



CONTENTS

	Page
Part I: General Information and Instructions	
Purpose of Returns	2
Legal Requirement	2
Reporting Dates	2
Where and How to Submit Returns	2
Protected Formats	2
Certification	3
Requirement for Amended Returns and Verification Records	3
Public Disclosure	3
Cross References to Supporting Exhibits and Financial Statements Notes	3
General Definitions	4
Part II: Description of Financial Returns	
Annual Financial Returns	6
Quarterly Financial Returns	9
Part III: Detailed Instructions for Financial Returns	10



PART I: GENERAL INFORMATION AND INSTRUCTIONS

1. Purpose of Returns

The purpose of these Takaful and Insurance financial returns (“TIFR”) is to collect prudential information from licensed insurance companies and takaful operators in order for AMBD to fulfill its supervisory responsibilities under the Insurance Order, 2006 and Takaful Order, 2008. AMBD may however request additional information as needed from any company, or may require companies to file on a more frequent basis (e.g., monthly) where circumstances warrant closer monitoring of any company.

These returns will also help directors and managers of insurance companies and takaful operators to review information to monitor and oversee the operations of the insurance and takaful companies.

2. Legal Requirement

All licensed insurance companies and takaful operators are required to submit the information requested in these returns in the form and content and on the dates specified. This requirement is authorized in terms of the section 59 and 60 Insurance Order, 2006 and section 60 and 61 Takaful Order, 2008.

3. Reporting Dates

These returns are to be completed at the end of each reporting period and submitted to the Autoriti Monetari Brunei Darussalam (AMBD) as follows:

- 3.1 Quarterly:- Not later than 30 days after the end of each quarter.
- 3.2 Annual:- Not later than 03 months after the end of financial year.

4. Where and How to Submit Returns

Copies of these returns are being provided to all licensed insurance companies and takaful operators in an electronic format using Microsoft Excel. Returns must be submitted electronically to Centralised Statistical System (CSS) either via uploading the Excel file or make direct data entry into the CSS.

5. Protected Formats

The returns are in Microsoft Excel and are in a protected format, i.e. data can be entered into selected cells but most cells are “locked” so that many calculations are automatic and the form cannot be changed. Subtotals have been added where appropriate.

Validation Rules

In several cases, formulas will cross-check data; if incorrect data is entered, an “ERROR” message will appear. Thus, the electronic format of the returns helps ensure accuracy of submitted data. The **Validation Report** Page 10.20 is required for all returns and companies should review to ensure all validation rules are addressed before submitting the returns.



6. Certification

A certification page applicable to all returns must be completed for each submission (refer to Instructions Pages 10.00/10.02). An original certification page must be printed out, signed and submitted by mail or courier to the AMBD or by uploading to the CSS.

If any person certifies on behalf of a person who is originally required to certify, the substitute person is subject to the same liabilities and penalties as the person originally intended to certify; moreover, the originally intended person remains liable and subject to penalties to the same extent as if certifying personally.

7. Requirement for Amended Returns and Verification Records

- 7.1 AMBD requires an insurance company or a takaful operator to submit amended returns if previously submitted returns contain material errors, or mis-categorized, incorrect or omitted data. An error will be regarded as material if the nature of the omission or incorrect data, in contextual circumstances, makes it probable that the judgment of a reasonable person relying on the data would be changed or influenced by an omission or incorrect data.
- 7.2 Before financial returns are submitted to AMBD, all amounts should be compared with corresponding amounts in the previous returns. If there are unusual changes or variations from the previous returns, a brief explanation should be included with the submitted returns.
- 7.3 All licensed insurance companies and takaful operators are required to maintain work papers and other records used in preparation of the returns, and these must be made available to AMBD officers for review if so requested.

8. Public Disclosure

Information submitted in these returns is confidential. However, if AMBD determines that disclosure of limited parts of the information is necessary for the insurance companies and takaful operators to perform its functions or exercise its powers, it shall, in its sole discretion, do so in the manner it determines.

9. Cross References to Supporting Exhibits and Financial Statement Notes

Reference page numbers in the left-hand column of certain pages of the return indicate the supporting exhibit pertaining to the particular statement item. For these items, the insurer/takaful operator should also refer to the instructions in this section for the page number of the supporting exhibit. All references to “pages” refer to pages of the TIFR. Insurers/takaful operators are required to include the reference numbers to applicable note disclosures in the Audited Financial Statement (AFS) Notes Reference, in the second column on the left-hand side of certain pages of the return.

Please also refer to instructions for the Validation Report –Page 10.20.

- 9.1 No Changes to Forms. The new formats of these returns are designed to capture information about the condition, operations and compliance of an insurance company or a takaful operator as a whole and their respective general insurance/general takaful or life insurance/family takaful funds. All licensed insurance companies and takaful operators are required to report the information in the form and content of these returns. No exceptions or changes to the forms are or will be allowed.



- 9.2 Applicability of Accounting Standards. For recognition and measurement purposes, the regulatory reporting requirements used in preparing these returns **must conform to International Financial Reporting Standards (IFRS)**. If you are reporting transactions or events that are not specifically covered by these instructions or by accounting standards, you should seek guidance from AMBD before filing returns. Regardless of whether an insurance company or a takaful operator seeks guidance from AMBD, if information is submitted that is materially incorrect or inappropriate, AMBD shall require the insurance companies or takaful operators to amend and re-file previously submitted returns.
- 9.3 Reporting of Data and Negative Entries. All monetary numbers must be reported in thousands of Brunei Dollars (B\$) and must be rounded to the nearest thousand with “000” dropped. For example, 15,655,689 should be shown as “15,656”. Rounding errors are allowed as appropriate to agree with totals. Except for specific account items which are reported in brackets (-) for purposes of subtraction, negative entries are not allowed and must not be reported. Assets having credit balances must be reported in liability accounts, and liabilities having debit balances must be reported in asset accounts.
- 9.4 Offsetting. All asset and liability balances are to be reported gross unless instructed otherwise. Reporting items on a “net” basis after offsetting liabilities against assets or vice versa is not permitted unless provided for under IFRS.

10. General Definitions

- 10.1 Residency (Residents/Non-Residents). Residents have the same meaning as in the law. Generally, transactions with entities or individual in Brunei Darussalam are categorised as having taken place with residents.
Non-residents means an individual, company body corporate or other judicial person not included in the definition of “resident”. Generally, transactions with entities or individual outside Brunei Darussalam are categorised as having taken place with non-residents.
- 10.2 Foreign Currency (FC). Refers to transactions carried out in a currency other than the Brunei Dollar. When recording foreign denominated assets/liabilities, it is necessary to convert foreign currency assets/liabilities into national currency amount.
- 10.3 Licensed Banks. Refer to any bank licensed by the Authority under the Banking Order, 2006 or the Islamic Banking Order, 2008 including Perbadanan Tabung Amanah Islam Brunei (TAIB).
- 10.4 Licensed Finance Companies. Refer to any finance company licensed by the Authority under the Finance Companies Act (Chapter 89).
- 10.5 Other Financial Institutions. Refer to all financial institutions, pension funds, whether public or private, securities companies, asset management companies, money remittance companies, money changing companies and any other financial institutions.
- 10.6 Central Government. Refers to government treasury and any ministries of the Brunei Darussalam.
- 10.7 Public Sector Corporations & Institutions (Non-Financial). Refer to residential non-financial corporations and institutions that are subject to control (owned) by the government. E.g. Royal Brunei Airlines, DST Group, etc.



- 10.8 Other Private Companies & Institutions (Non-Financial). Refer to local and foreign controlled private companies and institutions. Private companies and institutions are private companies and institutions incorporated in Brunei Darussalam and that are controlled by residents or non-residents and not controlled by the government.
- 10.9 Other Residents. Refer to the household sector and the non-profit institutions serving household sector. Household is defined as a small group of persons who share the same living accommodation, pool some or all of the income and wealth, and consume certain types of goods and services (mainly housing and food) collectively. Unattached individuals are also considered households. Mainly engaged in providing goods and services to households or the community at large or charge or at prices that are not economically significant.



