



ETIQA GENERAL TAKAFUL BERHAD
201701025031 (1239197-A)
(Incorporated in Malaysia)

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

ETIQA GENERAL TAKAFUL BERHAD
201701025031 (1239197-A)
(Incorporated in Malaysia)

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ETIQA GENERAL TAKAFUL BERHAD
201701025031 (1239197-A)
(Incorporated in Malaysia)

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

| | Note | 30.6.2022 | | | 31.12.2021 | | |
|---|------|------------------|------------------|------------------|------------------|------------------|------------------|
| | | Shareholder's | General | | Shareholder's | General | |
| | | fund | Takaful fund | Company | fund | Takaful fund | Company |
| | | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| ASSETS | | | | | | | |
| Property, plant and equipment | | 48 | - | 48 | 58 | - | 58 |
| Intangible assets | | 1,645 | - | 1,645 | 1,759 | - | 1,759 |
| Investments | 13 | 1,693,886 | 2,364,020 | 4,057,906 | 1,461,856 | 2,502,849 | 3,964,705 |
| Financing receivables | | 475 | - | 475 | 148 | - | 148 |
| Retakaful assets | 14 | - | 384,485 | 384,485 | - | 861,436 | 861,436 |
| Takaful receivables | 15 | - | 122,107 | 122,107 | - | 83,741 | 83,741 |
| Other assets | 16 | 66,136 | 25,254 | 42,497 | 176,046 | 29,601 | 47,587 |
| Deferred tax assets | | 68,614 | 36,029 | 104,539 | 52,146 | 4,754 | 56,833 |
| Cash and bank balances | | 3 | 20,735 | 20,738 | 1,271 | 2,073 | 3,344 |
| Total assets | | 1,830,807 | 2,952,630 | 4,734,440 | 1,693,284 | 3,484,454 | 5,019,611 |
| EQUITY, LIABILITIES AND PARTICIPANT'S FUND | | | | | | | |
| Equity | | | | | | | |
| Share capital | | 970,001 | - | 970,001 | 870,000 | - | 870,000 |
| Reserves | 17 | 554,031 | - | 554,362 | 538,794 | - | 539,007 |
| Total equity | | 1,524,032 | - | 1,524,363 | 1,408,794 | - | 1,409,007 |
| Liabilities and Participant's Fund | | | | | | | |
| Participant's fund | 18 | - | 124,664 | 124,664 | - | 212,506 | 212,506 |
| Takaful certificate liabilities | 19 | - | 2,334,665 | 2,334,665 | - | 2,620,725 | 2,620,725 |
| Expense liabilities | 20 | 180,876 | - | 180,876 | 157,167 | - | 157,167 |
| Deferred tax liabilities | | - | - | - | - | - | - |
| Takaful payables | 21 | - | 97,875 | 97,875 | - | 130,078 | 130,078 |
| Other liabilities | 22 | 87,936 | 395,426 | 434,034 | 101,675 | 521,145 | 464,480 |
| Current tax liabilities | | 37,963 | - | 37,963 | 25,648 | - | 25,648 |
| Total liabilities and participant's fund | | 306,775 | 2,952,630 | 3,210,077 | 284,490 | 3,484,454 | 3,610,604 |
| Total equity, liabilities and participant's fund | | 1,830,807 | 2,952,630 | 4,734,440 | 1,693,284 | 3,484,454 | 5,019,611 |

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 FINANCIAL 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 | General Takaful fund RM'000 | Company RM'000 | Shareholder's fund RM'000 | General Takaful fund RM'000 | Company RM'000 |
| Operating revenue | | 372,719 | 1,106,298 | 1,136,281 | 294,831 | 858,837 | 887,180 |
| Gross earned contributions | | - | 968,062 | 968,062 | - | 808,083 | 808,083 |
| Earned contributions ceded to retakaful operators | | - | (150,890) | (150,890) | - | (121,780) | (121,780) |
| Net earned contributions | 23 | - | 817,172 | 817,172 | - | 686,303 | 686,303 |
| Fee and commission income | 24 | 342,736 | 10,839 | 10,839 | 266,488 | 8,205 | 8,205 |
| Investment income, net | 25 | 29,983 | 49,746 | 79,729 | 28,343 | 39,544 | 67,887 |
| Realised gains/(losses), net | | 524 | (842) | (318) | (291) | (577) | (868) |
| Fair value losses, net | | (10,231) | (12,197) | (22,428) | (7,284) | (7,839) | (15,123) |
| Other operating income, net | 26 | 2,499 | 602 | 3,256 | 2,650 | 7,555 | 9,275 |
| Other revenue | | 365,511 | 48,148 | 71,078 | 289,906 | 46,888 | 69,376 |
| Gross claims paid | | - | (409,420) | (409,420) | - | (345,149) | (345,149) |
| Claims ceded to retakaful operators | | - | 33,344 | 33,344 | - | 18,530 | 18,530 |
| Gross change in certificate liabilities | | - | 374,550 | 366,819 | - | (45,496) | (109,509) |
| Change in certificate liabilities ceded to retakaful operators | | - | (511,990) | (511,990) | - | 28,068 | 28,068 |
| Net claims incurred | | - | (513,516) | (521,247) | - | (344,047) | (408,060) |
| Management expenses | 27 | (129,951) | - | (129,951) | (107,664) | - | (107,664) |
| Change in expense liabilities | 20 | (23,709) | - | (23,709) | (6,237) | - | (6,237) |
| Fee and commission expenses | 30 | (92,420) | (343,018) | (92,702) | (70,035) | (266,665) | (70,212) |
| Tax borne by participant's fund | 31 | - | 2,899 | 2,899 | - | (3,351) | (3,351) |
| Other expenses | | (246,080) | (340,119) | (243,463) | (183,936) | (270,016) | (187,464) |
| Operating profit before surplus transfers | | 119,431 | 11,685 | 123,540 | 105,970 | 119,128 | 160,155 |
| Surplus transferred to participant's fund | | - | (7,731) | - | - | (64,013) | - |
| Surplus attributable to shareholders | | 3,954 | (3,954) | - | 55,115 | (55,115) | - |
| Profit before taxation and zakat | | 123,385 | - | 123,540 | 161,085 | - | 160,155 |
| Taxation | 31 | (48,109) | - | (48,146) | (43,223) | - | (43,000) |
| Zakat | | (4,094) | - | (4,094) | (3,112) | - | (3,112) |
| Net profit for the financial period | | 71,182 | - | 71,300 | 114,750 | - | 114,043 |
| Basic and diluted earnings per share (sen): | 32 | | | 7.66 | | | 13.11 |

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 FINANCIAL PERIOD ENDED 30 JUNE 2022

| Note | 1.1.2022 to 30.6.2022 | | | 1.1.2021 to 30.6.2021 | | |
|--|-----------------------|--------------|-----------|-----------------------|--------------|----------|
| | Shareholder's | General | | Shareholder's | General | |
| | fund | Takaful fund | Company | fund | Takaful fund | Company |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Net profit for the financial period | 71,182 | - | 71,300 | 114,750 | - | 114,750 |
| Other comprehensive income/(loss): | | | | | | |
| Items that may be subsequently reclassified to profit or loss: | | | | | | |
| Change in value of debt securities at Fair Value through Other Comprehensive Income ("FVOCI") | | | | | | |
| - Fair value changes | (72,074) | (118,185) | (190,259) | (43,217) | (41,035) | (84,252) |
| - Transfer to profit or loss upon disposal | (1,016) | (1,120) | (2,136) | (1,489) | (407) | (1,896) |
| - Fair value adjustments on FVOCI debt securities backing the participant's fund | - | 90,923 | 90,923 | - | 31,496 | 31,496 |
| Tax effects relating to debt securities at FVOCI | 17,837 | 28,382 | 46,219 | 10,730 | 9,946 | 20,676 |
| | (55,253) | - | (55,253) | (33,976) | - | (33,976) |
| Items that will not be subsequently reclassified to profit or loss: | | | | | | |
| Change in fair value of equity securities at Fair Value through Other Comprehensive Income ("FVOCI") | | | | | | |
| - Fair value changes | (847) | (689) | (1,536) | (769) | (653) | (1,422) |
| - Fair value adjustments on FVOCI equity securities backing the participant's fund | - | 696 | 696 | - | 496 | 496 |
| Tax effects relating to equity securities at FVOCI | 155 | (7) | 148 | 184 | 157 | 341 |
| | (692) | - | (692) | (585) | - | (585) |
| Other comprehensive loss for the financial period, net of tax | (55,945) | - | (55,945) | (34,561) | - | (34,561) |
| Total comprehensive income for the financial period | 15,237 | - | 15,355 | 80,189 | - | 80,189 |

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 FINANCIAL PERIOD ENDED 30 JUNE 2022

| | Note | Share Capital RM'000 | Non- Distributable | Distributable | Total Equity RM'000 |
|---|------|-------------------------|----------------------------|-------------------------------|---------------------------|
| | | | FVOCI Reserve RM'000 | Retained Profits RM'000 | |
| At 1 January 2022 | | 870,000 | 2,342 | 536,665 | 1,409,007 |
| Net profit for the financial period | | - | - | 71,300 | 71,300 |
| Other comprehensive loss for the financial period | | - | (55,945) | - | (55,945) |
| Total comprehensive (loss)/income for the financial period | | - | (55,945) | 71,300 | 15,355 |
| Reclassification upon disposal of equity securities | | - | 301 | (301) | - |
| Capital injection | 36 | 100,001 | - | - | 100,001 |
| At 30 June 2022 | | 970,001 | (53,302) | 607,664 | 1,524,363 |

| | Share Capital RM'000 | Non- Distributable | Distributable | Total Equity RM'000 |
|---|-------------------------|----------------------------|-------------------------------|---------------------------|
| | | FVOCI Reserve RM'000 | Retained Profits RM'000 | |
| At 1 January 2021 | 870,000 | 42,038 | 426,118 | 1,338,156 |
| Net profit for the financial period | - | - | 114,043 | 114,043 |
| Other comprehensive loss for the financial period | - | (34,561) | - | (34,561) |
| Total comprehensive (loss)/income for the financial period | - | (34,561) | 114,043 | 79,482 |
| Dividend on ordinary shares | - | - | (162,951) | (162,951) |
| At 30 June 2021 | 870,000 | 7,477 | 377,210 | 1,254,687 |

