

FWD TAKAFUL BERHAD
200601011780 (731530-M)
(Incorporated in Malaysia)

Unaudited Condensed Interim Financial Statements
For the Six Months Ended 30 June 2023

200601011780 (731530-M)

**FWD Takaful Berhad
(Incorporated in Malaysia)**

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Unaudited interim statement of financial position as at 30 June 2023

	Note	As at 30 June 2023		Restated As at 31 December 2022	
		Family Takaful Fund RM'000	Company RM'000	Family Takaful Fund RM'000	Company RM'000
Assets					
Property, plant and equipment		-	1,982	-	2,580
Intangible assets		-	4,265	-	4,432
Right-of-use assets		-	4,324	-	5,571
Investments	13	1,461,130	1,615,595	1,379,110	1,526,924
Retakaful contract assets	14	-	45,856	-	33,254
Current tax assets		-	10,894	-	11,880
Deferred tax assets		-	-	1,645	-
Other receivables		11,759	35,162	10,429	30,640
Cash and cash equivalents		216,244	464,100	183,920	277,035
Total assets		1,689,133	2,182,178	1,575,104	1,892,317
Shareholders' equity					
Share capital	9	-	829,000	-	617,000
Accumulated losses		-	(225,942)	-	(200,831)
Fair value reserves		-	15,215	-	36,103
Takaful Finance Reserve		-	(9,992)	-	(26,881)
Total equity		-	608,281	-	425,390

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

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Unaudited interim statement of financial position as at 30 June 2023 (cont'd.)

	Note	As at 30 June 2023		Restated As at 31 December 2022	
		Family Takaful Fund RM'000	Company RM'000	Family Takaful Fund RM'000	Company RM'000
Liabilities					
Takaful contract liabilities	14	1,658,607	1,446,525	1,540,690	1,381,165
Retakaful contract liabilities		-	25,478	-	9,923
Other payables		25,208	77,926	32,986	58,126
Lease liabilities		-	4,373	-	5,681
Current tax liabilities		3,948	-	1,427	-
Deferred tax liabilities		1,370	19,595	-	12,031
Total liabilities		1,689,133	1,573,898	1,575,104	1,466,927
Total equity and liabilities		1,689,133	2,182,178	1,575,104	1,892,317

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

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Unaudited interim income statement for the six months ended 30 June 2023

	01.01.2023 to 30.06.2023		Restated 01.01.2022 to 30.06.2022	
	Family Takaful Fund RM'000	Company RM'000	Family Takaful Fund RM'000	Company RM'000
	Note			
Takaful Revenue	124,331	128,557	112,251	113,223
Takaful Service Expense	(131,927)	(131,822)	(99,577)	(92,623)
Takaful service result before retakaful contracts held	(7,596)	(3,265)	12,674	20,599
Allocation of retakaful contributions	(18,622)	(21,493)	(14,753)	(16,782)
Amounts recoverable from retakaful operators for incurred claims	16,557	18,043	12,922	12,963
Net expense from retakaful contracts held	(2,065)	(3,451)	(1,831)	(3,819)
Takaful service result	(9,660)	(6,715)	10,842	16,780
Net fair value gains/(losses) on financial assets at fair value through profit or loss	54,830	59,422	(58,266)	(54,228)
Impairment loss on financial assets	(19)	(270)	(123)	(84)
Net Investment Income	54,810	59,152	(58,388)	(54,312)
Takaful finance expenses for takaful contracts issued	(42,496)	(37,411)	38,510	56,882
Retakaful finance expenses for retakaful contracts held	2,065	(24)	1,831	47
Net takaful financial result	(40,431)	(37,435)	40,341	56,929

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Unaudited interim income statement for the six months ended 30 June 2023 (cont'd.)

	01.01.2023 to 30.06.2023		Restated 01.01.2022 to 30.06.2022	
	Family Takaful Fund RM'000	Company RM'000	Family Takaful Fund RM'000	Company RM'000
Other operating income	-	-	-	-
Other operating expenses	-	(26,567)	-	(48,689)
Profit before zakat and taxation	4,719	(11,566)	(7,205)	(29,291)
Tax expense attributable to participants	(4,719)	(4,719)	7,205	7,205
Tax expense attributable to Takaful Operator	-	(8,827)	-	(3,201)
Net profit/(loss) for the period	-	(25,111)	-	(25,287)
Other comprehensive income/(loss) to be reclassified to profit and loss in subsequent periods:				
Change in fair value of financial assets	(16,419)	(22,150)	40,670	39,244
	(16,419)	(22,150)	40,670	39,244
Takaful finance income/(expense) for takaful contracts issued	16,419	16,889	(40,670)	(42,576)
Net takaful financial result	16,419	16,889	(40,670)	(42,576)
Income tax relating to items that may be reclassified	-	1,263	-	800
Total other comprehensive income	-	(3,999)	-	(2,533)
Total comprehensive income/(loss) for the period	-	(29,110)	-	(27,820)