PART II: DESCRIPTION OF FINANCIAL FILING REQUIREMENTS

The rationale for the various returns and the use of the information are as follows:

1. Annual Returns and Related Information

- A) All licensed insurers and takaful operators are required to file the **Annual Financial Return** (see Table of Contents below) plus the **AMBD 4SR Supplement** (required by Monetary and Statistics Unit) by 31 March after the end of each year. Other filing requirements include:
- (i) **Audited Financial Statements** – the auditor's report on the financial statements to include all statements required under IFRS including: statement of financial position, statement of profit or loss and other comprehensive income, statement of equity and statement of cash flows. The company is also required to file the auditor's certificate of compliance per the Fourth Schedule of the Insurance Order, 2006 and Takaful Order, 2008.
 - (ii) **Actuarial Valuation Report** – all life insurance/family takaful companies and general insurance/takaful companies are required to file an actuarial valuation report on the valuation of all policy/takaful liabilities of the company as at 31 December each year and the report must address the following:
 - (a) The actuary's report (by actuary approved by AMBD) must state that it was prepared in accordance with the professional standards from the actuary's home jurisdiction (indicate where) and that it has been prepared for the purpose of meeting the requirements for insurers in Brunei (as outlined in the legislation and per these Instructions;
 - (b) The actuary's report and opinion must cover all policy/takaful liabilities of the insurer/takaful operator and should agree to the amounts reported on the year-end audited financial statements (please provide a reconciliation if there are differences);
 - (c) The actuary's report must confirm that the valuation is based upon a Current Estimate plus Risk Margin at 75% confidence level, in accordance with Part III of these Instructions;
 - (d) The actuary's report must indicate that the actuary has reviewed the data provided by the company and outline what was done to assess the reasonableness and consistency of the data;
 - (e) The company actuary must review and opine upon the adequacy of the company's reinsurance/retakaful coverage as at 31 December for each year. This is especially important where the company writes business with unlimited liabilities (such as motor third party coverage) or where the company has entered into fronting arrangements.
 - (f) The actuary is encouraged to identify issues during the valuation and to provide recommendations to the company for improvement of future valuations (e.g., data quality, granularity, reinsurance coverage, etc.).



- (iii) **Business Plan** – projected balance sheet, income statement and Capital Equivalent Tests for each of the next 3 years (5 years for Life/Family Takaful if possible), plus details on assumptions used and relevant narrative to understand the company's strategic and business plans; to be filed after Board approval but no later than 31st March after the end of each year.
- (iv) Copy of the minutes of the **annual Board of Directors' Meeting** (and Syariah Advisory Board for Takaful Operators) for domestic companies within 30 days of the meeting.
- (v) Copy of **Auditor's Management Letter** for the audit as at 31 December and the company's written response, no later than 30 April after the end of each year.
- (vi) Foreign Branches – copy of the **Head Office Statutory Returns** and **Audited Financial Statements as at 31 December** no later than 30 April after the end of each year.

B) Table of Contents TIU Annual Financial Return

- 10.00/10.02 - CERTIFICATION
- 10.10 - Annual Corporate Information
- 10.20 - Validation Report

Financial Statements & Capital Equivalent Tests

- 20.10 - Assets
- 20.20 - Liabilities, Equity, Head Office Account & AOCI
- 20.30 - Statement of Income - General/Takaful
- 20.31 - Statement of Income - Life/Family Takaful
- 20.42 - Comprehensive Income (Loss) & Accumulated Other Comprehensive Income
- 20.45 - Head Office Account - Foreign Insurers
- 20.50 –Statement of Participants Fund –Takaful (**new 2016**)
- 20.54 - Statement of Changes in Equity
- 23.30 - Other Revenue, General Expenses and Taxes & Other Expenses
- 30.60 - Capital Equivalent Tests & Fund Margin of Solvency (**updated 2016**)

Investments

- 40.07 - Summary of Investments
- 40.22 - Bonds and Debentures
- 40.42 - Preferred Shares
- 40.52 - Common Shares
- 40.70 - Investment Properties & Own Use Property and Equipment
- 40.80 - Other Loans and Invested Assets

Miscellaneous Assets and Liabilities

- 50.20 - Receivable from/payable to Non-Associated Agents and Brokers
- 50.40 - Receivable from/payable to Shareholders, Directors, & Associates

Premiums, Claims and Adjustment Expenses

- 60.10 - Premiums - Life/Family Takaful (**updated 2016**)



APPENDIX 2: TAKAFUL AND INSURANCE FINANCIAL RETURNS (TIFR) INSTRUCTIONS

60.20 - Premiums and Claims by Type of Business- General/Takaful (*updated 2016*)

60.30 - Claims and Adjustment Expenses - Paid, Current Year and Unpaid, Current and Prior Year - General/Takaful

60.40 - Net Claims and Adjustment Expenses - Run-Off - General/Takaful

60.50 Claims, Benefits and Liabilities –Life/Family Takaful

67.00 - Gross Premiums by Distribution Channel

68.00 – Commissions

Reinsurance Ceded

70.60 - Reinsurance Ceded Summary - Unregistered Reinsurance



2. Quarterly Financial Returns (QFR)

- A) All companies are to submit on a quarterly basis the Quarterly Financial Return (see Table of Contents below). These are a subset of the Annual Financial Return, to be filed within 30 days after the end of each quarter. For example, the first quarterly return for Q1 the 3 month period ended 31 March 2017 will be filed by 30 April 2017.

Note that comparatives reported for prior period should be for the corresponding time period in the prior year. For example, if reporting Q1 results at 31 March 2017, the comparatives will be Q1 2016 at 31 March 2016.

B) Table of Contents TIU 2016 Quarterly Financial Return

10.00/10.02 - Certification

10.20 - Validation Report

Financial Statements & Capital Equivalent Tests

20.10 - Assets

20.20 - Liabilities, Equity, Head Office Account & AOCI

20.30 - Statement of Income - General/Takaful

20.31 - Statement of Income - Life/Family Takaful

20.42 - Comprehensive Income (Loss) & Accumulated Other Comprehensive Income

20.45 - Head Office Account - Foreign Insurers

20.50 - Statement of Participants Fund –Takaful (*new*)

20.54 - Statement of Changes in Equity

30.60 - Capital Equivalent Tests & Fund Margin of Solvency

Investments

40.07 - Summary of Investments

Premiums, Claims and Adjustment Expenses

60.10 - Premiums - Life/Family Takaful

60.20 - Premiums and Claims by Type of Business - General/Takaful



PART III: DETAILED INSTRUCTIONS FOR FINANCIAL RETURNS

Introduction

These detailed instructions for the TIFR are provided to assist insurers and takaful operators in clarifying filing requirements; they are not provided for line or datapoint in the returns since the returns are prepared in accordance with IFRS.

The instructions are applicable to all insurers and takaful operators regardless of their jurisdiction of incorporation, unless specified otherwise in this section. In some cases, pages are labeled for Brunei Incorporated Insurers only (e.g. Page 20.54 Statement of Changes in Equity) or for Foreign Insurers only (e.g., Page 20.45 Head Office Account).

Some exhibit pages are for General/Takaful Companies only (e.g., Page 20.30 Statement of Income-General/Takaful; Page 20.50 Statement of Participants Fund- Takaful (*new 2016*) and Pages 60.20, 60.30, 60.40) and others are for Life/Family Takaful Companies only (e.g., Page 20.31 Statement of Income –Life/Family Takaful; and Pages 60.10, 60.50).

Reporting Requirements under IFRS

The Brunei Darussalam Accounting Standards Council (BDASC) was established on 1 August 2011 following the consent of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam. BDASC, under the Accounting Standards Order (ASO), 2010, undertakes the responsibility to prescribe the accounting standards to be implemented within the country. Accordingly, all registered insurance companies and takaful operators were required to fully adopt to International Financial Reporting Standards (IFRS) effective from 1 January 2014.

As a general policy, AMBD will harmonize the regulatory financial reporting forms with the IFRS requirements, such that they are consistent with company's external IFRS financial statements. The TIFR align with the requirements under IFRS, which includes:

- Consolidated Financial Statements (Brunei Insurance Companies and Takaful Operators) all regulatory return core financial statements, notes, supporting schedules and exhibits are to be completed on a consolidated basis in accordance with IFRS.
- Reporting on gross/ceded/net basis per IFRS 4 Insurance Contracts:
 - Policy/Takaful liabilities are to be reported on gross of reinsurance in the returns under liabilities section and also separately be reported from reinsurers' share of policy liabilities under assets section.
 - Claims are to be reported on gross of reinsurance in the returns under income statement and also separately be reported for any reinsurance ceded and claim recovery from reinsurers.

Valuation of Policy Liabilities

Until further notice, the valuation requirements will continue to be as communicated in the AMBD Financial Reporting letter dated 8 January 2016. Per section 45(1) of Insurance Order, 2006 and section 46(1) of Takaful Order, 2008, the Authority is taking a principles-based approach in accordance with international supervisory standards to require that all policy/takaful liabilities be valued based upon a Current Estimate plus a Risk Margin for Adverse Deviation.



When estimating the policy/takaful liabilities, AMBD requires that an economic valuation be used as the Current/Best Estimate plus a Risk Margin for Adverse Deviation at a 75% confidence level. With the recent issuance of IFRS 17, AMBD plans to review these requirements in the near future.

Instructions for Reporting Forms by Page

NOTE: The columns labeled General Fund, Family Fund and Shareholders' Fund are for Takaful Operators only.

