



Family Takaful

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

Unaudited Interim Condensed Financial Statements
for the six months period ended 30 June 2022

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

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

UNAUDITED INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	30.6.2022			31.12.2021		
		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		205	-	205	101	-	101
Right-of-use assets ("ROU")		196	-	196	280	-	280
Intangible assets		7,701	-	7,701	7,974	-	7,974
Investments	13	2,425,152	11,583,029	13,982,522	2,532,034	11,961,087	14,466,355
Financing receivables		11,855	-	11,855	12,901	-	12,901
Retakaful assets	14	-	189,006	189,006	-	207,400	207,400
Takaful receivables	15	-	206,907	206,907	-	147,950	147,950
Other assets	16	51,337	136,363	172,991	142,910	152,842	192,066
Qard receivables		327	-	-	-	-	-
Deferred tax assets		164,102	34,366	198,468	132,699	-	117,021
Current tax assets	17	79,675	-	79,675	82,053	-	82,053
Cash and bank balances		793	61,860	62,653	2,583	56,225	58,808
Total Assets		2,741,343	12,211,531	14,912,179	2,913,535	12,525,504	15,292,909
EQUITY, LIABILITIES AND PARTICIPANTS' FUND							
Equity							
Share capital		100,000	-	100,000	100,000	-	100,000
Reserves	18	2,019,899	-	2,014,240	2,125,862	-	2,119,096
Total Equity		2,119,899	-	2,114,240	2,225,862	-	2,219,096
Liabilities and Participants' Fund							
Participants' fund	19	-	2,037,346	2,037,346	-	2,233,800	2,233,800
Takaful certificate liabilities	20	-	9,685,967	9,665,967	-	9,745,994	9,725,994
Derivative liabilities		-	-	-	-	487	487
Expense liabilities	21	506,124	-	506,124	533,451	-	533,451
Deferred tax liabilities		-	-	-	-	15,678	-
Takaful payables	22	4,891	49,975	54,866	5,390	24,651	30,041
Other liabilities	23	65,977	437,738	489,006	124,762	504,794	525,870
Qard payables		-	327	-	-	-	-
Current tax liabilities		44,452	178	44,630	24,070	100	24,170
Total Liabilities and Participants' Fund		621,444	12,211,531	12,797,939	687,673	12,525,504	13,073,813
Total Equity, Liabilities and Participants' Fund		2,741,343	12,211,531	14,912,179	2,913,535	12,525,504	15,292,909

These unaudited interim condensed financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the unaudited interim condensed financial statements.

UNAUDITED INTERIM CONDENSED INCOME STATEMENT
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022

	Note	1.1.2022 to 30.6.2022			1.1.2021 to 30.6.2021		
		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		265,834	1,351,732	1,404,194	222,572	1,192,579	1,240,033
Gross earned contributions		-	1,100,260	1,100,260	-	958,749	958,749
Earned contributions ceded to retakaful		-	(61,701)	(61,701)	-	(53,203)	(53,203)
Net earned contributions		-	1,038,559	1,038,559	-	905,546	905,546
Fee and commission income	24	213,477	419	524	175,199	1,010	1,091
Investment income	25	52,462	251,471	303,933	47,373	233,830	281,203
Realised losses, net		(942)	(4,388)	(5,330)	(3,104)	(10,292)	(13,396)
Fair value losses, net		(55,213)	(354,337)	(408,443)	(60,965)	(312,684)	(372,620)
Other operating (expenses)/ income, net	26	139	1,185	1,324	(608)	8,694	8,086
Other revenue		209,923	(105,650)	(107,992)	157,895	(79,442)	(95,636)
Gross benefits and claims paid		-	(696,395)	(696,395)	-	(608,599)	(608,599)
Claims ceded to retakaful operators		-	41,041	41,041	-	36,303	36,303
Gross change in certificate liabilities		-	60,027	(60,092)	-	(16,030)	(101,584)
Change in certificate liabilities ceded to retakaful operators		-	(18,394)	(18,394)	-	29,782	29,782
Net benefits and claims		-	(613,721)	(733,840)	-	(558,544)	(644,098)
Management expenses	27	(101,814)	(12,770)	(114,584)	(85,715)	(10,109)	(95,824)
Change in expense liabilities	21	27,327	-	27,327	34,339	-	34,339
Fee and commission expenses	30	(81,801)	(213,717)	(82,146)	(70,216)	(175,425)	(70,523)
Tax borne by the participants	31	-	27,418	27,418	-	3,528	3,528
Other expenses		(156,288)	(199,069)	(141,985)	(121,592)	(182,006)	(128,480)
Operating profit before surplus transfers		53,635	120,119	54,742	36,303	85,554	37,332
Surplus transferred to participants' fund	19	-	(120,119)	-	-	(85,554)	-
Surplus attributable to shareholder's fund		-	-	-	-	-	-
Profit before taxation and zakat		53,635	-	54,742	36,303	-	37,332
Taxation	31	(35,602)	-	(35,602)	2,202	-	2,202
Zakat		(1,990)	-	(1,990)	(3,401)	-	(3,401)
Net profit for the financial period		16,043	-	17,150	35,104	-	36,133
Basic and diluted earnings per share (sen)	32			17.15			36.13

These unaudited interim condensed financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the unaudited interim condensed financial statements.

UNAUDITED INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022

	1.1.2022 to 30.6.2022			1.1.2021 to 30.6.2021			
	Note	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 period		16,043	-	17,150	35,104	-	36,133
Other comprehensive income:							
Items that may be subsequently reclassified to income statement							
Change in fair value of debt securities at Fair Value Through Other Comprehensive Income ("FVOCI")							
- fair value changes		(73,740)	(312,363)	(386,103)	(39,850)	(129,857)	(169,707)
- transfer to profit or loss upon disposal		(33)	(69)	(102)	(6)	(274)	(280)
Tax effect relating to debt securities at FVOCI	31	22,132	22,409	44,541	9,476	8,568	18,044
Other comprehensive income attributable to the participants		-	290,023	290,023	-	121,563	121,563
		(51,641)	-	(51,641)	(30,380)	-	(30,380)
Items that may not be subsequently reclassified to income statement							
Change in fair value of equity securities at Fair Value Through Other Comprehensive Income ("FVOCI")							
- fair value changes		(1,344)	(3,566)	(4,910)	(1,505)	(3,003)	(4,508)
Tax effect relating to equity securities at FVOCI		259	140	399	451	240	691
Other comprehensive income attributable to the participants		-	3,426	3,426	-	2,763	2,763
		(1,085)	-	(1,085)	(1,054)	-	(1,054)
Other comprehensive loss for the financial period, net of tax		(52,726)	-	(52,726)	(31,434)	-	(31,434)
Total comprehensive (loss)/income for the financial period		(36,683)	-	(35,576)	3,670	-	4,699

These unaudited interim condensed financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the unaudited interim condensed financial statements.

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

	Attributable to equity holders of the Company			Total Equity RM'000
	Share Capital RM'000	Non- Distributable		
		FVOCI Reserve RM'000	Retained Profits RM'000	
At 1 January 2022	100,000	(12,289)	2,131,385	2,219,096
Net profit after tax for the financial period	-	-	17,150	17,150
Other comprehensive loss for the financial period	-	(52,726)	-	(52,726)
Total comprehensive income/(loss) for the financial period	-	(52,726)	17,150	(35,576)
Reclassification upon disposals of equity securities	-	479	(479)	-
Dividend on Ordinary Share	-	-	(69,280)	(69,280)
At 30 June 2022	<u>100,000</u>	<u>(64,536)</u>	<u>2,078,776</u>	<u>2,114,240</u>
At 1 January 2021	100,000	24,519	1,860,694	1,985,213
Net profit after tax for the financial period	-	-	36,133	36,133
Other comprehensive loss for the financial period	-	(31,434)	-	(31,434)
Total comprehensive income/(loss) for the financial period	-	(31,434)	36,133	4,699
At 30 June 2021	<u>100,000</u>	<u>(6,915)</u>	<u>1,896,827</u>	<u>1,989,912</u>

These unaudited interim condensed financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the unaudited interim condensed financial statements.

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UNAUDITED INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022

		1.1.2022	1.1.2021
		to	to
		30.6.2022	30.6.2021
	Note	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation and zakat:		54,742	37,332
Adjustments for:			
Taxation borne by participants	31	(27,418)	(3,528)
Depreciation of property, plant and equipment	27	60	55
Amortisation of intangible assets	27	658	532
Profit on lease liability	27	6	12
Depreciation of right-of-use assets	27	84	105
Fair value losses on investments		408,443	372,620
Realised losses on disposal of investments		5,330	13,396
Realised losses on foreign exchange	26	919	531
Unealised gains on foreign exchange	26	(1,283)	(592)
Allowance for impairment losses on investments	26	160	404
Allowance for/(reversal of) impairment losses on takaful receivables	26	392	(7,945)
Allowance for impairment losses on other receivables	26	11	-
Allowance for impairment losses on financing receivables	26	240	-
Profit income	25	(307,678)	(279,814)
Gross dividend/distribution income	25	(9,269)	(13,173)
Net amortisation of premiums	25	11,261	10,222
Surplus transferred to the participant's fund	19	120,119	85,554
Operating cash flows before working capital changes		<u>256,777</u>	<u>215,711</u>
Changes in working capital:			
Increase in takaful receivables	15	(59,349)	(49,197)
Decrease in other assets	16	11,275	10,281
Increase in takaful payables	22	24,825	11,711
Decrease in other liabilities	23	(42,501)	(17,703)
Decrease in expense liabilities	21	(27,327)	(34,340)
Decrease in financing receivables		806	804
Decrease in placements of deposits with financial institutions	13	896,082	1,608,891
Increase in retakaful assets	14	18,394	(29,782)
Increase in takaful certificate liabilities	20	(60,027)	16,030
Operating cash flows after working capital changes and carried forward		<u>1,018,955</u>	<u>1,732,406</u>

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UNAUDITED INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022 (CONTD.)

