



Family Takaful

ETIQA FAMILY TAKAFUL BERHAD
199301011506 (266243-D)
(Incorporated in Malaysia)

Abridged Audited Financial Statements
31 December 2021

ETIQA FAMILY TAKAFUL BERHAD
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(Incorporated in Malaysia)

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ETIQA FAMILY TAKAFUL BERHAD
199301011506 (266243-D)
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	31.12.2021			31.12.2020		
	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
ASSETS						
Property, plant and equipment	101	-	101	203	-	203
Right-of-use assets ("ROU")	280	-	280	518	-	518
Intangible assets	7,974	-	7,974	5,589	-	5,589
Investments	2,532,034	11,961,087	14,466,355	2,447,377	12,024,957	14,444,717
Financing receivables	12,901	-	12,901	15,011	-	15,011
Retakaful assets	-	207,400	207,400	-	162,030	162,030
Takaful receivables	-	147,950	147,950	-	140,095	140,095
Other assets	142,910	152,842	192,066	185,842	118,429	158,955
Deferred tax assets	132,699	-	117,021	-	-	-
Current tax assets	82,053	-	82,053	63,042	20,416	83,458
Cash and bank balances	2,583	56,225	58,808	38,893	193,264	232,157
Total Assets	2,913,535	12,525,504	15,292,909	2,756,475	12,659,191	15,242,733
EQUITY, LIABILITIES AND PARTICIPANTS' FUND						
Equity						
Share capital	100,000	-	100,000	100,000	-	100,000
Reserves	2,125,862	-	2,119,096	1,892,830	-	1,885,213
Total Equity	2,225,862	-	2,219,096	1,992,830	-	1,985,213
Liabilities and Participants' Fund						
Participants' fund	-	2,233,800	2,233,800	-	2,433,412	2,433,412
Takaful certificate liabilities	-	9,745,994	9,725,994	-	9,516,784	9,496,784
Derivative liabilities	-	487	487	-	-	-
Expense liabilities	533,451	-	533,451	572,186	-	572,186
Deferred tax liabilities	-	15,678	-	34,162	51,654	85,816
Takaful payables	5,390	24,651	30,041	3,400	20,365	23,765
Other liabilities	124,762	504,794	525,870	142,800	636,876	634,360
Current tax liabilities	24,070	100	24,170	11,097	100	11,197
Total Liabilities and Participants' Fund	687,673	12,525,504	13,073,813	763,645	12,659,191	13,257,520
Total Equity, Liabilities and Participants' Fund	2,913,535	12,525,504	15,292,909	2,756,475	12,659,191	15,242,733

INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	2021			2020		
	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
Operating revenue	446,454	2,256,090	2,354,043	405,649	2,046,386	2,137,827
Gross earned contributions	-	1,773,121	1,773,121	-	1,586,714	1,586,714
Earned contributions ceded to retakaful	-	(104,979)	(104,979)	-	(87,904)	(87,904)
Net earned contributions	-	1,668,142	1,668,142	-	1,498,810	1,498,810
Fee and commission income	348,651	1,065	1,215	314,321	1,510	1,623
Investment income, net	97,953	482,969	580,922	91,441	459,672	551,113
Realised (losses)/gains, net	(320)	(33,028)	(33,348)	23,691	215,293	238,984
Fair value (losses)/gains, net	(74,406)	(329,937)	(403,492)	27,876	113,158	139,477
Other operating (expenses)/ income, net	(5,801)	13,097	7,296	(18,270)	15,170	(3,100)
Other revenue	366,077	134,166	152,593	439,059	804,803	928,097
Gross benefits and claims paid	-	(1,280,852)	(1,280,852)	-	(1,310,398)	(1,310,398)
Claims ceded to retakaful operators	-	80,824	80,824	-	58,085	58,085
Gross change in certificate liabilities	-	(28,201)	(182,090)	-	(395,340)	(597,730)
Change in certificate liabilities ceded to retakaful operators	-	45,370	45,370	-	50,832	50,832
Net benefits and claims	-	(1,182,859)	(1,336,748)	-	(1,596,821)	(1,799,211)
Management expenses	(178,080)	(23,021)	(201,101)	(144,648)	(29,862)	(174,510)
Change in expense liabilities	38,735	-	38,735	(36,904)	-	(36,904)
Fee and commission expenses	(138,288)	(349,080)	(138,867)	(125,318)	(314,915)	(126,025)
Tax borne by the participants	-	5,564	5,564	-	(8,370)	(8,370)
Other expenses	(277,633)	(366,537)	(295,669)	(306,870)	(353,147)	(345,809)
Operating profit before surplus transfers	88,444	252,912	188,318	132,189	353,645	281,887
Surplus transferred to participants' fund	-	(153,889)	-	-	(202,390)	-
Surplus attributable to shareholder's fund	99,023	(99,023)	-	151,255	(151,255)	-
Profit before taxation and zakat	187,467	-	188,318	283,444	-	281,887
Taxation	92,982	-	92,982	(78,107)	-	(78,107)
Zakat	(10,609)	-	(10,609)	(11,906)	-	(11,906)
Net profit for the financial year	269,840	-	270,691	193,431	-	191,874
Basic and diluted earnings per share (sen)			270.69			191.87