Page 10.00/10.02 CERTIFICATION

The returns must be certified on Page 10.00 by the Managing Director/General Manager/CEO and Chief Financial Officer of Brunei insurers/ takaful operators and on Page 10.02 by the Managing Director/Head of Branch of Foreign Insurers.

Page 10.10 Annual Corporate Information

Please provide latest contact information.

Brunei insurers/takaful operators are requested to file copies of the minutes of the annual meeting within 30 days of the meeting date.

The Statement Contact is the person primarily responsible for the preparation of the Reporting Forms who can answer questions from AMBD.

Page 10.20 Validation Report

A minimum number of datapoints must be cross-checked before the TIFR is filed, based upon a defined set of validation rules from one schedule to referenced schedules. The corresponding datapoint figures must agree exactly, resolving any rounding differences.

A convention for identifying each reference point (datapoint) has been adopted as follows: Page Number, line number, column number. For example: the datapoint address for Cash and Cash Equivalents –General Fund on Page 20.10, line 01, column 01 is represented as: 20100101

The Validation Report is a list of all the datapoint cross-validation rules and shows where companies have not cross validated the relevant schedules. This may require the company to refile the returns if all validation rules are not satisfied. The Instructions for each page show the relevant validation rules, where there are supporting schedules. Note that the rules are listed from the main page to the supporting schedule (but are not repeated in the Instructions on the supporting page). Please refer to the Validation Report for a listing of all of the rules by page.

For example: Page 20.10, line 19, column 04 Total Investments Current Year 20101904 = 400789040 Total Investments Balance Sheet Value Page 40.07, line 890, column 40.

Some validations apply to general insurance/takaful only, while others apply to life insurance/family takaful only. Please indicate why in the explanation box page 10.20 Validation Report (e.g. life business only).



Companies that do not address validation errors prior to filing the returns will be required to refile and may be subject to penalties and further regulatory action if there are continued errors or late filing of returns.

Page 20.10 Assets

Current Period: Segregated by General Fund, Family Fund and Shareholders' Fund for takaful only.

Opening prior year restated: To be completed by insurers/takaful operators that make a retrospective restatement or reclassification of items in accordance with International Accounting Standard (IAS) 1, paragraph 10(f).

Line 01 – Cash and Cash Equivalents

Insurers/takaful operators must not offset credit balances in one depository institution against debit balances in another depository institution. Netting is allowed only between branches of the same depository institution.

Line 04 – Investments: Short-Term Investments

Include items such as Treasury Bills, commercial paper, short-term unsecured promissory notes issued by financial institutions and industrial corporations, interest bearing deposits with a deposit-taking institution, bank deposit certificates, trust company guaranteed investment certificates, bonds and debentures. Investments that mature in one year or less are included on this line.

Validation: 20100404 Short Term Investments = 400701040 Short Term Investments Brunei Denominated + 400701140 Short Term Investments Foreign Denominated

Line 05 – Investments: Bonds and Debentures

Include bonds and debentures with a maturity term greater than one year on this line. Investments are split by maturity term into three categories; less than one year, greater than one year and less than or equal to five years, and greater than five years. Note that as an investment nears its maturity date it moves through the three categories.

For further information, see instructions for page 40.22.

Validation: 20100504 Bonds and Debentures = 400747940 Total Bonds and Debentures Brunei Denominated + 400748040 Total Bonds and Debentures Foreign Denominated

Line 07 – Investments: Preferred Shares

See instructions for page 40.42.

Validation: 20100704 = 400759940 Preferred Shares Brunei Currency + 400760040 Preferred Shares Foreign Currency

Line 08 – Investments: Common Shares

See instructions for page 40.52.



APPENDIX 2: TAKAFUL AND INSURANCE FINANCIAL RETURNS (TIFR) INSTRUCTIONS

Validation: 20100804 Common Shares = 400765940 Common Shares Brunei Currency + 400766040 Common Shares Foreign Currency

Line 09 – Investments: Investment Properties

See instructions for page 40.70, line 49.

Validation: 20100904 Investment Properties = 400775940 Investment Properties Brunei + 400776040 Investment Properties Foreign

Line 10 – Investments: Other Loans and Invested Assets

See instructions for page 40.80.

Validation: 20101004 Other Loans & Invested Assets = 400787040 Other Loans & Invested Assets Brunei Currency + 400787140 Other Loans and Invested Assets Foreign Currency

Line 20 Receivables- Unaffiliated Agents & Brokers

See instructions for page 50.20.

Validation: 20102004 Receivables Unaffiliated Agents and Brokers = 50204907 Total Receivables Non-Affiliated Agents and Brokers

Line 22 – Receivables: Instalment Premiums

Policy premiums that are payable over several periods (multiple payments and instalments) should be reported on this line.

Policies that provide for premiums to be paid by instalments should be reported and accounted for in accordance with the term of the policy and not the payment mode.

Line 25 Receivables: Shareholders, Associates & Directors

See instructions for page 50.40.

Validation: 20102504 Receivables: Shareholders, Associates & Directors = 50408910 Total Receivables –Shareholders, Associates & Directors

Line 27 –Other Receivables

See instructions for page 50.20.

Validation: 20102704 Other Receivables = 50208909 Total Other Receivables

Line 30 – Recoverable from Reinsurers: General Insurance/Takaful Unearned Premiums (General Insurance/Takaful)

The reinsurer's portion of unearned premiums must be reported on this line.



APPENDIX 2: TAKAFUL AND INSURANCE FINANCIAL RETURNS (TIFR) INSTRUCTIONS

Line 31 – Recoverable from Reinsurers: General Insurance/Takaful Unpaid Claims and Adjustment Expenses

Recoverable from reinsurers regarding unpaid claims must be reported on this line.

The portion of recoverable (salvage and subrogation) from third parties that will be payable to reinsurers must be reported as a reduction of "recoverable from reinsurers" reported on this line. The amounts recoverable from reinsurers must also be reported by class of insurance on page 60.30 in column 07.

Line 32 Recoverable from Reinsurers: Life Insurance/Family Takaful Actuarial Liabilities (Insurance Contract)

Recoverable from reinsurers on the policy liabilities related to insurance risk. This is applicable for life insurance/family takaful companies only.

Line 33 – Recoverable from Reinsurers: Life Insurance/Family Takaful Actuarial Liabilities (Investment Contract)

Recoverable from reinsurers on the policy liabilities not related to insurance risk. This is applicable for life insurance/family takaful companies only.

Line 37 – Other Recoverable on Unpaid Claims

Refer to the instructions for page 60.30, columns 05 and 06.

The amount of any self-insured retention (SIR) recoverable must also be reported on this line.

Line 41 – Property and Equipment

See instructions for page 40.70.

Validation: 20104104 Property & Equipment = 407089966 Total Own Use Properties & Equipment

Line 43 – Deferred Policy Acquisition Expenses

Line 43 should exclude acquisition expenses in respect of individual non-cancellable accident and sickness policies.

Line 58 – Defined Benefit Pension Plan

Report defined benefit pension plan net surpluses on this line.

Line 88 – Other Assets

Record the aggregate amount of all other balance sheet assets not reported above.

Line 89 Total Assets

Validation: 20108904 Total Assets = 202010001 Total Liabilities & Equity/Head Office Account



Page 20.20 Liabilities, Participants Fund-Takaful, Equity, Head Office Account & Accumulated Other Comprehensive Income (AOCI)

Current Period: Segregated by General Fund, Family Fund and Shareholders' Fund for takaful only.

Opening prior year restated: To be completed by insurers/takaful operators that make a retrospective restatement or reclassification of items in accordance with IAS 1, paragraph 10(f).

Line 03 Payables: Agents & Brokers

Report payables to non-affiliated Agents & brokers on Page 50.20.

Line 06 Payables: Shareholders, Associates & Affiliates

See Instructions for page 50.40.

Validation: 20200604 Payables Subsidiaries, Associates, & Affiliates = 50408911 Total Payables Shareholders, Associates & Directors

Line 12 – Unearned Premiums and Line 13 – Unpaid Claims and Adjustment Expenses (General Insurance/Takaful)

Unearned Premiums and Unpaid claims and adjustment expenses must be reported at gross value per IFRS 4 Insurance Contracts. When estimating the policy/takaful liabilities, AMBD requires that an economic valuation be used as the Current/Best Estimate plus a Risk Margin for Adverse Deviation at a 75% confidence level. For reference, please refer to the AMBD letter on Financial Reporting dated 8 January 2016.