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 FINANCIAL PERIOD ENDED 30 JUNE 2022

| | Note | 1.1.2022 to 30.6.2022 RM'000 | 1.1.2021 to 30.6.2021 RM'000 |
|---|------|------------------------------------|------------------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Profit before taxation and zakat: | | 123,540 | 160,155 |
| Adjustments for: | | | |
| Depreciation of property, plant and equipment | | 10 | 10 |
| Amortisation of intangible assets | 27 | 178 | 126 |
| Fair value losses on financial assets at fair value through profit or loss ("FVTPL") | | 22,428 | 15,123 |
| Realised losses on disposal of investments | | 318 | 868 |
| Realised (gains)/losses on foreign exchange | 26 | (356) | 21 |
| Unrealised losses/(gains) on foreign exchange | 26 | 17 | (99) |
| Allowance for impairment losses on investments | 26 | 114 | 143 |
| Reversal of impairment losses on takaful receivables | 26 | (253) | (7,226) |
| Allowance for/(reversal of) impairment losses on other assets | 26 | 155 | (930) |
| Reversal of impairment losses on retakaful assets | 26 | - | (54) |
| Profit income | 25 | (79,579) | (68,243) |
| Dividend income | 25 | (3,093) | (2,133) |
| Net amortisation of premiums | 25 | 2,460 | 2,030 |
| Tax borne by participant's fund | 30 | (2,899) | 3,351 |
| Surplus transferred to participant's fund | 18 | 7,731 | 64,012 |
| Operating cash flows before working capital changes | | 70,771 | 167,154 |
| Changes in working capital: | | | |
| (Increase)/decrease in takaful receivables | | (38,113) | 22 |
| (Increase)/decrease in other assets | | (7,222) | 13,675 |
| Decrease in takaful payables | | (32,203) | (46,329) |
| (Decrease)/increase in other liabilities | | (14,640) | 57,421 |
| Increase in expense liabilities | | 23,709 | 6,236 |
| Increase in financing receivables | | (327) | (164) |
| (Decrease)/increase in placements of deposits with financial institutions | | (237,353) | 868,486 |
| Decrease/(increase) in retakaful assets | | 476,951 | (49,806) |
| (Decrease)/increase in takaful certificate liabilities | | (286,060) | 56,705 |
| Operating cash flows after working capital changes and carried forward | | (44,487) | 1,073,400 |

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

| | Note | 1.1.2022 to 30.6.2022 RM'000 | 1.1.2021 to 30.6.2021 RM'000 |
|---|------|------------------------------------|------------------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES (CONTD.) | | | |
| Brought forward | | | |
| Operating cash flows after working capital changes | | (44,487) | 1,073,400 |
| Profit income received | | 80,374 | 59,478 |
| Gross dividend income received | | 3,126 | 2,129 |
| Zakat paid | | (8,445) | (6,470) |
| Taxation paid | | (34,397) | (29,875) |
| Surplus paid to participant's fund | 18 | (3,954) | (55,115) |
| Withholding tax borne by participant's fund | 18 | - | (4,282) |
| Net cash flows (used in)/generated from operating activities | | <u>(7,783)</u> | <u>1,039,265</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Proceeds from disposal of investments | | 462,645 | 416,473 |
| Purchase of investments | | (537,405) | (1,490,386) |
| Purchase of intangible assets | | (64) | (92) |
| Net cash flows used in from investing activities | | <u>(74,824)</u> | <u>(1,074,005)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Issuance of share capital | | 100,001 | - |
| Increase/(decrease) in cash and cash equivalents | | 17,394 | (34,740) |
| Cash and cash equivalents at beginning of financial period | | <u>3,344</u> | <u>40,338</u> |
| Cash and cash equivalents at end of financial period | | <u>20,738</u> | <u>5,598</u> |
| Cash and cash equivalents comprise: | | | |
| Cash and bank balances of: | | | |
| Shareholder's fund | | 3 | 1,102 |
| General Takaful fund | | 20,735 | 4,496 |
| | | <u>20,738</u> | <u>5,598</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.

ETIQA GENERAL TAKAFUL BERHAD
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**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL 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 the International Accounting Standards Board ("IASB") and Guidelines/Circulars issued by Bank Negara Malaysia ("BNM").

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 audited annual financial statements, and should be read in conjunction with the audited annual 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.

**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2022 (CONTD.)**

2. BASIS OF PREPARATION (CONTD.)

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

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

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 interim condensed financial statements are consistent with those adopted in the audited annual 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 and 1 June 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.

**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2022 (CONTD.)**

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.

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 other than disclosed in Note 36 to the interim financial statement.

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.

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**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2022 (CONTD.)**

10. MATERIAL EVENTS SUBSEQUENT TO END OF REPORTING PERIOD

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

11. 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 | General Takaful fund RM'000 | Company RM'000 |
|--------------------------------------|--|--|---------------------------|
| 30.6.2022 | | | |
| Malaysian government papers | 132,098 | 238,339 | 370,437 |
| Debt securities | 1,085,946 | 1,761,486 | 2,847,432 |
| Equity securities | 75,062 | 81,916 | 156,978 |
| Property trust funds | 1,020 | 1,561 | 2,581 |
| Deposits with financial institutions | 399,760 | 280,718 | 680,478 |
| | <u>1,693,886</u> | <u>2,364,020</u> | <u>4,057,906</u> |

31.12.2021

| | | | |
|--------------------------------------|------------------|------------------|------------------|
| Malaysian government papers | 122,228 | 194,469 | 316,697 |
| Debt securities | 1,064,401 | 1,887,601 | 2,952,002 |
| Equity securities | 110,743 | 138,488 | 249,231 |
| Property trust funds | 1,604 | 2,046 | 3,650 |
| Deposits with financial institutions | 162,880 | 280,245 | 443,125 |
| | <u>1,461,856</u> | <u>2,502,849</u> | <u>3,964,705</u> |

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

| | Shareholder's fund RM'000 | General Takaful fund RM'000 | Company RM'000 |
|--|--|--|---------------------------|
| 30.6.2021 | | | |
| Fair value through profit or loss ("FVTPL")(Note a) | | | |
| - Designated upon initial recognition | - | 18,705 | 18,705 |
| - Held for trading ("HFT") | 65,955 | 74,992 | 140,947 |
| | <u>65,955</u> | <u>93,697</u> | <u>159,652</u> |
| Fair value through other comprehensive income ("FVOCI")(Note b) | 1,228,171 | 1,989,605 | 3,217,776 |
| Amortised Cost ("AC")(Note c) | 399,760 | 280,718 | 680,478 |
| | <u>1,627,931</u> | <u>2,270,323</u> | <u>3,898,254</u> |

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13. INVESTMENTS (CONTD.)

| | Shareholder's fund RM'000 | General Takaful fund RM'000 | Company RM'000 |
|--|--|--|---------------------------|
| 31.12.2021 | | | |
| Fair value through profit or loss ("FVTPL") or loss ("FVTPL")(Note a) | | | |
| - Designated upon initial recognition | - | 19,335 | 19,335 |
| - Held for trading ("HFT") | 106,286 | 135,020 | 241,306 |
| | <u>106,286</u> | <u>154,355</u> | <u>260,641</u> |
| Fair value through other comprehensive income ("FVOCI")(Note b) | 1,192,690 | 2,068,249 | 3,260,939 |
| Amortised Cost ("AC")(Note c) | 162,880 | 280,245 | 443,125 |
| | <u>1,461,856</u> | <u>2,502,849</u> | <u>3,964,705</u> |

The following investments will mature after 12 months:

| | Shareholder's fund RM'000 | General Takaful fund RM'000 | Company RM'000 |
|---------------------------------------|--|--|---------------------------|
| 30.6.2022 | | | |
| FVTPL | | | |
| - Designated upon initial recognition | - | 18,705 | 18,705 |
| FVOCI | 1,163,695 | 1,916,975 | 3,080,670 |
| | <u>1,163,695</u> | <u>1,935,680</u> | <u>3,099,375</u> |
| 31.12.2021 | | | |
| FVTPL | | | |
| - Designated upon initial recognition | - | 19,335 | 19,335 |
| FVOCI | 1,136,885 | 1,951,873 | 3,088,758 |
| | <u>1,136,885</u> | <u>1,971,208</u> | <u>3,108,093</u> |

13. INVESTMENTS (CONTD.)

(a) FVTPL

| | Shareholder's fund RM'000 | General Takaful fund RM'000 | Company RM'000 |
|--|---------------------------------|-----------------------------------|-------------------|
| - Designated upon initial recognition | | | |
| 30.6.2022 | | | |
| <u>At fair value</u> | | | |
| Debt securities: | | | |
| Unquoted in Malaysia | - | 18,705 | 18,705 |
| Total financial assets designated as FVTPL upon initial recognition | - | 18,705 | 18,705 |
| 31.12.2021 | | | |
| <u>At fair value</u> | | | |
| Debt securities: | | | |
| Unquoted in Malaysia | - | 19,335 | 19,335 |
| Total financial assets designated as FVTPL upon initial recognition | - | 19,335 | 19,335 |
| - HFT | | | |
| 30.6.2022 | | | |
| <u>At fair value</u> | | | |
| Equity securities: | | | |
| Quoted in Malaysia | 64,206 | 72,251 | 136,457 |
| Quoted outside Malaysia | 729 | 1,180 | 1,909 |
| Property trust funds: | | | |
| Quoted in Malaysia | 1,020 | 1,561 | 2,581 |
| Total HFT financial assets | 65,955 | 74,992 | 140,947 |
| 31.12.2021 | | | |
| <u>At fair value</u> | | | |
| Equity securities: | | | |
| Quoted in Malaysia | 100,354 | 125,794 | 226,148 |
| Quoted outside Malaysia | 4,328 | 7,180 | 11,508 |
| Property trust funds: | | | |
| Quoted in Malaysia | 1,604 | 2,046 | 3,650 |
| Total HFT financial assets | 106,286 | 135,020 | 241,306 |

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13. INVESTMENTS (CONTD.)

