



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

Unaudited Interim Condensed Financial Statements
for the six months financial period ended 30 June 2021

ETIQA FAMILY TAKAFUL BERHAD
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(Incorporated in Malaysia)

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UNAUDITED INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	30.6.2021			31.12.2020		
		Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
ASSETS							
Property, plant and equipment		148	-	148	203	-	203
Right-of-use assets ("ROU")		385	-	385	518	-	518
Intangible assets		6,565	-	6,565	5,589	-	5,589
Investments	13	2,504,947	11,861,535	14,339,893	2,447,377	12,024,957	14,444,717
Financing receivables		14,207	-	14,207	15,011	-	15,011
Retakaful assets	14	-	191,812	191,812	-	162,030	162,030
Takaful receivables	15	-	197,237	197,237	-	140,095	140,095
Other assets	16	45,509	126,046	159,051	185,842	118,429	158,955
Current tax assets	17	81,342	-	81,342	63,042	20,416	83,458
Cash and bank balances		51,211	78,820	130,031	38,893	193,264	232,157
Total Assets		2,704,314	12,455,450	15,120,671	2,756,475	12,659,191	15,242,733
EQUITY, LIABILITIES AND PARTICIPANTS' FUND							
Equity							
Share capital		100,000	-	100,000	100,000	-	100,000
Reserves	18	1,896,501	-	1,889,912	1,892,830	-	1,885,213
Total Equity		1,996,501	-	1,989,912	1,992,830	-	1,985,213
Liabilities and Participants' Fund							
Participants' fund	19	-	2,388,509	2,388,509	-	2,433,412	2,433,412
Takaful certificate liabilities	20	-	9,532,814	9,512,814	-	9,516,784	9,496,784
Derivative liabilities		269	783	1,052	-	-	-
Expense liabilities	21	537,846	-	537,846	572,186	-	572,186
Deferred tax liabilities		9,610	18,522	28,132	34,162	51,654	85,816
Takaful payables	22	3,971	31,505	35,476	3,400	20,365	23,765
Other liabilities	23	154,024	482,836	624,356	142,800	636,876	634,360
Current tax liabilities		2,093	481	2,574	11,097	100	11,197
Total Liabilities and Participants' Fund		707,813	12,455,450	13,130,759	763,645	12,659,191	13,257,520
Total Equity, Liabilities and Participants' Fund		2,704,314	12,455,450	15,120,671	2,756,475	12,659,191	15,242,733

These unaudited interim condensed financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2020 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 2021

	1.1.2021 to 30.6.2021				1.1.2020 to 30.6.2020				
	Note	Shareholder's fund RM'000	Family Takaful fund RM'000	Elimination	Company RM'000	Shareholder's fund RM'000	Family Takaful fund RM'000	Elimination	Company RM'000
Operating revenue		222,572	1,192,579	(175,118)	1,240,033	200,547	1,064,044	(155,148)	1,109,443
Gross earned contributions		-	958,749	-	958,749	-	830,617	-	830,617
Earned contributions ceded to retakaful		-	(53,203)	-	(53,203)	-	(52,606)	-	(52,606)
Net earned contributions		-	905,546	-	905,546	-	778,011	-	778,011
Fee and commission income	24	175,199	1,010	(175,118)	1,091	155,148	9	(155,148)	9
Investment income	25	47,373	233,830	-	281,203	45,399	233,427	-	278,826
Realised (losses)/gains		(3,104)	(10,292)	-	(13,396)	19,371	132,706	-	152,077
Fair value (losses)/gains		(60,965)	(312,684)	1,029	(372,620)	18,439	95,673	(240)	113,872
Other operating (expenses)/ income, net	26	(608)	8,694	-	8,086	357	(4,104)	-	(3,747)
Other revenue		157,895	(79,442)	(174,089)	(95,636)	238,714	457,711	(155,388)	541,037
Gross benefits and claims paid		-	(608,599)	-	(608,599)	-	(679,985)	-	(679,985)
Claims ceded to retakaful		-	36,303	-	36,303	-	28,350	-	28,350
Gross change in certificate liabilities		-	(16,030)	(85,554)	(101,584)	-	(233,706)	(189,564)	(423,270)
Change in certificate liabilities ceded to retakaful		-	29,782	-	29,782	-	16,615	-	16,615
Net benefits and claims		-	(558,544)	(85,554)	(644,098)	-	(868,726)	(189,564)	(1,058,290)
Management expenses	27	(85,715)	(10,109)	-	(95,824)	(74,801)	(15,986)	-	(90,787)
Change in expense liabilities	21	34,339	-	-	34,339	(35,180)	-	-	(35,180)
Fee and commission expenses		(70,216)	(175,425)	175,118	(70,523)	(63,675)	(155,513)	155,148	(64,040)
Taxation borne by the participants	31	-	3,528	-	3,528	-	(5,933)	-	(5,933)
Other expenses		(121,592)	(182,006)	175,118	(128,480)	(173,656)	(177,432)	155,148	(195,940)
Operating profit before surplus transfers		36,303	85,554	(84,525)	37,332	65,058	189,564	(189,804)	64,818
Surplus transferred to participants' fund		-	(85,554)	85,554	-	-	(189,564)	189,564	-
Surplus attributable to shareholder's fund		-	-	-	-	-	-	-	-
Profit before taxation		36,303	-	1,029	37,332	65,058	-	(240)	64,818
Taxation	31	2,202	-	-	2,202	(41,808)	-	-	(41,808)
Zakat		(3,401)	-	-	(3,401)	(7,458)	-	-	(7,458)
Net profit for the financial period		35,104	-	1,029	36,133	15,792	-	(240)	15,552
Basic and diluted earnings per share (sen)	32				36.13				15.55

These unaudited interim condensed financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2020 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 2021

	1.1.2021 to 30.6.2021			1.1.2020 to 30.6.2020			
	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		35,104	-	36,133	15,792	-	15,552
Other comprehensive income:							
Items that may be subsequently reclassified to income statement							
Change in fair value of financial assets at Fair Value Through Other Comprehensive Income ("FVOCI") :							
- fair value changes		(41,355)	(132,861)	(174,216)	23,348	95,987	119,335
- transfer to income statement upon disposal		(6)	(274)	(280)	(24,935)	(168,896)	(193,831)
Tax effects relating to components of other comprehensive income	31	9,927	8,808	18,735	(732)	(6,109)	(6,841)
Other comprehensive income attributable to the participants		-	124,327	124,327	-	79,018	79,018
Other comprehensive loss for the financial period, net of tax		(31,434)	-	(31,434)	(2,319)	-	(2,319)
Total comprehensive income for the financial period		3,670	-	4,699	13,473	-	13,233

These unaudited interim condensed financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2020 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 2021**

	Attributable to equity holders of the Company			Total Equity RM'000
	Non- Distributable		Distributable	
	Share Capital RM'000	FVOCI Reserve RM'000	Retained Profits RM'000	
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>
At 1 January 2020	100,000	23,668	1,668,820	1,792,488
Net profit after tax for the financial period	-	-	15,552	15,552
Other comprehensive loss for the financial period	-	(2,319)	-	(2,319)
Total comprehensive income/(loss) for the financial period	-	(2,319)	15,552	13,233
At 30 June 2020	<u>100,000</u>	<u>21,349</u>	<u>1,684,372</u>	<u>1,805,721</u>