Refer to Instructions for Page 60.20 Premiums and Claims –General Insurance/Takaful and Page 60.30 Claims & Adjustment Expenses –General Insurance/Takaful

Validation: 20201204 Unearned Premiums General Insurance/Takaful – 20103004 Recoverable from Reinsurers Unearned Premiums = 60208906 Net Unearned Premiums End of Period General/Takaful
Validation: 20201304 Unpaid Claims General Insurance/Takaful – 20103104 Recoverable from Reinsurers Unpaid Claims – 20103704 Other Recoverable on Unpaid Claims = 60308908 Net Unpaid Claims End of Period General/Takaful

Line 23 – Defined Benefit Pension Plan

Report defined benefit pension plan net deficits on this line.

Line 20 and Line 34 – Actuarial Liabilities –Gross (Life/Family)

When estimating the policy/takaful liabilities, AMBD requires that an economic valuation be used as the Current/Best Estimate plus a Risk Margin for Adverse Deviation at a 75% of confidence level. For further reference, refer to the AMBD letter on Financial Reporting dated 8 January 2016.

Refer to Instructions for Page 60.50 Claims, Benefits & Liabilities by Type of Business



APPENDIX 2: TAKAFUL AND INSURANCE FINANCIAL RETURNS (TIFR) INSTRUCTIONS

Validation: 20202004 Actuarial Liabilities Life/Family Insurance Contract + 20203404 Actuarial Liabilities Life/Family Investment Contract = 60509904 Total Gross Actuarial Liabilities Life/Family

Line 35 Participants Funds –Takaful

The excess of assets over liabilities (net assets) for takaful funds represents the amount attributable to participants and should be reported on this line. This is presented in the statement of financial position as a separate item between liabilities and owners' equity per the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) FAS 12 General Presentation and Disclosure in the Financial Statements of Islamic Insurance Companies.

Refer to instructions for page 20.50 Statement of Participants Fund - Takaful (*new 2016*).

Validation: 20203501 Total Participants Fund General Takaful = 30600301 Excess of Assets over Liabilities General Funds for General Funds Only
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Validation: 20203502 Total Participants Fund Family Takaful = 30600302 Excess of Assets over Liabilities Life Funds Only
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Line 59 Total Policyholders/Shareholders Equity (Brunei Insurers/Takaful Operators)

Validation: 20205904 Total Policyholder/Shareholder Equity = 20543915 Total Policyholder/Shareholder Equity

Line 99 Total Head Office Account –Foreign Insurers Only

Validation: 20209104 Head Office Account = 20458901 Balance End Year Head Office Account
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Page 20.30 Statement of Income –General Insurance/Takaful

Applicable for General Insurance and Takaful business only.

Current Period: Segregated by General Fund and Shareholders Fund in Columns 04 Takaful Funds and Column 04 for takaful operators only.

Validation: 20300101 Premiums Written- Direct = 60208901 Total Premiums Direct
--

Validation: 20300201 Reinsurance Assumed = 60208902 Total Premiums Assumed
--

Validation: 20300301 Reinsurance Ceded – 60208903 Total Premiums Reinsurance Ceded
--

Validation: 20300401 Net Premiums Written = 60208904 Total Net Premiums

Validation: 20300601 Net Premiums Earned = 60208907 Total Net Premiums Earned

Line 08 – Other

Report the amount of policyholder dividends and rating refunds.

Experience rating refunds and retrospective rating credits are not to be deducted from premiums written and must be treated as a payment to policyholders in the same way as dividends to policyholders.



Validation: 20301001 Net Claims & Adjustment Expenses = 60208911 Total Net Claims & Adjustment Expenses

Line 16 – General Expenses

Refer to instructions for page 23.30.

Validation: 20301601 General Expenses = 233059901 Total General Expenses

Line 18 – Takaful Fees

This represents the takaful fee to the Takaful Operator such as Mudharabah (profit sharing) and Wakalah (Commission).

Line 41 – Share of Net Income (Loss) of Subsidiaries, Associates and Joint Ventures

The insurer / Takaful operators must report its pro rata share of the net income (loss) using the equity method of accounting for subsidiaries and associates and, where applicable, joint ventures.

Line 42 – Gains (Losses) from Fluctuations in Foreign Exchange Rates

Gains or losses should be shown on line 42 unless gains or losses are included with the actual revenue or expense items to which they relate, for example, the payment of certain claims.

Line 44 – Other Revenues

Revenues that should be reported on line 44 include:

- interest income earned on deposits made by the assuming insurers as security for reinsurance assumed;
- refunds received from any reinsurer(s); and
- interest on financing activities.

Validation: 20304401 Other Revenue = 233019901 Total Other Revenue

Line 46 – Other Expenses

Record the aggregate amount of all other expenses not reported above.

Validation: 20304601 Other Expenses = 233089901 Total Other Expenses

Page 20.31 Statement of Income – Life/Family

This is applicable for Life insurance and Family Takaful only.

Current Period: Segregated by Column 04 Family Fund and Column 05 Shareholders Fund for takaful operators only

Line 199 Other Revenue



Validation: 203119901 Other Revenue = 233019901 Total Other Revenue Life/Family

Lines 310 and Line 340 – Gross Changes to Actuarial Liabilities

The “Normal change in actuarial liabilities” is the total change, less the basis change amount.

Line 510 - Interest Expenses and Finance Costs
See instructions for page 23.30.

Line 540 – General Expenses and Taxes (excl. income taxes)
See instructions for page 23.30.

Validation: 203154001 General Expenses Life/Family = 233059901 Total General Expenses Life/Family

Line 570 Other Expenses

Validation: 203157001 Other Expenses Life/Family = 233089901 Total Other Expenses

Line 570 – Takaful Fees
See instructions for page 23.30.

Page 20.42 Statement of Comprehensive Income (Loss) and Statement of Accumulated Other Comprehensive Income (Loss)

Validation: 204201010 Net Income Before Attribution to Participating Policyholders/Participants = (i) 20306001 Net Income Before Attribution to Takaful Participants for General/Takaful; or (ii) 203185901 Net Income Before Attribution to Participating Policyholders/Takaful Participants

Page 20.45 Head Office Account –Foreign Branch’s Only

This schedule applies to branches of foreign insurers only.
Any transitional adjustments / balances from the adoption of a new accounting standard should be reported on line 04 in the year of transition.

Line 20 – Advances (Returns)
This line represents the equivalent of a capital transfer from (to) the head office.

Line 21 – Expenses
This line represents the settlement of any expense agreement with the head office.

Line 22 – Premiums/Claims
This line represents the settlement of any premium or claim transaction with the head office.

Line 23 – Other
This represents any other transfers not included above.

Page 20.50 Statement of Participants Fund – Takaful (new 2016)

This page applies to Takaful Operators only and shows the movement in the Participants Funds for each individual takaful fund (and in Total) from year to year. There are two parts:



- (i) **Accumulated Surplus** - includes the participants share of operating income for the year and the Balance represents the amount that is distributable to participants; and
- (ii) **Fair Value Reserve** - with the adoption of IFRS, the accounting for investments (assets in the takaful fund) will result in fair value changes of investments being deferred and accounted for as Fair Value Reserve.

The sum of the Accumulated Surplus and the Fair Value Reserve balances at the end of the year (lines 10 + 15) will equal the Participants Fund Balance at End of Year (line 20).

The Total for all takaful funds reported on line 20 in column 07 will equal the amount reported on line 35 page 20.20 of the Balance Sheet – Participants Fund - Takaful, which is shown in the Validation Rule:

Validation: 20502007 Participants Fund Balance at End of the year = 20203504 Participants Fund - Takaful

Accumulated Surplus

Line 02 – Income attributable to Participants

Validation: 20500207 Income attributable to Participants = 20306101 Income attributable to Takaful Participants -General

Or

20500207 Income attributable to Participants = 203187001 Income attributable to Participating policyholders/Takaful Participants -Family

Line 03 – Surplus paid and payable to participants

This is the actual surplus paid to participants whether in the form of Hibah or Mudharabah

Line 04 – Transfer From (To) Operator's Fund

Report any interim movement of a transfer between participants fund and operator's fund (excluding any official Qard approved by the Board).

Line 05 – Qard Payable from (Repaid to) Shareholders

Report any Qard Advanced from or (Repaid to) Shareholders during the year. Note that all Qard must be approved by the Board and the Shariah Advisory Board. Companies are to submit approved resolutions from both with the terms of repayment, to AMBD when the Qard is first advanced.

Lines 07/08 Specify

Write in details of items not reported on other lines, please provide details in a note to the return.

Fair Value Reserve

Comprehensive Income Attributable to Participants

20501207 Comprehensive Income attributable to Participants = 204261501 Total Comprehensive Income(Loss) attributable to Participating Policyholders/Takaful Participants

Lines 13/14 Specify

Write in details of items not reported on other lines, please provide details in a note to the return.



Page 20.54 Statement of Changes in Equity

This page applies to Brunei insurers and Takaful Operators only.