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Unaudited interim statement of changes in equity for the six months ended 30 June 2023

Note	Issued and fully paid	Non-distributable		Distributable	Total RM'000
	Share capital RM'000	Fair value reserve RM'000	Takaful finance reserve RM'000	Accumulated losses RM'000	
At 1 January 2022 (As previously stated)	401,000	780	-	(227,327)	174,453
Impact of initial application of MFRS 9		8,121		(8,121)	-
Impact of initial application of MFRS 17			(5,010)	108,225	103,215
At 1 January 2022 (Restated)	<u>401,000</u>	<u>8,901</u>	<u>(5,010)</u>	<u>(127,223)</u>	<u>277,668</u>
Preference shares issued during the financial period	216,000				216,000
Net profit for the financial period				(73,608)	(73,608)
Other comprehensive income/(loss) for the financial period		27,202	(21,871)		5,331
Total comprehensive income/(loss) for the financial period	-	27,202	(21,871)	(73,608)	(68,278)
At 31 December 2022 (Restated)	<u>617,000</u>	<u>36,103</u>	<u>(26,881)</u>	<u>(200,831)</u>	<u>425,390</u>
At 1 January 2023	617,000	36,103	(26,881)	(200,831)	425,390
Preference shares issued during the financial period	212,000	-		-	212,000
Net profit for the financial period				(25,111)	
Other comprehensive income/(loss) for the financial period		(20,888)	16,889		
Total comprehensive income/(loss) for the financial period	-	(20,888)	16,889	(25,111)	(29,110)
At 30 June 2023	<u>829,000</u>	<u>15,215</u>	<u>(9,992)</u>	<u>(225,942)</u>	<u>608,281</u>

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

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Unaudited interim statement of cash flows for the six months ended 30 June 2023

	01.01.2023	Restated
	to	01.01.2022
	30.06.2023	to
Note	RM'000	30.06.2022
		RM'000
Cash flows from operating activities		
Net loss for the financial period	(25,111)	(25,287)
Adjustments for:		
Profit from government guaranteed sukuk	(4,861)	(4,157)
Profit from Government Investment Issues	(5,340)	(4,891)
Profit from corporate debt securities	(11,530)	(10,112)
Profit from fixed deposits with licensed Islamic financial institutions	(3,719)	(2,094)
Dividend income from quoted equity securities	(278)	(210)
Dividend income from collective investment schemes	(6,999)	(7,597)
Fund management fee rebate and investment expense	(2,511)	(2,640)
Realised gains	(834)	(1,011)
Taxation of family takaful business	4,719	(7,205)
Amortisation of intangible assets	2,982	1,499
Depreciation of right-of-use assets	1,282	1,183
Depreciation of property, plant and equipment	924	1,511
Fair value movement of investments	(35,054)	99,000
Net amortisation of investments	778	674
Profit expense on lease liabilities	82	48
Operating loss before changes in working capital	(85,470)	38,711
(Increase)/decrease in other receivables	(4,545)	(10,700)
Increase/(Decrease) in other payables	27,364	(9,698)
Increase/(Decrease) in takaful contract liabilities	65,360	(50,020)
Increase in retakaful contract liabilities	15,555	13,131
(Increase)/decrease in retakaful assets	(12,602)	(13,801)
Purchase of investments	(112,805)	(97,898)
Proceeds from disposal of investments	19,718	73,725
Proceeds from maturities of investments	35,000	30,000
Profits received	24,165	21,155
Dividends received	7,222	7,618
Fund management fee rebate received, net of investment expense paid	2,566	2,796
Payment of profit portion of lease liabilities	(82)	(48)
Cash used in operating activities	(18,554)	4,971
Income tax paid	(1,897)	(1,806)
Net cash generated/(used in) operating activities	(20,451)	3,165

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

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Unaudited interim statement of cash flows for the six months ended 30 June 2023 (cont'd.)

