834)

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

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HONG LEONG MSIG TAKAFUL BERHAD
(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015 (CONTINUED)

	6 months ended 31.12.2015				6 months ended 31.12.2014			
	Takaful Operator RM'000	General Takaful Fund RM'000	Family Takaful Fund RM'000	Company RM'000	Takaful Operator RM'000	General Takaful Fund RM'000	Family Takaful Fund RM'000	Company RM'000
(Loss)/profit before zakat and taxation	(2,753)	616	190	(1,947)	(4,376)	(86)	8	(4,454)
Tax expense attributable to participants	-	(616)	(190)	(806)	(1,168)	86	(8)	(1,091)
Profit before taxation attributable to Takaful Operator	(2,753)	-	-	(2,753)	(5,544)	-	-	(5,545)
Taxation	(99)	(616)	(190)	(905)	-	86	(8)	78
Tax expense attributable to participants	-	616	190	806	-	(86)	8	(78)
Tax expense attributable to Takaful Operator	(99)	-	-	(99)	-	-	-	-
Zakat	-	-	-	-	-	-	-	-
Loss after zakat and taxation	(2,852)	-	-	(2,852)	(5,544)	-	-	(5,544)
Other comprehensive income/(loss):								
<u>Items that may be subsequently reclassified to profit or loss:</u>								
Fair value changes on available-for-sale financial assets, net of deferred tax:								
- Gross fair value gains arising during the financial period	(361)	1,260	2,873	3,736	(116)	(131)	433	193
- Gross fair value gains transferred to income statement	(86)	(27)	(330)	(443)	-	(18)	-	(18)
- Deferred taxation	112	(308)	(203)	(399)	29	37	(34)	31
- Net fair value changes	(335)	925	2,340	2,894	(87)	(112)	399	206
Changes in Takaful contract liabilities arising from unrealised net fair value changes	-	(925)	(2,340)	(3,229)	-	112	(399)	(287)
Other comprehensive loss for the financial period, net of tax	(335)	-	-	(335)	(87)	-	-	(87)
Total comprehensive loss for the financial period	(3,187)	-	-	(3,187)	(5,631)	-	-	(5,631)

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

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HONG LEONG MSIG TAKAFUL BERHAD
(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015

	<u>Issued and fully paid ordinary shares of RM 1 each</u>		<u>Non- distributable</u>	<u>Accumulated</u>	<u>Total</u>
	<u>Number of Shares</u>	<u>Nominal Value RM'000</u>	<u>AFS Reserve RM'000</u>	<u>Losses RM'000</u>	<u>RM'000</u>
At 1 July 2015	100,000	100,000	2,155	(14,280)	87,875
Total comprehensive loss for the financial period	-	-	(335)	(2,852)	(3,187)
At 31 December 2015	<u>100,000</u>	<u>100,000</u>	<u>1,820</u>	<u>(17,132)</u>	<u>84,688</u>
At 1 July 2014	100,000	100,000	1,750	(14,742)	87,008
Total comprehensive loss for the financial period	-	-	(87)	(5,544)	(5,631)
At 31 December 2014	<u>100,000</u>	<u>100,000</u>	<u>1,663</u>	<u>(20,286)</u>	<u>81,377</u>

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

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HONG LEONG MSIG TAKAFUL BERHAD
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**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015**

	6 months ended 31.12.2015 RM'000	6 months ended 31.12.2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the financial period	(2,852)	(5,544)
Adjustments for:		
Write back of takaful receivables	3,138	-
Write back of retakaful payable	34	-
Depreciation of property and equipment	275	268
Amortisation of intangible assets	929	592
Gain on disposal of investments	(446)	(18)
Unrealised fair value gain on financial assets	57	(102)
Amortisation of discounts – net	(23)	8
Profits and dividend income	(6,857)	(5,908)
Allowance for diminution in value of investment	1,544	-
Taxation	(883)	1,091
Loss from operations before changes in operating assets and liabilities	(5,084)	(9,613)
Proceeds from disposal of investments	6,916	4,922
Maturity of investments	1,131	5,000
Purchase of investments	(22,684)	(21,430)
Increase/(decrease) in expense liabilities	116	(809)
Increase in Family Takaful contract liabilities	19,030	9,362
Increase in General Takaful contract liabilities	6,672	25,929
Decrease/(increase) in loans and receivables	405	(121)
Increase in retakaful assets	(2,564)	(13,126)
(Increase)/decrease in Takaful receivables	(1,304)	9,387
Decrease in other receivables	372	1,594
Decrease in Takaful payables	(2,865)	(5,753)
(Decrease)/increase in other payables	(742)	758
(Decrease)/increase in amount due to related companies	(3)	297
	(604)	6,397
Tax paid	354	(1,005)
Profit received	6,042	5,026
Dividends received	596	440
Net cash generated from operating activities	<u>6,389</u>	<u>10,858</u>