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UNAUDITED INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021

		1.1.2021	1.1.2020
		to	to
		30.6.2021	30.6.2020
	Note	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation and zakat:		37,332	64,818
Adjustments for:			
Taxation borne by participants	31	(3,528)	5,933
Depreciation of property, plant and equipment	27	55	66
Amortisation of intangible assets	27	532	414
Profit on lease liability	27	12	12
Depreciation of right-of-use assets	27	105	112
Fair value (losses)/gains on investments		372,620	(113,872)
Realised (losses)/gains on disposal of investments		13,396	(151,570)
Realised loss on foreign exchange	26	531	-
Unealised gains on foreign exchange	26	(592)	(195)
Allowance for/(reversal of) impairment losses on investments	26	404	(193)
(Reversal of)/allowance for impairment losses on takaful receivables	26	(7,945)	5,242
Profit income	25	(279,814)	(279,523)
Gross dividend/distribution income	25	(13,173)	(8,614)
Net amortisation of premiums	25	10,222	8,226
Surplus transferred to the participant's fund	19	85,554	189,564
Operating cash flows before working capital changes		<u>215,711</u>	<u>(279,580)</u>
Changes in working capital:			
Increase in takaful receivables	15	(49,197)	(70,720)
Decrease in other assets	16	10,281	104,505
Increase in takaful payables	22	11,711	15,588
(Decrease)/increase in other liabilities	23	(17,703)	135,479
(Decrease)/increase in expense liabilities	21	(34,340)	35,180
Decrease/(increase) in financing receivables		804	(166)
Decrease/(increase) in placements of deposits with financial institutions	13	1,608,891	(2,598,775)
Increase in retakaful assets	14	(29,782)	(16,615)
Increase in takaful certificate liabilities	20	16,030	233,706
Operating cash flows after working capital changes and carried forward		<u>1,732,406</u>	<u>(2,441,398)</u>

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UNAUDITED INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020 (CONTD.)

	1.1.2021	1.1.2020
	to	to
	30.6.2021	30.6.2020
Note	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONTD.)		
Brought forward	1,732,406	(2,441,398)
Profit income received	270,967	299,757
Gross dividend/distribution income received	11,643	8,806
Zakat paid	(650)	(2,542)
Taxation paid	(39,728)	(25,245)
COVID-19 donation paid	19	-
Surplus paid to the participants	19	-
Withholding tax borne by the participants	19	-
Net cash flows generated from/ (used in) operating activities	<u>1,974,638</u>	<u>(2,222,004)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of investments	1,293,058	4,229,156
Purchase of investments	(3,368,200)	(2,046,985)
Purchase of intangible assets	(1,508)	(111)
Purchase of property, plant and equipment	-	-
Net cash flows (used in)/generated from investing activities	<u>(2,076,650)</u>	<u>2,182,060</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(114)	(102)
Net cash flows used in financing activities	<u>(114)</u>	<u>(102)</u>
Decrease in cash and cash equivalents	(102,126)	(40,046)
Cash and cash equivalents at beginning of period	232,157	126,111
Cash and cash equivalents at end of period	<u>130,031</u>	<u>86,065</u>
Cash and cash equivalents comprise:		
Cash and bank balances of:		
Shareholder's fund	51,211	599
Family Takaful fund	78,820	85,466
	<u>130,031</u>	<u>86,065</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 2020 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 FINANCIAL PERIOD ENDED 30 JUNE 2021**

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 ("MBB") respectively, all of which are incorporated in Malaysia. MBB 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 period ended 30 June 2021 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 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 2020.

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 2020.

As at the reporting date, the Company has met the minimum capital requirements as prescribed by Risk-Based Capital Takaful 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.

**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONTD.)**

2. BASIS OF PREPARATION (CONTD.)

The unaudited interim condensed financial statements were approved for issue by the Board of Directors on 13 August 2021.

3. SIGNIFICANT ACCOUNTING POLICIES

The audited annual financial statements of the Company for the financial year ended 31 December 2020 were prepared in accordance with MFRS and International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 2016 in Malaysia.

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 2020 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 2021 and 1 June 2021:

- (i) Effective for financial periods beginning on or after 1 January 2021:
Interest Rate Benchmark Reform -Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)
- (ii) Effective for financial periods beginning on or after 1 June 2021:
MFRS 16 *Leases* (Amendment to MFRS 16): *Covid-19- Related Rent Concessions*

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 2020.

**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONTD.)**

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 2020 was not qualified.

6. SEASONALITY OR CYCLICALITY OF OPERATIONS

The businesses of the Company was not materially affected by any seasonal or cyclical fluctuations during the interim financial period ended 30 June 2021.

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 2021.

8. CHANGES IN ESTIMATES

There were no material changes in estimates for the interim financial period ended 30 June 2021.

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 2021.

10. DIVIDENDS

There were no dividend paid for the interim financial period ended 30 June 2021.

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

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 2021.

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13. INVESTMENTS

	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
30.6.2021			
Malaysian government papers	112,217	539,406	651,623
Debt securities	2,119,389	9,564,622	11,684,011
Equity securities	57,181	511,015	568,196
Unit and property trust funds	360	6,908	7,268
Investment-linked units	26,589	-	-
Deposits with financial institutions	189,211	1,239,584	1,428,795
	<u>2,504,947</u>	<u>11,861,535</u>	<u>14,339,893</u>
31.12.2020			
Malaysian government papers	101,471	366,571	468,042
Debt securities	1,838,008	8,586,491	10,424,499
Equity securities	59,844	429,570	489,414
Unit and property trust funds	3,395	21,681	25,076
Investment-linked units	27,617	-	-
Deposits with financial institutions	417,042	2,620,644	3,037,686
	<u>2,447,377</u>	<u>12,024,957</u>	<u>14,444,717</u>