		Restated
	01.01.2023	01.01.2022
	to	to
	30.06.2023	30.06.2022
Note	RM'000	RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(326)	(35)
Purchase of intangible assets	(2,815)	(1,277)
Net cash used in investing activities	<u>(3,141)</u>	<u>(1,312)</u>
Cash flows from financing activities		
Increase in share capital	9 212,000	111,500
Payment of principal portion of lease liabilities	(1,343)	(1,219)
Net cash generated from financing activities	<u>210,657</u>	<u>110,281</u>
Net increase in cash and cash equivalents	187,065	112,134
Cash and cash equivalents at 1 January	<u>277,035</u>	<u>136,260</u>
Cash and cash equivalents at 30 June	<u>464,100</u>	<u>248,394</u>

Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

		Restated
	01.01.2023	01.01.2022
	to	to
	30.06.2023	30.06.2022
	RM'000	RM'000
Short term deposits with licensed Islamic financial institutions with original maturity period of less than 3 months	215,405	227,167
Cash and bank balances	248,695	21,227
	<u>464,100</u>	<u>248,394</u>

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

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Notes to the unaudited condensed interim financial statements
For the six months ended 30 June 2023

1. Basis of preparation

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

Under the concept of takaful, individuals make contributions to a pool which is managed by a takaful operator with the overall aim of using the monies to aid fellow participants in times of need. Accordingly, as a takaful operator, the Company is not a participant of the family takaful fund but manages the fund in line with the principles of Wakalah bi al-Ujrah (agency with fees) which is the business model adopted by the Company. The takaful operator manages both the shareholders' fund and the family takaful fund (including the relevant assets and liabilities) towards the purpose outlined above.

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 2022, except as disclosed in note 2 to the unaudited condensed interim financial statements. 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 financial year ended 31 December 2022.

2. Summary of significant accounting policies

The accounting policies and the critical accounting estimates and assumptions applied in the preparation of the condensed interim financial statements are consistent with those adopted in the preparation of the Company's audited financial statements for the financial year ended 31 December 2022, except for the adoption of the following:

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

- Amendments to MFRS 101 *Classification of liabilities as current or non-current*
- MFRS 17 *Insurance Contracts*
- Amendments to MFRS 17 *Insurance Contracts*
- Amendments to MFRS 112 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Initial Application of MFRS 17 and MFRS 9 *Comparative Information (Amendment to MFRS 17 Insurance Contracts)*
- Amendments for MFRS 101 *Disclosure of Accounting Policies*
- Amendments to MFRS 108 *Definition of Accounting Estimates*

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2. Summary of significant accounting policies (cont'd.)

(a) Changes in accounting and reporting policy

The adoption of the above standard and amendments to standards issued by Malaysian Accounting Standards Board ("MASB") in the current financial period do not have any material impact to the financial statements of the Company, except as discussed below:

(i) MFRS 17 Insurance Contracts

MFRS 17 Insurance Contracts was issued in May 2017, replacing MFRS 4 Insurance Contracts. This standard resulted in significant changes to the accounting for insurance and reinsurance contracts. The Company adopted MFRS 17 Insurance Contracts, including any consequential amendments to other standards and subsequent amendments to MFRS 17, with corresponding comparative financial information provided for 2022.

Under MFRS 17, there are different measurement approaches to be applied for the takaful contracts, reflecting a different extent of certificate owner participation in investment or takaful entity performance:

- 1) General Measurement Model ("GMM") also known as the building block approach (BBA) for non-participating or indirect participating;
- 2) Variation to GMM: Variable Fee Approach ("VFA") for direct participating; and
- 3) One simplification (accounting policy choice) on measurement of the liability for remaining coverage ("LFRC"): Premium Allocation Approach ("PAA")

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 certificateholders) by agreeing to compensate the certificateholder if a specified uncertain future event (the covered event) adversely affects the certificateholder.

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2. Summary of significant accounting policies (cont'd.)

(a) Changes in accounting and reporting policy (cont'd)

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

The key principles of MFRS 17 are that the Company (cont'd):

- 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:
 - (i) 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.
 - (ii) An amount representing the unearned profit in the group of contracts (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 contracts is expected to be onerous (i.e., loss-making) over the remaining coverage period, the Company recognises the loss immediately.

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:

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2. Summary of significant accounting policies (cont'd.)

(a) Changes in accounting and reporting policy (cont'd)

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

- 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.

On the 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.

On transition to MFRS 17, the Company has applied the full retrospective approach unless impracticable. The Company has applied the full retrospective approach on transition to all contracts issued on or after 1 January 2021.

For all contracts issued on or before 31 December 2020, the Company has applied the fair value approach on transition. Obtaining reasonable and supportable information to apply the full retrospective approach was impracticable without undue cost or effort. The Company has determined the CSM of the liability for remaining coverage at the transition date, as the difference between the fair value of the group of takaful certificates and the fulfilment cash flows measured at that date. In determining fair value, the Company has applied the requirements of MFRS 13 Fair Value Measurement.