(b) FVOCI

| | Shareholder's fund RM'000 | General Takaful fund RM'000 | Company RM'000 |
|-------------------------------------|--|--|---------------------------|
| 30.6.2022 | | | |
| <u>At fair value</u> | | | |
| Malaysian government papers | 132,098 | 238,339 | 370,437 |
| Debt securities: | | | |
| Unquoted in Malaysia | 1,085,946 | 1,742,781 | 2,828,727 |
| Equity securities: | | | |
| Quoted in Malaysia | 10,127 | 8,485 | 18,612 |
| Total FVOCI financial assets | 1,228,171 | 1,989,605 | 3,217,776 |
| | | | |
| 31.12.2021 | | | |
| <u>At fair value:</u> | | | |
| Malaysian government papers | 122,228 | 194,469 | 316,697 |
| Debt securities: | | | |
| Unquoted in Malaysia | 1,064,401 | 1,868,266 | 2,932,667 |
| Equity securities: | | | |
| Quoted in Malaysia | 6,061 | 5,514 | 11,575 |
| Total FVOCI financial assets | 1,192,690 | 2,068,249 | 3,260,939 |

13. INVESTMENTS (CONTD.)

(b) FVOCI (CONTD.)

The movements in allowance for impairment losses on financial assets at FVOCI are as follows:

Shareholder's fund

| Stage 1 | Stage 2 | Stage 3 | |
|---------------------|---|-------------------------------------|---------------|
| 12-month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | Total |
| RM'000 | RM'000 | RM'000 | RM'000 |

30.6.2022

Financial assets at FVOCI

| | | | | |
|---|------------|------------|----------|------------|
| At 1 January 2022 | 65 | 171 | - | 236 |
| Writeback | - | (36) | - | (36) |
| Net adjustment of loss allowance | 44 | - | - | 44 |
| New financial assets originated at purchase | 9 | - | - | 9 |
| Financial asset derecognised during the financial period | (1) | - | - | (1) |
| Allowance for impairment losses during the financial period (Note 26) | 52 | (36) | - | 16 |
| At 30 June 2022 | <u>117</u> | <u>135</u> | <u>-</u> | <u>252</u> |

31.12.2021

Financial assets at FVOCI

| | | | | |
|---|-----------|------------|----------|------------|
| At 1 January 2021 | 416 | 116 | - | 532 |
| Writeback | (294) | - | - | (294) |
| Net adjustment of loss allowance | - | 55 | - | 55 |
| New financial assets originated at purchase | 12 | - | - | 12 |
| Financial assets derecognised during the financial year | (69) | - | - | (69) |
| Allowance for impairment losses during the financial year | (351) | 55 | - | (296) |
| At 31 December 2021 | <u>65</u> | <u>171</u> | <u>-</u> | <u>236</u> |

13. INVESTMENTS (CONTD.)

(b) FVOCI (CONTD.)

The movements in allowance for impairment losses on financial assets at FVOCI are as follows:
(contd.)

General Takaful fund

| Stage 1 | Stage 2 | Stage 3 | |
|---------------------|---|-------------------------------------|---------------|
| 12-month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | Total |
| RM'000 | RM'000 | RM'000 | RM'000 |

30.6.2022

Financial assets at FVOCI

| | | | | |
|---|-----|------|---|------|
| At 1 January 2022 | 177 | 398 | - | 575 |
| Writeback | - | (83) | - | (83) |
| Net adjustment of loss allowance | 172 | - | - | 172 |
| New financial assets originated at purchase | 14 | - | - | 14 |
| Financial asset derecognised during the financial period | (5) | - | - | (5) |
| Allowance for impairment losses during the financial period (Note 26) | 181 | (83) | - | 98 |
| At 30 June 2022 | 358 | 315 | - | 673 |

31.12.2021

Financial assets at FVOCI

| | | | | |
|---|-------|-----|---|-------|
| At 1 January 2021 | 678 | 257 | - | 935 |
| Writeback | (492) | - | - | (492) |
| Net adjustment of loss allowance | - | 141 | - | 141 |
| New financial assets originated at purchase | 52 | - | - | 52 |
| Financial assets derecognised during the financial year | (61) | - | - | (61) |
| Allowance for impairment losses during the financial year | (501) | 141 | - | (360) |
| At 31 December 2021 | 177 | 398 | - | 575 |

13. INVESTMENTS (CONTD.)

(b) FVOCI (CONTD.)

The movements in allowance for impairment losses on financial assets at FVOCI are as follows:
(contd.)

Company

| Stage 1 | Stage 2 | Stage 3 | |
|---------------------|---|-------------------------------------|---------------|
| 12-month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | Total |
| RM'000 | RM'000 | RM'000 | RM'000 |

30.6.2022

Financial assets at FVOCI

| | | | | |
|---|-----|-------|---|-------|
| At 1 January 2022 | 242 | 569 | - | 811 |
| Writeback | - | (119) | - | (119) |
| Net adjustment of loss allowance | 216 | - | - | 216 |
| New financial assets originated at purchase | 23 | - | - | 23 |
| Financial asset derecognised during the financial period | (6) | - | - | (6) |
| Allowance for impairment losses during the financial period (Note 26) | 233 | (119) | - | 114 |
| At 30 June 2022 | 475 | 450 | - | 925 |

31.12.2021

Financial assets at FVOCI

| | | | | |
|---|-------|-----|---|-------|
| At 1 January 2021 | 1,094 | 373 | - | 1,467 |
| Writeback | (786) | - | - | (786) |
| Net adjustment of loss allowance | - | 196 | - | 196 |
| New financial assets originated at purchase | 64 | - | - | 64 |
| Financial assets derecognised during the financial year | (130) | - | - | (130) |
| Allowance for impairment losses during the financial year | (852) | 196 | - | (656) |
| At 31 December 2021 | 242 | 569 | - | 811 |

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 RM845,000.

13. INVESTMENTS (CONTD.)

(c) AC

| | Shareholder's fund RM'000 | General Takaful fund RM'000 | Company RM'000 |
|-----------------------------------|---------------------------------|-----------------------------------|-------------------|
| 30.6.2022 | | | |
| <u>At cost</u> | | | |
| Islamic investment accounts with: | | | |
| Licensed financial institutions | 389,739 | 160,653 | 550,392 |
| Others | 10,021 | 120,065 | 130,086 |
| Total AC financial assets | <u>399,760</u> | <u>280,718</u> | <u>680,478</u> |
| | | | |
| 31.12.2021 | | | |
| <u>At cost</u> | | | |
| Islamic investment accounts with: | | | |
| Licensed financial institutions | 162,880 | 270,082 | 432,962 |
| Others | - | 10,163 | 10,163 |
| Total AC financial assets | <u>162,880</u> | <u>280,245</u> | <u>443,125</u> |

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

Fair Value of 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 33 to the unaudited interim condensed financial statements.

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14. RETAKAFUL ASSETS

| | 30.6.2022 | 31.12.2021 |
|---|------------------|-------------------|
| | RM'000 | RM'000 |
| General Takaful fund/Company | | |
| Retakaful operators' share of: | | |
| Claims liabilities (Note 19 (i)) | 323,727 | 835,717 |
| Contribution liabilities (Note 19 (ii)) | 60,911 | 25,872 |
| | <u>384,638</u> | <u>861,589</u> |
| Allowance for impairment losses | (153) | (153) |
| | <u>384,485</u> | <u>861,436</u> |

15. TAKAFUL RECEIVABLES

| | 30.6.2022 | 31.12.2021 |
|-------------------------------------|------------------|-------------------|
| | RM'000 | RM'000 |
| General Takaful fund/Company | | |
| Due from agents and intermediaries | 123,346 | 86,000 |
| Due from retakaful operators | 1,882 | 1,115 |
| | <u>125,228</u> | <u>87,115</u> |
| Allowance for impairment losses | (3,121) | (3,374) |
| | <u>122,107</u> | <u>83,741</u> |