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	2021			2020		
	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
Net profit for the financial year	269,840	-	270,691	193,431	-	191,874
Other comprehensive income:						
Items that may be subsequently reclassified to income statement						
Change in fair value of financial assets at Fair Value Through Other Comprehensive Income ("FVOCI"):						
- fair value changes	(49,209)	(145,464)	(194,673)	26,055	97,525	123,580
- transfer to profit or loss upon disposal	(609)	(3,714)	(4,323)	(24,935)	(169,144)	(194,079)
Tax effect relating to financial assets at FVOCI	13,010	9,995	23,005	(269)	5,145	4,876
Other comprehensive income attributable to the participants	-	139,183	139,183	-	66,474	66,474
Other comprehensive (loss)/ income for the financial year, net of tax	(36,808)	-	(36,808)	851	-	851
Total comprehensive income for the financial year	233,032	-	233,883	194,282	-	192,725

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Attributable to Equity Holder of the Company			Total Equity RM'000
	Share Capital RM'000	Non-Distributable FVOCI Reserve RM'000	Distributable Retained Profits RM'000	
At 1 January 2021	100,000	24,519	1,860,694	1,985,213
Net profit for the financial year	-	-	270,691	270,691
Other comprehensive loss for the financial year	-	(36,808)	-	(36,808)
Total comprehensive (loss)/income for the financial year	-	(36,808)	270,691	233,883
At 31 December 2021	100,000	(12,289)	2,131,385	2,219,096
At 1 January 2020	100,000	23,668	1,668,820	1,792,488
Net profit for the financial year	-	-	191,874	191,874
Other comprehensive income for the financial year	-	851	-	851
Total comprehensive income for the financial year	-	851	191,874	192,725
At 31 December 2020	100,000	24,519	1,860,694	1,985,213

ETIQA FAMILY TAKAFUL BERHAD
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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	31.12.2021	31.12.2020
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and zakat:	188,318	281,887
Adjustments for:		
Tax borne by participants	(5,564)	8,370
Depreciation of property, plant and equipment	107	122
Amortisation of intangible assets	1,178	879
Profit on lease liabilities	20	24
Depreciation of right-of-use assets	194	229
Fair value losses/(gains) on financial assets at Fair Value through Profit or Loss ("FVTPL")	403,492	(139,477)
Losses/(gains) on disposal of investments	33,337	(238,984)
Net (gains)/losses on foreign exchange	(628)	164
Fair value losses on foreign exchange	204	17
Realised gain on property, plant and equipment	-	(1)
Realised loss on intangible assets	11	-
(Reversal of)/allowance for impairment losses on investments	(676)	482
(Reversal of)/allowance for impairment losses on takaful receivables	(7,802)	3,746
Allowance for impairment losses on other receivables	17	47
Reversal of allowance for impairment losses on financing receivables	(1)	(175)
Takaful receivables written off	22	-
Profit income	(581,153)	(554,955)
Gross dividend/distribution income	(22,300)	(16,148)
Net amortisation of premiums	18,246	16,660
Surplus transferred to participants' fund	153,889	202,390
Operating cash flows before working capital changes	<u>180,911</u>	<u>(434,723)</u>
Changes in working capital:		
Increase in takaful receivables	(75)	(23,442)
Increase in other assets	(17,554)	(14,134)
Increase/(decrease) in takaful payables	6,276	(7,969)
(Decrease)/increase in other liabilities	(76,336)	260,360
(Decrease)/increase in expense liabilities	(38,735)	36,904
Decrease in financing receivables	2,111	731
Decrease/(increase) in placements of deposits with financial institutions	1,307,325	(1,940,036)
Increase in retakaful assets	(45,370)	(50,832)
Increase in takaful certificate liabilities	27,709	395,340
Operating cash flows after working capital changes, carried forward	<u>1,346,262</u>	<u>(1,777,801)</u>