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

30.6.2021			
Fair value through profit or loss ("FVTPL"):			
- Designated upon initial recognition	1,075,034	5,698,566	6,773,600
- Held for trading ("HFT")	74,165	601,459	649,035
Fair value through other comprehensive income ("FVOCI")	1,166,537	4,321,926	5,488,463
Amortised cost ("AC")	189,211	1,239,584	1,428,795
	<u>2,504,947</u>	<u>11,861,535</u>	<u>14,339,893</u>
31.12.2020			
Fair value through profit or loss ("FVTPL"):			
- Designated upon initial recognition	1,131,454	5,839,508	6,970,962
- Held for trading ("HFT")	90,856	539,658	602,897
Fair value through other comprehensive income ("FVOCI")	808,025	3,025,147	3,833,172
Amortised cost ("AC")	417,042	2,620,644	3,037,686
	<u>2,447,377</u>	<u>12,024,957</u>	<u>14,444,717</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
30.6.2021			
FVTPL			
- Designated upon initial recognition	1,054,668	5,318,902	6,373,570
- HFT	-	102,989	102,989
FVOCI	1,086,270	4,258,757	5,345,027
	<u>2,140,938</u>	<u>9,680,648</u>	<u>11,821,586</u>
31.12.2020			
FVTPL			
- Designated upon initial recognition	1,126,341	5,528,536	6,654,877
- HFT	-	88,407	88,407
FVOCI	780,511	2,959,157	3,739,668
	<u>1,906,852</u>	<u>8,576,100</u>	<u>10,482,952</u>
(i) FVTPL			
- Designated upon initial recognition			
30.6.2021			
<u>At fair value:</u>			
Malaysian government papers	-	147,006	147,006
Unquoted debt securities in Malaysia	1,075,034	5,551,560	6,626,594
	<u>1,075,034</u>	<u>5,698,566</u>	<u>6,773,600</u>
Total financial assets at FVTPL			
- Designated upon initial recognition			
	<u>1,075,034</u>	<u>5,698,566</u>	<u>6,773,600</u>
31.12.2020			
<u>At fair value:</u>			
Malaysian government papers	-	183,323	183,323
Unquoted debt securities in Malaysia	1,131,454	5,656,185	6,787,639
	<u>1,131,454</u>	<u>5,839,508</u>	<u>6,970,962</u>
Total financial assets at FVTPL			
- Designated upon initial recognition			
	<u>1,131,454</u>	<u>5,839,508</u>	<u>6,970,962</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			
30.6.2021			
<u>At fair value:</u>			
Malaysian government papers	-	10,040	10,040
Unquoted debt securities in Malaysia	-	92,949	92,949
Quoted equity securities in Malaysia	42,049	478,829	520,878
Quoted equity securities outside Malaysia	5,167	12,733	17,900
Quoted unit and property trust funds in Malaysia	360	6,908	7,268
Investment-linked units	26,589	-	-
Total financial assets at FVTPL			
- HFT	74,165	601,459	649,035
31.12.2020			
<u>At fair value:</u>			
Malaysian government papers	-	26,198	26,198
Unquoted debt securities in Malaysia	-	62,209	62,209
Quoted equity securities in Malaysia	57,550	424,090	481,640
Quoted equity securities outside Malaysia	2,294	5,480	7,774
Quoted unit and property trust funds in Malaysia	3,395	21,681	25,076
Investment-linked units	27,617	-	-
Total financial assets at FVTPL			
- HFT	90,856	539,658	602,897

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13. INVESTMENTS (CONTD.)

	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
(ii) FVOCI			
30.6.2021			
<u>At fair value:</u>			
Malaysian government papers	112,217	382,360	494,577
Unquoted debt securities in Malaysia	1,011,338	3,866,469	4,877,807
Unquoted debt securities outside Malaysia	33,017	53,644	86,661
Quoted equity securities in Malaysia *	9,965	19,453	29,418
Total financial assets at FVOCI	<u>1,166,537</u>	<u>4,321,926</u>	<u>5,488,463</u>
31.12.2020			
<u>At fair value:</u>			
Malaysian government papers	101,471	157,050	258,521
Unquoted debt securities in Malaysia	706,554	2,868,097	3,574,651
Total financial assets at FVOCI	<u>808,025</u>	<u>3,025,147</u>	<u>3,833,172</u>

* The Company has elected to recognise these equity investments at fair value through other comprehensive income as these investments are held as long term strategic investments that are not expected to be sold in the short term to medium term. Gains or losses on the derecognition of these equity investments are not transferred to profit or loss.

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
	12 months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	ECL RM'000
30.6.2021				
At 1 January 2021	247	118	-	365
Net adjustment of loss allowance	5	3	-	8
New financial assets originated or purchased	169	-	-	169
Financial assets that have been derecognised	(8)	-	-	(8)
Allowance for impairment loss (Note 26)	166	3	-	169
At 30 June 2021	<u>413</u>	<u>121</u>	<u>-</u>	<u>534</u>
31.12.2020				
At 1 January 2020	194	-	-	194
Net adjustment of loss allowance	12	88	-	100
New financial assets originated or purchased	92	-	-	92
Financial assets that have been derecognised	(21)	-	-	(21)
Allowance for impairment loss	83	88	-	171
Changes due to change in credit risk	(30)	30	-	-
At 31 December 2020	<u>247</u>	<u>118</u>	<u>-</u>	<u>365</u>

13. INVESTMENTS (CONTD.)

(ii) FVOCI (contd.)

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

Family Takaful fund	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	
	12 months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total ECL RM'000
30.6.2021				
At 1 January 2021	1,169	433	-	1,602
Net adjustment of loss allowance	19	9	-	28
New financial assets originated or purchased	262	-	-	262
Financial assets that have been derecognised	(55)	-	-	(55)
Allowance for impairment loss (Note 26)	226	9	-	235
At 30 June 2021	<u>1,395</u>	<u>442</u>	<u>-</u>	<u>1,837</u>
31.12.2020				
At 1 January 2020	1,268	23	-	1,291
Net adjustment of loss allowance	45	324	-	369
New financial assets originated or purchased	287	-	-	287
Financial assets that have been derecognised	(345)	-	-	(345)
Allowance for impairment loss	(13)	324	-	311
Changes due to change in credit risk	(86)	86	-	-
At 31 December 2020	<u>1,169</u>	<u>433</u>	<u>-</u>	<u>1,602</u>

13. INVESTMENTS (CONTD.)

(ii) FVOCI (contd.)

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

Company	Stage 1	Stage 2	Stage 3	Total
	12 months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	ECL RM'000
30.6.2021				
At 1 January 2021	1,416	551	-	1,967
Net adjustment of loss allowance	24	12	-	36
New financial assets originated or purchased	431	-	-	431
Financial assets that have been derecognised	(63)	-	-	(63)
Allowance for impairment loss (Note 26)	392	12	-	404
At 30 June 2021	<u>1,808</u>	<u>563</u>	<u>-</u>	<u>2,371</u>
31.12.2020				
At 1 January 2020	1,462	23	-	1,485
Net adjustment of loss allowance	57	412	-	469
New financial assets originated or purchased	379	-	-	379
Financial assets that have been derecognised	(366)	-	-	(366)
Allowance for impairment loss	70	412	-	482
Changes due to change in credit risk	(116)	116	-	-
At 31 December 2020	<u>1,416</u>	<u>551</u>	<u>-</u>	<u>1,967</u>

13. INVESTMENTS (CONTD.)

	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
(iii) AC			
Deposits and placements with financial institutions			
30.6.2021			
<u>At cost:</u>			
Islamic investment accounts with:			
Licensed financial institutions	186,825	978,207	1,165,032
Others	2,386	261,377	263,763
Total financial assets at AC	<u>189,211</u>	<u>1,239,584</u>	<u>1,428,795</u>
31.12.2020			
<u>At cost:</u>			
Islamic investment accounts with:			
Licensed financial institutions	414,687	2,288,119	2,702,806
Others	2,355	332,525	334,880
Total financial assets at AC	<u>417,042</u>	<u>2,620,644</u>	<u>3,037,686</u>

The carrying amounts of AC financial assets 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 33 to the unaudited interim condensed financial statements.