Movements in gross carrying value and allowances for impairment losses recognised for not credit impaired and credit impaired of takaful receivables are as follows:

| | <u>Not</u> | <u>Credit-Impaired</u> | <u>Total</u> |
|---------------------------------------|---------------|------------------------|----------------|
| | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> |
| General Takaful fund/Company | | | |
| <u>Gross carrying amount</u> | | | |
| At 1 January 2021 | 66,196 | 32,921 | 99,117 |
| Increase/(Decrease) | (10,795) | (1,207) | (12,002) |
| At 31 December 2021/At 1 January 2022 | <u>55,401</u> | <u>31,714</u> | <u>87,115</u> |
| Increase/(Decrease) | 12,337 | 25,776 | 38,113 |
| At 30 June 2022 | <u>67,738</u> | <u>57,490</u> | <u>125,228</u> |
| <u>Lifetime ECL</u> | | | |
| At 1 January 2021 | 2,847 | 7,269 | 10,116 |
| Increase/(Decrease) | (2,766) | (3,976) | (6,742) |
| At 31 December 2021/At 1 January 2022 | <u>81</u> | <u>3,293</u> | <u>3,374</u> |
| Increase/(Decrease) | 2,213 | (2,466) | (253) |
| At 30 June 2022 | <u>2,294</u> | <u>827</u> | <u>3,121</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 | General Takaful fund RM'000 | Company RM'000 |
|---|--|--|---------------------------|
| 30.6.2022 | | | |
| Sundry receivables, deposits and prepayments | 2,742 | 50 | 2,792 |
| Allowance for impairment losses | (367) | - | (367) |
| | <u>2,375</u> | <u>50</u> | <u>2,425</u> |
| Wakalah fees receivables** | 37,999 | - | - |
| Allowance for impairment losses | (435) | - | - |
| | <u>37,564</u> | <u>-</u> | <u>-</u> |
| Surplus receivable from General Takaful fund | 3,954 | - | - |
| Income and profit due and accrued | 14,617 | 24,774 | 39,391 |
| Amounts due from General Takaful fund* | 7,375 | - | - |
| Amounts due from stockbrokers | 251 | 430 | 681 |
| | <u>66,136</u> | <u>25,254</u> | <u>42,497</u> |
| 31.12.2021 | | | |
| Sundry receivables, deposits and prepayments | 1,246 | 147 | 1,393 |
| Allowance for impairment losses | (367) | - | (367) |
| | <u>879</u> | <u>147</u> | <u>1,026</u> |
| Wakalah fees receivable** | 26,676 | - | - |
| Allowance for impairment losses | (280) | - | - |
| | <u>26,396</u> | <u>-</u> | <u>-</u> |
| Surplus receivable from General Takaful fund | 115,600 | - | - |
| Income and profit due and accrued | 14,064 | 26,155 | 40,219 |
| Amounts due from General Takaful fund* | 16,064 | - | - |
| Amounts due from stockbrokers | 3,043 | 3,299 | 6,342 |
| | <u>176,046</u> | <u>29,601</u> | <u>47,587</u> |

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16. OTHER ASSETS (CONTD.)

| | Not Credit-Impaired | Credit-Impaired | Total |
|---------------------------------------|--------------------------------|------------------------|---------------|
| | RM'000 | RM'000 | RM'000 |
| Shareholder's fund | | | |
| <u>Gross carrying amount</u> | | | |
| At 1 January 2021 | 139,122 | 4,936 | 144,058 |
| Increase/(Decrease) | 31,125 | 455 | 31,580 |
| At 31 December 2021/At 1 January 2022 | 170,247 | 5,391 | 175,638 |
| Increase/(Decrease) | (117,554) | 6,553 | (111,001) |
| At 30 June 2022 | 52,693 | 11,944 | 64,637 |
| <u>Lifetime ECL</u> | | | |
| At 1 January 2021 | 754 | 687 | 1,441 |
| Increase/(Decrease) | (706) | (88) | (794) |
| At 31 December 2021/At 1 January 2022 | 48 | 599 | 647 |
| Increase/(Decrease) | 482 | (327) | 155 |
| At 30 June 2022 | 530 | 272 | 802 |
| General Takaful fund | | | |
| <u>Gross carrying amount</u> | | | |
| At 1 January 2021 | 17,458 | - | 17,458 |
| Increase/(Decrease) | 12,077 | - | 12,077 |
| At 31 December 2021/At 1 January 2022 | 29,535 | - | 29,535 |
| Increase/(Decrease) | (4,286) | - | (4,286) |
| At 30 June 2022 | 25,249 | - | 25,249 |

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16. OTHER ASSETS (CONTD.)

| Company | Not <u>Credit-Impaired</u> RM'000 | <u>Credit-Impaired</u> RM'000 | <u>Total</u> RM'000 |
|---|--|--|--------------------------------|
| <u>Gross carrying amount</u> | | | |
| At 1 January 2021 | 43,373 | - | 43,373 |
| Increase/(Decrease) | 3,461 | - | 3,461 |
| At 31 December 2021/At 1 January 2022 | 46,834 | - | 46,834 |
| Increase/(Decrease) | (6,276) | - | (6,276) |
| At 30 June 2022 | 40,558 | - | 40,558 |
| <u>Lifetime ECL</u> | | | |
| At 1 January 2021 | 372 | - | 372 |
| Increase/(Decrease) | (5) | - | (5) |
| At 31 December 2021/At 1 January 2022/ At 30 June 2022 | 367 | - | 367 |

* The amounts due from the related companies and General Takaful fund are non-trade in nature, unsecured, not subject to any profit elements are repayable in the short term.

** Wakalah fees receivable is due from General Takaful fund and were eliminated to arrive at the Company-level balances. These balances are trade in nature, unsecured, not subject to any profit elements and is repayable in accordance with the terms of the takaful contracts.

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

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17. RESERVES

| | Note | 30.6.2022 RM'000 | 31.12.2021 RM'000 |
|---------------------------|-------------|-----------------------------------|------------------------------------|
| Shareholder's fund | | | |
| Non-distributable: | | | |
| FVOCI reserve | (i) | (53,302) | 2,342 |
| Distributable: | | | |
| Retained profits | (ii) | 607,333 | 536,452 |
| | | <u>554,031</u> | <u>538,794</u> |
| | Note | 30.6.2022 RM'000 | 31.12.2021 RM'000 |
| Company | | | |
| Non-distributable: | | | |
| FVOCI reserve | (i) | (53,302) | 2,342 |
| Distributable: | | | |
| Retained profits | (ii) | 607,664 | 536,665 |
| | | <u>554,362</u> | <u>539,007</u> |

- (i) The FVOCI reserve arose from changes in the fair values of the financial assets which are measured at fair value through other comprehensive income.
- (ii) The entire distributable retained profits may be distributed to the shareholder under the single-tier system.

18. PARTICIPANT'S FUND

| | 30.6.2022 | 31.12.2021 |
|--|------------------|-------------------|
| | RM'000 | RM'000 |
| General Takaful fund/Company | | |
| Accumulated surplus (Note (i)) | 219,750 | 216,360 |
| FVOCI reserve (Note (ii)) | (95,086) | (3,854) |
| | <u>124,664</u> | <u>212,506</u> |
| (i) Accumulated surplus | | |
| At 1 January 2022/At 1 January 2021 | 216,360 | 197,961 |
| Surplus arising during the financial period/year | 7,731 | 138,281 |
| Reclassification upon disposal of equity securities at FVOCI | (387) | - |
| Withholding tax | - | (4,282) |
| Surplus paid to participant during the financial period/year | (3,954) | (115,600) |
| At 30 June 2022/At 31 December 2021 | <u>219,750</u> | <u>216,360</u> |
| (ii) FVOCI reserve | | |
| At 1 January 2022/At 1 January 2021 | (3,854) | 34,376 |
| Fair value changes | (118,874) | (49,730) |
| Realised loss transferred to profit or loss | (1,120) | (1,008) |
| Deferred tax on fair value changes | 28,375 | 12,508 |
| Reclassification upon disposal of equity securities at FVOCI | 387 | - |
| At 30 June 2022/At 31 December 2021 | <u>(95,086)</u> | <u>(3,854)</u> |

19. TAKAFUL CERTIFICATE LIABILITIES

| | ←----- 30.6.2022 -----> | | | ←----- 31.12.2021 -----> | | |
|--|-------------------------|----------------------------------|------------------|--------------------------|----------------------------------|------------------|
| | Gross RM'000 | Retakaful RM'000 (Note 14) | Net RM'000 | Gross RM'000 | Retakaful RM'000 (Note 14) | Net RM'000 |
| General Takaful fund/Company | | | | | | |
| Claims liabilities (i) | 1,491,095 | (323,727) | 1,167,368 | 1,865,645 | (835,717) | 1,029,928 |
| Contribution liabilities (ii) | 843,570 | (60,911) | 782,659 | 755,080 | (25,872) | 729,208 |
| | <u>2,334,665</u> | <u>(384,638)</u> | <u>1,950,027</u> | <u>2,620,725</u> | <u>(861,589)</u> | <u>1,759,136</u> |
| (i) Claims liabilities | | | | | | |
| At 1 January 2022/At 1 January 2021 | 1,865,645 | (835,717) | 1,029,928 | 1,215,033 | (283,809) | 931,224 |
| Claims incurred in the current accident period/year | 557,455 | (37,503) | 519,952 | 1,391,364 | (668,297) | 723,067 |
| Movements in claims incurred in prior accident period/year | (508,834) | 493,250 | (15,584) | (128,695) | 96,486 | (32,209) |
| Claims paid during the financial period/year | (409,420) | 33,344 | (376,076) | (652,128) | 42,594 | (609,534) |
| Movements in Provision of Risk Margin for Adverse Deviation ("PRAD") | (13,751) | 22,899 | 9,148 | 40,071 | (22,691) | 17,380 |
| At 30 June 2022/At 31 December 2021 | <u>1,491,095</u> | <u>(323,727)</u> | <u>1,167,368</u> | <u>1,865,645</u> | <u>(835,717)</u> | <u>1,029,928</u> |
| (ii) Contribution liabilities | | | | | | |
| At 1 January 2022/At 1 January 2021 | 755,080 | (25,872) | 729,208 | 690,037 | (28,640) | 661,397 |
| Contributions written during the financial period/year | 1,056,552 | (185,929) | 870,623 | 1,723,594 | (235,086) | 1,488,508 |
| Contributions earned during the financial period/year | (968,062) | 150,890 | (817,172) | (1,658,551) | 237,854 | (1,420,697) |
| At 30 June 2022/At 31 December 2021 | <u>843,570</u> | <u>(60,911)</u> | <u>782,659</u> | <u>755,080</u> | <u>(25,872)</u> | <u>729,208</u> |