	1.1.2022	1.1.2021
	to	to
	30.6.2022	30.6.2021
Note	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONTD.)		
Brought forward	1,018,955	1,732,406
Profit income received	314,507	270,967
Gross dividend/distribution income received	10,229	11,643
Zakat paid	(7,443)	(650)
Taxation paid	(23,805)	(39,728)
Tax refund	2,378	-
Surplus paid to the participants	(12,437)	-
Net cash flows generated from/ (used in) operating activities	<u>1,302,384</u>	<u>1,974,638</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of investments	611,081	1,293,058
Purchase of investments	(1,839,701)	(3,368,200)
Proceeds from disposal of intangible assets	5	-
Purchase of intangible assets	(390)	(1,508)
Purchase of property, plant and equipment	(164)	-
Net cash flows (used in)/generated from investing activities	<u>(1,229,169)</u>	<u>(2,076,650)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(69,280)	-
Payment of lease liabilities	(90)	(114)
Net cash flows used in financing activities	<u>(69,370)</u>	<u>(114)</u>
Decrease in cash and cash equivalents	3,845	(102,126)
Cash and cash equivalents at beginning of period	<u>58,808</u>	<u>232,157</u>
Cash and cash equivalents at end of period	<u><u>62,653</u></u>	<u><u>130,031</u></u>
Cash and cash equivalents comprise:		
Cash and bank balances of:		
Shareholder's fund	793	51,211
Family Takaful fund	61,860	78,820
	<u>62,653</u>	<u>130,031</u>

These unaudited interim condensed financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the unaudited interim condensed financial statements.

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NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at Level 19, Tower C, Dataran Maybank, No. 1, Jalan Maarof, 59000 Kuala Lumpur, Malaysia.

The immediate, penultimate and ultimate holding companies of the Company are Maybank Ageas Holdings Berhad ("MAHB"), Etiqa International Holdings Sdn Bhd ("EIHSB") and Malayan Banking Berhad ("Maybank") respectively, all of which are incorporated in Malaysia. Maybank is a licensed commercial bank listed on the Main Market of Bursa Malaysia Securities Berhad.

2. BASIS OF PREPARATION

The unaudited interim condensed financial statements of the Company for the financial period ended 30 June 2022 have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting as issued by the Malaysian Accounting Standards Board ("MASB") and International Accounting Standard ("IAS") 34 Interim Financial Reporting as issued by International Accounting Standards Board ("IASB") and Guidelines/Circulars issued by Bank Negara Malaysia

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

The unaudited interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the audited annual consolidated financial statements of the Company for the financial year ended 31 December 2021.

The explanatory notes attached to the unaudited interim condensed financial statements provide an explanation of events and transactions that are significant to gain an understanding of the changes in the financial position and performance of the Company since the financial year ended 31 December 2021.

The Company has met the minimum capital requirements as prescribed by the Risk-Based Capital Framework for Takaful Operators ("RBCT Framework") issued by BNM as at the reporting date.

The unaudited interim condensed financial statements are presented in Ringgit Malaysia ("RM") and rounded to the nearest thousand ("RM'000") unless otherwise stated.

2. BASIS OF PREPARATION (CONTD.)

The unaudited interim condensed financial statements were approved for issue by the Board of Directors on 8 August 2022.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted in the unaudited condensed interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2021 except for the adoption of the following accounting amendments to Malaysian Financial Reporting Standards ("MFRSs") issued by the Malaysian Accounting Standards Board ("MASB") that are effective for the Company's financial year beginning 1 January 2022:

MFRS 116 Property, Plant and Equipment

*(Amendments to MFRS 116): Property, Plant and Equipment
- Proceeds before Intended Use*

MFRS 137 Provision, Contingent Liabilities and Contingent Assets

*(Amendments to MFRS 137): Onerous Contracts - Cost of
Fulfilling a Contract*

MFRS 3 Business Combinations

(Amendments to MFRS 3): Reference to the Conceptual Framework

Annual Improvements to MFRS Standards 2018 - 2020:

MFRS 1 First-time Adoption of MFRSs

MFRS 9 Financial Instruments

MFRS 141 Agriculture

The adoption of the above amended standards do not have any significant financial impacts to the Company's financial statements.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of unaudited interim condensed financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of income, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Although these estimates and judgements are based on management's best knowledge of current events and actions, actual results may differ.

In preparing these unaudited interim condensed financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements for the financial year ended 31 December 2021.

5. AUDITOR'S REPORT ON PRECEDING AUDITED ANNUAL FINANCIAL STATEMENTS

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

6. SEASONALITY OR CYCLICALITY OF OPERATIONS

The business of the Company was not materially affected by any seasonal or cyclical fluctuations during the interim financial period ended 30 June 2022.

However, as is common for takaful operator, surplus for family funds will only be transferred at the financial year end upon approval by the Appointed Actuary.

7. UNUSUAL ITEMS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim financial period ended 30 June 2022.

8. CHANGES IN ESTIMATES

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

9. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no issuance or repayment of debt and equity securities for the interim financial period ended 30 June 2022.

10. DIVIDENDS

A final single tier dividend of 69.28 sen per ordinary share on 100,000,000 ordinary shares amounting to RM69,280,000.00 for the financial year ended 31 December 2021 was approved by the shareholder in Annual General Meeting ("AGM") held on 23 February 2022.

11. MATERIAL EVENTS SUBSEQUENT TO END OF REPORTING PERIOD

There were no material events subsequent to the end of the reporting period that would require adjustments or disclosure in the unaudited interim condensed financial statements.

12. CHANGES IN THE COMPOSITION OF THE COMPANY

There were no changes in the composition of the Company during the interim financial period ended 30 June 2022.

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13. INVESTMENTS

	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
30.6.2022			
Malaysian government papers	130,580	473,581	604,161
Equity securities	56,023	434,481	490,504
Debt securities	2,114,905	9,910,314	12,025,219
Unit and property trust funds	-	28,359	28,359
Investment-linked units - seed money	25,659	-	-
Deposits with financial institutions	97,985	736,294	834,279
	<u>2,425,152</u>	<u>11,583,029</u>	<u>13,982,522</u>
31.12.2021			
Malaysian government papers	119,907	428,321	548,228
Equity securities	57,380	500,924	558,304
Debt securities	2,039,127	9,582,718	11,621,845
Unit and property trust funds	365	7,252	7,617
Investment-linked units - seed money	26,766	-	-
Deposits with financial institutions	288,489	1,441,872	1,730,361
	<u>2,532,034</u>	<u>11,961,087</u>	<u>14,466,355</u>

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

30.6.2022			
Fair value through profit or loss ("FVTPL"):			
- Designated upon initial recognition	872,580	5,424,971	6,297,551
- Held for trading ("HFT")	60,784	535,157	570,282
Fair value through other comprehensive income ("FVOCI")	1,393,803	4,886,607	6,280,410
Amortised cost ("AC")	97,985	736,294	834,279
	<u>2,425,152</u>	<u>11,583,029</u>	<u>13,982,522</u>
31.12.2021			
Fair value through profit or loss ("FVTPL"):			
- Designated upon initial recognition	939,959	5,414,688	6,354,647
- Held for trading ("HFT")	73,415	600,860	647,509
Fair value through other comprehensive income ("FVOCI")	1,230,171	4,503,667	5,733,838
Amortised cost ("AC")	288,489	1,441,872	1,730,361
	<u>2,532,034</u>	<u>11,961,087</u>	<u>14,466,355</u>

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13. INVESTMENTS (CONTD.)

The following investments will mature after 12 months:

	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
30.6.2022			
FVTPL			
- Designated upon initial recognition	867,499	5,128,305	5,995,804
- HFT	-	110,671	110,671
FVOCI	1,349,757	4,773,869	6,123,626
	<u>2,217,256</u>	<u>10,012,845</u>	<u>12,230,101</u>

31.12.2021

FVTPL			
- Designated upon initial recognition	924,799	5,243,739	6,168,538
- HFT	-	112,667	112,667
FVOCI	1,219,075	4,410,727	5,629,802
	<u>2,143,874</u>	<u>9,767,133</u>	<u>11,911,007</u>

(i) FVTPL

- Designated upon initial recognition

30.6.2022

At fair value:

Malaysian government papers	-	173,753	173,753
Debt securities:			
Unquoted in Malaysia	872,580	5,251,218	6,123,798
Total financial assets designated as FVTPL upon initial recognition	<u>872,580</u>	<u>5,424,971</u>	<u>6,297,551</u>

31.12.2021

At fair value:

Malaysian government papers	-	123,453	123,453
Debt securities:			
Unquoted in Malaysia	939,959	5,291,235	6,231,194
Total financial assets designated as FVTPL upon initial recognition	<u>939,959</u>	<u>5,414,688</u>	<u>6,354,647</u>

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13. INVESTMENTS (CONTD.)