(ii) MFRS 9 *Financial Instruments*

MFRS 9 replaces MFRS 139 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018. However, the Company elected, under the amendments to MFRS 4 to apply the temporary exemption from MFRS 9, deferring the initial application date of MFRS 9 to align with the initial application of MFRS 17.

The Company has applied MFRS 9 retrospectively and restated comparative information for 2022 for financial instruments in the scope of MFRS 9. Differences arising from the adoption of MFRS 9 have been recognised in retained earnings as of 1 January 2023 and are disclosed in Note 2 (a) (ii).

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2. Summary of significant accounting policies (cont'd.)

(a) Changes in accounting and reporting policy (cont'd)

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

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 Expected Credit Losses ("ECLs").

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 as per audited MFRS139	Remeasure ment/ Reclassifica tion/ Expected Credit Losses ("ECLs")	1 January 2023 Classification under MFRS 9		
			Fair Value Through Profit or Loss ("FVTPL")	Fair Value Through Other Comprehen sive Income ("FVOCI")	Amortised Cost ("AC")
	RM'000	RM'000	RM'000	RM'000	RM'000
Financial assets					
Availaible-For-Sale ("AFS")					
Investment in debt securities	566,776	413,295	-	980,071	-
FVTPL (held for trading)					
Investment in debt securities	413,295	(413,295)	-	-	-
Investment in equity instruments held for trading	12,328	-	12,328	-	-
Collective investment scheme	534,525	-	534,525	-	-
Financing & Receivables ("F&R")					
Other assets	12,609	-	-	-	12,609
Cash and cash equivalents	21,572	-	-	-	21,572
Fixed deposits with licensed banks	255,463	-	-	-	255,463
	1,816,568	-	546,853	980,071	289,644

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2. Summary of significant accounting policies (cont'd.)

(a) Changes in accounting and reporting policy (cont'd)

(iii) Transition impact from MFRS 17 Insurance Contracts and MFRS 9 Financial Instruments on 1 January 2022

The restated statement of financial position as at 1 January 2022 is as follows:

	Restated	
	As at 1 January 2022	
	Family	
	Takaful	
	Fund	Company
	RM'000	RM'000
Assets		
Property, plant and equipment	-	4,143
Intangible assets	-	5,793
Right-of-use assets	-	3,829
Investments	1,389,893	1,543,177
Retakaful contract assets	-	29,939
Current tax assets	-	10,977
Deferred tax assets	-	-
Other receivables	9,535	14,543
Cash and cash equivalents	118,181	136,260
Total assets	1,517,609	1,748,661
Shareholders' equity		
Share capital	-	401,000
Accumulated losses	-	(127,223)
Fair value reserves	-	8,901
Takaful Finance Reserve	-	(5,010)
Total equity	-	277,668
Liabilities		
Takaful contract liabilities	1,472,862	1,392,563
Retakaful contract liabilities	-	8,513
Other payables	34,354	57,876
Lease liabilities	-	3,849
Current tax liabilities	2,986	-
Deferred tax liabilities	7,407	8,192
Total liabilities	1,517,609	1,470,993
Total equity and liabilities	1,517,609	1,748,661

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2. Summary of significant accounting policies (cont'd.)

(a) Changes in accounting and reporting policy (cont'd)

(iii) Transition impact from MFRS 17 Insurance Contracts and MFRS 9 Financial Instruments on 1 January 2022 (cont'd)

The impact of the restatement on the reserves and accumulated losses is as follows:

	<u>Reserves and retained earnings</u>
	RM'000
Fair value reserve	
Closing balance under MFRS 139 (31 December 2021)	780
Reclassification of investment asset in relation to MFRS 9 application	<u>8,121</u>
<i>Opening balance under MFRS 9 (1 January 2022)</i>	8,901
Takaful finance reserve	
Recognition of balances from initial application of MFRS 17	<u>(5,010)</u>
<i>Opening balance under MFRS 17 (1 January 2022)</i>	(5,010)
Accumulated Losses	
Closing balance under MFRS 4 and MFRS 139 (31 December 2021)	(227,327)
Derecognition of MFRS 4 balances	1,150,289
Recognition of balances from initial application of MFRS 17	(1,042,064)
Reclassification of investment asset in relation to MFRS 9 application	<u>(8,121)</u>
<i>Opening balance under MFRS 17 and MFRS 9 (1 January 2022)</i>	<u>(127,223)</u>
<i>Total change in equity due to application MFRS 9</i>	-
<i>Total change in equity due to application of MFRS 17</i>	<u>103,215</u>

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3. Auditors' report

The auditors' report on the audited financial statements of the preceding financial year ended 31 December 2022 did not contain any qualification.