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20. EXPENSE LIABILITIES

| | 30.6.2022 | 31.12.2021 |
|---|------------------|-------------------|
| | RM'000 | RM'000 |
| Shareholder's fund/Company | | |
| Unearned wakalah fee ("UWF") of General Takaful fund | <u>180,876</u> | <u>157,167</u> |
| At 1 January 2022/At 1 January 2021 | 157,167 | 139,797 |
| Wakalah fee received during the financial period/year | <u>342,736</u> | <u>551,353</u> |
| Wakalah fee earned during the financial period/year | <u>(319,027)</u> | <u>(533,983)</u> |
| Movement in UWF | <u>23,709</u> | <u>17,370</u> |
| At 30 June 2022/At 31 December 2021 | <u>180,876</u> | <u>157,167</u> |

21. TAKAFUL PAYABLES

| | 30.6.2022 | 31.12.2021 |
|-------------------------------------|------------------|-------------------|
| | RM'000 | RM'000 |
| General Takaful fund/Company | | |
| Due to agents and intermediaries | 54,124 | 79,395 |
| Due to retakaful operators | <u>43,751</u> | <u>50,683</u> |
| | <u>97,875</u> | <u>130,078</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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22. OTHER LIABILITIES

| | Shareholder's fund RM'000 | General Takaful fund RM'000 | Company RM'000 |
|---|---------------------------------|-----------------------------------|-------------------|
| 30.6.2022 | | | |
| Amount due to Shareholder's fund* | - | 7,375 | - |
| Amounts due to stockbrokers | 1,965 | 1,527 | 3,492 |
| Unclaimed monies | - | 83,937 | 83,937 |
| Service tax payable | - | 32,422 | 32,422 |
| Stamp duty payable | - | 2,311 | 2,311 |
| Surplus payable to participant | - | 209,500 | 205,546 |
| Withholding tax payable | - | 18,463 | 18,463 |
| Amounts due to related companies (Note 34 (b))*: | | | |
| - Ultimate holding company | 6,087 | - | 6,087 |
| - Penultimate holding company | 82 | - | 82 |
| - Immediate holding company | 1,615 | - | 1,615 |
| - Other related companies | 4,606 | - | 4,606 |
| Zakat payable | 9,275 | - | 9,275 |
| Provisions for expenses | 17,352 | - | 17,352 |
| Wakalah fees payable** | - | 37,999 | - |
| Sundry payables and accrued liabilities | 46,954 | 1,892 | 48,846 |
| | <u>87,936</u> | <u>395,426</u> | <u>434,034</u> |
| 31.12.2021 | | | |
| Amount due to Shareholder's fund* | - | 16,064 | - |
| Amount due from stockbrokers | 44 | 71 | 115 |
| Unclaimed monies | - | 85,271 | 85,271 |
| Service tax payable | - | 29,164 | 29,164 |
| Stamp duty payable | - | 2,849 | 2,849 |
| Surplus payable to participant | - | 344,634 | 229,034 |
| Withholding tax payable | - | 15,235 | 15,235 |
| Amounts due to related companies (Note 34 (b))*: | | | |
| - Ultimate holding company | 6,032 | - | 6,032 |
| - Penultimate holding company | 8 | - | 8 |
| - Immediate holding company | 4,199 | - | 4,199 |
| - Other related companies | 14,179 | 53 | 14,232 |
| Zakat payable | 12,470 | - | 12,470 |
| Provisions for expenses | 20,890 | - | 20,890 |
| Wakalah fees payable** | - | 26,676 | - |
| Sundry payables and accrued liabilities | 43,853 | 1,128 | 44,981 |
| | <u>101,675</u> | <u>521,145</u> | <u>464,480</u> |

* Amounts due to related companies and the Shareholder's fund are non-trade in nature, unsecured, not subject to any profit elements and are repayable in the short-term.

** Wakalah fees payable due to Shareholder's fund were eliminated to arrive at Company-level balances.

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.

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23. NET EARNED CONTRIBUTIONS

| | 1.1.2022 to 30.6.2022 RM'000 | 1.1.2021 to 30.6.2021 RM'000 |
|--|---|---|
| General Takaful fund/Company | | |
| Gross contribution | 1,056,552 | 819,293 |
| Change in unearned contribution reserves | (88,490) | (11,210) |
| | <u>968,062</u> | <u>808,083</u> |
| Contributions ceded to retakaful operators | (185,929) | (143,518) |
| Change in unearned contribution reserves | 35,039 | 21,738 |
| | <u>(150,890)</u> | <u>(121,780)</u> |
| Net earned contributions | <u>817,172</u> | <u>686,303</u> |

24. FEE AND COMMISSION INCOME

| | Shareholder's fund RM'000 | General Takaful fund RM'000 | Company RM'000 |
|---|--|--|---------------------------|
| 1.1.2022 to 30.6.2022 | | | |
| Wakalah fee income from: | | | |
| General Takaful fund (Note 20) | 342,736 | - | - |
| Retakaful commission income | - | 10,603 | 10,603 |
| Others | - | 236 | 236 |
| Fee and commission income related to Takaful contracts | <u>342,736</u> | <u>10,839</u> | <u>10,839</u> |
| 1.1.2021 to 30.6.2021 | | | |
| Wakalah fee income from: | | | |
| General Takaful fund | 266,488 | - | - |
| Profit commission | - | 1,637 | 1,637 |
| Retakaful commission income | - | 6,412 | 6,412 |
| Others | - | 156 | 156 |
| Fee and commission income related to Takaful contracts | <u>266,488</u> | <u>8,205</u> | <u>8,205</u> |

25. INVESTMENT INCOME, NET

| | Shareholder's fund RM'000 | General Takaful fund RM'000 | Company RM'000 |
|--|---------------------------------|-----------------------------------|-------------------|
| 1.1.2022 to 30.6.2022 | | | |
| Financial assets at FVTPL: | | | |
| - Designated upon initial recognition | | | |
| Profit income | - | 515 | 515 |
| - HFT | | | |
| Dividend income: | | | |
| Quoted equity securities in Malaysia | 1,057 | 1,396 | 2,453 |
| Quoted equity securities outside Malaysia | 21 | 33 | 54 |
| Property trust funds | 34 | 49 | 83 |
| Financial assets at FVOCI: | | | |
| Profit income | 27,284 | 46,807 | 74,091 |
| Dividend income: | | | |
| Quoted equity securities in Malaysia | 267 | 236 | 503 |
| Financial assets at AC: | | | |
| Profit income | 2,217 | 2,756 | 4,973 |
| Net amortisation of premiums | (636) | (1,824) | (2,460) |
| Investment related expenses | (261) | (222) | (483) |
| Total investment income, net | 29,983 | 49,746 | 79,729 |

1.1.2021 to 30.6.2021

| | | | |
|--|-------|-----|-------|
| Financial assets at FVTPL: | | | |
| - Designated upon initial recognition | | | |
| Profit income | - | 515 | 515 |
| - HFT | | | |
| Dividend income: | | | |
| Quoted equity securities in Malaysia | 1,036 | 983 | 2,019 |
| Quoted equity securities outside Malaysia | 18 | 31 | 49 |
| Property trust funds | 39 | 26 | 65 |

25. INVESTMENT INCOME, NET (CONTD.)

| | Shareholder's fund RM'000 | General Takaful fund RM'000 | Company RM'000 |
|-------------------------------------|---------------------------------|-----------------------------------|-------------------|
| 1.1.2021 to 30.6.2021 | | | |
| Financial assets at FVOCI: | | | |
| Profit income | 25,769 | 33,144 | 58,913 |
| Financial assets at AC: | | | |
| Profit income | 2,568 | 6,247 | 8,815 |
| Net amortisation of premiums | (790) | (1,240) | (2,030) |
| Investment related expenses | (297) | (162) | (459) |
| Total investment income, net | 28,343 | 39,544 | 67,887 |

26. OTHER OPERATING INCOME/(EXPENSES), NET

| | Shareholder's fund RM'000 | General Takaful fund RM'000 | Company RM'000 |
|--|---------------------------------|-----------------------------------|-------------------|
| 1.1.2022 to 30.6.2022 | | | |
| Other income | | | |
| Reversal of impairment losses on: | | | |
| - Takaful receivables | - | 253 | 253 |
| Gain on foreign exchange | 136 | 220 | 356 |
| Sundry income | 6,353 | 241 | 6,594 |
| | 6,489 | 714 | 7,203 |
| Other expenses | | | |
| Reversal of impairment losses on: | | | |
| - Investments | (16) | (98) | (114) |
| - Other assets | (155) | - | - |
| Unrealised loss on foreign exchange | (3) | (14) | (17) |
| Sundry expenditure | (3,816) | - | (3,816) |
| | (3,990) | (112) | (3,947) |
| Total other operating income, net | 2,499 | 602 | 3,256 |

26. OTHER OPERATING INCOME/(EXPENSES), NET (CONTD.)

| | Shareholder's fund RM'000 | General Takaful fund RM'000 | Company RM'000 |
|--|---------------------------------|-----------------------------------|-------------------|
| 1.1.2021 to 30.6.2021 | | | |
| Other income | | | |
| Unrealised gain on foreign exchange | 30 | 69 | 99 |
| Reversal of impairment losses on: | | | |
| - Takaful receivables | - | 7,226 | 7,226 |
| - Retakaful assets | - | 54 | 54 |
| - Other assets | 935 | - | 5 |
| Sundry income | 1,707 | 368 | 2,075 |
| | <u>2,672</u> | <u>7,717</u> | <u>9,459</u> |
| Other expenses | | | |
| Realised loss on foreign exchange | | (21) | (21) |
| Allowance of impairment losses on: | | | |
| - Investments | (7) | (136) | (143) |
| - Other assets | - | (5) | (5) |
| Sundry expenditure | (15) | - | (15) |
| | <u>(22)</u> | <u>(162)</u> | <u>(184)</u> |
| Total other operating income, net | <u>2,650</u> | <u>7,555</u> | <u>9,275</u> |