	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
(i) FVTPL (contd.)			
- HFT			
30.6.2022			
<u>At fair value:</u>			
Malaysian government papers	-	12,505	12,505
Equity securities:			
Quoted in Malaysia	24,345	360,725	385,070
Quoted outside Malaysia	10,780	26,274	37,054
Debt securities:			
Unquoted in Malaysia	-	107,294	107,294
Unit and property trust funds:			
Quoted in Malaysia	-	5,059	5,059
Quoted outside Malaysia	-	23,300	23,300
Investment-linked units - seed money	25,659	-	-
Total HFT financial assets	60,784	535,157	570,282
31.12.2021			
<u>At fair value:</u>			
Malaysian government papers	-	1,507	1,507
Equity securities:			
Quoted in Malaysia	38,909	454,339	493,248
Quoted outside Malaysia	7,375	18,062	25,437
Debt securities:			
Unquoted in Malaysia	-	113,482	113,482
Unit and property trust funds:			
Quoted in Malaysia	365	7,252	7,617
Quoted outside Malaysia	-	6,218	6,218
Investment-linked units - seed money	26,766	-	-
Total HFT financial assets	73,415	600,860	647,509

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13. INVESTMENTS (CONTD.)

	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
(ii) FVOCI			
30.6.2022			
<u>At fair value:</u>			
Malaysian government papers	130,580	287,323	417,903
Debt securities:			
Unquoted in Malaysia	1,242,325	4,551,802	5,794,127
Equity securities:			
Quoted in Malaysia	20,898	47,482	68,380
Total FVOCI financial assets	<u>1,393,803</u>	<u>4,886,607</u>	<u>6,280,410</u>
31.12.2021			
<u>At fair value:</u>			
Malaysian government papers	119,907	303,361	423,268
Debt securities:			
Unquoted in Malaysia	1,099,169	4,178,002	5,277,171
Equity securities:			
Quoted in Malaysia	11,095	22,304	33,399
Total FVOCI financial assets	<u>1,230,171</u>	<u>4,503,667</u>	<u>5,733,838</u>

13. INVESTMENTS (CONTD.)

(ii) FVOCI (contd.)

Movements in the allowances for impairment losses on financial assets at FVOCI are as follows:

Shareholder's fund	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	

30.6.2022

At 1 January 2022	64	212	-	276
Net adjustment of loss allowance	(3)	(41)	-	(44)
New financial assets originated or purchased	12	91	-	103
Financial assets that have been derecognised	(1)	-	-	(1)
Allowance for impairment loss (Note 26)	8	50	-	58
At 30 June 2022	<u>72</u>	<u>262</u>	<u>-</u>	<u>334</u>

31.12.2021

At 1 January 2021	247	118	-	365
Net adjustment of loss allowance	226	17	-	243
New financial assets originated or purchased	33	-	-	33
Financial assets that have been derecognised	(8)	-	-	(8)
Changes due to change in risk parameters	(434)	77	-	(357)
Allowance for impairment loss	(183)	94	-	(89)
At 31 December 2021	<u>64</u>	<u>212</u>	<u>-</u>	<u>276</u>

13. INVESTMENTS (CONTD.)

(ii) FVOCI (contd.)

Movements in the allowances for impairment losses on financial assets at FVOCI are as follows: (contd.)

Family Takaful fund	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	

30.6.2022

At 1 January 2022	288	727	-	1,015
Net adjustment of loss allowance	(115)	(156)	-	(271)
New financial assets originated or purchased	25	349	-	374
Financial assets that have been derecognised	(1)	-	-	(1)
Changes due to change in risk parameters	(10)	10	-	-
Allowance for impairment loss (Note 26)	(101)	203	-	102
At 30 June 2022	<u>187</u>	<u>930</u>	<u>-</u>	<u>1,117</u>

31.12.2021

At 1 January 2021	1,170	432	-	1,602
Net adjustment of loss allowance	268	52	-	320
New financial assets originated or purchased	107	-	-	107
Financial assets that have been derecognised	(67)	-	-	(67)
Changes due to change in risk parameters	(1,190)	243	-	(947)
Allowance for impairment loss	(882)	295	-	(587)
At 31 December 2021	<u>288</u>	<u>727</u>	<u>-</u>	<u>1,015</u>

13. INVESTMENTS (CONTD.)

(ii) FVOCI (contd.)

Movements in the allowances for impairment losses on financial assets at FVOCI are as follows: (contd.)

Company	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	

30.6.2022

At 1 January 2022	351	940	-	1,291
Net adjustment of loss allowance	(118)	(197)	-	(315)
New financial assets originated or purchased	37	440	-	477
Financial assets that have been derecognised	(2)	-	-	(2)
Changes due to change in risk parameters	(10)	10	-	-
Allowance for impairment loss (Note 26)	(93)	253	-	160
At 30 June 2022	<u>258</u>	<u>1,193</u>	<u>-</u>	<u>1,451</u>

31.12.2021

At 1 January 2021	1,416	551	-	1,967
Net adjustment of loss allowance	494	69	-	563
New financial assets originated or purchased	140	-	-	140
Financial assets that have been derecognised	(75)	-	-	(75)
Changes due to change in risk parameters	(1,624)	320	-	(1,304)
Allowance for impairment loss	(1,065)	389	-	(676)
At 31 December 2021	<u>351</u>	<u>940</u>	<u>-</u>	<u>1,291</u>

13. INVESTMENTS (CONTD.)

(ii) FVOCI (contd.)

Movements in the allowances for impairment losses on financial assets at FVOCI are as follows: (contd.)

During the period, the Company has disposed equity securities from the FVOCI financial assets as the equity securities no longer aligned with the long term investment strategy as a high dividend yield stocks. The cumulative loss on disposal amounted to RM2,718,000.

	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
(iii) AC			
30.6.2022			
Deposits and placements with financial institutions			
Islamic investment accounts with:			
Licensed financial institutions	96,850	625,573	722,423
Other licensed financial institutions	1,135	110,721	111,856
Total AC financial assets	97,985	736,294	834,279
31.12.2021			
Deposits and placements with financial institutions			
Islamic investment accounts with:			
Licensed financial institutions	286,067	1,207,454	1,493,521
Other licensed financial institutions	2,422	234,418	236,840
Total AC financial assets	288,489	1,441,872	1,730,361

The carrying amounts of financial assets classified as AC are reasonable approximations of fair values due to the short term maturity of the financial assets.

Fair Value of Financial Investments

An analysis of the different fair value measurement bases used in the determination of the fair values of investments are further disclosed in Note 34 to the unaudited interim condensed financial statements.

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14. RETAKAFUL ASSETS

	30.6.2022	31.12.2021
	RM'000	RM'000
Family Takaful fund/Company		
Retakaful operators' share of takaful certificate liabilities (Note 20):		
Claims liabilities	37,634	34,183
Actuarial liabilities	151,372	173,217
Total retakaful assets	<u>189,006</u>	<u>207,400</u>

15. TAKAFUL RECEIVABLES

	30.6.2022	31.12.2021
	RM'000	RM'000
Family Takaful fund/Company		
Due contributions including agents/brokers, cedants and co-takaful balances	201,435	137,470
Due from retakaful operators	7,684	12,300
	<u>209,119</u>	<u>149,770</u>
Allowance for impairment losses	(2,212)	(1,820)
	<u>206,907</u>	<u>147,950</u>

Movements in the allowances for impairment losses on takaful receivables are as

Family Takaful fund/Company	Not credit impaired RM'000	Credit impaired RM'000	Total RM'000
<u>Gross carrying amount</u>			
At 1 January 2021	122,322	27,395	149,717
Increase/(decrease)	(21,038)	21,091	53
At 31 December 2021 / At 1 January 2022	<u>101,284</u>	<u>48,486</u>	<u>149,770</u>
Increase	50,646	8,703	59,349
At 30 June 2022	<u>151,930</u>	<u>57,189</u>	<u>209,119</u>
<u>Lifetime ECL</u>			
At 1 January 2021	870	8,752	9,622
Decrease	(207)	(7,595)	(7,802)
At 31 December 2021 / At 1 January 2022	<u>663</u>	<u>1,157</u>	<u>1,820</u>
Increase	263	129	392
At 30 June 2022	<u>926</u>	<u>1,286</u>	<u>2,212</u>

The carrying amounts are reasonable approximations of fair values at the reporting date due to the relatively short-term maturity of these balances.

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16. OTHER ASSETS

	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
30.6.2022			
Sundry receivables, deposits and prepayments	9,510	617	10,127
Allowance for impairment losses	(2,501)	(507)	(3,008)
	<u>7,009</u>	<u>110</u>	<u>7,119</u>
Income and profits due and accrued Amount due from related companies	29,387	135,504	164,891
- other related companies	14	-	14
Amounts due from Family Takaful fund *	14,709	-	-
Amounts due from stockbrokers	218	749	967
	<u>44,328</u>	<u>136,253</u>	<u>165,872</u>
Total other assets	<u>51,337</u>	<u>136,363</u>	<u>172,991</u>
31.12.2021			
Sundry receivables, deposits and prepayments	6,585	614	7,199
Allowance for impairment losses	(2,490)	(507)	(2,997)
	<u>4,095</u>	<u>107</u>	<u>4,202</u>
Income and profits due and accrued Amount due from related companies	27,835	129,267	157,102
- other related companies	4,942	-	4,942
Amounts due from Family Takaful fund *	103,686	-	-
Amounts due from stockbrokers	2,352	23,468	25,820
	<u>138,815</u>	<u>152,735</u>	<u>187,864</u>
Total other assets	<u>142,910</u>	<u>152,842</u>	<u>192,066</u>

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16. OTHER ASSETS (CONTD.)