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HONG LEONG MSIG TAKAFUL BERHAD
(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015 (CONTINUED)

	6 months Ended 31.12.2015 RM'000	6 months ended 31.12.2014 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible assets	(315)	(1,606)
Purchase of property and equipment	(131)	(150)
Net cash used in investing activities	<u>(446)</u>	<u>(1,756)</u>
Net increase/decrease in cash and cash equivalents	5,943	9,102
Cash and cash equivalents at beginning of the financial period	<u>33,145</u>	<u>34,305</u>
Cash and cash equivalents at the end of the financial period	<u>39,088</u>	<u>43,407</u>
Cash and cash equivalents comprise:		
Cash and bank balances	7,980	4,784
Short term deposits	<u>31,108</u>	<u>38,623</u>
	<u>39,088</u>	<u>43,407</u>

The accompanying notes form an integral part of the interim financial statements

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HONG LEONG MSIG TAKAFUL BERHAD

(Incorporated in Malaysia)

NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015

1. Basis of preparation

The unaudited financial statements have been prepared in accordance with MFRS 134: *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB"), IAS 34 *Interim Financial Reporting* issued by International Accounting Standards Board and Guidelines/Circulars issued by Bank Negara Malaysia ("BNM").

The unaudited condensed interim statements have been prepared under the historical cost except for certain financial assets and financial liabilities that are stated at fair value.

The statements of financial position and the statements of comprehensive income of the Operator, Family Fund and General Fund are supplementary financial information presented in accordance with the requirement of BNM. In accordance with Islamic Financial Services Act, 2013 the Company is required to segregate assets, liabilities, income and expenses of the Takaful funds from its own. The statements of financial position and comprehensive income of the Operator include only assets, liabilities, income and expenses of the Company excluding the Takaful funds managed by it.

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 30 June 2015. The explanatory notes attached to the 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 30 June 2015.

2. Summary of Significant Accounting Policies

The accounting policies and presentation adopted by the Company for the condensed interim financial statements are consistent with those adopted in the Company's audited financial statements for the financial year ended 30 June 2015

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HONG LEONG MSIG TAKAFUL BERHAD
(Incorporated in Malaysia)

**NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015 (CONTINUED)**

3. Financial assets

	Takaful Operator RM'000	General Takaful Fund RM'000	Family Takaful Fund RM'000	Company RM'000
<u>31 December 2015</u>				
Government Investment Issues	2,584	-	7,751	10,335
Islamic bonds	58,528	43,180	133,306	235,014
Equity securities	4,608	5,970	19,443	30,021
Investments in investment-linked funds	5,055	-	-	-
Structured investments	-	-	4,313	4,313
Accrued profit	610	377	1,176	2,163
Total	<u>71,385</u>	<u>49,527</u>	<u>165,989</u>	<u>281,846</u>
<u>30 June 2015</u>				
Government Investment Issues	2,709	-	8,127	10,836
Islamic bonds	61,079	43,381	119,484	223,944
Equity securities	4,625	6,125	18,678	29,428
Investments in investment-linked funds	5,019	-	-	-
Structured investments	-	-	4,234	4,234
Accrued profit	632	373	1,067	2,072
Total	<u>74,064</u>	<u>49,879</u>	<u>151,590</u>	<u>270,514</u>

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HONG LEONG MSIG TAKAFUL BERHAD
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**NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015 (CONTINUED)**

3. Financial assets (Continued)

(a) The Company's financial assets are summarised as follows:

	Takaful Operator RM'000	General Takaful Fund RM'000	Family Takaful Fund RM'000	Company RM'000
<u>31 December 2015</u>				
AFS	71,385	49,527	148,491	264,348
FVTPL	-	-	17,498	17,498
Total	<u>71,385</u>	<u>49,527</u>	<u>165,989</u>	<u>281,846</u>
Current	3,117	1,380	2,680	7,177
Non-current	<u>68,268</u>	<u>48,147</u>	<u>163,309</u>	<u>274,669</u>
	<u>71,385</u>	<u>49,527</u>	<u>165,989</u>	<u>281,846</u>
i) AFS				
Government Investment Issues	2,584	-	6,718	9,302
Islamic bonds	58,528	43,180	123,976	225,684
Equity securities quoted in Malaysia	4,608	5,970	16,691	27,269
Investments in investment-linked funds	5,055	-	-	-
Accrued profit	<u>610</u>	<u>377</u>	<u>1,106</u>	<u>2,093</u>
Total	<u>71,385</u>	<u>49,527</u>	<u>148,491</u>	<u>264,348</u>
ii) FVTPL				
Government Investment Issues	-	-	1,033	1,033
Islamic bonds	-	-	9,330	9,330
Equity securities quoted in Malaysia	-	-	2,752	2,752
Structured investments	-	-	4,313	4,313
Accrued profit	-	-	<u>70</u>	<u>70</u>
Total	<u>-</u>	<u>-</u>	<u>17,498</u>	<u>17,498</u>

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**NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015 (CONTINUED)**

3. Financial assets (Continued)

(a) The Company's financial assets are summarised as follows: (continued)

	Takaful Operator RM'000	General Takaful Fund RM'000	Family Takaful Fund RM'000	Company RM'000
<u>30 June 2015</u>				
AFS	74,064	49,879	133,836	252,760
FVTPL	-	-	17,754	17,754
Total	<u>74,064</u>	<u>49,879</u>	<u>151,590</u>	<u>270,514</u>
Current	632	373	2,207	3,212
Non-current	<u>73,432</u>	<u>49,506</u>	<u>149,383</u>	<u>267,302</u>
	<u>74,064</u>	<u>49,879</u>	<u>151,590</u>	<u>270,514</u>
i) AFS				
Government Investment Issues	2,709	-	7,043	9,752
Islamic bonds	61,079	43,381	109,843	214,303
Equity securities quoted in Malaysia	4,625	6,125	15,953	26,703
Investments in investment-linked funds	5,019	-	-	-
Accrued profit	632	373	997	2,002
Total	<u>74,064</u>	<u>49,879</u>	<u>133,836</u>	<u>252,760</u>
ii) FVTPL				
Government Investment Issues	-	-	1,084	1,084
Islamic bonds	-	-	9,641	9,641
Equity securities quoted in Malaysia	-	-	2,725	2,725
Structured investments	-	-	4,234	4,234
Accrued profit	-	-	70	70
Total	<u>-</u>	<u>-</u>	<u>17,754</u>	<u>17,754</u>

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**NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015 (CONTINUED)**

3. Financial assets (Continued)

(b) Carrying values of financial investments

				AFS	FVTPL
	Takaful Operator RM'000	General Takaful Fund RM'000	Family Takaful Fund RM'000	Company RM'000	Family Takaful Fund/ Company RM'000
At 1 July 2014	80,886	37,236	103,694	216,906	16,232
Purchases	3,481	18,267	30,469	52,217	1,359
Maturities	(3,000)	-	(2,000)	(5,000)	-
Disposals	(7,272)	(5,230)	(200)	(12,702)	(27)
Fair value (losses)/gains recorded in:					
Profit or loss					
- Unrealised gains	-	-	-	-	183
- Movement in impairment allowance	(533)	(483)	(1,139)	(2,155)	-
Other comprehensive income	974	240	3,037	4,142	-
Realised gains	(434)	(245)	(143)	(822)	-
(Amortisation)/accretion – net	(37)	(2)	32	(7)	-
Movement in accrued profit	(1)	96	86	181	7
At 30 June 2015/1 July 2015	74,064	49,879	133,836	252,760	17,754
Purchases	62	236	22,171	22,469	215
Maturities	-	-	(870)	(870)	(261)
Disposals	(2,082)	(294)	(3,949)	(6,325)	(145)
Fair value (losses)/gains recorded in:					
Profit or loss					
- Unrealised gains					(65)
- Movement in impairment allowance	(199)	(147)	(1,198)	(1,544)	
Other comprehensive income	(361)	(123)	(1,296)	(1,816)	
Realised gains	(86)	(27)	(330)	(443)	
Accretion/(amortisation) – net	7	(1)	17	23	
Movement in accrued profit	(20)	4	110	94	
At 31 December 2015	71,385	49,527	148,491	264,348	17,498

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**NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015 (CONTINUED)**