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27. MANAGEMENT EXPENSES

| | 1.1.2022 | 1.1.2021 |
|--|------------------|------------------|
| | to | to |
| | 30.6.2022 | 30.6.2021 |
| | RM'000 | RM'000 |
| Shareholder's fund/Company | | |
| Employee benefits expenses (Note 27 (a)) | 62,894 | 57,132 |
| Directors' fees and remuneration (Note 28) | 390 | 458 |
| Shariah Committee's fees and remuneration (Note 29) | 141 | 96 |
| Auditors' remuneration: | | |
| - Statutory audits | 175 | 170 |
| - Regulatory services | 8 | 3 |
| Amortisation of intangible assets | 178 | 126 |
| Depreciation of property, plant and equipment | 10 | 10 |
| Auto assist services | 11,175 | 5,198 |
| Bank and financing charges | 5,807 | 4,491 |
| Electronic data processing expenses | 5,267 | 4,791 |
| Entertainment expenses | 116 | 49 |
| Legal fees | - | 167 |
| Information technology outsourcing | 3,193 | 4,029 |
| Office facilities expenses | 1,334 | 1,237 |
| Other management fees | 2,193 | 104 |
| Postage and stamp duties | 143 | 58 |
| Printing and stationery | 132 | 307 |
| Professional fees | 2,686 | 585 |
| Promotional and marketing costs | 19,438 | 18,309 |
| Rental of offices/premises | 3,797 | 3,510 |
| Training expenses | 91 | 320 |
| Travelling expenses | 185 | 90 |
| Utilities, assessment and maintenance | 1,049 | 944 |
| Other expenses | 9,549 | 5,480 |
| Total management expenses | 129,951 | 107,664 |

27. MANAGEMENT EXPENSES (CONTD.)

| | 1.1.2022 | 1.1.2021 |
|--|------------------|------------------|
| | to | to |
| | 30.6.2022 | 30.6.2021 |
| | RM'000 | RM'000 |
| (a) Employee benefits expenses | | |
| Shareholder's fund/Company | | |
| Wages, salaries and bonus | 46,336 | 42,891 |
| Employees' Provident Fund ("EPF") | 7,490 | 6,556 |
| Social Security Organisation ("SOCSO") | 385 | 357 |
| Share-based compensation | 761 | 1,108 |
| Other benefits | 7,922 | 6,220 |
| | <u>62,894</u> | <u>57,132</u> |

Included in employee benefits expenses is Chief Executive Officer ("CEO") remuneration of RM909,000 (2021: RM 751,000) as further disclosed in Note (b).

(b) The details of CEO remuneration during the period are as follows:

| | 1.1.2022 | 1.1.2021 |
|--------------------------|------------------|------------------|
| | to | to |
| | 30.6.2022 | 30.6.2021 |
| | RM'000 | RM'000 |
| Salary | 365 | 300 |
| Bonus | 250 | 200 |
| EPF | 102 | 84 |
| Share-based compensation | 78 | 94 |
| Other emoluments | 114 | 73 |
| | <u>909</u> | <u>751</u> |

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28. DIRECTORS' FEES AND REMUNERATION

| | 1.1.2022 to 30.6.2022 RM'000 | 1.1.2021 to 30.6.2021 RM'000 |
|---|---|---|
| Shareholder's fund/Company | | |
| Executive director: | | |
| Fees | 60 | 60 |
| Other emoluments | 12 | 12 |
| | <u>72</u> | <u>72</u> |
| Non-executive directors: | | |
| Fees | 270 | 330 |
| Other emoluments | 48 | 56 |
| | <u>318</u> | <u>386</u> |
| Total directors' fees and remuneration | <u>390</u> | <u>458</u> |

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

| | Fees RM'000 | Other Emoluments RM'000 | Total RM'000 |
|--|------------------------|--|-------------------------|
| 1.1.2022 to 30.6.2022 | | | |
| Executive director: | | | |
| Dato' Mohamed Rafique Merican bin Mohd Wahiduddin Merican | 60 | 12 | 72 |
| Non-executive directors: | | | |
| Dato' Majid bin Mohamad (Chairman) | 90 | 12 | 102 |
| Mr Philippe Pol Arthur Latour | 60 | 10 | 70 |
| Mr Koh Heng Kong | 60 | 12 | 72 |
| Prof Dr. Rusni binti Hassan | 60 | 14 | 74 |
| Total directors' fees and remuneration | <u>330</u> | <u>60</u> | <u>390</u> |
| 1.1.2021 to 30.6.2021 | | | |
| Executive director: | | | |
| Dato' Mohamed Rafique Merican bin Mohd Wahiduddin Merican | 60 | 12 | 72 |
| Non-executive directors: | | | |
| Dato' Majid bin Mohamad (Chairman) | 90 | 12 | 102 |
| Mr Philippe Pol Arthur Latour | 60 | 10 | 70 |
| Dato' Johan bin Ariffin | 60 | 10 | 70 |
| Mr Koh Heng Kong | 60 | 12 | 72 |
| Prof Dr. Rusni binti Hassan | 60 | 12 | 72 |
| Total directors' fees and remuneration | <u>390</u> | <u>68</u> | <u>458</u> |

29. SHARIAH COMMITTEE'S FEES AND REMUNERATION

| | 1.1.2022 to 30.6.2022 RM'000 | 1.1.2021 to 30.6.2021 RM'000 |
|--|---------------------------------------|---------------------------------------|
| Shareholder's fund/Company | | |
| Fees | 66 | 66 |
| Other emoluments | 75 | 30 |
| Total Shariah Committee's fees and remuneration | 141 | 96 |

The details of the 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) | 13 | 12 | 25 |
| Prof Dr. Rusni binti Hassan | 10 | 12 | 22 |
| Prof Dr. Abdul Rahim bin Abdul Rahman | 10 | 12 | 22 |
| Prof Dato' Dr. Mohd Azmi bin Omar | 11 | 13 | 24 |
| Assoc. Prof. Dr. Azman bin Mohd Noor | 11 | 13 | 24 |
| Sahibus Samahah Assoc. Prof. Dr. Mohamad Sabri bin Haron (w.e.f 1 January 2022) | 11 | 13 | 24 |
| Total Shariah Committee's fees and remuneration | 66 | 75 | 141 |
| 1.1.2021 to 30.6.2021 | | | |
| Shariah committee: | | | |
| Assoc. Prof. Dr. Aznan bin Hasan (Chairman) | 13 | 5 | 18 |
| Dr. Sarip bin Adul (Ceased as member 31 May 2021) | 9 | 5 | 14 |
| Prof Dr. Rusni binti Hassan | 11 | 5 | 16 |
| Prof Dr. Abdul Rahim bin Abdul Rahman | 11 | 5 | 16 |
| Prof Dato' Dr. Mohd Azmi bin Omar | 11 | 5 | 16 |
| Assoc. Prof. Dr. Azman bin Mohd Noor | 11 | 5 | 16 |
| Total Shariah Committee's fees and remuneration | 66 | 30 | 96 |

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30. FEE AND COMMISSION EXPENSES

| | Shareholder's fund RM'000 | General Takaful fund RM'000 | Company RM'000 |
|--|--|--|---------------------------|
| 1.1.2022 to 30.6.2022 | | | |
| Commission expenses | 92,420 | - | 92,420 |
| Wakalah fee expense | - | 342,736 | - |
| Others | - | 282 | 282 |
| Total fee and commission expenses | 92,420 | 343,018 | 92,702 |
| 1.1.2021 to 30.6.2021 | | | |
| Commission expenses | 70,035 | - | 70,035 |
| Wakalah fee expense | - | 266,488 | - |
| Others | - | 177 | 177 |
| Total fee and commission expenses | 70,035 | 266,665 | 70,212 |

31. TAXATION

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 RM'000 | Company RM'000 |
|--|--|---------------------------|
| 1.1.2022 to 30.6.2022 | | |
| <u>Income Statement</u> | | |
| Income tax: | | |
| Current financial period | 46,742 | 46,742 |
| Deferred taxation: | | |
| Relating to origination and reversal of temporary differences | 1,367 | 1,404 |
| | 48,109 | 48,146 |

31. TAXATION (CONTD.)

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

| | Shareholder's fund RM'000 | Company RM'000 |
|--|--|---------------------------|
| 1.1.2021 to 30.6.2021 | | |
| <u>Income Statement</u> | | |
| Income tax: | | |
| Current financial period | 42,268 | 42,268 |
| Deferred taxation: | | |
| Relating to origination and reversal of temporary differences | 955 | 732 |
| | <u>43,223</u> | <u>43,000</u> |

Reconciliation between tax expense and accounting profit

The reconciliation of income tax expense applicable to profit before taxation and zakat at the statutory income tax rate to income tax expense at the effective income tax rate of the Shareholder's fund and the Company are as follows:

| | Shareholder's fund RM'000 | Company RM'000 |
|--|--|---------------------------|
| 1.1.2022 to 30.6.2022 | | |
| Profit before taxation and zakat | <u>123,385</u> | <u>123,540</u> |
| Taxation at Malaysian statutory tax rate of 24% | 29,612 | 29,649 |
| Income not subject to tax | (312) | (312) |
| Expenses not deductible for tax purposes | 9,434 | 9,434 |
| Effect of weighted average tax rate on deferred tax | 273 | 273 |
| Effect of different tax rate (Prosperity tax at 33%) | <u>9,102</u> | <u>9,102</u> |
| Tax expense for the financial period | <u>48,109</u> | <u>48,146</u> |

31. TAXATION (CONTD.)

Reconciliation between tax expense and accounting profit (contd.)