Movements in the allowances for impairment losses on other assets are as follows:

Shareholder's fund	Not credit impaired RM'000	Credit impaired RM'000	Total ** RM'000
<u>Gross carrying amount</u>			
At 1 January 2021	181,583	5,962	187,545
Decrease	(40,986)	(1,630)	(42,616)
At 31 December 2021 / At 1 January 2022	140,597	4,332	144,929
Increase/(decrease)	(92,032)	511	(91,521)
At 30 June 2022	48,565	4,843	53,408
<u>Lifetime ECL</u>			
At 1 January 2021	-	2,473	2,473
Increase	-	17	17
At 31 December 2021 / At 1 January 2022	-	2,490	2,490
Increase	-	11	11
At 30 June 2022	-	2,501	2,501
Family Takaful fund			
	Not credit impaired RM'000	Credit impaired RM'000	Total ** RM'000
<u>Gross carrying amount</u>			
At 1 January 2021	118,430	507	118,937
Increase	34,412	-	34,412
At 31 December 2021 / At 1 January 2022	152,842	507	153,349
Decrease	(16,482)	-	(16,482)
At 30 June 2022	136,360	507	136,867
<u>Lifetime ECL</u>			
At 1 January 2021	-	507	507
Increase/(decrease)	-	-	-
At 31 December 2021 / At 1 January 2022	-	507	507
Increase/(decrease)	-	-	-
At 30 June 2022	-	507	507

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16. OTHER ASSETS (CONTD.)

Movements in the allowances for impairment losses on other assets are as follows:

Company	Not credit impaired RM'000	Credit impaired RM'000	Total ** RM'000
<u>Gross carrying amount</u>			
At 1 January 2021	154,696	6,469	161,165
Increase/(decrease)	35,057	(1,630)	33,427
At 31 December 2021 / At 1 January 2022	189,753	4,839	194,592
Increase/(decrease)	(19,423)	511	(18,912)
At 30 June 2022	170,330	5,350	175,680
<u>Lifetime ECL</u>			
At 1 January 2021	-	2,980	2,980
Increase	-	17	17
At 31 December 2021 / At 1 January 2022	-	2,997	2,997
Increase	-	11	11
At 30 June 2022	-	3,008	3,008

* Amount due from immediate holding company, other related companies and amount due from Family Takaful fund are non-trade in nature, unsecured, not subject to any profit elements and are repayable in the short-term.

** Movement for impairment losses for other assets is net of prepayments, deposits and service tax recoverable.

The carrying amounts (other than prepayments) are reasonable approximations of fair values due to the relatively short-term maturity of these balances.

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17. CURRENT TAX ASSETS

	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
30.6.2022			
Current tax assets	79,675	-	79,675
31.12.2021			
Current tax assets	82,053	-	82,053

The Inland Revenue Board of Malaysia (“IRBM”) has raised additional assessments to the Company for Years of Assessment (“YA”) 2008 to 2015, totalling RM79,294,000, of which additional assessment for YA2015 of RM1,479,000 was raised on 31 December 2020 and for YA2014 of RM2,120,000 was raised on 30 December 2019. These additional assessments were in respect of the businesses of the Company prior to the conversion of the composite takaful licence to a family takaful licence, which was effected on 28 December 2017.

The Company has made full settlement of the additional assessments raised by the IRBM as and when they arose, and subsequently, submitted Notices of Appeal by filing the required Forms Q with the Special Commissioner of Income Tax (“SCIT”). The Company had decided to pursue these appeals after obtaining the relevant opinions from its legal counsel, which was premised on the fact that the bases used to raise the additional assessments are not equitable. The specific issues raised and corresponding additional tax assessments issued are as summarised below:

- (a) Deductibility of commission expenses incurred by the Shareholder's fund (“SHF”) in connection with General Takaful fund (“GTF”) for YA2008 to YA2013 amounting to RM72,858,000.

The SCIT had heard witnesses' evidence from both parties on 27 July 2020, 11 August 2020 and 14 September 2020. The parties have filed in their respective written submissions and the oral submission was heard on 5 February 2021. The SCIT had on 19 February 2021 rejected the Company's appeal. Based on legal advice, the Company has a good case to appeal and the hearing is scheduled at High Court on 25 July 2022 against the decision of the SCIT on the grounds that the SCIT had erred in its ruling.

- (b) Deeming of surplus earned on retakaful ceded for Family Takaful fund's business as incidental income of the Company under Section 60AA(13) of the Income Tax Act, 1967 (YA2014 to YA2015), amounting to RM3,186,000.

17. CURRENT TAX ASSETS (CONTD.)

The Ministry of Finance ("MOF") has issued pronouncement on 25 February 2022 in response to letter of application submitted by Persatuan Insurans Hayat Malaysia ("LIAM") dated 7 December 2020, concluded that the profit commission earned on retakaful ceded for family takaful business should not be treated under incidental income of the Company under Section 60AA(13) of the Income Tax Act, 1967, hence not subject to tax. The same letter was copied to Malaysia Takaful Association ("MTA"). The industry is awaiting decision by IRBM.

- (c) The SCIT has on 19 February 2021, conceded on the appeals for exemption of wakalah fees and on the deductibility of the interest paid on judgment. These, together with other minor issues, amounted to RM3,250,000.
- (d) The Director General of Inland Revenue ("DGIR") has issued a Notice of Additional Assessment ("JA") dated 28 October 2021 amounting RM380,704 being additional tax payable for the YA2016 deeming surplus earned on retakaful ceded and processing fee income for the Family Takaful fund's business as incidental income of the Company under Section 60AA(13) of the Income Tax Act, 1967.

Based on legal advice, the Company is of the view that it has strong justifications for the appeals and continues to treat the additional assessments paid as current tax assets in the financial statements.

18. RESERVES

Shareholder's fund/Company	Note	30.6.2022 RM'000	31.12.2021 RM'000
Non-distributable:			
FVOCI reserve	(i)	(64,536)	(12,289)
Distributable:			
Retained profits	(ii)	2,078,776	2,131,385
		2,014,240	2,119,096

- (i) The FVOCI reserve arose from changes in the fair value of investments classified as financial assets at FVOCI.
- (ii) The entire distributable retained profits may be distributed to the shareholder under the single-tier system.

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19. PARTICIPANTS' FUND

Family Takaful fund/Company	Note	30.6.2022 RM'000	31.12.2021 RM'000
Accumulated surplus	(i)	2,061,625	1,966,443
Surplus attributable to the participants	(ii)	222,391	222,391
FVOCI reserve	(iii)	(246,670)	44,966
		<u>2,037,346</u>	<u>2,233,800</u>
 (i) Accumulated surplus			
At 1 January		1,966,443	1,912,737
Surplus arising during the period/year		120,119	153,889
Surplus attributable to the participants during the period/year		-	(87,366)
Reclassification upon disposals of equity securities from FVOCI reserves		(1,813)	-
Surplus paid to the participants during the period/year		(7,747)	(16,734)
Withholding tax borne by the participants		(15,377)	3,917
At 30 June/At 31 December		<u>2,061,625</u>	<u>1,966,443</u>
 (ii) Surplus attributable to the participants			
At 1 January		222,391	336,526
Surplus attributable to the participants during the period/year		-	87,366
Clawback of prior year's surplus		-	-
Transfer to takaful certificate liabilities (Note (ii))		-	(201,501)
At 30 June/At 31 December		<u>222,391</u>	<u>222,391</u>
 (iii) FVOCI reserve			
At 1 January		44,966	184,149
Fair value changes		(315,929)	(145,464)
Realised loss transferred to income statement		(69)	(3,714)
Reclassification upon disposals of equity securities to accumulated surplus		1,813	-
Deferred tax on fair value changes (Note 31)		22,549	9,995
At 30 June/At 31 December		<u>(246,670)</u>	<u>44,966</u>

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20. TAKAFUL CERTIFICATE LIABILITIES

Family Takaful fund/Company	Gross RM'000	Retakaful assets RM'000 (Note 14)	Net RM'000
30.6.2022			
Family Takaful fund	9,685,967	(189,006)	9,496,961
Less: Seed money elimination Company	<u>(20,000)</u>	<u>-</u>	<u>(20,000)</u>
	<u>9,665,967</u>	<u>(189,006)</u>	<u>9,476,961</u>
31.12.2021			
Family Takaful fund	9,745,994	(207,400)	9,538,594
Less: Seed money elimination Company	<u>(20,000)</u>	<u>-</u>	<u>(20,000)</u>
	<u>9,725,994</u>	<u>(207,400)</u>	<u>9,518,594</u>

(i) The Family Takaful certificate liabilities and its movements are further analysed as follows:

	Gross RM'000	Retakaful assets RM'000 (Note 14)	Net RM'000
30.6.2022			
Claims liabilities (Note (ii))	212,748	(37,634)	175,114
Actuarial liabilities (Note (ii))	9,204,610	(151,372)	9,053,238
NAV attributable to unit holders (Note (ii))	<u>268,609</u>	<u>-</u>	<u>268,609</u>
	<u>9,685,967</u>	<u>(189,006)</u>	<u>9,496,961</u>
31.12.2021			
Claims liabilities (Note (ii))	218,182	(34,183)	183,999
Actuarial liabilities (Note (ii))	9,266,771	(173,217)	9,093,554
NAV attributable to unit holders (Note (ii))	<u>261,041</u>	<u>-</u>	<u>261,041</u>
	<u>9,745,994</u>	<u>(207,400)</u>	<u>9,538,594</u>

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20. TAKAFUL CERTIFICATE LIABILITIES (CONTD.)

Family Takaful fund/Company (contd.)