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14. RETAKAFUL ASSETS

	30.6.2021	31.12.2020
	RM'000	RM'000
Family Takaful fund/Company		
Retakaful operators' share of takaful certificate liabilities (Note 20):		
Claims liabilities	32,787	23,968
Actuarial liabilities	159,025	138,062
Total retakaful assets	<u>191,812</u>	<u>162,030</u>

15. TAKAFUL RECEIVABLES

	30.6.2021	31.12.2020
	RM'000	RM'000
Family Takaful fund/Company		
Due contributions including agents/brokers, cedants and co-takaful balances	190,340	131,909
Due from retakaful operators	8,574	17,808
	<u>198,914</u>	<u>149,717</u>
Allowance for impairment losses	(1,677)	(9,622)
	<u>197,237</u>	<u>140,095</u>

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

Family Takaful fund/Company	Not credit impaired	Credit impaired	Total
	RM'000	RM'000	RM'000
<u>Gross carrying amount</u>			
At 1 January 2020	113,433	12,842	126,275
Increase/(decrease)	8,889	14,553	23,442
At 31 December 2020 / At 1 January 2021	<u>122,322</u>	<u>27,395</u>	<u>149,717</u>
Increase/(decrease)	(16,701)	65,898	49,197
At 30 June 2021	<u>105,621</u>	<u>93,293</u>	<u>198,914</u>
<u>Lifetime ECL</u>			
At 1 January 2020	214	5,662	5,876
Increase/(decrease)	656	3,090	3,746
At 31 December 2020 / At 1 January 2021	<u>870</u>	<u>8,752</u>	<u>9,622</u>
Increase/(decrease)	-	(7,945)	(7,945)
At 30 June 2021	<u>870</u>	<u>807</u>	<u>1,677</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
30.6.2021			
Sundry receivables, deposits and prepayments	7,678	602	8,280
Allowance for impairment losses	(2,473)	(507)	(2,980)
	<u>5,205</u>	<u>95</u>	<u>5,300</u>
Income and profits due and accrued	27,515	124,402	151,917
Amounts due from Family Takaful fund *	12,504	-	-
Amounts due from stockbrokers	285	1,549	1,834
Total Other Assets	<u>45,509</u>	<u>126,046</u>	<u>159,051</u>
31.12.2020			
Sundry receivables, deposits and prepayments	6,596	603	7,199
Allowance for impairment losses	(2,473)	(507)	(2,980)
	<u>4,123</u>	<u>96</u>	<u>4,219</u>
Income and profits due and accrued	25,193	116,337	141,530
Amount due from related companies			
- immediate holding company	462	-	462
- other related companies	10,388	-	10,388
Amounts due from Family Takaful fund *	145,316	-	-
Amounts due from stockbrokers	360	1,996	2,356
	<u>181,719</u>	<u>118,333</u>	<u>154,736</u>
Total Other Assets	<u>185,842</u>	<u>118,429</u>	<u>158,955</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 2020	155,431	4,394	159,825
Increase/(decrease)	26,922	1,568	28,490
At 31 December 2020 / At 1 January 2021	182,353	5,962	188,315
Increase/(decrease)	-	-	-
At 30 June 2021	182,353	5,962	188,315
<u>Lifetime ECL</u>			
At 1 January 2020	-	2,426	2,426
Increase/(decrease)	-	47	47
At 31 December 2020 / At 1 January 2021	-	2,473	2,473
Increase/(decrease)	-	-	-
At 30 June 2021	-	2,473	2,473
Family Takaful fund			
	Not credit impaired RM'000	Credit impaired RM'000	Total ** RM'000
<u>Gross carrying amount</u>			
At 1 January 2020	132,600	508	133,108
Increase/(decrease)	(14,170)	(1)	(14,171)
At 31 December 2020 / At 1 January 2021	118,430	507	118,937
Increase/(decrease)	7,711	-	7,711
At 30 June 2021	126,141	507	126,648
<u>Lifetime ECL</u>			
At 1 January 2020	-	508	508
Increase/(decrease)	-	(1)	(1)
At 31 December 2020 / At 1 January 2021	-	507	507
Increase/(decrease)	-	-	-
At 30 June 2021	-	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 2020	288,031	4,902	292,933
Increase/(decrease)	12,752	1,567	14,319
At 31 December 2020 / At 1 January 2021	300,783	6,469	307,252
Increase/(decrease)	7,711	-	7,711
At 30 June 2021	308,494	6,469	314,963
<u>Lifetime ECL</u>			
At 1 January 2020	-	2,934	2,934
Increase/(decrease)	-	46	46
At 31 December 2020 / At 1 January 2021	-	2,980	2,980
Increase/(decrease)	-	-	-
At 30 June 2021	-	2,980	2,980

* 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.

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

17. CURRENT TAX ASSETS

	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
30.6.2021			
Current tax assets	81,342	-	81,342
31.12.2020			
Current tax assets	63,042	20,416	83,458

17. CURRENT TAX ASSETS (CONTD.)

The Inland Revenue Board of Malaysia ("IRBM") have raised additional assessments to the Company for Years of Assessment ("YA") 2008 to 2015, totalling RM79,294,000, of which YA2015 additional assessment of RM1,479,000 was raised on 31 December 2020 and YA2014 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 arise, 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 raised are as summarised below:

- (a) Deductibility of commission expenses incurred by 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 will be appealing to the High Court against the decision of the SCIT on the ground 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.

The Company has submitted the cause papers and documents to SCIT and the mention date has been fixed on 19 August 2021.

- (c) SCIT has on 19 February 2021, conceded with the appeals on exemption of wakalah fees and on the deductibility of the interest paid on judgment. These, together with other minor issues, amounting to RM3,250,000.

17. CURRENT TAX ASSETS (CONTD.)

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

The Company has provided an amount of RM4,164,000 for the revision of its YA2013 treatment on surplus to Shareholder's fund. On 3 September 2020, IRBM has provided their acceptance on the application of the Company's surplus attributable method. In view that the YA2013 treatment is complied and given that it is more than seven years, the Company has decided to maintain that position for YA2013. Hence the attributable basis provided earlier has been reversed.

YA2020 tax provision was lower than the instalments payment by RM2,047,000.

18. RESERVES

Shareholder's fund/Company	Note	30.6.2021 RM'000	31.12.2020 RM'000
Non-distributable:			
FVOCI reserve	(i)	(6,915)	24,519
Distributable:			
Retained profits	(ii)	1,896,827	1,860,694
		<u>1,889,912</u>	<u>1,885,213</u>