The reconciliation of income tax expense applicable to profit before taxation and zakat at the statutory income tax rate to income tax expense at the effective income tax rate of the Shareholder's fund and the Company are as follows: (contd.)

| | Shareholder's fund RM'000 | Company RM'000 |
|---|--|---------------------------|
| 1.1.2021 to 30.6.2021 | | |
| Profit before taxation and zakat | 161,085 | 160,155 |
| Taxation at Malaysian statutory tax rate of 24% | 38,660 | 38,437 |
| Income not subject to tax | (7) | (7) |
| Expenses not deductible for tax purposes | 4,570 | 4,570 |
| Tax expense for the financial period | 43,223 | 43,000 |

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

Taxation borne by participant's fund

| | General Takaful fund RM'000 | Company RM'000 |
|--|--|---------------------------|
| 1.1.2022 to 30.6.2022 | | |
| <u>Income Statement</u> | | |
| Deferred taxation: | | |
| Relating to origination and reversal of temporary differences | (2,899) | (2,899) |
| Tax borne by participant recognised in Income Statement | (2,899) | (2,899) |

31. TAXATION (CONTD.)

Taxation borne by participant's fund (contd.)

| | General Takaful fund RM'000 | Company RM'000 |
|--|--|---------------------------|
| 1.1.2021 to 30.6.2021 | | |
| <u>Income Statement</u> | | |
| Income tax: | | |
| Reversal of prior year tax provision | 3,883 | 3,883 |
| Deferred taxation: | | |
| Relating to origination and reversal of temporary differences | (532) | (532) |
| Tax borne by participant recognised in Income Statement | <u>3,351</u> | <u>3,351</u> |

The domestic income tax for General Takaful fund is calculated at the Malaysian statutory tax rate of 24% (2021 : 24%) of the estimated assessable profit for the financial period.

Statement of Comprehensive Income

| | Shareholder's fund RM'000 | General Takaful fund RM'000 | Company RM'000 |
|---|--|--|---------------------------|
| 1.1.2022 to 30.6.2022 | | | |
| Deferred income tax related to other comprehensive income: | | | |
| - Fair value changes on debt securities at FVOCI | (17,837) | (28,382) | (46,219) |
| - Fair value changes on equity securities at FVOCI | (155) | 7 | (148) |
| 1.1.2021 to 30.6.2021 | | | |
| Deferred income tax related to other comprehensive income: | | | |
| - Fair value changes on debt securities at FVOCI | (10,730) | (9,946) | (20,676) |
| - Fair value changes on equity securities at FVOCI | (184) | (157) | (341) |

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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 interim financial period.

| | 1.1.2022 | 1.1.2021 |
|---|------------------|------------------|
| | to | to |
| | 30.6.2022 | 30.6.2021 |
| Profit attributable to ordinary equity holders (RM'000) | <u>71,300</u> | <u>114,043</u> |
| Weighted average number of ordinary shares in issue (units '000) (Note 36) | <u>931,350</u> | <u>870,000</u> |
| Basic and diluted earnings per share (sen) | <u>7.66</u> | <u>13.11</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 other than disclose in the Note 36.

33. FAIR VALUES MEASUREMENTS

(a) Valuation principles

The Company continuously enhances its design, validation methodologies and processes to ensure the valuations are reflective and periodic reviews are performed to ensure the model remains suitable for its intended use.

The levels of the fair value hierarchy as defined by 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 significant observable input

Refers to inputs other than quoted price 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.

33. FAIR VALUES MEASUREMENTS (CONTD.)

(b) 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 | Level 3 Significant Unobservable inputs RM'000 | |
| 30.6.2022 | | | | |
| <u>Assets</u> | | | | |
| Financial assets at FVTPL | | | | |
| (i) Held for trading (HFT) | | | | |
| Equity securities | 64,935 | - | - | 64,935 |
| Property trust funds | 1,020 | - | - | 1,020 |
| Financial assets at FVOCI | | | | |
| Malaysian government papers | - | 132,098 | - | 132,098 |
| Debt securities | - | 1,085,946 | - | 1,085,946 |
| Equity securities | 10,127 | - | - | 10,127 |
| Total assets | 76,082 | 1,218,044 | - | 1,294,126 |

31.12.2021

Assets

Financial assets at FVTPL

(i) Held for trading (HFT)

| | | | | |
|----------------------|---------|---|---|---------|
| Equity securities | 104,682 | - | - | 104,682 |
| Property trust funds | 1,604 | - | - | 1,604 |

Financial assets at FVOCI

| | | | | |
|--------------------------------|-------|-----------|---|-----------|
| Malaysian government papers | - | 122,228 | - | 122,228 |
| Debt securities | - | 1,064,401 | - | 1,064,401 |
| Equity securities | 6,061 | - | - | 6,061 |

| | | | | |
|---------------------|----------------|------------------|----------|------------------|
| Total assets | 112,347 | 1,186,629 | - | 1,298,976 |
|---------------------|----------------|------------------|----------|------------------|

33. FAIR VALUES MEASUREMENTS (CONTD.)

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

General Takaful fund

| | Fair value measurement using: | | | Total RM'000 |
|--|---|--|--|------------------|
| | Level 1 Quoted market prices RM'000 | Level 2 Significant Observable inputs RM'000 | Level 3 Significant Unobservable inputs RM'000 | |
| 30.6.2022 | | | | |
| <u>Assets</u> | | | | |
| Financial assets at FVTPL | | | | |
| (i) Designated upon initial recognition | | | | |
| Debt securities | - | 18,705 | - | 18,705 |
| (ii) Held for trading (HFT) | | | | |
| Equity securities | 73,431 | - | - | 73,431 |
| Property trust funds | 1,561 | - | - | 1,561 |
| Financial assets at FVOCI | | | | |
| Malaysian government papers | - | 238,339 | - | 238,339 |
| Debt securities | - | 1,742,781 | - | 1,742,781 |
| Equity securities | 8,485 | - | - | 8,485 |
| Total assets | 83,477 | 1,999,825 | - | 2,083,302 |
| 31.12.2021 | | | | |
| <u>Assets</u> | | | | |
| Financial assets at FVTPL | | | | |
| (i) Designated upon initial recognition | | | | |
| Debt securities | - | 19,335 | - | 19,335 |
| (ii) Held for trading (HFT) | | | | |
| Equity securities | 132,974 | - | - | 132,974 |
| Property trust funds | 2,046 | - | - | 2,046 |
| Financial assets at FVOCI | | | | |
| Malaysian government papers | - | 194,469 | - | 194,469 |
| Debt securities | - | 1,868,266 | - | 1,868,266 |
| Equity securities | 5,514 | - | - | 5,514 |
| Total assets | 140,534 | 2,082,070 | - | 2,222,604 |

33. FAIR VALUES MEASUREMENTS (CONTD.)

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

| Company | Fair value measurement using: | | | Total RM'000 |
|--|---|--|--|------------------|
| | Level 1 Quoted market prices RM'000 | Level 2 Significant Observable inputs RM'000 | Level 3 Significant Unobservable inputs RM'000 | |
| 30.6.2022 | | | | |
| <u>Assets</u> | | | | |
| Financial assets at FVTPL | | | | |
| (i) Designated upon initial recognition | | | | |
| Debt securities | - | 18,705 | - | 18,705 |
| (ii) Held for trading (HFT) | | | | |
| Equity securities | 138,366 | - | - | 138,366 |
| Property trust funds | 2,581 | - | - | 2,581 |
| Financial assets at FVOCI | | | | |
| Malaysian government papers | - | 370,437 | - | 370,437 |
| Debt securities | - | 2,828,727 | - | 2,828,727 |
| Equity securities | 18,612 | - | - | 18,612 |
| Total assets | 159,559 | 3,217,869 | - | 3,377,428 |
| 31.12.2021 | | | | |
| <u>Assets</u> | | | | |
| Financial assets at FVTPL | | | | |
| (i) Designated upon initial recognition | | | | |
| Debt securities | - | 19,335 | - | 19,335 |
| (ii) Held for trading (HFT) | | | | |
| Equity securities | 237,656 | - | - | 237,656 |
| Property trust funds | 3,650 | - | - | 3,650 |
| Financial assets at FVOCI | | | | |
| Malaysian government papers | - | 316,697 | - | 316,697 |
| Debt securities | - | 2,932,667 | - | 2,932,667 |
| Equity securities | 11,575 | - | - | 11,575 |
| Total assets | 252,881 | 3,268,699 | - | 3,521,580 |

33. FAIR VALUE MEASUREMENTS (CONTD.)

(c) 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 determine 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 and financial year ended 31 December 2021.

34. SIGNIFICANT RELATED PARTY 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 the Directors and Chief Executive Officer of the Company.

The Company has related party relationships with its holding companies, fellow subsidiary 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.