(ii) The movements of the Family Takaful certificate liabilities are as follows:

	Claims Liabilities RM'000	Actuarial Liabilities RM'000	NAV Attributable to the Unit holders RM'000	Gross Liabilities RM'000	Retakaful Assets RM'000 (Note 14)	Net Liabilities RM'000
30.6.2022						
At 1 January 2022	218,182	9,266,771	261,041	9,745,994	(207,400)	9,538,594
Net earned contributions	-	-	62,902	62,902	-	62,902
Other revenue	-	-	3,983	3,983	-	3,983
Claims intimated during the period	655,687	-	-	655,687	(44,492)	611,195
Claims paid during the period	(661,121)	-	(35,274)	(696,395)	41,041	(655,354)
Other expenses	-	-	(25,833)	(25,833)	-	(25,833)
Taxation	-	-	1,790	1,790	-	1,790
Increase in certificate reserves	-	(62,161)	-	(62,161)	21,845	(40,316)
At 30 June 2022	<u>212,748</u>	<u>9,204,610</u>	<u>268,609</u>	<u>9,685,967</u>	<u>(189,006)</u>	<u>9,496,961</u>

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20. TAKAFUL CERTIFICATE LIABILITIES (CONTD.)

Family Takaful fund/Company (contd.)

(ii) The movements of the Family Takaful certificate liabilities are as follows (contd.):

	Claims Liabilities RM'000	Actuarial Liabilities RM'000	NAV Attributable to the Unit holders RM'000	Gross Liabilities RM'000	Retakaful Assets RM'000 (Note 14)	Net Liabilities RM'000
31.12.2021						
At 1 January 2021	162,671	9,132,068	222,045	9,516,784	(162,030)	9,354,754
Net earned contributions	-	-	113,014	113,014	-	113,014
Other revenue	-	-	7,722	7,722	-	7,722
Claims intimated during the year	1,272,127	-	-	1,272,127	(91,039)	1,181,088
Claims paid during the year	(1,216,616)	-	(64,236)	(1,280,852)	80,824	(1,200,028)
Other expenses	-	-	(18,451)	(18,451)	-	(18,451)
Taxation	-	-	947	947	-	947
Increase in certificate reserves	-	(66,306)	-	(66,306)	(35,155)	(101,461)
Clawback of prior year's surplus	-	(492)	-	(492)	-	(492)
Transfer from participant's fund (Note 19 (ii))	-	201,501	-	201,501	-	201,501
At 31 December 2021	<u>218,182</u>	<u>9,266,771</u>	<u>261,041</u>	<u>9,745,994</u>	<u>(207,400)</u>	<u>9,538,594</u>

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21. EXPENSE LIABILITIES

	30.6.2022	31.12.2021
	RM'000	RM'000
Shareholder's fund/Company		
At 1 January	533,451	572,186
Movement in unexpired expense reserves ("UER")	(27,327)	(38,735)
At 30 June/At 31 December	<u>506,124</u>	<u>533,451</u>

22. TAKAFUL PAYABLES

	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
30.6.2022			
Amounts due to agents and intermediaries	4,891	26,488	31,379
Amounts due to retakaful operators	-	23,487	23,487
	<u>4,891</u>	<u>49,975</u>	<u>54,866</u>
31.12.2021			
Amounts due to agents and intermediaries	5,390	20,567	25,957
Amounts due to retakaful operators	-	4,084	4,084
	<u>5,390</u>	<u>24,651</u>	<u>30,041</u>

The carrying amounts are reasonable approximations of fair values at the reporting date due to the relatively short-term maturity of these balances.

23. OTHER LIABILITIES

	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
30.6.2022			
Contribution deposits	-	67,224	67,224
Lease liabilities	182	-	182
Provision for restoration/dismantling costs	75	-	75
Amounts due to Shareholder's fund*	-	14,709	-
Amount due to stockbrokers	64	2,228	2,292
Unclaimed monies	-	185,240	185,240
Service tax payable	-	12,535	12,535
Surplus payable to participants	-	9,488	9,488
Withholding tax payable	-	26,687	26,687
Total other liabilities carried forward	<u>321</u>	<u>318,111</u>	<u>303,723</u>

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23. OTHER LIABILITIES (CONTD.)

	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
30.6.2022 (contd.)			
Total other liabilities brought forward	321	318,111	303,723
Amount due to related companies* (Note 35 (ii)):			
- ultimate holding company*	7,566	-	7,566
- immediate and penultimate holding companies*	1,495	-	1,495
- other related companies*	4,250	12	4,262
Zakat payable	7,873	-	7,873
Provisions for expenses	33,553	-	33,553
Sundry payables and accrued liabilities	10,919	119,615	130,534
Total Other Liabilities	65,977	437,738	489,006
31.12.2021			
Contribution deposits	-	53,689	53,689
Lease liabilities	266	-	266
Provision for restoration/dismantling costs	75	-	75
Amounts due to Shareholder's fund*	-	103,686	-
Amount due to stockbrokers	80	187	267
Unclaimed monies	-	174,555	174,555
Service tax payable	-	11,407	11,407
Surplus payable to Investment Linked Participants' Investment fund ("IL PIF")	-	4,387	4,387
Surplus payable to the participants	-	5,191	5,191
Withholding tax payable	-	11,307	11,307
Amount due to related companies* (Note 35 (ii)):			
- ultimate holding company*	6,760	-	6,760
- immediate and penultimate holding company*	3,148	-	3,148
- other related companies*	6,044	221	6,265
Zakat payable	13,326	-	13,326
Provisions for expenses	30,216	-	30,216
Sundry payables and accrued liabilities	64,847	140,164	205,011
Total Other Liabilities	124,762	504,794	525,870

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23. OTHER LIABILITIES (CONTD.)

- * Amounts due to holding company, penultimate holding company, immediate holding company, other related companies and Shareholder's fund are non-trade in nature, unsecured, not subject to any profit elements and are repayable in the short term. The amounts payable are subject to settlement terms stipulated in the takaful certificates.

The carrying amounts of financial liabilities are reasonable approximations of fair values at the reporting date due to the relatively short-term maturity of these balances.

24. FEE AND COMMISSION INCOME

	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
1.1.2022 to 30.6.2022			
Wakalah fee income	213,372	-	-
Profit commission	-	419	419
Others	105	-	105
Total fee and commission income	213,477	419	524
1.1.2021 to 30.6.2021			
Wakalah fee income	175,118	-	-
Profit commission	-	1,010	1,010
Others	81	-	81
Total fee and commission income	175,199	1,010	1,091

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25. INVESTMENT INCOME

	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
1.1.2022 to 30.6.2022			
Financial assets at FVTPL:			
- Designated upon initial recognition			
Profit income	22,719	130,813	153,532
- HFT			
Profit income	-	2,690	2,690
Dividend income:			
Equity securities			
Quoted in Malaysia	432	5,822	6,254
Quoted outside Malaysia	75	185	260
Unit and property trust funds	-	159	159
Financial assets at FVOCI:			
Profit income	29,577	109,657	139,234
Dividend income:			
Equity securities			
Quoted in Malaysia	792	1,804	2,596
Financial assets at AC:			
Profit income	1,744	10,368	12,112
Profit income from financing receivables	110	-	110
Rental income	27	-	27
Net amortisation of premiums	(2,377)	(8,884)	(11,261)
Investment related expenses	(637)	(1,143)	(1,780)
Total investment income, net	52,462	251,471	303,933

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25. INVESTMENT INCOME (CONTD.)

	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
1.1.2021 to 30.6.2021			
Financial assets at FVTPL:			
- Designated upon initial recognition			
Profit income	25,498	130,368	155,866
- HFT			
Profit income	-	2,175	2,175
Dividend income:			
Equity securities			
Quoted in Malaysia	1,291	9,543	10,834
Quoted outside Malaysia	25	80	105
Unit and property trust funds	39	285	324
Financial assets at FVOCI:			
Profit income	20,099	79,543	99,642
Dividend income:			
Equity securities			
Quoted in Malaysia	639	1,271	1,910
Financial assets at AC:			
Profit income	2,792	19,339	22,131
Profit income from financing receivables	133	-	133
Rental income	27	-	27
Net amortisation of premiums	(2,496)	(7,726)	(10,222)
Investment related expenses	(674)	(1,048)	(1,722)
Total investment income, net	47,373	233,830	281,203

26. OTHER OPERATING (EXPENSES)/INCOME, NET

	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
1.1.2022 to 30.6.2022			
(i) Revenue from contracts with customers			
Third party administration fee ("TPA")	513	-	513
(ii) Other revenue			
Surrender charges	88	-	88
Allowance for impairment losses on :			
- financing receivables	(240)	-	(240)
- investments	(58)	(102)	(160)
- takaful receivables	-	(392)	(392)
- other assets	(11)	-	(11)
Gain/(loss) on foreign exchange:			
- realised	(76)	(843)	(919)
- unrealised	43	1,240	1,283
Takaful receivables written off	-	(20)	(20)
Sundry income/(expenditure)	(1,086)	1,302	216
Pandemic Medical Costs	966	-	966
Total other revenue/(expenses)	<u>(374)</u>	<u>1,185</u>	<u>811</u>
Total other operating income, net	<u>139</u>	<u>1,185</u>	<u>1,324</u>
1.1.2021 to 30.6.2021			
(i) Revenue from contracts with customers			
Third party administration fee ("TPA")	341	-	341
(ii) Other revenue			
Surrender charges	30	-	30
Reversal of / (allowance for) impairment losses on			
- investments	(169)	(235)	(404)
- takaful receivables	-	7,945	7,945
Gain/(loss) on foreign exchange:			
- realised	(56)	(475)	(531)
- unrealised	(60)	652	592
Sundry income/(expenditure)	(694)	807	113
Total other revenue/(expenses)	<u>(949)</u>	<u>8,694</u>	<u>7,745</u>
Total other operating income / (expenses), net	<u>(608)</u>	<u>8,694</u>	<u>8,086</u>