4. Seasonality of operations

The business operations of the company are not materially affected by seasonal or cyclical factors for the financial period under review.

5. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows in the current financial period ended 30 June 2023.

6. Estimates

There were no material changes in the basis used for accounting estimates for the current financial period under review.

7. Debt and equity securities

On 30 June 2023, the company issued 2,120 new preference shares of RM100,000 each. There were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current period under review.

8. Dividends

No dividends was declared nor paid during the current financial period ended 30 June 2023.

9. Share capital

During the financial period ended 30 June 2023, the Company increased its issued and paid-up capital from RM617,000,000 to RM829,000,000 via issuance of 2,120 new preference shares for cash of RM212,000,000 on 30 June 2023 (as disclosed in Note 7).

10. Material events subsequent to the end of the financial period

There were no material events subsequent to the end of the financial period 30 June 2023.

11. Contingent liabilities

There were no contingent liabilities as at the date of this report.

12. Changes in the composition of the Company

There is no change in the composition of the Company from the previous audited financial statements for the financial year ended 31 December 2022.

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13. Takaful contract liabilities

a) Family Takaful Fund	Liabilities for remaining coverage			
	Exclude loss component RM'000	Loss component RM'000	Liability for incurred claims RM'000	Total RM'000
Takaful certificate liabilities as at 1 January 2023	1,408,854	3,524	128,312	1,540,690
Takaful certificate assets as at 1 January 2023	-	-	-	-
Net family takaful certificate (assets)/liabilities as at 1 January 2023	1,408,854	3,524	128,312	1,540,690
Takaful revenue				
Certificates under the fair value approach	(26,614)	-	-	(26,614)
Other certificates	(97,718)	-	-	(97,718)
	<u>(124,331)</u>	<u>-</u>	<u>-</u>	<u>(124,331)</u>
Takaful service expense	789	6,339	124,798	131,927
Investment components	(70,274)	-	70,274	-
Takaful service result	(193,816)	6,339	195,072	7,595
Takaful finance expenses	29,425	-	13,071	42,496
Total changes in the statement of profit or loss and OCI	(164,391)	6,339	208,143	50,091
Cash flows				
Contributions received	243,178	-	-	243,178
Claims and other expenses paid including investment components	-	-	(166,746)	(166,746)
Takaful acquisition cash flows	(8,607)	-	-	(8,607)
Total cash flows	234,571	-	(166,746)	67,825
Takaful certificate liabilities as at 30 June 2023	1,479,034	9,863	169,710	1,658,607
Takaful certificate assets as at 30 June 2023	-	-	-	-
Net takaful certificate (assets)/liabilities as at 30 June 2023	1,479,034	9,863	169,710	1,658,607

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13. Takaful contract liabilities (cont'd)

a) Family Takaful Fund (cont'd)	Liabilities for remaining coverage			Total RM'000
	Exclude loss component RM'000	Loss component RM'000	Liability for incurred claims RM'000	
Takaful certificate liabilities as at 1 January 2022	1,341,911	3,223	127,728	1,472,862
Takaful certificate assets as at 1 January 2022	-	-	-	-
Net family takaful certificate (assets)/ liabilities as at 1 January 2022	1,341,911	3,223	127,728	1,472,862
Takaful revenue				
Certificates under the fair value approach	(58,500)	-	-	(58,500)
Other certificates	(155,944)	-	-	(155,944)
	<u>(214,444)</u>	<u>-</u>	<u>-</u>	<u>(214,444)</u>
Takaful service expense	14,079	301	218,775	233,155
Investment components	(143,753)	-	143,753	-
Takaful service result	(344,117)	301	362,527	18,711
Takaful finance expenses	(48,430)	-	-	(48,430)
Total changes in the statement of profit or loss and OCI	(392,547)	301	362,527	(29,719)
Cash flows				
Contributions received	521,082	-	-	521,082
Claims and other expenses paid including investment components	-	-	(361,943)	(361,943)
Takaful acquisition cash flows	(61,592)	-	-	(61,592)
Total cash flows	459,490	-	(361,943)	97,547
Takaful certificate liabilities as at 31 December 2022	1,408,854	3,524	128,312	1,540,690
Takaful certificate assets as at 31 December 2022	-	-	-	-
Net takaful certificate (assets)/liabilities as at 31 December 2022	1,408,854	3,524	128,312	1,540,690