3. Financial assets (Continued)

(c) Fair value hierarchy

The table below shows the financial assets recorded at fair value by their valuation method.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Takaful Operator RM'000	General Takaful Fund RM'000	Family Takaful Fund RM'000	AFS Company RM'000	FVTPL Family Takaful Fund/ Company RM'000
<u>31 December 2015</u>					
Level 1	4,608	5,970	16,691	27,269	2,752
Level 2	66,777	43,557	131,800	237,079	14,746
Level 3					
	71,385	49,527	148,491	264,348	17,498
<u>30 June 2015</u>					
Level 1	4,625	6,125	15,953	26,703	2,725
Level 2	69,439	43,754	117,883	226,057	15,029
Level 3	-	-	-	-	-
	74,064	49,879	133,836	252,760	17,754

4. Retakaful assets

	General Takaful Fund RM'000	Family Takaful Fund RM'000	Company RM'000
<u>31 December 2015</u>			
Retakaful of Takaful contracts	71,796	33,351	105,147
<u>30 June 2015</u>			
Retakaful of Takaful contracts	70,077	32,505	102,582

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**NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015 (CONTINUED)**

5. Takaful contract liabilities

	Note	31.12.2015			30.06.2015		
		Gross	Re- takaful	Net	Gross RM'000	Re- takaful RM'000	Net RM'000
General Takaful	5(a)	120,192	(71,796)	48,396	114,594	(70,077)	44,517
Family Takaful	5(b)	230,314	(33,351)	196,963	213,112	(32,505)	180,607
Total		350,506	(105,147)	245,359	327,706	(102,582)	225,124
Elimination of investment in investment-linked funds		(5,055)	-	(5,055)	(5,019)	-	(5,019)
Total Company		345,451	(105,147)	240,304	322,687	(102,582)	220,105

(a) General Takaful contract liabilities

The General Takaful contract liabilities and its movements are further analysed as follows:

	31.12.2015			30.06.2015		
	Gross RM'000	Re- takaful RM'000	Net RM'000	Gross RM'000	Re- takaful RM'000	Net RM'000
Provision for claims reported by certificateholders	46,046	(35,425)	10,621	50,813	(39,816)	10,997
Provision for IBNR	44,164	(30,554)	13,610	34,114	(21,871)	12,243
Provision for outstanding claims (i)	90,210	(65,979)	24,231	84,927	(61,687)	23,240
Unearned contribution reserve (ii)	15,967	(5,817)	10,150	17,725	(8,390)	9,335
AFS fair value adjustment (iii)	925	-	925	1,037	-	1,037
Participants' account (iv)	7,270	-	7,270	7,270	-	7,270
Unallocated surplus (v)	5,820	-	5,820	3,635	-	3,635
	120,192	(71,796)	48,396	114,594	(70,077)	44,517

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**NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015 (CONTINUED)**

5. Takaful contract liabilities (Continued)

(a) General Takaful contract liabilities (continued)

The General Takaful contract liabilities and its movements are further analysed as follows:

	31.12.2015			30.06.2015		
	Gross RM'000	Re- takaful RM'000	Net RM'000	Gross RM'000	Re-takaful RM'000	Net RM'000
(i) Provision for outstanding claims						
At 1 July	84,927	(61,687)	23,240	89,817	(62,568)	27,249
Claims incurred in the current accident period/year	8,918	(4,250)	4,668	28,280	(18,163)	10,117
Other movements in claims incurred in prior accident period/year	4,345	(4,928)	(583)	901	(9,161)	(8,260)
Claims paid during the financial period / year	(7,980)	4,886	(3,094)	(34,071)	28,205	(5,866)
At 31 December/30 June	<u>90,210</u>	<u>(65,979)</u>	<u>24,231</u>	<u>84,927</u>	<u>(61,687)</u>	<u>23,240</u>

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**NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015 (CONTINUED)**

5. Takaful contract liabilities (Continued)

(a) General Takaful contract liabilities (continued)

The General Takaful contract liabilities and its movements are further analysed as follows:

	31.12.2015			30.06.2015		
	Gross RM'000	Re- takaful RM'000	Net RM'000	Gross RM'000	Re-takaful RM'000	Net RM'000
Unearned contribution reserve						
At 1 July	17,725	(8,390)	9,335	20,743	(9,772)	10,917
Contribution written in the financial period/year	21,482	(8,908)	12,574	44,940	(23,745)	21,195
Contribution earned during the financial period/year	<u>(23,240)</u>	<u>11,481</u>	<u>(11,759)</u>	<u>(47,958)</u>	<u>25,127</u>	<u>(22,831)</u>
At 31 December/30 June	<u>15,967</u>	<u>(5,817)</u>	<u>10,150</u>	<u>17,725</u>	<u>(8,390)</u>	<u>9,335</u>