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27. MANAGEMENT EXPENSES

	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
1.1.2022 to 30.6.2022			
Employee benefits expenses (Note (a))	42,195	9,014	51,209
Directors' remuneration (Note 28)	490	-	490
Shariah Committee remuneration (Note 29)	176	-	176
Auditors' remuneration:			
- statutory audits	238	7	245
- regulatory services	7	-	7
Depreciation of property, plant and equipment	60	-	60
ROU expenses:			
- depreciation	84	-	84
- profit on lease liability	6	-	6
Amortisation of intangible assets	658	-	658
Bank and financing charges	1,843	1	1,844
Electronic data processing expenses	3,520	682	4,202
Entertainment expenses	69	-	69
Legal fees	46	-	46
Information technology outsourcing	4,496	873	5,369
Office facilities expenses	159	34	193
Other management fees	1,579	152	1,731
Postage and stamp duties	570	20	590
Printing and stationery	590	20	610
Professional fees	233	47	280
Promotional and marketing cost	30,374	-	30,374
Rental of offices/premises	2,440	538	2,978
Training expenses	279	16	295
Travelling expenses	118	10	128
Utilities, assessment and maintenance	3,102	394	3,496
Other expenses	8,482	962	9,444
Total management expenses	101,814	12,770	114,584

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27. MANAGEMENT EXPENSES (CONTD.)

	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
1.1.2021 to 30.6.2021			
Employee benefits expenses (Note (a))	42,080	7,569	49,649
Directors' remuneration (Note 28)	465	-	465
Shariah Committee remuneration (Note 29)	120	-	120
Auditors' remuneration:			
- statutory audits	192	5	197
- regulatory services	7	-	7
- other services	6	-	6
Depreciation of property, plant and equipment	45	10	55
ROU expenses:			
- depreciation	88	17	105
- profit on lease liability	10	2	12
Amortisation of intangible assets	432	100	532
Bank and financing charges	1,970	2	1,972
Electronic data processing expenses	3,224	626	3,850
Entertainment expenses	44	1	45
Legal fees	69	-	69
Information technology outsourcing	2,817	547	3,364
Office facilities expenses	286	59	345
Other management fees	109	3	112
Postage and stamp duties	674	18	692
Printing and stationery	678	28	706
Professional fees	215	34	249
Promotional and marketing cost	21,878	-	21,878
Rental of offices/premises	2,321	483	2,804
Training expenses	437	25	462
Travelling expenses	71	9	80
Utilities, assessment and maintenance	1,859	181	2,040
Other expenses	5,618	390	6,008
Total management expenses	85,715	10,109	95,824

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27. MANAGEMENT EXPENSES (CONTD.)

	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
(a) Employee benefits expenses			
1.1.2022 to 30.6.2022			
Wages, salaries and bonuses	31,971	6,892	38,863
Employees' Provident Fund ("EPF")	4,955	1,085	6,040
Social Security Organisation ("SOCSO")	230	35	265
Employee's Share Grant Plan ("ESGP")	-	-	-
Other benefits	5,039	1,002	6,041
	<u>42,195</u>	<u>9,014</u>	<u>51,209</u>
1.1.2021 to 30.6.2021			
Wages, salaries and bonuses	32,455	5,863	38,318
EPF	5,008	699	5,707
SOCISO	230	38	268
ESGP	1,099	276	1,375
Other benefits	3,288	693	3,981
	<u>42,080</u>	<u>7,569</u>	<u>49,649</u>

(b) The details of the Chief Executive Officer ("CEO") remuneration during the financial period are as follows:

	1.1.2022 to 30.6.2022 RM'000	1.1.2021 to 30.6.2021 RM'000
Shareholder's fund/Company		
Salaries	397	360
Bonus	300	241
EPF	115	100
ESGP	-	92
Other emoluments	41	30
	<u>853</u>	<u>823</u>

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28. DIRECTORS' REMUNERATION

	1.1.2022	1.1.2021
	to	to
	30.6.2022	30.6.2021
	RM'000	RM'000
Shareholder's fund/Company		
Non-executive directors:		
Fees	390	385
Other emoluments	100	80
Total directors' fees and remuneration	<u>490</u>	<u>465</u>

The details of the remuneration of the directors of the Company are as follows:

	Fees	Other	Total
	RM'000	Emoluments	RM'000
	RM'000	RM'000	RM'000
1.1.2022 to 30.6.2022			
Non-executive directors:			
Dato' Majid bin Mohamad (Chairman)	90	23	113
Dato' Johan bin Ariffin	60	12	72
Mr. Andrew King Sun Cheung	60	14	74
Mr. Wong Pakshong Kat Jeong			
Colin Stewart	60	14	74
Prof Dr. Azman bin Mohd Noor	60	16	76
Encik Mohd Din bin Merican	60	21	81
Total director's fees and remuneration	<u>390</u>	<u>100</u>	<u>490</u>
1.1.2021 to 30.6.2021			
Non-executive directors:			
Dato' Majid bin Mohamad (Chairman)	90	14	104
Dato' Johan bin Ariffin	60	12	72
Mr. Andrew King Sun Cheung	60	14	74
Mr. Wong Pakshong Kat Jeong			
Colin Stewart	60	14	74
Prof Dr. Azman bin Mohd Noor	60	12	72
Encik Mohd Din bin Merican			
(Appointed w.e.f 15 February 2021)	55	14	69
Total director's fees and remuneration	<u>385</u>	<u>80</u>	<u>465</u>

29. SHARIAH COMMITTEE'S REMUNERATION

	1.1.2022 to 30.6.2022 RM'000	1.1.2021 to 30.6.2021 RM'000
Shareholder's fund/Company		
Fees	84	80
Other emoluments	92	40
Total shariah committee's remuneration	176	120

The total remuneration of the Shariah Committee of the Company are as follows:

	Fees RM'000	Other Emoluments RM'000	Total RM'000
1.1.2022 to 30.6.2022			
Shariah committee:			
Assoc Prof Dr. Aznan bin Hasan (Chairman)	17	15	32
Prof Dr. Rusni binti Hassan	14	15	29
Prof Dr. Abdul Rahim bin Abdul Rahman	14	15	29
Prof Dato' Dr. Mohd Azmi bin Omar	13	16	29
Assoc Prof Dr. Azman bin Mohd Noor	13	16	29
Sahibus Samahah Assoc Prof Dr. Mohamad Sabri Haron (Appointed w.e.f 1 January 2022)	13	15	28
Total shariah committee's remuneration	84	92	176
1.1.2021 to 30.6.2021			
Shariah committee:			
Assoc Prof Dr. Aznan bin Hasan (Chairman)	17	7	24
Dr. Sarip Bin Abdul (Ceased as member 31 May 2021)	11	5	16
Prof Dr. Rusni binti Hassan	13	7	20
Prof Dr. Abdul Rahim bin Abdul Rahman	13	7	20
Prof Dato' Dr. Mohd Azmi bin Omar	13	7	20
Assoc Prof Dr. Azman bin Mohd Noor	13	7	20
Total shariah committee's remuneration	80	40	120

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30. FEE AND COMMISSION EXPENSES

	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
1.1.2022 to 30.6.2022			
Commission expense	81,801	345	82,146
Wakalah fee expense	-	213,372	-
Total fee and commission expenses	81,801	213,717	82,146
1.1.2021 to 30.6.2021			
Commission expense	70,216	307	70,523
Wakalah fee expense	-	175,118	-
Total fee and commission expenses	70,216	175,425	70,523

31. TAXATION

Major components of income tax expense

The major components of income tax expense for the financial period ended 30 June 2022 and 30 June 2021 are as follows :

Shareholder's fund/Company	1.1.2022 to 30.6.2022 RM'000	1.1.2021 to 30.6.2021 RM'000
<u>Income Statement</u>		
Income tax:		
Tax expense for the financial period	44,614	28,677
Reversal of prior year tax provision	-	(16,253)
Deferred taxation:		
Relating to origination and reversal of temporary differences	(9,012)	(14,626)
Income tax expense recognised in Income Statement	35,602	(2,202)

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31. TAXATION (CONTD.)

Reconciliation between tax expense and accounting profit

The reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Company are as follows:

	1.1.2022	1.1.2021
	to	to
	30.6.2022	30.6.2021
Shareholder's fund/Company	RM'000	RM'000
Profit before taxation	<u>54,742</u>	<u>37,332</u>
Taxation at Malaysian statutory tax rate of 24%	13,138	8,960
Income not subject to tax	(499)	(42,761)
Expenses not deductible for tax purposes	24,975	47,852
Effect of weighted average tax rate on deferred tax	(2,012)	-
Reversal of prior year tax provision	<u>-</u>	<u>(16,253)</u>
Tax expense for the financial period	<u>35,602</u>	<u>(2,202)</u>

The domestic income tax for Shareholder's fund are calculated at the Malaysian statutory tax rate of 24% (2021: 24%) of the estimated assessable profit for the financial

Taxation borne by the participants

	1.1.2022	1.1.2021
	to	to
	30.6.2022	30.6.2021
Family Takaful fund/Company	RM'000	RM'000

Income Statement

Income tax:		
Tax expense for the financial period	78	381
Reversal of prior year tax provision	-	20,416
Deferred taxation:		
Relating to origination and reversal of temporary differences	(27,496)	(24,325)
Taxation borne by the participants recognised in Income Statement	<u>(27,418)</u>	<u>(3,528)</u>

The income tax for Family Takaful fund is calculated on the statutory rate of 8% (2021: 8%) of the estimated assessable investment income net of allowable deductions for the financial period.