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13. Takaful contract liabilities (cont'd)

b) Company	Liabilities for remaining coverage			Total RM'000
	Exclude loss component RM'000	Loss component RM'000	Liability for incurred claims RM'000	
Takaful certificate liabilities as at 1 January 2023	1,315,569	6,433	59,162	1,381,165
Takaful certificate assets as at 1 January 2023	-	-	-	-
Net family takaful certificate (assets)/ liabilities as at 1 January 2023	1,315,569	6,433	59,162	1,381,165
Takaful revenue				
Certificates under the fair value approach	(23,359)	-	-	(23,359)
Other certificates	(105,198)	-	-	(105,198)
	(128,557)	-	-	(128,557)
Takaful service expense	26,242	7,270	98,310	131,822
Investment components	(70,274)	-	70,274	-
Takaful service result	(172,590)	7,270	168,584	3,265
Takaful finance expenses	11,119	332	9,071	20,522
Total changes in the statement of profit or loss and OCI	(161,471)	7,602	177,655	23,786
Cash flows				
Contributions received	243,178	-	-	243,178
Claims and other expenses paid including investment components	-	-	(121,136)	(121,136)
Takaful acquisition cash flows	(80,468)	-	-	(80,468)
Total cash flows	162,710	-	(121,136)	41,574
Takaful certificate liabilities as at 30 June 2023	1,316,809	14,035	115,681	1,446,525
Takaful certificate assets as at 30 June 2023	-	-	-	-
Net takaful certificate (assets)/liabilities as at 30 June 2023	1,316,809	14,035	115,681	1,446,525

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13. Takaful contract liabilities (cont'd)

b) Company (cont'd)	Liabilities for remaining coverage			Total RM'000
	Exclude loss component RM'000	Loss component RM'000	Liability for incurred claims RM'000	
Takaful certificate liabilities as at 1 January 2022	1,293,609	3,962	94,992	1,392,563
Takaful certificate assets as at 1 January 2022	-	-	-	-
Net family takaful certificate (assets)/ liabilities as at 1 January 2022	1,293,609	3,962	94,992	1,392,563
Takaful revenue				
Certificates under the fair value approach	(54,397)	-	-	(54,397)
Other certificates	(186,161)	-	-	(186,161)
	<u>(240,558)</u>	<u>-</u>	<u>-</u>	<u>(240,558)</u>
Takaful service expense	39,746	2,252	168,140	210,139
Investment components	(143,640)		143,640	
Takaful service result	(344,452)	2,252	311,780	(30,420)
Takaful finance expenses	(15,742)	219	-	(15,523)
Total changes in the statement of profit or loss and OCI	(360,194)	2,472	311,780	(45,943)
Cash flows				
Contributions received	521,082	-	-	521,082
Claims and other expenses paid including investment components	-	-	(350,156)	(350,156)
Takaful acquisition cash flows	(138,927)	-	-	(138,927)
Total cash flows	382,155	-	(350,156)	31,999
Takaful certificate liabilities as at 31 December 2022	1,315,569	6,433	59,162	1,381,165
Takaful certificate assets as at 31 December 2022	-	-	-	-
Net takaful certificate (assets)/liabilities as at 31 December 2022	1,315,569	6,433	59,162	1,381,165

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14. Retakaful contract liabilities

a) Family Takaful Fund

	Liabilities for remaining coverage			Total RM'000
	Exclude loss component RM'000	Loss component RM'000	Liability for incurred claims RM'000	
Retakaful certificate liabilities as at 1 January 2023	-	-	-	-
Retakaful certificate assets as at 1 January 2023	-	-	-	-
Net retakaful certificate assets /(liabilities) as at 1 January 2023	-	-	-	-
Allocation of retakaful contributions				
Allocation of retakaful revenues	(18,622)	-	-	(18,622)
Amount recoverable from retakaful operators	-	-	16,557	16,557
Retakaful finance income	2,075	-	-	2,075
Effect of changes in non-performance risk of retakaful operators	(11)	-	-	(11)
Total changes in the statement of profit or loss and OCI	(16,557)	-	16,557	0
Cash flows				
Contributions (received)/paid	13,977	-	-	13,977
Claims and other amount (received)/paid	-	-	(13,977)	(13,977)
Total cash flows	13,977	-	(13,977)	-
Retakaful certificate liabilities as at 30 June 2023	-	-	-	-
Retakaful certificate assets as at 30 June 2023	-	-	-	-
Net retakaful certificate assets /(liabilities) as at 30 June 2023	-	-	-	-