ETIQA FAMILY TAKAFUL BERHAD
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STATEMENT OF CASH FLOWS (CONTD.)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	31.12.2021	31.12.2020
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONTD.)		
Operating cash flows after working capital changes, brought forward	1,346,262	(1,777,801)
Profit income received	565,086	572,123
Gross dividend/distribution income received	22,796	15,320
Donation	-	(10,000)
Zakat paid	(9,844)	(9,009)
Taxation paid	(66,909)	(86,349)
Surplus paid to participants	(16,734)	(37,948)
Withholding tax borne by participants	(28,274)	(14,555)
Net cash flows generated from / (used in) from operating activities	<u>1,812,383</u>	<u>(1,348,219)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of investments	2,839,701	4,881,511
Purchase of investments	(4,821,638)	(3,425,156)
Proceeds from disposal of intangible assets	4	22
Purchase of intangible assets	(3,578)	(1,886)
Purchase of property, plant and equipment	(5)	(10)
Net cash flows (used in) / generated from investing activities	<u>(1,985,516)</u>	<u>1,454,481</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Payment of lease liabilities	(216)	(216)
Net cash flows used in financing activity	<u>(216)</u>	<u>(216)</u>
(Decrease)/increase in cash and cash equivalents	(173,349)	106,046
Cash and cash equivalents at beginning of year	232,157	126,111
Cash and cash equivalents at end of year	<u>58,808</u>	<u>232,157</u>
Cash and cash equivalents comprise:		
Cash and bank balances of:		
Shareholder's fund	2,583	38,893
Family Takaful fund	56,225	193,264
	<u>58,808</u>	<u>232,157</u>

Notes:

- 1 The full set of these financial statements are available on the Company's website, <http://www.etiqa.com.my>
- 2 A copy of the audited annual financial statements is available at every branch of the Company in Malaysia.

REPORT OF THE SHARIAH COMMITTEE

In the name of Allah, the Most Beneficent, the Most Merciful

We, Associate Professor Dr Azman Bin Mohd Noor and Professor Dato' Dr Mohd Azmi Bin Omar, being two of the members of the Shariah Committee of Etiqa Family Takaful Berhad, do hereby report on behalf of the Committee that to the best of our knowledge and belief:

In compliance with our letter of appointment and terms of reference, we have reviewed and approved the principles, policies, products and the contracts relating to the transactions undertaken by the Company during the financial year ended 31 December 2021. We have also conducted our review to form an opinion pursuant to Section 30(1) of Islamic Financial Services Act 2013 ("IFSA"), as to whether the Company has complied with the principles of Shariah, Shariah rulings issued by the Shariah Advisory Council of Bank Negara Malaysia ("BNM"), Shariah standards issued by BNM pursuant to Section 29 of IFSA, relevant guidelines and circulars issued by BNM, Shariah rulings issued by the Shariah Advisory Council of Securities Commission (for capital market related matters), as well as Shariah decisions resolved by us.

During the financial year of 2021, the Committee had convened 13 times and all members have satisfied the minimum attendance requirement as per Paragraph 11.4 of Shariah Governance Policy Document of BNM which stipulates that a Committee member must attend at least 75% of the Committee meetings held in each financial year.