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31. TAXATION (CONTD.)

Statement of Comprehensive Income

	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
1.1.2022 to 30.6.2022			
Deferred taxation:			
Fair value changes on financial assets at FVOCI			
- debt securities	(22,132)	(22,409)	(44,541)
- equity securities	(259)	(140)	(399)
	<u>(22,391)</u>	<u>(22,549)</u>	<u>(44,940)</u>
1.1.2021 to 30.6.2021			
Deferred taxation:			
Fair value changes on financial assets at FVOCI			
- debt securities	(9,476)	(8,568)	(18,044)
- equity securities	(451)	(240)	(691)
	<u>(9,927)</u>	<u>(8,808)</u>	<u>(18,735)</u>

32. EARNINGS PER SHARE

Basic and diluted earnings per share ("EPS") is calculated by dividing the profit for the financial period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial period.

	1.1.2022 to 30.6.2022	1.1.2021 to 30.6.2021
Profit attributable to ordinary equity holders (RM'000)	<u>17,150</u>	<u>36,133</u>
Weighted average number of ordinary shares in issue (units '000)	<u>100,000</u>	<u>100,000</u>
Basic and diluted earnings per share (sen)	<u>17.15</u>	<u>36.13</u>

There have been no other transactions involving ordinary shares between the reporting date and date of completion of these unaudited interim condensed financial statements.

33. OTHER COMMITMENTS AND CONTINGENCIES

Shareholder's fund	30.06.2022	31.12.2021
	RM'000	RM'000
Approved and contracted for:		
Property, plant and equipment	128	-
Intangible assets	335	-
	<u>335</u>	<u>-</u>

34. FAIR VALUES MEASUREMENTS

The Company classifies its financial instruments measured at fair value according to the Fair Value hierarchy.

The levels of the fair value hierarchy as defined by the MFRS are an indication of the observability of prices or valuation input. It can be classified by the following hierarchies/levels:

- Level 1 : Active Market – quoted price

Refers to financial instruments which are regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. Such financial instruments include actively traded government securities, listed derivatives and cash products traded on an exchange.

- Level 2 : No Active Market – Valuation techniques using observable input

Refers to inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

Examples of Level 2 financial instruments include corporate and other government bonds, less liquid equities and over-the-counter ("OTC") derivatives.

- Level 3 : No Active Market – Valuation techniques using unobservable input

Refers to financial instruments where fair values are measured using unobservable market inputs. The valuation technique is consistent with Level 2. The chosen valuation technique incorporates management's assumptions and data.

Examples of Level 3 instruments include corporate bonds in illiquid markets and private equity investments.

34. FAIR VALUES MEASUREMENTS (CONTD.)

(a) Fair value measurements and classification within the fair value hierarchy

Shareholder's fund

	Fair value measurement using:		Total RM'000
	Level 1 Quoted market prices RM'000	Level 2 Significant Observable inputs RM'000	
30.6.2022			
Financial assets at FVTPL			
(i) Designated upon initial recognition			
Debt securities	-	872,580	872,580
(ii) HFT			
Equity securities	35,125	-	35,125
Unit and property trust funds	-	-	-
Investment-linked units - seed money	25,659	-	25,659
Financial assets at FVOCI			
Malaysian government papers	-	130,580	130,580
Unit and property trust funds	20,898	-	20,898
Debt securities	-	1,242,325	1,242,325
Total assets	81,682	2,245,485	2,327,167

34. FAIR VALUES MEASUREMENTS (CONTD.)

(a) Fair value measurements and classification within the fair value hierarchy
(contd.)

Shareholder's fund (contd.)

	Fair value measurement using:		Total RM'000
	Level 1 Quoted price in active markets RM'000	Level 2 Significant observable inputs RM'000	
31.12.2021			
Financial assets at FVTPL			
(i) Designated upon initial recognition			
Debt securities	-	939,959	939,959
(ii) HFT			
Equity securities	46,284	-	46,284
Unit and property trust funds	365	-	365
Investment-linked units - seed money	26,766	-	26,766
Financial assets at FVOCI			
Malaysian government papers	-	119,907	119,907
Unit and property trust funds	11,095	-	11,095
Debt securities	-	1,099,169	1,099,169
Total assets	84,510	2,159,035	2,243,545

34. FAIR VALUES MEASUREMENTS (CONTD.)

(a) Fair value measurements and classification within the fair value hierarchy
(contd.)

Family Takaful fund

	Fair value measurement using:		Total RM'000
	Level 1 Quoted market prices RM'000	Level 2 Significant Observable inputs RM'000	
30.6.2022			
Financial assets at FVTPL			
(i) Designated upon initial recognition			
Malaysian government papers	-	173,753	173,753
Debt securities	-	5,251,218	5,251,218
(ii) HFT			
Malaysian government papers	-	107,294	107,294
Equity securities	-	12,505	12,505
Unit and property trust funds	28,359	-	28,359
Debt securities	386,999	-	386,999
Financial assets at FVOCI			
Malaysian government papers	-	287,323	287,323
Equity securities	47,482	-	47,482
Debt securities	-	4,551,802	4,551,802
Total assets	462,840	10,383,895	10,846,735

34. FAIR VALUES MEASUREMENTS (CONTD.)

(a) Fair value measurements and classification within the fair value hierarchy
(contd.)

Family Takaful fund (contd.)

	Fair value measurement using:		Total RM'000
	Level 1 Quoted price in active markets RM'000	Level 2 Significant observable inputs RM'000	
31.12.2021			
Financial assets at FVTPL			
(i) Designated upon initial recognition			
Malaysian government papers	-	123,453	123,453
Debt securities	-	5,291,235	5,291,235
(ii) HFT			
Malaysian government papers	-	1,507	1,507
Equity securities	472,401	-	472,401
Unit and property trust funds	13,470	-	13,470
Debt securities	-	113,482	113,482
Financial assets at FVOCI			
Malaysian government papers	-	303,361	303,361
Equity securities	22,304	-	22,304
Debt securities	-	4,178,002	4,178,002
Total assets	508,175	10,011,040	10,519,215

34. FAIR VALUES MEASUREMENTS (CONTD.)

(a) Fair value measurements and classification within the fair value hierarchy
(contd.)

Total Company

	Fair value measurement using:			Total RM'000
	Level 1 Quoted market prices RM'000	Level 2 Observable inputs RM'000		
30.6.2022				
Financial assets at FVTPL				
(i) Designated upon initial recognition				
Malaysian government papers	-	173,753		173,753
Debt securities	-	6,123,798		6,123,798
- HFT				
Malaysian government papers	-	12,505		12,505
Equity securities	422,124	-		422,124
Unit and property trust funds	28,359	-		28,359
Debt securities	-	107,294		107,294
Financial assets at FVOCI				
Malaysian government papers	-	417,903		417,903
Equity securities	47,482	-		47,482
Unit and property trust funds	20,898	-		20,898
Debt securities	-	5,794,127		5,794,127
Total assets	518,863	12,629,380		13,148,243

34. FAIR VALUES MEASUREMENTS (CONTD.)

(a) Fair value measurements and classification within the fair value hierarchy (contd.)

Total Company (contd.)

	Fair value measurement using:		Total RM'000
	Level 1 Quoted price in active markets RM'000	Level 2 Significant observable inputs RM'000	
31.12.2021			
Financial assets at FVTPL			
(i) Designated upon initial recognition			
Malaysian government papers	-	123,453	123,453
Debt securities	-	6,231,194	6,231,194
(ii) HFT			
Malaysian government papers	-	1,507	1,507
Equity securities	518,685	-	518,685
Unit and property trust funds	13,835	-	13,835
Debt securities	-	113,482	113,482
Financial assets at FVOCI			
Malaysian government papers	-	423,268	423,268
Equity securities	33,399	-	33,399
Debt securities	-	5,277,171	5,277,171
Total assets	565,919	12,170,075	12,735,994

34. FAIR VALUES MEASUREMENTS (CONTD.)

(b) Transfer between Level 1 and Level 2 in the fair value hierarchy

Assets and liabilities of the Company are recognised in the financial statements on a recurring basis. The Company determines whether transfers have occurred between fair value hierarchy levels by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There were no transfers between Level 1 and Level 2 for the Company during the financial period ended 30 June 2022.

(c) Sensitivity of fair value measurements to changes in unobservable input assumptions

The Company's exposure to financial instruments measured with valuation techniques using significant unobservable inputs comprised a small number of financial instruments which constitute an insignificant component of the Company's portfolio of financial instruments. Hence, changing one or more of the inputs to reasonable alternative assumptions would not change the value significantly for the financial assets in Level 3 of the fair value hierarchy. There were no Level 3 financial instruments for the Company during the financial period ended 30 June 2022.

35. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES DISCLOSURES

For the purpose of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel includes all the Directors and the CEO of the Company.

The Company has related party relationships with its shareholder and their related companies, key management personnel and the subsidiaries and associates of a company with significant influence over its shareholders.

Related party transactions have been entered into in the normal course of business under normal trade terms.