(a) The significant related party transactions and balances of the Company are as follow:

| Income/(expenses): | Shareholder's fund RM'000 | General Takaful fund RM'000 | Company RM'000 |
|---|--|--|---------------------------|
| 1.1.2022 to 30.6.2022 | | | |
| Ultimate holding company: | | | |
| Commission and fee expenses | (14,852) | - | (14,852) |
| Bank charges | (469) | - | (469) |
| Employee's Share Grant Plan ("ESGP") | (346) | - | (346) |
| | <hr/> | <hr/> | <hr/> |
| Immediate holding company: | | | |
| Shared services costs | (11,246) | - | (11,246) |
| Claims paid | - | (2) | (2) |
| Remuneration of a seconded employee | (49) | - | (49) |
| | <hr/> | <hr/> | <hr/> |
| Penultimate holding company: | | | |
| Other expenses | (174) | - | (174) |
| | <hr/> | <hr/> | <hr/> |
| Fellow subsidiaries within the MAHB Group: | | | |
| Gross contribution income | - | 48 | 48 |
| Rental expenses | (3,511) | - | (3,511) |
| Shared services costs | (18,727) | - | (18,727) |
| | <hr/> | <hr/> | <hr/> |

34. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)

(a) The significant related party transactions and balances of the Company are as follow: (contd.)

| | Shareholder's fund RM'000 | General Takaful fund RM'000 | Company RM'000 |
|---|---------------------------------|-----------------------------------|-------------------|
| Income/(expenses): (contd.) | | | |
| 1.1.2022 to 30.6.2022 | | | |
| Fellow subsidiaries within the EIHSB Group: | | | |
| Consultation fee | (1,920) | | (1,920) |
| Shared service costs | (79) | - | (79) |
| Other related companies within the Maybank Group: | | | |
| Gross contribution income | - | 1,196 | 1,196 |
| Profit income | 2,130 | 2,046 | 4,176 |
| Information technology outsourcing | (3,381) | - | (3,381) |
| Commission and fee expenses | (5,875) | - | (5,875) |
| Investment expenses | (142) | (222) | (364) |
| Claims paid | - | (12) | (12) |
| Companies with significant influence over the Maybank Group: | | | |
| Gross contribution income | - | 1,917 | 1,917 |
| Claims paid | - | (18) | (18) |
| Companies with significant influence over the MAHB Group: | | | |
| Contribution ceded | - | 1 | 1 |
| 1.1.2021 to 30.6.2021 | | | |
| Ultimate holding company: | | | |
| Gross contribution income | - | 12 | 12 |
| Commission and fee expenses | (16,847) | - | (16,847) |
| Bank charges | (377) | - | (377) |
| ESGP | (316) | - | (316) |
| Immediate holding company: | | | |
| Gross contribution income | - | 295 | 295 |
| Shared services costs | (25,055) | - | (25,055) |
| Claims paid | - | (13) | (13) |
| Remuneration of a seconded employee | (23) | - | (23) |
| Dividend payable | (162,951) | - | (162,951) |

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

(a) The significant related party transactions and balances of the Company are as follow: (contd.)

| | Shareholder's fund RM'000 | General Takaful fund RM'000 | Company RM'000 |
|---|--|--|---------------------------|
| Income/(expenses) (contd.) | | | |
| 1.1.2021 to 30.6.2021 | | | |
| Fellow subsidiaries within the MAHB Group: | | | |
| Gross contribution income | - | 23 | 23 |
| Rental expenses | (3,508) | - | (3,508) |
| Shared services costs | (22,286) | - | (22,286) |
| | <u> </u> | <u> </u> | <u> </u> |
| Fellow subsidiaries within the EIHSB Group: | | | |
| Consultation fee | (832) | - | (832) |
| | <u> </u> | <u> </u> | <u> </u> |
| Other related companies within the Maybank Group: | | | |
| Gross contribution income | - | 1,169 | 1,169 |
| Profit income | 2,013 | 3,945 | 5,958 |
| Information technology outsourcing | (4,029) | - | (4,029) |
| Commission and fee expenses | (2,846) | - | (2,846) |
| Investment expenses | (134) | (164) | (298) |
| Claims paid | - | (51) | (51) |
| | <u> </u> | <u> </u> | <u> </u> |
| Companies with significant influence over the Maybank Group: | | | |
| Gross contribution income | - | 2,213 | 2,213 |
| Claims paid | - | (91) | (91) |
| | <u> </u> | <u> </u> | <u> </u> |
| Companies with significant influence over the MAHB Group: | | | |
| Contribution ceded | - | (1) | (1) |
| Claims paid recovery | - | 8 | 8 |
| | <u> </u> | <u> </u> | <u> </u> |

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

(b) Included in the statement of financial position of the Company are amounts due from/(to) related companies represented by the following: (contd.)

| | Shareholder's Fund RM'000 | General Takaful Fund RM'000 | Company RM'000 |
|--|--|--|---------------------------|
| 30.6.2022 | | | |
| Ultimate holding company: | | | |
| Bank balances | 3 | (3,812) | (3,809) |
| Outstanding contributions | - | 2,746 | 2,746 |
| Amount due to ultimate holding company (Note 22) | <u>(6,087)</u> | <u>-</u> | <u>(6,087)</u> |
| Immediate holding companies: | | | |
| Outstanding contributions | - | 289 | 289 |
| Amount due to immediate holding company (Note 22) | <u>(1,615)</u> | <u>-</u> | <u>(1,615)</u> |
| Penultimate holding companies: | | | |
| Amount due to penultimate holding company (Note 22) | <u>(82)</u> | <u>-</u> | <u>(82)</u> |
| Fellow subsidiaries within the MAHB Group: | | | |
| Amount due to other related companies (Note 22) | <u>(4,201)</u> | <u>(28)</u> | <u>(4,229)</u> |
| Fellow subsidiaries within the EIHSB Group: | | | |
| Amount due to other related company (Note 22) | <u>(405)</u> | <u>-</u> | <u>(405)</u> |
| Other related companies within the Maybank Group: | | | |
| Fixed and call deposits | 389,739 | 160,653 | 550,392 |
| Income and profit due and accrued | 555 | 306 | 861 |
| Sundry payables and accrued liabilities | <u>(4,795)</u> | <u>-</u> | <u>(4,795)</u> |
| Companies with significant influence over the Maybank Group: | | | |
| Claim liabilities | <u>-</u> | <u>(2,105)</u> | <u>(2,105)</u> |

The balances with related companies are subject to normal trade terms or as disclosed in Note 22.

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

(b) Included in the statement of financial position of the Company are amounts due from/(to) related companies represented by the following: (contd.)

| | Shareholder's fund RM'000 | General Takaful fund RM'000 | Company RM'000 |
|--|--|--|---------------------------|
| 31.12.2021 | | | |
| Ultimate holding company: | | | |
| Bank balances | 1,271 | (15,892) | (14,621) |
| Outstanding contributions | - | 2,746 | 2,746 |
| Amount due to ultimate holding company (Note 22) | <u>(6,032)</u> | <u>-</u> | <u>(6,032)</u> |
| Immediate holding companies: | | | |
| Outstanding contributions | - | 289 | 289 |
| Amount due to immediate holding company (Note 22) | <u>(4,199)</u> | <u>-</u> | <u>(4,199)</u> |
| Penultimate holding companies: | | | |
| Amount due to penultimate holding company (Note 22) | <u>(8)</u> | <u>-</u> | <u>(8)</u> |
| Fellow subsidiaries within the MAHB Group: | | | |
| Amount due from other related companies (Note 22) | (13,959) | - | (13,959) |
| Outstanding contributions | <u>-</u> | <u>5</u> | <u>5</u> |
| Fellow subsidiaries within the EIHSB Group: | | | |
| Amount due to other related companies (Note 22) | <u>(182)</u> | <u>-</u> | <u>(182)</u> |
| Other related companies within the Maybank Group: | | | |
| Fixed and call deposits | 162,880 | 255,082 | 417,962 |
| Income and profit due and accrued | 233 | 306 | 539 |
| Claim liabilities | - | (51) | (51) |
| Amount due to other related companies (Note 22) | (38) | (53) | (91) |
| Sundry payables and accrued liabilities | <u>(16,683)</u> | <u>-</u> | <u>(16,683)</u> |
| Companies with significant influence over the Maybank Group: | | | |
| Claim liabilities | <u>-</u> | <u>(1,957)</u> | <u>(1,957)</u> |

The balances with related companies are subject to normal trade terms or as disclosed in Note 22.

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

(c) Key management personnel compensation

(i) 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 | 330 | 390 |
| - Salaries, allowances and bonuses | 615 | 500 |
| - Contribution to EPF and pension scheme | 102 | 84 |
| - Share-based compensation | 78 | 94 |
| - Other emoluments | 174 | 141 |
| | <u>1,299</u> | <u>1,209</u> |

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

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

| | 30.6.2022 '000 | 31.12.2021 '000 |
|-------------------------------------|---------------------------|----------------------------|
| At 1 January 2022/At 1 January 2021 | 320 | 292 |
| Awarded | - | 28 |
| At 30 June 2022/At 31 December 2021 | <u>320</u> | <u>320</u> |

35. REGULATORY CAPITAL REQUIREMENT

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

| | 30.6.2022 | 31.12.2021 |
|------------------------------------|-------------------------|-------------------------|
| | RM'000 | RM'000 |
| Company | | |
| Eligible Tier 1 Capital | | |
| Paid up share capital | 970,000 | 870,000 |
| Valuation surplus in takaful funds | 220,137 | 216,360 |
| Retained earnings | 607,635 | 536,452 |
| | <u>1,797,772</u> | <u>1,622,812</u> |
| Tier 2 Capital | | |
| FVOCI reserve | (149,078) | (1,514) |
| | <u>(149,078)</u> | <u>(1,514)</u> |
| Amount deducted from capital | <u>(106,288)</u> | <u>(58,658)</u> |
| Total Capital Available | <u>1,542,406</u> | <u>1,562,640</u> |

36. SIGNIFICANT EVENT

Increased in issued and paid-up capital

On 21 June 2022, the holding company, MAHB injected additional capital into the Company by way of the issuance of 61,350,001 new ordinary shares for cash amounting to a total of RM 100,000,500 million. This resulted in an increase in the number of ordinary shares from 869,999,999 to 931,350,000 and the issued and paid-up capital from RM870,000,000 to RM970,000,500.