Page 23.30 Other Revenue

Lines 050 – 052 – (Specify)

Report the three most significant items of Other Revenue in the write-in lines 050, 051 and 052 and provide appropriate line descriptions.

General Expenses and Taxes

Include expenses related to other revenue.

Exclude expenses attributable to investment operations.

Line 310 – Rent

Expenses incurred as tenant for light, heat, water, rent paid to a third party and an imputed rent for own premises should be included.

The imputed rent should approximate the amount of rent that would have been paid in an arm's length transaction for premises of similar size and quality under current market conditions.

Line 330 – Salaries, Wages and Allowances

Salaries, wages, allowances and similar payments or expenses incurred for staff should be included with the exception of those employees engaged in investment related activities.

Page 30.60 Capital Equivalent Tests & Fund Margin of Solvency

Note – report General and Family Funds for takaful operators only.

All companies and takaful operators are responsible for monitoring their compliance with the legislative requirements on an ongoing basis of the applicable 'capital equivalent' tests which include:

- 1) Excess of Assets over Liabilities: Regulation 8, Insurance Regulations, 2006 and Regulation 8, Takaful Regulations, 2008.
- 2) Premium Test: Regulation 10, Insurance Regulations, 2006
- 3) Fund Margin of Solvency: Section 21(4), Takaful Order, 2008 and Section 21(4), Insurance Order, 2006 and Regulation 8, Insurance Regulations, 2006 and Regulation 8, Takaful Regulations, 2008.

Total liabilities

Note that credit for reinsurance with unregistered reinsurers may only be taken to the extent of reinsurance deposits held (collateral held) refer to line 99.

Takaful Operators must include in Total Liabilities (for purposes of the Capital Equivalent Tests and Fund Margin of Solvency calculations), the Participants Fund - Takaful balance (Page 20.20, line 35, column 04) unless the Syariah Advisory Board has confirmed in writing (by resolution, copy to be provided to AMBD) the Takaful operator's approval to use the Participants Fund - Takaful balance to satisfy any deficiency in any takaful risk fund under Tabarru'.



APPENDIX 2: TAKAFUL AND INSURANCE FINANCIAL RETURNS (TIFR) INSTRUCTIONS

Line 01– Total Assets

Validation: 30600104 Total Assets = 20108904 Total Assets
Validation: 30600101 Total Assets General Funds = 20108901 Total Assets General/Takaful Funds Or
30600102 Total Assets Life Funds = 20108902 Total Assets Life/Family Funds

Line 02 – Total Liabilities

Report the total liabilities per the balance sheet, less any deposits held/collateral from unregistered reinsurers as reported on page 70.60 Unregistered Reinsurance.

Validation: 30600204 Total Liabilities – 30609999 Unregistered Reinsurance deposits held/collateral = 20202904 Total Liabilities -70602939 Total Unregistered Reinsurance Collateral
Validation: 30600201 Total Liabilities General/Takaful Funds = 20202901 Total Liabilities General/Takaful Funds Or
30600202 Total Liabilities Life/Family Funds = 20202902 Total Liabilities Life/Family Funds

Line 12 – Non-Admitted Assets

Refer to Section 23 of the Insurance Order and the Takaful Order.

List of Non-Admitted Assets (new 2016) –added at bottom of form, report details on lines 101-108

Non admitted assets include items not available to satisfy policyholder/participants liabilities including: statutory deposits under the Insurance and Takaful Order and Chapter 90 Motor Vehicle Insurance Order; Receivables – agents, brokers & policyholders > 6 months old; any amounts on account of goodwill and the benefit of development expenditure or similar items not realizable apart from the business or part thereof.

Validation: 30601204 Non-Admitted Assets = 306010904 Total Non-Admitted assets
--

Line 15 – Previous year Net Premium Income

This will be the annual net premium written in the last accounting period.

Validation: 30601504 Total Previous Year Net Premium Written = 20300403 Net Premium Written Prior Period General/Takaful) Or 203104003 Net Premiums Prior Period Life/Family
--

Line 99 – Memorandum Reinsurance Deposits Held/Collateral

Report the total amount of deposits held/collateral from unregistered reinsurers. Refer to page 70.60 Unregistered Reinsurance column 32-38

Validation: 30609999 Reinsurance Deposits Held/Collateral = 70602939 Total Reinsurance Collateral



Page 40.07 Summary of Investments

Validation: 400788940 Total Investments Brunei Currency + 400789040 Total Investments Foreign Currency = 20101904 Total Investments

Investments are segregated by Brunei Currency Denomination and Foreign Currency Denomination (all reported in Brunei dollars). Companies are required to maintain detailed listings of investments for examination; they are not required to be submitted with the AMBD returns. Government and Corporate Sukuk are Sharia compliant investments by takaful operators. Government Securities are securities issued or guaranteed by any other government.

Corporate Public bonds and debentures are securities that are registered and traded to the public.

Corporate Private bonds and debentures are securities which are not registered and traded to the public. They are normally offered to a single or select group of investors.

Investment grade corporate public bonds and debentures are defined as securities that are rated as BBB or higher by a recognized rating agency.

Investment grade for corporate private bonds and debentures is defined as securities that would be rated as BBB or higher according to the criteria used by recognized rating agencies.

For each investment category listed in this summary, the balance sheet value of the investments should be reported in the columns based on their classification under the applicable accounting standards (IAS 39 – Financial Instruments).

Column 10 – Held to Maturity

Report the balance sheet value of investments held to maturity (e.g. debt securities and mandatorily redeemable preferred shares that the entity intends and able to hold to maturity).

Column 11 – Held for Trading

Report the balance sheet value of investments included in the category at fair value through profit or loss classified as held for trading.

Column 16 – Available for Sale

Report the balance sheet value of investments classified as available for sale but measured at amortized cost.

Column 21 – Fair Value Hedges

Report the balance sheet value of derivative instruments that are part of designated cash flow or fair value (FV) hedging relationships. For a fair value hedge, also report the balance sheet value of the hedged item. For a cash flow hedge, the balance sheet value of the hedged item should be reported in column 26.

Column 31 – Fair Value Option/Investment Properties Fair Value

Report the balance sheet value of investments designated as at fair value through profit or loss and investment property valued using the fair value method.

Column 36 – Amortized Cost

Report the balance sheet value of financial instrument investments measured using amortized cost including investments classified as held to maturity, loans and receivables and cash flow hedges.



Include investment properties valued using the cost method

Column 70 – Balance Sheet Value of Assets Used to Back Index Linked Products

Report balance sheet value of investments that are in the general fund and where the investment risks are passed through to policyholder/certificate holder/participant as the investments are used to back index-linked products.

Line 010 – Short-Term Investments

Investments other than Cash Equivalents having an original term to maturity of one year or less; includes term deposit, GICs, commercial paper, treasury bills, etc.

Line 479 - Bonds and Debentures

Fixed-term investments having a fixed maturity date or dates for the repayment of principal (includes convertible bonds, stripped bonds, asset backed securities and GICs with original terms to maturity of more than one year).

Line 500 – Mortgage Loans

Amounts reported should be after the deduction of collective and individual provisions, if any, which were established to reflect non-collectability of loan balances. Includes sale agreements, power of sales, mortgage pools, and mortgages in process of foreclosure, where title has not yet passed to the insurer/takaful operator.

Line 599 – Preferred Shares

Include convertible preferred shares, refer to page 40.42 Instructions.

Line 659 – Common Shares

Include options, warrants and rights in respect of common shares, refer to page 40.52 Instructions.

Line 759 Investment Properties

Refer to page 40.70 Instructions.

Line 870 – Other Loans and Invested Assets

Include leases and other recognized financial assets not reported on line items above, refer to page 40.80 Instructions.

Individual Holdings

This section to include all investments.

Lines 50 and 51 – Largest and Second-Largest Exposure to an Entity or Connected Group

Record the largest (and second-largest) exposure to an entity or a connected group of entities that is not a government grade investment.

The exposure is the sum of all loans to and investments in (including debt, equity and derivative securities) that entity or connected group of entities.

An entity is connected with another entity in respect of loans if any two of the following three conditions are or would be met:

- The source of repayment of the loans would be wholly or substantially dependent on a common source of money.



- The loans would be, in substance, a single loan or would substantially serve the same purpose in the same or a related transaction.
- The loans would be dependent on the same security.

Lines 60 and 61 – Largest and Second Largest Exposure to a Pooled Holding

Pooled holdings are investments in a unit of a composite pool of investments. They include a company's investments in mutual funds, segregated funds, mortgage-backed securities (MBS), and other similar securitized assets.