- (i) Significant transactions of the Company with related parties during the financial period were as follows:

	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
Income/(expenses):			
1.1.2022 to 30.6.2022			
Ultimate holding company:			
Gross contribution income	-	7,950	7,950
Other income	490	-	490
Commission and fee expenses	(4,378)	-	(4,378)
Bank charges	(455)	-	(455)
ESGP	(692)	-	(692)
	<u> </u>	<u> </u>	<u> </u>
Immediate and penultimate holding companies :			
Gross contribution income	-	332	332
Shared service costs	(9,906)	(5)	(9,911)
Claims paid	(277)	-	(277)
Remuneration of a seconded employee	(52)	-	(52)
Dividend paid	(69,280)	-	(69,280)
	<u> </u>	<u> </u>	<u> </u>

35. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES DISCLOSURES
(CONTD.)

- (i) Significant transactions of the Company with related parties during the financial period were as follows: (contd.)

	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
Income/(expenses) (contd.):			
1.1.2022 to 30.6.2022 (contd.)			
Fellow subsidiaries within the MAHB Group:			
Gross contribution income	-	715	715
Rental income	27	-	27
Rental expenses	(3,019)	-	(3,019)
Shared service costs	(15,740)	-	(15,740)
	<u> </u>	<u> </u>	<u> </u>
Fellow subsidiaries within the EIHSB Group:			
Gross contribution income	-	10	10
Shared service costs	(89)	-	(89)
	<u> </u>	<u> </u>	<u> </u>
Other related companies within the Maybank Group:			
Gross contribution income	-	4,669	4,669
Profit income	1,670	6,013	7,684
Other income	23	-	23
Information technology outsourcing	(4,496)	(873)	(5,369)
Commission and fee expenses	(29,452)	-	(29,452)
Investment expenses	(264)	-	(264)
	<u> </u>	<u> </u>	<u> </u>
Companies with significant influence over the Maybank Group:			
Gross contribution income	-	9,660	9,660
Claims paid	-	(2,113)	(2,113)
	<u> </u>	<u> </u>	<u> </u>

35. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES DISCLOSURES
(CONTD.)

- (i) Significant transactions of the Company with related parties during the financial period were as follows: (contd.)

	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
Income/(expenses) (contd.):			
1.1.2021 to 30.6.2021			
Ultimate holding company:			
Gross contribution income	-	8,520	8,520
Other income	326	-	326
Commission and fee expenses	(3,577)	-	(3,577)
Bank charges	(227)	-	(227)
ESGP	(770)	-	(770)
Claims paid	-	(2,441)	(2,441)
	<u>-</u>	<u>(2,441)</u>	<u>(2,441)</u>
Immediate and penultimate holding companies :			
Gross contribution income	-	325	325
Shared service costs	(16,649)	(3)	(16,652)
Claims paid	-	(1,016)	(1,016)
Remuneration of a seconded employee	(23)	-	(23)
	<u>(23)</u>	<u>-</u>	<u>(23)</u>
Fellow subsidiaries within the MAHB Group:			
Gross contribution income	-	1,038	1,038
Rental income	27	-	27
Rental expenses	(2,802)	-	(2,802)
Claims paid	-	-	-
Shared service costs	(12,794)	-	(12,794)
	<u>(12,794)</u>	<u>-</u>	<u>(12,794)</u>
Fellow subsidiaries within the EIHSB Group:			
Gross contribution income	-	7	7
Consultation fee	(8)	-	(8)
	<u>(8)</u>	<u>-</u>	<u>(8)</u>

35. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES DISCLOSURES
(CONTD.)

- (i) Significant transactions of the Company with related parties during the financial period were as follows: (contd.)

	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
Income/(expenses) (contd.):			
1.1.2021 to 30.6.2021 (contd.)			
Other related companies within the Maybank Group:			
Gross contribution income	-	4,312	4,312
Profit income	2,585	11,810	14,396
Other income	15	-	15
Information technology outsourcing	(2,817)	(547)	(3,365)
Commission and fee expenses	(21,677)	-	(21,677)
Investment expenses	(221)	(1,049)	(1,270)
Claims paid	-	(364)	(364)
Companies with significant influence over the Maybank Group:			
Gross contribution income	-	10,728	10,728
Claims paid	-	(266)	(266)

- (ii) Included in the statements of financial position of the Company are amounts due from/(to) related companies as follows:

	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
30.6.2022			
Ultimate holding company:			
Bank balances	793	46,239	47,032
Outstanding contributions	-	3,837	3,837
Sundry payables and accrued liabilities	11,141	-	11,141
Amount due to ultimate holding company (Note 23)	(7,566)	-	(7,566)

35. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES DISCLOSURES
(CONTD.)

- (ii) Included in the statements of financial position of the Company are amounts due from/(to) related companies as follows: (contd.)

	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
30.6.2022 (contd.)			
Immediate and penultimate holding companies :			
Amount due to immediate holding company (Note 23)	(1,358)	-	(1,358)
Amount due to penultimate holding company (Note 23)	(137)	-	(137)
Fellow subsidiaries within the MAHB Group:			
Outstanding contributions	-	466	466
Amount due from other related companies (Note 23)	14	-	14
Amount due to other related companies (Note 23)	(4,238)	-	(4,238)
Fellow subsidiaries within the EIHSB Group:			
Outstanding contributions	-	-	-
Amount due from other related companies (Note)	-	-	-
Amount due to other related companies (Note)	(12)	-	(12)
Other related companies within the Maybank Group:			
Income and profits due and accrued	168	927	1,095
Fixed and call deposits	96,850	534,536	631,386
Outstanding contributions	-	217	217
Sundry receivables, deposits and prepayments	4,548	-	4,548
Sundry payables and accrued liabilities	(1,064)	-	(1,064)
Amount due to other related companies (Note 23)	-	(12)	(12)

35. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES DISCLOSURES
(CONTD.)

- (ii) Included in the statements of financial position of the Company are amounts due from/(to) related companies as follows: (contd.)

	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
30.6.2022 (contd.)			
Companies with significant influence over the Maybank Group:			
Outstanding contributions	-	10,255	10,255
31.12.2021			
Ultimate holding company:			
Bank balances	2,583	46,424	49,007
Outstanding contributions	-	68	68
Claim liabilities	-	(990)	(990)
Sundry payables and accrued liabilities	(40,303)	-	(40,303)
Amount due to ultimate holding company (Note 23)	<u>(6,760)</u>	<u>-</u>	<u>(6,760)</u>
Immediate and penultimate holding companies :			
Amount due to penultimate holding company (Note 23)	<u>(3,148)</u>	<u>-</u>	<u>(3,148)</u>
Fellow subsidiaries within the MAHB Group:			
Outstanding contributions	-	1	1
Amount due from other related companies (Note 16)	4,942	-	4,942
Amount due to other related companies (Note 23)	<u>(5,954)</u>	<u>-</u>	<u>(5,954)</u>
Fellow subsidiaries within the EIHSB Group:			
Amount due to other related companies (Note 23)	<u>(36)</u>	<u>-</u>	<u>(36)</u>

35. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES DISCLOSURES
(CONTD.)

- (ii) Included in the statements of financial position of the Company are amounts due from/(to) related companies as follows: (contd.)

	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
31.12.2021 (contd.)			
Other related companies within the Maybank Group:			
Income and profits due and accrued	379	1,559	1,938
Fixed and call deposits	275,334	787,474	1,062,808
Outstanding contributions	-	23	23
Derivatives	-	(487)	(487)
Sundry receivables, deposits and prepayments	6,337	-	6,337
Sundry payables and accrued liabilities	(1,312)	-	(1,312)
Amount due to other related companies (Note 23)	<u>(54)</u>	<u>(221)</u>	<u>(275)</u>
Companies with significant influence over the Maybank Group:			
Outstanding contributions	<u>-</u>	<u>8,649</u>	<u>8,649</u>

- (iii) Key management personnel compensation

- (a) The remuneration of key management personnel during the financial period were as follows:

	1.1.2022 to 30.6.2022 RM'000	1.1.2021 to 30.6.2021 RM'000
Short-term employee benefits		
Fees	390	385
Salaries, allowances and bonuses	697	601
Contribution to EPF and pension scheme	115	100
ESGP	-	92
Other emoluments	141	110
	<u>1,343</u>	<u>1,288</u>

35. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES DISCLOSURES
(CONTD.)

(iii) Key management personnel compensation (contd.)

The remuneration of other key management personnel, being the non-executive directors of the Company are as disclosed in Notes 27 and 28 of the unaudited interim condensed financial statements.

(b) The number of shares awarded for ESGP to key management personnel were as follows:

	30.6.2022	31.12.2021
	'000	'000
At 1 January	320	292
Awarded	-	28
At 30 June/31 December	<u>320</u>	<u>320</u>

36. REGULATORY CAPITAL REQUIREMENT

The capital structure of the Company as at 30 June 2022 and 31 December 2021, as prescribed under the RBCT Framework, is provided below:

Company	30.6.2022	31.12.2021
	RM'000	RM'000
Eligible Tier 1 Capital		
Paid up share capital	100,000	100,000
Valuation surplus in takaful funds	2,061,625	1,966,443
Retained earnings	2,084,915	2,138,151
	<u>4,246,540</u>	<u>4,204,594</u>
Tier 2 Capital		
FVOCI reserve	(313,498)	32,677
Qard from shareholder's fund	327	-
	<u>(313,171)</u>	<u>32,677</u>
Amount deducted from capital	<u>(204,773)</u>	<u>(140,899)</u>
Total Capital Available	<u>3,728,596</u>	<u>4,096,372</u>