(i) The FVOCI reserve of the Company arose from the changes in the fair value of the 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	30.6.2021 RM'000	31.12.2020 RM'000
(i) Accumulated surplus	1,992,161	1,912,737
(ii) Surplus attributable to the participants	336,526	336,526
(iii) FVOCI reserve	59,822	184,149
	<u>2,388,509</u>	<u>2,433,412</u>
 (i) Accumulated surplus		
At 1 January	1,912,737	1,858,306
Surplus arising during the financial period/year	85,554	202,390
Surplus attributable to the participants during the financial period/year	-	(71,798)
COVID-19 charity donation	-	(10,000)
Surplus paid to the participants during the financial period/year	(7,921)	(37,948)
Withholding tax borne by the participants	1,791	(28,213)
At 30 June/At 31 December	<u>1,992,161</u>	<u>1,912,737</u>
 (ii) Surplus attributable to the participants		
At 1 January	336,526	1,582,032
Surplus attributable to the participants during the financial period/year	-	71,798
Clawback of prior year's surplus	-	(348)
Transfer to takaful certificate liabilities (Note 20 (ii))	-	(1,316,956)
At 30 June/At 31 December	<u>336,526</u>	<u>336,526</u>
 (iii) FVOCI reserve		
At 1 January	184,149	250,623
Fair value changes	(132,861)	97,525
Realised gain transferred to income statement	(274)	(169,144)
Deferred tax on fair value changes (Note 31)	8,808	5,145
At 30 June/At 31 December	<u>59,822</u>	<u>184,149</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
30.6.2021			
Family Takaful fund	9,532,814	(191,812)	9,341,002
Less: Seed money elimination	(20,000)	-	(20,000)
Company	<u>9,512,814</u>	<u>(191,812)</u>	<u>9,321,002</u>
31.12.2020			
Family Takaful fund	9,516,784	(162,030)	9,354,754
Less: Seed money elimination	(20,000)	-	(20,000)
Company	<u>9,496,784</u>	<u>(162,030)</u>	<u>9,334,754</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
30.6.2021			
Claims liabilities (Note (ii))	174,440	(32,787)	141,653
Actuarial liabilities (Note (ii))	9,131,576	(159,025)	8,972,551
NAV attributable to unit holders (Note (ii))	226,798	-	226,798
	<u>9,532,814</u>	<u>(191,812)</u>	<u>9,341,002</u>
31.12.2020			
Claims liabilities (Note (ii))	162,671	(23,968)	138,703
Actuarial liabilities (Note (ii))	9,132,068	(138,062)	8,994,006
NAV attributable to unit holders (Note (ii))	222,045	-	222,045
	<u>9,516,784</u>	<u>(162,030)</u>	<u>9,354,754</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
30.6.2021						
At 1 January 2021	162,671	9,132,068	222,045	9,516,784	(162,030)	9,354,754
Net earned contributions	-	-	49,670	49,670	-	49,670
Other revenue	-	-	6,546	6,546	-	6,546
Claims intimated during the financial period	587,168	-	-	587,168	(45,122)	542,046
Claims paid during the financial period	(575,399)	-	(33,203)	(608,602)	36,303	(572,299)
Other expenses	-	-	(19,315)	(19,315)	-	(19,315)
Taxation	-	-	1,055	1,055	-	1,055
Increase in certificate reserves	-	(492)	-	(492)	(20,963)	(21,455)
At 30 June 2021	<u>174,440</u>	<u>9,131,576</u>	<u>226,798</u>	<u>9,532,814</u>	<u>(191,812)</u>	<u>9,341,002</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
31.12.2020						
At 1 January 2020	117,961	7,491,538	194,989	7,804,488	(111,198)	7,693,290
Net earned contributions	-	-	73,437	73,437	-	73,437
Other revenue	-	-	12,520	12,520	-	12,520
Claims intimated during the financial year	1,302,416	-	-	1,302,416	(72,125)	1,230,291
Claims paid during the financial year	(1,257,706)	-	(52,692)	(1,310,398)	58,085	(1,252,313)
Other expenses	-	-	(5,723)	(5,723)	-	(5,723)
Taxation	-	-	(486)	(486)	-	(486)
Transfer from participant's fund (Note 19 (ii))	-	1,316,956	-	1,316,956	-	1,316,956
Increase in certificate reserves	-	323,574	-	323,574	(36,792)	286,782
At 31 December 2020	<u>162,671</u>	<u>9,132,068</u>	<u>222,045</u>	<u>9,516,784</u>	<u>(162,030)</u>	<u>9,354,754</u>

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21. EXPENSE LIABILITIES

	30.6.2021	31.12.2020
	RM'000	RM'000
Shareholder's fund/Company		
At 1 January	572,186	535,282
Movement in unexpired expense reserves ("UER")	(34,340)	36,904
At 30 June/At 31 December	<u>537,846</u>	<u>572,186</u>

22. TAKAFUL PAYABLES

	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
30.6.2021			
Amounts due to agents and brokers	3,971	24,143	28,114
Amounts due to retakaful operators	-	7,362	7,362
	<u>3,971</u>	<u>31,505</u>	<u>35,476</u>
31.12.2020			
Amounts due to agents and brokers	3,400	18,394	21,794
Amounts due to retakaful operators	-	1,971	1,971
	<u>3,400</u>	<u>20,365</u>	<u>23,765</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
30.6.2021			
Contribution deposits	100	50,007	50,107
Lease liabilities	383	-	383
Provision for restoration/dismantling costs	75	-	75
Amounts due to Shareholder's fund*	-	12,504	-
Amount due to stockbrokers	-	85,012	85,012
Unclaimed monies	55,221	129,157	184,378
Service tax payable	-	14,331	14,331
Surplus payable to the participants	-	7,191	7,191
Withholding tax payable	-	41,707	41,707
Total other liabilities carried forward	<u>55,779</u>	<u>339,909</u>	<u>383,184</u>

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23. OTHER LIABILITIES (CONTD.)

	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
30.6.2021 (contd.)			
Total other liabilities brought forward	55,779	339,909	383,184
Amount due to related companies* (Note 34 (ii)):			
- ultimate holding company*	5,724	-	5,724
- immediate and penultimate holding companies*	1,291	-	1,291
- other related companies*	2,305	10	2,315
Zakat payable	10,647	-	10,647
Provisions for expenses	27,135	-	27,135
Sundry payables and accrued liabilities	51,143	142,917	194,060
Total Other Liabilities	154,024	482,836	624,356
31.12.2020			
Contribution deposits	37,386	81,874	119,260
Lease liabilities	513	-	513
Provision for restoration/dismantling costs	75	-	75
Amounts due to Shareholder's fund*	-	145,316	-
Amount due to stockbrokers	396	2,082	2,478
Unclaimed monies	115	74,232	74,347
Service tax payable	-	7,813	7,813
Surplus payable to the participants	-	9,667	9,667
Withholding tax payable	-	43,497	43,497
Amount due to related companies* (Note 34 (ii)):			
- ultimate holding company*	5,032	-	5,032
- immediate holding company*	211	-	211
- other related companies*	4,817	163	4,980
Zakat payable	12,561	-	12,561
Provisions for expenses	30,306	-	30,306
Sundry payables and accrued liabilities	51,388	272,232	323,620
Total Other Liabilities	142,800	636,876	634,360

* Amounts due to holding company, immediate holding company, penultimate holding company, other related companies and amount due to 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 are reasonable approximations of fair values at the reporting date due to the relatively short-term maturity of these balances.