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14. Retakaful contract liabilities (cont'd)

a) Family Takaful Fund (cont'd)	Liabilities for remaining coverage			Total RM'000
	Exclude loss component RM'000	Loss component RM'000	Liability for incurred claims RM'000	
Retakaful certificate liabilities as at 1 January 2022	-	-	-	-
Retakaful certificate assets as at 1 January 2022	-	-	-	-
Net retakaful certificate assets /(liabilities) as at 1 January 2022	-	-	-	-
Allocation of retakaful contributions				
Allocation of retakaful revenues	(31,983)	-	-	(31,983)
Amount recoverable from retakaful operators		-	27,652	27,652
Retakaful finance income	4,355	-	-	4,355
Effect of changes in non-performance risk of retakaful operators	(24)	-	-	(24)
Total changes in the statement of profit or loss and OCI	(27,652)	-	27,652	-
Cash flows				
Contributions (received)/paid	33,273	-	-	33,273
Claims and other amount (received)/paid	-	-	(33,273)	(33,273)
Total cash flows	33,273	-	(33,273)	-
Retakaful certificate liabilities as at 31 December 2022	-	-	-	-
Retakaful certificate assets as at 31 December 2022	-	-	-	-
Net retakaful certificate assets /(liabilities) as at 31 December 2022	-	-	-	-

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14. Retakaful contract liabilities (cont'd)

b) Company	Liabilities for remaining coverage			Total RM'000
	Exclude loss component RM'000	Loss component RM'000	Liability for incurred claims RM'000	
Retakaful certificate liabilities as at 1 January 2023	(14,302)	250	4,129	(9,923)
Retakaful certificate assets as at 1 January 2023	5,151	-	28,103	33,254
Net retakaful certificate assets /(liabilities) as at 1 January 2023	(9,151)	250	32,232	23,331
Allocation of retakaful contributions				
Allocation of retakaful revenues	(21,493)	-	-	(21,493)
Amount recoverable from retakaful operators		1,486	16,557	18,043
Retakaful finance income	(40)	27	-	(13)
Effect of changes in non-performance risk of retakaful operators	(11)	-	-	(11)
Total changes in the statement of profit or loss and OCI	(21,544)	1,513	16,557	(3,474)
Cash flows				
Contributions (received)/paid	13,977	-	-	13,977
Claims and other amount (received)/paid	-	-	(13,456)	(13,456)
Total cash flows	13,977	-	(13,456)	521
Retakaful certificate liabilities as at 30 June 2023	(20,368)	1,117	(6,227)	(25,478)
Retakaful certificate assets as at 30 June 2023	3,650	647	41,560	45,856
Net retakaful certificate assets /(liabilities) as at 30 June 2023	(16,718)	1,763	35,333	20,378

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14. Retakaful contract liabilities (cont'd)

b) Company (cont'd)	Liabilities for remaining coverage			Total RM'000
	Exclude loss component RM'000	Loss component RM'000	Liability for incurred claims RM'000	
Retakaful certificate liabilities as at 1 January 2022	(13,588)	194	4,880	(8,513)
Retakaful certificate assets as at 1 January 2022	13,210	75	16,654	29,939
Net retakaful certificate assets /(liabilities) as at 1 January 2022	(378)	269	21,534	21,425
Allocation of retakaful contributions				
Allocation of retakaful revenues	(36,271)	-	-	(36,271)
Amount recoverable from retakaful operators		(24)	27,652	27,628
Retakaful finance income	26	5	-	31
Effect of changes in non-performance risk of retakaful operators	(24)	-	-	(24)
Total changes in the statement of profit or loss and OCI	(36,268)	(19)	27,652	(8,635)
Cash flows				
Contributions (received)/paid	27,481	-	-	27,481
Claims and other amount (received)/paid	-	-	(16,954)	(16,954)
Total cash flows	27,481	-	(16,954)	10,527
Retakaful certificate liabilities as at 31 December 2022	(14,302)	250	4,129	(9,923)
Retakaful certificate assets as at 31 December 2022	5,151	-	28,103	33,254
Net retakaful certificate assets /(liabilities) as at 31 December 2022	(9,151)	250	32,232	23,331

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15. Financial instrument

a) Family Takaful Fund

30 June 2023

Financial assets

Financial assets at FVOCI
Financial assets at FVTPL
Cash and cash equivalents

	FVTPL	FVOCI	AC	Total
	RM'000	RM'000	RM'000	RM'000
				-
	-	952,701	-	952,701
	508,429	-	-	508,429
	-	-	216,244	216,244
	508,429	952,701	216,244	1,677,374

31 December 2022

Financial assets

Financial assets at FVOCI
Financial assets at FVTPL
Cash and cash equivalents

	-	899,625	-	899,625
	479,484	-	-	479,484
	-	-	183,920	183,920
	479,484	899,625	183,920	1,563,029