The management of the Company has held responsible for ensuring that the Company conducts its business in accordance with Shariah rules and principles. It is our responsibility to express an independent opinion, based on our review of the operations of the Company.

We have assessed the work carried out by Shariah review function and Shariah audit function which included examining, on a test basis, the relevant type of transactions, documentations and procedures adopted by the Company.

The Company also has organised the necessary Shariah training programs to the Board of Directors, senior management, staff and agents to enhance the Shariah awareness and instill the Shariah compliant culture throughout the organisation.

We obtained all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Company has not violated the rules and principles of Shariah.

In our opinion:

1. the relevant contracts, transactions and dealings entered into by the Company during the financial year ended 31 December 2021 that we have reviewed are in compliance with the Shariah principles;
2. the allocation of profits and charging of losses relating to investment accounts conform to the basis that had been approved by us in accordance with Shariah principles;
3. the sharing of surplus arising from the tabarru' fund (Participants' Risk Fund) conforms with the respective internal policies and approved by us;

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REPORT OF THE SHARIAH COMMITTEE (CONTD.)

In our opinion (contd.):

4. nothing has come to our attention that causes us to believe that the operations, business, affairs and activities of the Company involve in any material Shariah non-compliant incidents;
5. accordingly, there is no Shariah non-compliant earnings encountered by us during the financial year ended 31 December 2021; and
6. the calculation, payment and distribution of business zakat and distribution of Amal Jariah fund is in compliance with the principles of Shariah.

This opinion is rendered based on what has been presented to us by the management of the Company and its Shariah Management. To the best of our knowledge and belief, the information provided to us is true and accurate.

All in all, we, the members of the Shariah Committee of Etiqa Family Takaful Berhad, do hereby confirm that, in our level best, the operations of the Company for the financial year ended 31 December 2021 have been conducted in conformity with the rules and principles of Shariah.

They said, "Exalted are You (Allah); we have no knowledge except what You have taught us. Indeed, it is You who is the Knowing, the Wise." (Surah al-Baqarah, chapter 2, verse 32)

Allah knows best.

Signed on behalf of the Committee.

ASSOCIATE PROFESSOR DR AZMAN
BIN MOHD NOOR

PROFESSOR DATO' DR MOHD
AZMI BIN OMAR

Kuala Lumpur, Malaysia
23 February 2022

**Independent auditors' report to the member of
Etiqa Family Takaful Berhad
199301011506 (266243-D)
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Report on the abridged of financial statements

Opinion

The abridged financial statements, which comprise the summary statement of financial position as at 31 December 2021, the summary income statement, summary statement of comprehensive income, summary statement of changes in equity and summary statement of cash flows for the financial year then ended, are derived from the audited financial statements of Etiqa Family Takaful Berhad for the financial year ended 31 December 2021.

In our opinion, the accompanying abridged financial statements are consistent, in all material respects, with the audited financial statements, in accordance with the presentation and disclosure requirements as prescribed by Bank Negara Malaysia.

Abridged financial statements

The abridged financial statements do not contain all the disclosures required by the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. Reading the abridged financial statements and the auditors' report thereon, therefore, is not a substitute for reading the audited financial statements of Etiqa Family Takaful Berhad and the auditors' report thereon.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 23 February 2022.

Directors' responsibility for the abridged financial statements

The directors are responsible for the preparation of the abridged financial statements in accordance with the presentation and disclosure requirements as prescribed by Bank Negara Malaysia.

Auditors' responsibility

Our responsibility is to express an opinion on whether the abridged financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with Malaysian Approved Standard on Auditing, ISA 810 (Revised), "Engagements to Report on Summary Financial Statements".

**Independent auditors' report to the member of
Etiqa Family Takaful Berhad
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Restriction on use

Our report on the abridged financial statements of Etiqa Family Takaful Berhad for the financial year ended 31 December 2021 is issued in compliance with Bank Negara Malaysia Guidelines and for no other purpose.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Brandon Bruce Sta Maria
No : 02937/09/2023 J
Chartered Accountant

Kuala Lumpur, Malaysia
23 February 2022