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24. FEE AND COMMISSION INCOME

	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
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
1.1.2020 to 30.6.2020			
Wakalah fee income	155,148	-	-
Others	-	9	9
Total fee and commission income	155,148	9	9

25. INVESTMENT INCOME

	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:			
Quoted equity securities in Malaysia	1,291	9,543	10,834
Quoted equity securities 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:			
Quoted equity securities in Malaysia	639	1,271	1,910
Total investment income carried forward	47,591	223,265	270,856

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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 (contd.)			
Total other liabilities brought forward	47,591	223,265	270,856
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	<u>47,373</u>	<u>233,830</u>	<u>281,203</u>
1.1.2020 to 30.6.2020			
Financial assets at FVTPL:			
- Designated upon initial recognition			
Profit income	26,870	135,652	162,522
- HFT			
Dividend income:			
Quoted equity securities in Malaysia	853	7,169	8,022
Quoted equity securities outside Malaysia	4	10	14
Unit and property trust funds	75	503	578
Financial assets at FVOCI:			
Profit income	12,073	56,916	68,989
Financial assets at AC:			
Profit income	7,004	41,008	48,012
Profit income from financing receivables	83	-	83
Rental income	27	-	27
Net amortisation of premiums	(1,173)	(7,053)	(8,226)
Investment related expenses	(417)	(778)	(1,195)
Total investment income	<u>45,399</u>	<u>233,427</u>	<u>278,826</u>

26. OTHER OPERATING (EXPENSES)/INCOME, NET

	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
1.1.2021 to 30.6.2021			
(i) Revenue from contracts with customers			
Third party administration fee	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)	(949)	8,694	7,745
Total other operating income / (expenses), net	(608)	8,694	8,086
1.1.2020 to 30.6.2020			
(i) Revenue from contracts with customers			
Third party administration fee	517	-	517
(ii) Other revenue			
Surrender charges	10	-	10
Reversal of / (allowance for) impairment losses on			
- investments	(56)	249	193
- takaful receivables	-	(5,242)	(5,242)
Processing fee income	66	-	66
Gain/(loss) on foreign exchange:			
- realised	(32)	(63)	(95)
- unrealised	65	154	219
Sundry income/(expenditure)	(213)	798	585
Total other revenue/(expenses)	(160)	(4,104)	(4,264)
Total other operating income / (expenses), net	357	(4,104)	(3,747)

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27. MANAGEMENT EXPENSES

	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
1.1.2020 to 30.6.2020			
Employee benefits expenses (Note (a))	42,690	11,119	53,809
Directors' remuneration (Note 28)	307	-	307
Shariah Committee remuneration (Note 29)	105	-	105
Auditors' remuneration:			
- statutory audits	180	5	185
- regulatory services	10	-	10
- other services	105	-	105
Depreciation of property, plant and equipment	66	-	66
ROU expenses:			
- depreciation	112	-	112
- profit on lease liability	12	-	12
Amortisation of intangible assets	414	-	414
Bank and financing charges	1,287	703	1,990
Electronic data processing expenses	2,780	857	3,637
Entertainment expenses	58	2	60
Information technology outsourcing	2,138	986	3,124
Office facilities expenses	90	19	109
Other management fees	19	8	27
Postage and stamp duties	331	16	347
Printing and stationery	345	31	376
Professional fees	58	-	58
Promotional and marketing cost	12,985	-	12,985
Rental of offices/premises	2,043	483	2,526
Training expenses	433	41	474
Travelling expenses	374	20	394
Utilities, assessment and maintenance	2,251	857	3,108
Other expenses	5,608	839	6,447
Total management expenses	74,801	15,986	90,787

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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			
1.1.2021 to 30.6.2021			
Wages, salaries and bonuses	32,455	5,863	38,318
Employees' Provident Fund ("EPF")	5,008	699	5,707
Social Security Organisation ("SOCSO")	230	38	268
Employee's Share Grant Plan ("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>
1.1.2020 to 30.6.2020			
Wages, salaries and bonuses	32,468	8,558	41,026
EPF	5,190	1,313	6,503
SOCSO	224	45	269
ESGP	743	249	992
Other benefits	4,065	954	5,019
	<u>42,690</u>	<u>11,119</u>	<u>53,809</u>

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

	1.1.2021 to 30.6.2021 RM'000	1.1.2020 to 30.6.2020 RM'000
Shareholder's fund/Company		
Salaries	360	360
Bonus	241	518
EPF	100	144
ESGP	92	35
Other emoluments	30	35
	<u>823</u>	<u>1,092</u>

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28. DIRECTORS' REMUNERATION

	1.1.2021	1.1.2020
	to	to
	30.6.2021	30.6.2020
	RM'000	RM'000
Shareholder's fund/Company		
Non-executive directors:		
Fees	385	280
Other emoluments	80	27
Total directors' fees and remuneration	<u>465</u>	<u>307</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	
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
Assoc 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>
1.1.2020 to 30.6.2020			
Non-executive directors:			
Dato' Majid bin Mohamad (Chairman)	90	10	100
Mr. Philippe Pol Arthur Latour	2	-	2
Dato' Mohamed Rafique Merican			
bin Mohd Wahiduddin Merican	10	-	10
Dato' Johan bin Ariffin	60	8	68
Mr. Andrew King Sun Cheung	58	1	59
Mr. Wong Pakshong Kat Jeong			
Colin Stewart	60	8	68
Total director's fees and remuneration	<u>280</u>	<u>27</u>	<u>307</u>

29. SHARIAH COMMITTEE'S REMUNERATION

	1.1.2021 to 30.6.2021 RM'000	1.1.2020 to 30.6.2020 RM'000
Shareholder's fund/Company		
Fees	80	71
Other emoluments	40	34
Total shariah committee's remuneration	120	105

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

	Fees RM'000	Other Emoluments RM'000	Total RM'000
1.1.2021 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
1.1.2020 to 30.6.2020			
Shariah committee:			
Assoc Prof Dr. Aznan bin Hasan (Chairman)	18	7	25
Dr. Sarip Bin Abdul	13	7	20
Prof Dr. Rusni binti Hassan	13	7	20
Prof Dr. Abdul Rahim bin Abdul Rahman	13	6	19
Prof Dato' Dr. Mohd Azmi bin Omar	13	7	20
Assoc Prof Dr. Azman bin Mohd Noor (w.e.f 15 June 2020)	1	-	1
Total shariah committee's remuneration	71	34	105

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30. FEE AND COMMISSION EXPENSES

	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
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
1.1.2020 to 30.6.2020			
Commission expense	63,675	365	64,040
Wakalah fee expense	-	155,148	-
Total fee and commission expenses	63,675	155,513	64,040

31. TAXATION

Major components of income tax expense

The major components of income tax expense for the financial period ended 30 June 2021 and 30 June 2020 are as follows :

Shareholder's fund/Company	1.1.2021 to 30.6.2021 RM'000	1.1.2020 to 30.6.2020 RM'000
<u>Income Statement</u>		
Income tax:		
Tax expense for the financial period	28,677	38,460
Reversal of prior year tax provision (Note 17)	(16,253)	-
Deferred taxation:		
Relating to origination and reversal of temporary differences	(14,626)	3,348
Income tax expense recognised in Income Statement	(2,202)	41,808

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:

	1.1.2021	1.1.2020
	to	to
	30.6.2021	30.6.2020
Shareholder's fund/Company	RM'000	RM'000
Profit before taxation	<u>37,332</u>	<u>64,818</u>
Taxation at Malaysian statutory tax rate of 24%	8,960	15,556
Income not subject to tax	(42,761)	(42,085)
Expenses not deductible for tax purposes	47,852	70,928
Effect of zakat deduction and approved donation	-	(2,591)
Reversal of prior year tax provision	<u>(16,253)</u>	<u>-</u>
Tax expense for the financial period	<u>(2,202)</u>	<u>41,808</u>

The domestic income tax for Shareholder's fund are calculated at the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the financial

Taxation borne by the participants

	1.1.2021	1.1.2020
	to	to
	30.6.2021	30.6.2020
Family Takaful fund/Company	RM'000	RM'000
<u>Income Statement</u>		
Income tax:		
Tax expense for the financial period	381	(1,089)
Reversal of prior year tax provision (Note 17)	20,416	-
Deferred taxation:		
Relating to origination and reversal of temporary differences	(24,325)	7,022
Taxation borne by the participants recognised in Income Statement	<u>(3,528)</u>	<u>5,933</u>

The income tax for Family Takaful fund is calculated on the statutory rate of 8% (2020: 8%) of the estimated assessable investment income net of allowable deductions for the financial period.