Investments in pooled holdings must be recorded on those lines that best describe the underlying assets of the pool. For example, a \$100 investment in a mutual fund that in turn invests:

- 100% in bonds - 20% short term and 80% long term - will be recorded as \$20 on line 01 and \$80 on line 02.
- 40% of its assets in long term bonds and 60% of its assets in common shares will be recorded as \$40 on line 02 and \$60 on line 15.

The investment objectives of the fund may be used as a proxy for determining the composition of the investments provided that the fund has a history of investing in accordance with its investment objective.

Record the largest (and second largest) investment in any one or group of related mutual funds or other pooled holdings that is not a government grade investment. A fund or other pooled holding is related when the management or ownership of the pooled holding is common

Page 40.22 Investments: Bonds and Debentures

This schedule shows holdings of government, corporate bonds and sukuk which are presented in two formats:

- By Currency -segregated by Brunei Currency Denomination and major types of foreign currency;
- By Rating and Maturity - detailed holdings for bonds and debentures are listed within rating grades and shown by time bucket by maturity. Bonds and debentures that mature or can be repurchased by the issuing company in one year or less must be included in line 39 or 69. All others (including perpetual bonds) that mature in more than one year and less than five years must be included in line 49 or 79, and those that mature in more than five years in line 59 or 89. They are split by maturity term into three categories: less than one year, greater than one year and less than or equal to five years, and greater than five years. As an investment nears its maturity date, it moves through the three categories.
- Bonds and debentures that are unrated should be reported with the lines for BBB and lower (lines 69,79 or 89 depending on maturity).

Validation: 40229929 Total Bonds and Debentures = 400747940 Total Bonds & Debentures- Brunei Currency + 400748040 Total Bonds & Debentures - Foreign Currency
--



Page 40.42 Preferred Shares

Investments in Preferred Shares are shown in two ways:

- (i) Grouped by currency denomination - separated between Brunei and major foreign currencies; and
- (ii) By Ratings - segregate holdings by public rating, or report on line 79 if unrated.

Validation: 40428929 Total Preferred Shares = 400759940 Total Preferred Shares Brunei + 400748040 Total Preferred Shares Foreign Currency

Page 40.52 Common Shares

Investments in Common Shares are shown in two ways:

- (i) Grouped by Currency Denomination –separated between Brunei and major foreign currency; and
- (ii) Grouped by Issuer.

Validation: 40528929 Total Common Shares = 400765940 Total Common Shares Brunei + 400766040 Total Common Shares Foreign Currency

Page 40.70 Investment Properties & Own Use Property and Equipment

The split between investment properties and own-use properties as shown on this page reflects the balance sheet treatment under the applicable IFRS accounting standards.

Insurers should list properties separately by category (Investment Properties or Own Use Properties).

Properties should be listed by country of location, with subtotals for Brunei and Foreign where applicable. Amounts shown in columns 21, 26 and 36 are gross (i.e. including mortgages and encumbrances, which are shown separately on page 20.20, line 11 Encumbrances on Real Estate).

Column 06 – Property Type

Where a property has more than one use (i.e. office and retail) the whole property should be classified as one type based upon the use of the majority of the floor space. Please report the property classification as one of: SR, MR, O, R, S, I, H or X. The definitions of property types are as follows:

Single Residential (SR)

A residential mortgage is one that is secured by residential property. Residential property is defined as real property consisting of buildings that are used, or are to be used, to the extent of the majority of the floor space thereof, as one or more private dwellings.

A single residential property is a dwelling having no wall in common with another dwelling and designed for occupancy by a single family.

Multiple Residential (MR)

Include all other residential properties under “multiple.”



Office (O)

Real property consisting of buildings that are used primarily as offices.

Retail Stores (RS)

Mortgages on real property consisting of buildings that are used primarily as retail stores including shopping plazas.

Industrial (I)

Real property consisting of buildings that are used primarily for industrial purposes including manufacturing and warehouses.

Hotels (H)

Include hotels, motels, lodges and resorts.

Other (X)

Include all other types of real estate including vacant land.

Column 21 – Balance Sheet Value before Provisions Beginning of Year

The amount on line 899 of column 21 should agree to the amount on line 899 of column 66 for the prior year.

Column 66 – Balance Sheet Value-End of Year

Validation: 40708966 Page 40.70 Total Investment Properties = 400775940 Investment Properties Brunei + 400776040 Investment Properties Foreign
--

Column 71 – Cumulative Individual Provisions

Report the individual provisions that have been booked against each property. Include (in brackets) the amount of individual provision reversals where an asset was previously written down.

Column 76 – Net Income During Year

Report the net income (revenue - expenses) earned on the property during the year.

Column 81 – Mortgages Loans & Other Encumbrances

Validation: 40708981 Total Mortgages & Encumbrances Investment Properties + 407015981 Total Mortgages & Encumbrances Own Use Properties = 20201104 Encumbrances on Real Estate
--

Line 099 – All Other Own Use Properties

Provide the total of all owned used properties not listed including own use properties sold during the year.

Validation: 407089966 Total Own Use Properties & Equipment = 20104104 Property & Equipment
--



Page 40.80 Other Loans and Invested Assets

Validation: 40808904 Total Other Loans & Invested Assets = 400787040 Total Other Loans & Invested Assets Brunei + 407087140 Total Other Loans & Invested Assets Foreign Currency

Other loans and invested assets include investments in non-financial investments including, but not limited to, precious metals, coins and art as well as positive marked-to-market derivative instruments and other recognized financial investments not included in other investment categories, such as letters of credit. Note that loans and amounts due from Shareholders, Directors and Associates should be listed on page 50.40 and reported in total on line 25 of page 20.10.

For all recognized financial instruments listed in other investments, additional information should be attached to the insurer's Annual Return on each type and class of instrument held during the year and outstanding at year end, including the following:

- notional amount and remaining term to maturity;
- underlying assets;
- whether it is an over-the-counter or exchange traded instrument;
- whether the instrument is held for
 - trading purposes;
 - hedging purposes; or
 - other purposes; and
- the maximum credit risk exposure for each type of instrument.

The notional principal amount is:

- the stated notional amount, except where the stated notional amount is leveraged or enhanced by the structure of the transaction. In these cases, insurers must use the actual or effective notional amount when determining potential future exposure;
- "nil", where the credit exposure on single currency floating/floating interest rate swaps would be evaluated solely on the basis of their marked-to-market value; or
- for contracts with multiple exchanges of principal, the sum of the remaining payments.

**Page 50.20 Receivable from/Payable to Non-Associated Agents and Brokers
Other Receivables**

List all amounts individually for receivables from agents and brokers, with appropriate aging of balances separately in column 02 for Motor business in arrears > 7 days, and in column 04 for and all other types where balances are in arrear > 30 days. The Total reported on line 49 is net of any allowance for doubtful accounts and should agree to the amount reported on the page 20.10 of the balance sheet line 20.

For purposes of this schedule, an agent or broker is Associated with the insurer/takaful operator if it is part of the same ownership group, or if there is common ownership of more than 10% on a direct or indirect basis.

The number of non-affiliated agents and brokers reported must be the total of all agents and brokers (other than associates) that have written at least one policy during the fiscal year.

Validation: 50204907 Total Receivables = 20102004 Unaffiliated Agents and Brokers (line 20)



Other Receivables

Provide name and details for all Other Receivables which are to be listed separately.

Validation: 50208907 Total Other Receivables = 20102704 Other Receivables

Page 50.40 Receivable from/Payable to Shareholders, Associates & Directors

List amounts receivable by category: Shareholders, Directors & Associates.

For Brunei Insurers and Takaful Operators, amounts receivable from/payable to non-qualifying subsidiaries, all associates, directors and joint ventures (regardless of ownership level) arising out of insurance, reinsurance and any other activities must be shown for each company.

For purposes of this schedule, a company is Associated with the insurer/takaful operator if it is part of the same ownership group, or if there is common ownership of more than 10% on a direct or indirect basis.

For foreign insurers, amounts receivable from/payable to associates arising out of insurance, reinsurance and any other activities must be shown for each company.

Validation: 50400110 Total Receivables Shareholders + 50400210 Total Receivables Directors + 50400310 Total Receivables Associated = 20102504 Receivables Shareholders, Associates and Directors
--

Page 60.10 Premiums - Life/Family Takaful (*revised*)

Segregated by type of business as follows:

1) Policies Other Than Annuities:

- (i) Term Insurance/Takaful
- (ii) Whole Life
- (iii) Endowment
- (iv) Medical & Health
- (v) Others (specify)
- (vi) Investment-Linked

2) Group Insurance/Takaful

- (i) Medical & Health
- (ii) Life
- (iii) Other (specify)

3) Annuities

Note - this schedule is derived from the former form AMBD-QFR-4.2.4 Statement of Life Insurance/Family Takaful Policies.