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15. Financial instrument (cont'd)

b) Company	FVTPL	FVOCI	AC	Total
	RM'000	RM'000	RM'000	RM'000
30 June 2023				
Financial assets				
Financial assets at FVOCI	-	1,038,599	-	1,038,599
Financial assets at FVTPL	576,996	-	-	576,996
Cash and cash equivalents	-	-	464,100	464,100
	<u>576,996</u>	<u>1,038,599</u>	<u>464,100</u>	<u>2,079,695</u>
Financial liabilities				
Lease liabilities	-	-	4,373	4,373
	<u>-</u>	<u>-</u>	<u>4,373</u>	<u>4,373</u>
31 December 2022				
Financial assets				
Financial assets at FVOCI	-	980,071	-	980,071
Financial assets at FVTPL	546,853	-	-	546,853
Cash and cash equivalents	-	-	277,035	277,035
	<u>546,853</u>	<u>980,071</u>	<u>277,035</u>	<u>1,803,959</u>
Financial liabilities				
Lease liabilities	-	-	5,681	5,681
	<u>-</u>	<u>-</u>	<u>5,681</u>	<u>5,681</u>

16. Fair values of investments

The fair value of investments is determined by reference to market closing prices in an active market at reporting date.

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).

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16. Fair values of investments (cont'd)

a) Family Takaful Fund

As at 30 June 2023

	Fair value of financial instruments carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
Financial assets						
Malaysian Government securities	-	952,701	-	952,701	952,701	952,701
Quoted equity securities of corporations in Malaysia	-	12,838	-	12,838	12,838	12,838
Quoted unit trusts in Malaysia	-	495,591	-	495,591	495,591	495,591
	-	1,461,130	-	1,461,130	1,461,130	1,461,130

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16. Fair values of investments (cont'd)

a) Family Takaful Fund (cont'd)

As at 31 December 2022 (Restated)

	Fair value of financial instruments carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
Financial assets						
Malaysian Government securities	-	899,524	-	899,524	899,524	899,524
Quoted equity securities of corporations in Malaysia	-	12,397	-	12,397	12,397	12,397
Quoted unit trusts in Malaysia	-	467,188	-	467,188	467,188	467,188
	-	1,379,110	-	1,379,110	1,379,110	1,379,110

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16. Fair values of investments (cont'd)

b) Company

As at 30 June 2023

	Fair value of financial instruments carried at fair value			Total RM'000	Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000			
Financial assets						
Malaysian Government securities	-	1,038,599	-	1,038,599	1,038,599	1,038,599
Quoted equity securities of corporations in Malaysia	-	12,838	-	12,838	12,838	12,838
Quoted unit trusts in Malaysia	-	564,159	-	564,159	564,159	564,159
	-	1,615,595	-	1,615,595	1,615,595	1,615,595
Financial liabilities						
Lease liabilities	-	-	-	4,373	4,373	4,373

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16. Fair values of investments (cont'd)

b) Company

As at 31 December 2022 (Restated)

	Fair value of financial instruments carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
Financial assets						
Malaysian Government securities	-	980,072	-	980,072	980,072	980,072
Quoted equity securities of corporations in Malaysia	12,328	-	-	12,328	12,328	12,328
Quoted unit trusts in Malaysia	-	534,524	-	534,524	534,524	534,524
	<u>12,328</u>	<u>1,514,596</u>	<u>-</u>	<u>1,526,924</u>	<u>1,526,924</u>	<u>1,526,924</u>
Financial liabilities						
Lease liabilities	-	-	-	5,681	5,681	5,681

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17. Capital management

The objective of the Company's Capital Management Plan ("CMP") is to ensure that the Company has sufficient working capital including equity (share capital and retained reserves) to support planned business growth and to meet regulatory capital requirements established by the local regulator at all times in a prudent and efficient manner.

In order to achieve these objectives, the CMP sets out the optimal amount and mix of regulatory and working capital required to ensure that these objectives are met.

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

	30.06.2023	31.12.2022
	RM'000	RM'000
Eligible Tier 1 Capital		
Share capital	829,000	617,000
Reserves, including retained earnings*	(423,868)	(354,949)
Valuation surplus maintained in the takaful funds*	187,813	143,877
Eligible Tier 2 Capital		
AFS fair value reserves*	1,275	61
Amount deducted from capital	<u>(35,223)</u>	<u>(28,659)</u>
Capital available	<u>558,997</u>	<u>377,330</u>
Total capital available	<u>414,361</u>	<u>279,175</u>

*This differs from the balances presented in the rest of this unaudited condensed interim financial statement, as it is measured per requirements under the Risk-Based Capital Framework for Takaful Operators.