31. TAXATION (CONTD.)

Statement of Comprehensive Income

	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
1.1.2021 to 30.6.2021			
Deferred taxation:			
- Fair value changes on financial assets at FVOCI	9,927	8,808	18,735
	<u>9,927</u>	<u>8,808</u>	<u>18,735</u>
1.1.2020 to 30.6.2020			
Deferred taxation:			
- Fair value changes on financial assets at FVOCI	(732)	(6,109)	(6,841)
	<u>(732)</u>	<u>(6,109)</u>	<u>(6,841)</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.

	1.1.2021 to 30.6.2021	1.1.2020 to 30.6.2020
Profit attributable to ordinary equity holders (RM'000)	36,133	15,552
	<u>36,133</u>	<u>15,552</u>
Weighted average number of ordinary shares in issue (units '000)	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
Basic and diluted earnings per share (sen)	36.13	15.55
	<u>36.13</u>	<u>15.55</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. 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")

- 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.)

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

Shareholder's fund

	Valuation techniques		Total RM'000
	Level 1 Quoted market prices RM'000	Level 2 Observable inputs RM'000	
30.6.2021			
Financial assets at FVTPL			
- Designated upon initial recognition			
Unquoted debt securities in Malaysia	-	1,075,034	1,075,034
- HFT			
Quoted equity securities in Malaysia	42,049	-	42,049
Quoted equity securities outside Malaysia	5,167	-	5,167
Quoted unit and property trust funds in Malaysia	360	-	360
Investment-linked units	-	26,589	26,589
Financial assets at FVOCI			
Malaysian government papers	-	112,217	112,217
Unquoted debt securities in Malaysia	-	1,011,338	1,011,338
Unquoted debt securities outside Malaysia	-	33,017	33,017
Quoted equity securities in Malaysia	9,965	-	9,965
Total assets	57,541	2,258,195	2,315,736

33. FAIR VALUES MEASUREMENTS (CONTD.)

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

Shareholder's fund (Contd.)

	Valuation techniques			Total RM'000
	Level 1 Quoted market prices RM'000	Level 2 Observable inputs RM'000		
31.12.2020				
Financial assets at FVTPL				
- Designated upon initial recognition				
Unquoted debt securities in Malaysia	-	1,131,454		1,131,454
- HFT				
Quoted equity securities in Malaysia	57,550	-		57,550
Quoted equity securities outside Malaysia	2,294	-		2,294
Quoted unit and property trust funds in Malaysia	3,395	-		3,395
Investment-linked units	27,617	-		27,617
Financial assets at FVOCI				
Malaysian government papers	-	101,471		101,471
Unquoted debt securities in Malaysia	-	706,554		706,554
Total assets	90,856	1,939,479		2,030,335

33. FAIR VALUES MEASUREMENTS (CONTD.)

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

Family Takaful fund

	Valuation techniques		
	Level 1 Quoted market prices RM'000	Level 2 Observable inputs RM'000	Total RM'000
30.6.2021			
Financial assets at FVTPL			
- Designated upon initial recognition			
Malaysian government papers	-	147,006	147,006
Unquoted debt securities in Malaysia	-	5,551,560	5,551,560
- HFT			
Malaysian government papers	-	10,040	10,040
Unquoted debt securities in Malaysia	-	92,949	92,949
Quoted equity securities in Malaysia	478,829	-	478,829
Quoted equity securities outside Malaysia	12,733	-	12,733
Quoted unit and property trust funds in Malaysia	6,908	-	6,908
Financial assets at FVOCI			
Malaysian government papers	-	382,360	382,360
Unquoted debt securities in Malaysia	-	3,866,469	3,866,469
Unquoted debt securities outside Malaysia	-	53,644	53,644
Quoted equity securities in Malaysia	-	19,453	19,453
Total assets	498,470	10,123,481	10,621,951

33. FAIR VALUES MEASUREMENTS (CONTD.)

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

Family Takaful fund (Contd.)

	Valuation techniques			Total RM'000
	Level 1 Quoted market prices RM'000	Level 2 Observable inputs RM'000		
31.12.2020				
Financial assets at FVTPL				
- Designated upon initial recognition				
Malaysian government papers	-	183,323		183,323
Unquoted debt securities in Malaysia	-	5,656,185		5,656,185
- HFT				
Malaysian government papers	-	26,198		26,198
Unquoted debt securities in Malaysia	-	62,209		62,209
Quoted equity securities in Malaysia	424,090	-		424,090
Quoted equity securities outside Malaysia	5,480	-		5,480
Quoted unit and property trust funds in Malaysia	21,681	-		21,681
Financial assets at FVOCI				
Malaysian government papers	-	157,050		157,050
Unquoted debt securities in Malaysia	-	2,868,097		2,868,097
Total assets	451,251	8,953,062		9,404,313

33. FAIR VALUES MEASUREMENTS (CONTD.)

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

Total Company

	Valuation techniques			Total RM'000
	Level 1 Quoted market prices RM'000	Level 2 Observable inputs RM'000		
30.6.2021				
Financial assets at FVTPL				
- Designated upon initial recognition				
Malaysian government papers	-	147,006		147,006
Unquoted debt securities in Malaysia	-	6,626,594		6,626,594
- HFT				
Malaysian government papers	-	10,040		10,040
Unquoted debt securities in Malaysia	-	92,949		92,949
Quoted equity securities in Malaysia	520,878	-		520,878
Quoted equity securities outside Malaysia	17,900	-		17,900
Quoted unit and property trust funds in Malaysia	7,268	-		7,268
Investment-linked units	-	26,589		-
Financial assets at FVOCI				
Malaysian government papers	-	494,577		494,577
Unquoted debt securities in Malaysia	-	4,877,807		4,877,807
Unquoted debt securities outside Malaysia	-	86,661		86,661
Quoted equity securities in Malaysia	9,965	19,453		29,418
Total assets	556,011	12,381,676		12,911,098

33. FAIR VALUES MEASUREMENTS (CONTD.)

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

Total Company (Contd.)

	Valuation techniques			Total RM'000
	Level 1 Quoted market prices RM'000	Level 2 Observable inputs RM'000		
31.12.2020				
Financial assets at FVTPL				
- Designated upon initial recognition				
Malaysian government papers	-	183,323		183,323
Unquoted debt securities in Malaysia	-	5,656,185		5,656,185
- HFT				
Malaysian government papers	-	26,198		26,198
Unquoted debt securities in Malaysia	-	62,209		62,209
Quoted equity securities in Malaysia	424,090	-		424,090
Quoted equity securities outside Malaysia	5,480	-		5,480
Quoted unit and property trust funds in Malaysia	21,681	-		21,681
Financial assets at FVOCI				
Malaysian government papers	-	157,050		157,050
Unquoted debt securities in Malaysia	-	2,868,097		2,868,097
Total assets	451,251	8,953,062		9,404,313

33. 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 2021.