Columns 20-21

Maximum Policy Coverage (*new*) –report the amount of maximum policy coverage for each Type of Business in column 20.

Net Retention (*new*) -report the net amount retained (after reinsurance retakaful) for each Type of Insurance in Column 21.



Validation: 60109912 Total Premiums = 203102001 Gross Premiums Life/Family Takaful

Line 100 Supplementary Information –Business Outside Brunei Darussalam

Report the total amounts of business Outside of Brunei Darussalam on line 100.

Page 60.20 Premiums and Claims by Type of Business- General/Takaful

Classification of business:

Property Insurance (formerly Fire) is segregated between Personal and Commercial business. Per the definition in Part I Second Schedule of Insurance Order, 2006/Takaful Order, 2008, it means “the business of effecting contracts of insurance against loss of or damage to real or personal property of every kind and interest therein, from any or all hazard or cause and against loss consequential upon such loss or damage, but does not include risks the insurance of which is motor vehicle insurance business or marine, aviation and transit insurance business.” *Note this classification excludes oil and gas related property business which is reported separately as Energy.*

Motor Insurance is defined in Part I Second Schedule of Insurance Order, 2006/Takaful Order, 2008, means “the business of effecting contracts of insurance against loss of, or damage to or arising out of or in connection with the use of motor vehicles, including third-party risks.” Please report Third Party Risks and Comprehensive Risks separately, split between Personal and Other (including commercial).

Marine, aviation or transit insurance refers to the definition in Part I Second Schedule of Insurance Order, 2006/Takaful Order, 2008, which means a policy of insurance –

- a) upon vessels or aircraft, or upon the machinery, tackle, furniture or equipment of vessels or aircraft;
- b) upon goods, merchandise or property of any description whatever on board vessels or aircraft;
- c) upon the freight of, or any other interest in or relating to, vessels or aircraft;
- d) against damage arising out of or in connection with the use of vessels or aircraft, including third-party risks;
- e) against risk incidental to the construction, repair or docking of vessels, including third-party risks; or
- f) against transit risk (whether the transit is by sea, inland water, land or air, or partly one and party another) including risks incidental to the transit insured from the commencement of the transit to the ultimate destination covered by the insurance

Energy refers to all oil and gas industry and related services insurance risks.

Engineering/Contractors’ risks refers to construction related risks.

Liability means insurance, other than insurance that falls within another category of insurance:

- (i) against liability arising from bodily injury to a person or the disability or death of a person, including an employee;
- (ii) against liability arising from the loss of, or damage to, property; or



APPENDIX 2: TAKAFUL AND INSURANCE FINANCIAL RETURNS (TIFR) INSTRUCTIONS

- (iii) if the policy includes the insurance described in sub-clause (i), against expenses arising from bodily injury to a person other than the insured or a member of the insured's family, whether or not liability exists.

Liability includes for example: general liability, professional indemnity, directors' and officers' liability and cyber liability.

Personal accident insurance refers to the definition in Part I Second Schedule of Insurance Order, 2006, which means "a policy of insurance upon the happening of personal accidents, whether fatal or not, disease or sickness, or any class of personal accidents, disease or sickness."

Workmen's Compensation refers to employers liability insurance as defined in Part I Second Schedule of Insurance Order 2006 which means "the issue of or the undertaking of liability under policies insuring employers against liability to pay compensation or damages to workmen in their employment but does not include any business carried on as incidental only to marine, aviation and transit insurance business."

Columns 24-25

Maximum Policy Coverage (*new*) –report the amount of maximum policy coverage for each Type of Business in column 24, including amounts for fronting business.

Net Retention (*new*) -report the largest net amount retained (after reinsurance/retakaful) for each Type of Insurance/Takaful in Column 25, including fronting business.

Columns 8 – 11

Validation: 60208908 Direct Claims + 60208909 Claims from reinsurance assumed – 60208910 claims from reinsurance ceded = 20301001 Net Claims and Adjustment Expenses

Column 21 – Number of Policies in Force

Each class (or sub-class) requires the number of policies, where coverage is provided, at year-end. Number of policies in force refers to direct policies issued by the insurer.

In some circumstances, the premium for one policy is allocated to sub-classes (i.e. motor policies), or is allocated to different lines of business (i.e. commercial policies). In those instances, the policy-in-force count should include each sub-class or additional line of business where coverage is provided. The policy-in-force count will not be additive to the total line (line 89). For example, a commercial business policy may include coverage for Property - Commercial Property and Liability. It would be noted on the schedule under each Type of Insurance but only be included as one policy in the total on Line 89.



APPENDIX 2: TAKAFUL AND INSURANCE FINANCIAL RETURNS (TIFR) INSTRUCTIONS

Column 23 – Number of Direct Claims

Number of direct claims reported during the current fiscal year	Equals	Number of direct claims incurred and reported during the current fiscal year	Plus	Number of direct claims incurred in previous years and reported during current fiscal year
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Column 25 – Unearned Premiums from a Portfolio Transfer

This column represents the unearned premium as at the date of a portfolio transfer that occurred in the current period.

Line 28 Other

Please specify what type of business this and if necessary attach a supporting schedule if more than one type of business.

Validation: 60200501 Premiums Fire + 60201501 Premiums Motor + 60202001 Premiums Total Marine, Aviation & Transit + sum of lines 21-28 column 01 Premiums = 20300101 Direct Premiums General/Takaful

Line 99 Supplementary Information –Business Outside Brunei Darussalam

Report the total amounts of business Outside of Brunei Darussalam on line 99.

Page 60.30 Claims and Adjustment Expenses – Paid, Current Year and Unpaid, Current and Prior Year

This schedule applies to General Insurance/Takaful only.

The amounts shown must include both the internal and external claims adjustment expenses and a provision for claims Incurred But Not Reported (IBNR) at the end of the reporting period.

Columns 05 and 06

The salvage and subrogation recoverable amounts determined by the actuary should be netted against gross unpaid claims and IBNR on page 20.20, line 13.

Column 07 – Reinsurance Ceded

This column must include the portion of salvage and subrogation estimated to be recoverable from third parties that will be payable to reinsurers in accordance with their agreements.



APPENDIX 2: TAKAFUL AND INSURANCE FINANCIAL RETURNS (TIFR) INSTRUCTIONS

Column 09 – Net Provision at Prior Year End

Net provision at prior year end	Equals	Total unpaid claims (claims, adjustment expenses), net of reinsurance, as reported for the prior year (line 51, column 12, page 60.41 or page 60.40	Plus	Total unpaid claims (IBNR), net of reinsurance, as reported for the prior year (line 52, column 12, page 60.41, or page 60.40
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Column 15 – Net Provision at Period End for Claims of Prior Years

This column must include the total unpaid claims and adjustment expenses, net of reinsurance, determined at the end of the current period, for all prior accident years.

Validation: 60308908 Net Unpaid Claims Current Year + 60308915 Net Unpaid Claims Prior Years = 20201304 Unpaid Claims & Adjustment Expenses (Gross) – 20103104 Recoverable from Reinsurers General/Takaful Unpaid Claims and Adjustment Expenses

Page 60.40 Net Claims and Adjustment Expenses – Run-off

This schedule is a Claims Development Triangle that shows the history of the company's provisioning for unpaid claims by accident year (net of reinsurance) and compares the estimate by accident year to the cumulative claims payments in subsequent years. Because this is the first year of this new schedule, AMBD is asking that it be completed for a minimum 3 accident years 2013, 2014, 2015. Next year AMBD will ask insurers to carry forward data from year to year for this schedule, until 6 years of data are aggregated.

Note that the schedule shows Unpaid Claims and Adjustment Expenses (UCAE) separately from IBNR.

Amounts shown on lines 50 to 59 must be taken from the insurer's claims records for the current year, and allocated by loss year. Lines 51 + 52 represent the Total Net Unpaid Claims at the end of the current year on a cumulative basis.

Column 12 represents the Current Year and Prior on an aggregate basis.

Lines 01 to 49 must be completed on the basis of the figures reported in the prior years, unless there has been a prior-period adjustment. The prior-period adjustments must be allocated to the proper loss year.

Incurred but Not Reported (IBNR) claims must include their related adjustment expenses allocated to each of the years included in the run-off.

Excess (or deficiency) for a particular period	Equals	UCAE and IBNR at opening of the year (the first year of the period covered)	Minus	Claims paid for each subsequent year	Minus	UCAE and IBNR end of year (the last year of the period covered)
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APPENDIX 2: TAKAFUL AND INSURANCE FINANCIAL RETURNS (TIFR) INSTRUCTIONS

Excess (or deficiency) ratio	Equals	Amount of the excess of (deficiency)	Divided by	Opening unpaid claims	Plus	IBNR
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Validation: 60405112 Unpaid Claims & Adjustment Expenses Current Year + 60405212 IBNR Current Year = 20201304 Unpaid Claims & Adjustment Expenses (Gross) – 20103104 Recoverable from Reinsurers General/Takaful Unpaid Claims and Adjustment Expenses

Page 60.50 Claims, Benefits and Liabilities – Life Insurance/Family Takaful

This schedule applies to Life Insurance/Family Takaful business only, segregated by type of business.