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**NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015 (CONTINUED)**

5. Takaful contract liabilities (Continued)

(a) General Takaful contract liabilities (continued)

	Gross/Net	
	31.12.2015	30.06.2015
	RM'000	RM'000
(iii) AFS fair value adjustment		
At 1 July	1,037	1,041
Net fair value change during the financial period/year	(112)	(4)
At 31 December/30 June	<u>925</u>	<u>1,037</u>
(iv) Participants' account		
At 1 July	7,270	1,711
Deficits arising during the financial period/year	-	-
Participants' account recognised as unallocated surplus	-	(1,711)
Surplus payable to participants	-	7,270
At 31 December/30 June	<u>7,270</u>	<u>7,270</u>
(v) Unallocated surplus		
At 1 July	3,635	7,005
Surplus arising during the financial period/year	2,185	9,459
Surplus recognised from participants' account	-	1,711
Surplus sharing with Takaful operator/participants	-	(14,540)
At 31 December/30 June	<u>5,820</u>	<u>3,635</u>

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**NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015 (CONTINUED)**

5. Takaful contract liabilities (Continued)

(b) Family Takaful contract liabilities

The Family Takaful contract liabilities and its movements are further analysed as follows:

	31.12.2015			30.06.2015		
	Gross RM'000	Re- takaful RM'000	Net RM'000	Gross RM'000	Re- takaful RM'000	Net RM'000
Certificateholders' liabilities	202,855	(28,338)	174,517	186,213	(28,151)	158,062
Net asset value attributable to certificateholders	16,300		16,300	15,516	-	15,516
Actuarial liabilities (i)	219,155	(28,338)	190,817	201,729	(28,151)	173,578
Claims liabilities	5,467	(5,013)	454	5,066	(4,354)	712
Unallocated surplus (ii)	3,352		3,352	2,396	-	2,396
AFS fair value adjustment (iii)	2,340		2,340	3,921	-	3,921
	<u>230,314</u>	<u>(33,351)</u>	<u>196,963</u>	<u>213,112</u>	<u>(32,505)</u>	<u>180,607</u>

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**NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015 (CONTINUED)**

5. Takaful contract liabilities (Continued)

(b) Family Takaful contract liabilities (continued)

(i) Actuarial liabilities

	Gross RM'000	Re-takaful RM'000	Net RM'000
At 1 July 2014	165,916	(25,364)	140,552
Change in certificate liabilities	34,610	(2,787)	31,823
Movement in net asset value attributable to certificateholders	1,203	-	1,203
At 30 June 2015/1 July 2015	201,729	(28,151)	173,578
Change in certificate liabilities	16,642	(187)	16,455
Movement in net asset value attributable to certificateholders	784		784
At 31 December 2015	<u>219,155</u>	<u>(28,338)</u>	<u>190,817</u>

	Gross/Net	
	31.12.2015 RM'000	30.06.2015 RM'000
(ii) Unallocated surplus		
At 1 July	2,396	740
Surplus during the financial period/year	956	2,700
Surplus sharing with Takaful operator/participants	-	(1,044)
At 31 December/30 June	<u>3,352</u>	<u>2,396</u>
(iii) AFS fair value adjustment		
At 1 July	3,921	1,258
Net fair value change during the financial period/year	(1,581)	2,663
At 31 December/30 June	<u>2,340</u>	<u>3,921</u>

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**NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015 (CONTINUED)**

6. Total Capital Available

The capital structure of the Company as at the date of the statement of financial position, consisting of all funds as prescribed under the RBC Framework is provided below:

	<u>31.12.2015</u>	<u>30.06.2015</u>
	RM'000	RM'000
Eligible Tier 1 capital		
- Share capital	100,000	100,000
- Reserves, including retained earnings	(7,940)	(8,246)
Eligible Tier 2 capital		
- Eligible reserves	<u>2,688</u>	<u>3,209</u>
	<u>94,748</u>	<u>94,963</u>

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**NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015 (CONTINUED)**

7. Items of An Unusual Nature

The result of the Company for the financial period under review were not substantially affected by any item

8. Seasonal or Cyclical Factors

The operations of the Company for the financial period under review were not significantly affected by seasonality or cyclical factors

9. Changes in Contingent Liabilities

There were no material contingent liabilities as at the date of the Report

10. Debts and Equity Securities

There were no issuance, cancellation, repurchases, resale and repayment of debt and equity securities during the financial period ended 31 December 2015

11. Subsequent Events

There were no material events subsequent to the end of the financial period under review that have not been reported in the Report.