(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 2021.

34. 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):			
1.1.2021 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)
	<hr/>	<hr/>	<hr/>
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)
	<hr/>	<hr/>	<hr/>

34. 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.)			
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	<u>(12,794)</u>	<u>-</u>	<u>(12,794)</u>
Fellow subsidiaries within the EIHSB Group:			
Gross contribution income	-	7	7
Consultation fee	<u>(8)</u>	<u>-</u>	<u>(8)</u>
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	<u>-</u>	<u>(364)</u>	<u>(364)</u>
Companies with significant influence over the Maybank Group:			
Gross contribution income	-	10,728	10,728
Claims paid	<u>-</u>	<u>(266)</u>	<u>(266)</u>

34. 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.):			
1.1.2020 to 30.6.2020			
Ultimate holding company:			
Gross contribution income	-	10,301	10,301
Other income	494	-	494
Commission and fee expenses	(2,222)	-	(2,222)
Bank charges	(60)	(134)	(194)
ESGP	(272)	-	(272)
Claims paid	-	(1,663)	(1,663)
<hr/>			
Immediate and penultimate holding companies :			
Gross contribution income	-	1,089	1,089
Shared service costs	(4,473)	(8)	(4,481)
Remuneration of a seconded employee	(48)	-	(48)
<hr/>			
Fellow subsidiaries within the MAHB Group:			
Rental income	27	-	27
Rental expenses	(2,494)	-	(2,494)
Claims paid	-	(535)	(535)
Shared service costs	(25,509)	-	(25,509)
<hr/>			
Other related companies within the Maybank Group:			
Gross contribution income	-	2,664	2,664
Profit income	4,644	22,689	27,333
Other income	23	-	23
Information technology outsourcing	(2,138)	(986)	(3,124)
Commission and fee expenses	(18,810)	-	(18,810)
Investment expenses	(150)	(778)	(928)
Claims paid	-	(25)	(25)
<hr/>			

34. 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.):			
1.1.2020 to 30.6.2020 (contd.)			
Companies with significant influence over the Maybank Group:			
Gross contribution income	-	10,510	10,510
Claims paid	-	(2,666)	(2,666)
	<u> </u>	<u> </u>	<u> </u>

- (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
30.6.2021			
Ultimate holding company:			
Bank balances	51,211	67,046	118,257
Outstanding contributions	-	8,011	8,011
Claim liabilities	-	-	-
Sundry payables and accrued liabilities	(35,255)	-	(35,255)
Amount due to ultimate holding company (Note 23)	<u>(5,724)</u>	<u> </u>	<u>(5,724)</u>
Immediate and penultimate holding companies :			
Amount due to immediate holding company (Note 23)	(1,290)	-	(1,290)
Amount due to penultimate holding company (Note 23)	<u>(1)</u>	<u> </u>	<u>(1)</u>

34. 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
30.6.2021 (contd.)			
Fellow subsidiaries within the MAHB Group:			
Outstanding contributions	-	462	462
Amount due to other related companies (Note 23)	<u>(2,305)</u>	<u>-</u>	<u>(2,305)</u>
Other related companies within the Maybank Group:			
Income and profits due and accrued	240	1,125	1,365
Fixed and call deposits	186,145	663,142	849,287
Outstanding contributions	-	163	163
Derivatives liabilities	(269)	(783)	(1,052)
Sundry receivables, deposits and prepayments	5,059	-	5,059
Sundry payables and accrued liabilities	(1,333)	-	(1,333)
Amount due to other related companies (Note 23)	<u>-</u>	<u>(10)</u>	<u>(10)</u>
Companies with significant influence over the Maybank Group:			
Outstanding contributions	<u>-</u>	<u>1,946</u>	<u>1,946</u>
31.12.2020			
Ultimate holding company:			
Bank balances	38,893	191,025	229,918
Outstanding contributions	-	38	38
Claim liabilities	-	(65)	(65)
Sundry payables and accrued liabilities	(28,302)	-	(28,302)
Amount due to ultimate holding company (Note 23)	<u>(5,032)</u>	<u>-</u>	<u>(5,032)</u>

34. 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
31.12.2020 (contd.)			
Immediate and penultimate holding companies :			
Amount due from immediate holding company (Note 16)	462	-	462
Claim liabilities	-	(2)	(2)
Amount due to penultimate holding company (Note 23)	<u>(211)</u>	<u>-</u>	<u>(211)</u>
Fellow subsidiaries within the MAHB Group:			
Outstanding contributions	-	70	70
Amount due from other related companies (Note 16)	10,388	-	10,388
Claim liabilities	-	(22)	(22)
Amount due to other related companies (Note 23)	<u>(4,775)</u>	<u>-</u>	<u>(4,775)</u>
Fellow subsidiaries within the EIHSB Group:			
Amount due to other related companies (Note 23)	<u>(8)</u>	<u>-</u>	<u>(8)</u>
Other related companies within the Maybank Group:			
Income and profits due and accrued	848	5,038	5,886
Fixed and call deposits	374,042	1,600,927	1,974,968
Outstanding contributions	-	134	134
Claim liabilities	-	(17)	(17)
Sundry receivables, deposits and prepayments	5,850	-	5,850
Sundry payables and accrued liabilities	(1,163)	-	(1,163)
Amount due to other related companies (Note 23)	<u>(34)</u>	<u>(163)</u>	<u>(197)</u>

34. 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
31.12.2020 (contd.)			
Companies with significant influence over the Maybank Group:			
Outstanding contributions	-	1,475	1,475
Claim liabilities	-	(234)	(234)
	<u>-</u>	<u>(234)</u>	<u>(234)</u>

- (iii) Key management personnel compensation

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

	1.1.2021 to 30.6.2021 RM'000	1.1.2020 to 30.6.2020 RM'000
Short-term employee benefits		
Fees	385	280
Salaries, allowances and bonuses	601	878
Contribution to EPF and pension scheme	100	144
ESGP	92	35
Other emoluments	110	62
	<u>1,288</u>	<u>1,399</u>

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:

	30.6.2021 '000	31.12.2020 '000
At 1 January	292	264
Awarded	28	28
At 30 June/31 December	<u>320</u>	<u>292</u>

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

35. REGULATORY CAPITAL REQUIREMENT

The capital structure of the Company as at 30 June 2021 and 31 December 2020, as prescribed under the RBCT Framework, is provided below:

Company	30.6.2021 RM'000	31.12.2020 RM'000
Eligible Tier 1 Capital		
Paid up share capital	100,000	100,000
Valuation surplus in takaful funds	1,992,160	1,912,737
Retained earnings	1,903,415	1,868,311
	<u>3,995,575</u>	<u>3,881,048</u>
Tier 2 Capital		
FVOCI reserve	52,907	208,668
Amount deducted from capital	<u>(6,564)</u>	<u>(5,589)</u>
Total Capital Available	<u>4,041,918</u>	<u>4,084,127</u>