Report Gross Claims and Benefits on all business in column 1 and the related actuarial liabilities on a gross basis in column 04.

Validation: 60509901 Gross Claims and Benefits – 60509902 Claims and Benefits Ceded = 203126001 Gross Claims and Benefits – 203127001 Claims and Benefits ceded

Validation: 60502704 Gross Actuarial Liabilities Total Individual Insurance/Takaful + 60504904 Gross Actuarial Liabilities Total Group Insurance/Takaful + 60505004 Gross Actuarial Liabilities Total Annuities = 20202004 Actuarial Liabilities Insurance Contracts Life/Family(Gross) + 20203404 Actuarial Liabilities Investment Contract Life/Family (Gross)

Page 67.00 Gross Premiums by Distribution Channel

This schedule is the former AMBD QFR 4.2.6 schedule that shows by distribution channel the total gross premiums written –direct plus assumed for all types of business.

Validation: 67001002 Total Gross Premiums General/Takaful = 20300101 Premiums Written Direct General/Takaful + 20300201 Reinsurance Assumed General Takaful
Or
67001002 Total Gross Premiums Life/Family = 203102001 Gross Premiums Life/Family

Page 68.00 Commissions

This schedule is based on the former AMBD QFR 4.2.3 Statement of Commissions that shows the breakdown of commissions by main category of business.

Gross Commissions represent commissions on direct business (column 01) plus commissions on reinsurance/retakaful assumed (column 02).

Validation: 68008903 Total General/Takaful Gross Commissions Direct Business + 68008906 Total Life/Family Takaful Reinsurance/Retakaful Assumed = 20311101 Gross Commissions
Or
68002903 Total Life/Family Takaful Gross Commissions Direct Business + 68002906 Total General/Takaful Reinsurance/Retakaful Assumed = 203146001 Gross Commissions Life/Family



Pages 70.60 Reinsurance Ceded/Retakaful Summary

Note that on this schedule the word 'reinsurance' should be substituted by the word 'retakaful' for takaful operators. Since there are currently no registered reinsurers or retakaful operators in Brunei, all items are with unregistered reinsurers/retakaful operators on this schedule.

Insurers and Takaful Operators are to report reinsurance/retakaful business ceded for each company separately (split between Associated and Non-Associated Companies). For purposes of this schedule, a company is Associated with the insurer/takaful operator if it is part of the same ownership group, or if there is common ownership of more than 10% on a direct or indirect basis.

Column 1 – Name of Assuming Insurer

The complete legal name of the reinsurance company to which the insurer and takaful operator has a counterparty exposure. Please avoid using abbreviations. List separately by reinsurance contract, if there are multiple reinsurers, list each by name and percentage of the participation.

Column 2,4,6,8 – Rating agency identifier code

The unique rating agency identifier used by AM Best, S&P or other rating agencies

Enter for all rating agencies that rate the assuming insurer.

If unrated enter "U" in column 8

Column 10 – Reinsurer domicile

The domicile where the reinsurer counterparty is legally incorporated.

Use the 2 letter International Standard country codes defined in [ISO 3166](#) (International Organization for Standardization).

Column 12 - Reinsurer Group Domiciliary Jurisdiction

The domicile where the ultimate incorporated insurance group owning the reinsurer counterparty is legally incorporated. If the counterparty does not belong to a group, leave this column blank.

Use the 2 letter International Standard country codes defined in [ISO 3166](#) (International Organization for Standardization).

Column 14 – Business covered

Underlying class of insurance/takaful risk ceded if multiple risks, list all type of business covered. E.g. Fire, Motor etc.

Column 16 – Type of contract

Type of reinsurance/retakaful contract using the following two letter codes:

- FA – Facultative
- XS – Excess of loss



APPENDIX 2: TAKAFUL AND INSURANCE FINANCIAL RETURNS (TIFR) INSTRUCTIONS

- QS – Quota share
- SU – Surplus
- SL – Stop loss
- O –Other (please specify)

Column 18 Reinsurance/Retakaful Premiums Ceded Summary (Unregistered)

Validation: 70602918 Total Reinsurance/Retakaful Premiums Ceded General Insurance/Takaful = 20300301 Reinsurance Ceded General/Takaful
Or
70602918 Total Reinsurance/Retakaful Premiums Ceded Life/Family = 203103001 Premiums Ceded Life/Family

Column 19 Claims Ceded

Report the Reinsurers' share of the claims and adjustment expenses that were ceded.

Validation: 70602919 Total Reinsurance/Retakaful Claims Ceded General Insurance/Takaful = 20306401 Reinsurers' share of claims and adjustment expenses General Insurance/Takaful
Or
70602919 Total Reinsurance/Retakaful Claims Ceded Life/Family = 203127001 Claims & Benefits Ceded Life/Family

Column 20 - Unearned Premiums ceded to assuming insurer

The reinsurer's portion of unearned premiums must be reported on this line. Represents the unexpired portion of premiums ceded and is a balance sheet item.

Validation: 70602920 Total Unearned Premiums Ceded to Assuming Insurer = 20103104 Recoverable from Reinsurer/Retakaful Unearned Premiums

Column 22- Outstanding losses recoverable from assuming insurer

Validation: 70602922 Total Outstanding Losses Recoverable from Assuming Insurer Life/Family =

20103204 Recoverable from Reinsurer/Retakaful Life/Family Actuarial Liabilities Insurance Contracts + 20103304 Recoverable from Reinsurers/Retakaful Life Family Actuarial Liabilities Investment Contracts
Validation: 70602922 Total Outstanding Losses Recoverable from Assuming Insurer General/Takaful = 20103104 Recoverable from Reinsurer/Retakaful General/Takaful

Amount reported on page 20.10, line 31, column 04 includes the total of amounts reported on pages 70.60 for registered and unregistered reinsurance ceded.

Includes claims that have been reported but not settled and claims that have been incurred but not reported including loss adjustment expenses that will be recovered from reinsurers



Column 24 - Reinsurance Receivable

- Include all receivables on paid losses and paid loss adjustment expenses except for "Outstanding losses recoverable from assuming insurer" recorded in column 22.
- Receivables must be reported net of allowance for doubtful accounts

Column 26 - Reinsurance Payable

Include funds, other than those for collateral purposes (which should be recorded under column 36 Funds Held), held in the insurer's bank account; these funds must also be reported on the Balance Sheet.

Amounts payable to assuming reinsurers may be deducted from amounts receivable and recoverable in the calculations in column 28 where there is a legal and contractual right of offset.

Insurers are not to include any amounts payable to assuming insurers that are associates or non-qualifying subsidiaries.

Column 30 – Aging of Reinsurance Asset

Report amount of Reinsurance Receivable (from column 24) Overdue > 90days plus the reinsurance recoverable on paid losses and loss adjustment expenses, that are not in formal dispute resolution by reason of notification, arbitration or other mechanism under the contract, and remain uncollected > 90 days. A paid loss and paid loss adjustment expense recoverable is due pursuant to original contract terms

Where the reinsurance agreement specifies or provides for determination of a date at which claims are to be paid by the reinsurer, the aging period shall commence from that date

Where the reinsurance agreement does not specify a date for payment by the reinsurer, but does specify or provide for determination of a date at which claims are to be presented to the reinsurer for payment, the aging period shall commence from that date

Reinsurance recoverable on paid losses excludes:

- IBNR loss reserves
- Unearned premiums
- Contingent commissions
- Unpaid case reserves
- Paid losses in formal dispute resolution under the reinsurance contract

Columns 32 to 38 – Reinsurance Collateral

Only non-owned deposits that are held in a Reinsurance Security Account RSA (in Trust) are to be included in column 32. Other acceptable non-owned deposits held outside an RSA are to be reported in column 34.

Deposits of reinsurers that are not owned by an insurer shown in columns 32, 34 and 38 are not to be reported on the balance sheet.



Non-owned deposits held on behalf of an unregistered assuming insurer must be valued at market value as at the end of the reporting period, including the amount of investment income due and accrued respecting these deposits.

Column 36 – Reinsurance Collateral – Funds Held

Reinsurance premiums withheld by the ceding company as specified in the reinsurance contract (for example, funds held equal to the unearned premiums and loss reserves), or advances from the reinsurer to the ceding company for the payment of losses.

Column 38 – Reinsurance Collateral – Letters of Credit

Report amount of Letters of Credit (LOCs) held as security from unregistered reinsurers.