



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

Unaudited Interim Condensed Financial Statements
for the six months period ended 30 June 2020

ETIQA GENERAL TAKAFUL BERHAD
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UNAUDITED INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	30.6.2020			31.12.2019		
		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
ASSETS							
Property, plant and equipment		-	-	-	-	-	-
Intangible assets		889	-	889	1,012	-	1,012
Investments	13	1,383,143	2,119,781	3,502,924	1,355,556	2,003,790	3,359,346
Financing receivables		237	-	237	252	-	252
Retakaful assets	14	-	337,197	337,197	-	239,075	239,075
Takaful receivables	15	-	114,854	114,854	-	83,063	83,063
Other assets	16	127,156	18,031	72,306	98,144	21,859	63,187
Current tax assets		-	3,883	3,883	-	3,883	3,883
Cash and bank balances		521	67,152	67,673	11,578	33,260	44,838
Total Assets		1,511,946	2,660,898	4,099,963	1,466,542	2,384,930	3,794,656
EQUITY, LIABILITIES AND PARTICIPANTS' FUNDS							
Equity							
Share capital		870,000	-	870,000	870,000	-	870,000
Reserves	17	373,141	-	373,141	356,406	-	356,406
Total Equity		1,243,141	-	1,243,141	1,226,406	-	1,226,406
Liabilities and Participants' Funds							
Participants' funds	18	-	225,883	225,883	-	222,517	222,517
Takaful certificate liabilities	19	-	1,878,017	1,878,017	-	1,706,694	1,706,694
Expense liabilities	20	148,632	-	148,632	148,713	-	148,713
Deferred tax liabilities		11,996	6,343	18,339	14,115	8,412	22,527
Takaful payables	21	-	154,688	154,688	-	114,642	114,642
Other liabilities	22	63,944	395,967	387,030	59,051	332,665	334,900
Current tax liabilities		44,233	-	44,233	18,257	-	18,257
Total Liabilities and Participants' Funds		268,805	2,660,898	2,856,822	240,136	2,384,930	2,568,250
Total Equity, Liabilities and Participants' Funds		1,511,946	2,660,898	4,099,963	1,466,542	2,384,930	3,794,656

These unaudited interim condensed financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the unaudited interim condensed financial statements.

UNAUDITED INTERIM CONDENSED INCOME STATEMENT
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020

	Note	1.1.2020 to 30.6.2020			1.1.2019 to 30.6.2019		
		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		282,436	839,869	865,677	278,438	837,815	863,826
Gross earned contributions		-	812,753	812,753	-	718,500	718,500
Earned contributions ceded to retakaful		-	(90,830)	(90,830)	-	(72,030)	(72,030)
Net earned contributions	23	-	721,923	721,923	-	646,470	646,470
Fee and commission income	24	256,628	6,011	6,011	252,427	5,197	5,197
Investment income	25	25,808	37,708	63,516	26,011	38,046	64,057
Realised gains		27,534	28,511	56,045	3,119	2,296	5,415
Fair value gains		2,938	3,578	6,516	468	3,107	3,575
Other operating income/ (expenses), net	26	1,598	(660)	938	162	(1,295)	(1,133)
Other revenue		314,506	75,148	133,026	282,187	47,351	77,111
Gross benefits and claims paid		-	(324,099)	(324,099)	-	(363,892)	(363,892)
Claims ceded to retakaful		-	11,199	11,199	-	10,201	10,201
Gross change to certificate liabilities		-	(181,916)	(251,344)	-	(50,220)	(79,993)
Change in certificate liabilities ceded to retakaful		-	81,890	81,890	-	17,984	17,984
Net claims incurred		-	(412,926)	(482,354)	-	(385,927)	(415,700)
Management expenses	27	(109,703)	-	(109,703)	(114,002)	-	(114,002)
Change in expense liabilities	20	81	-	81	(20,931)	-	(20,931)
Fee and commission expenses		(71,699)	(256,676)	(71,747)	(72,376)	(252,543)	(72,492)
Tax borne by participants	30	-	(680)	(680)	-	(670)	(670)
Other expenses		(181,321)	(257,356)	(182,049)	(207,309)	(253,213)	(208,095)
Operating profit before surplus transfers		133,185	126,789	190,546	74,878	54,681	99,786
Surplus transferred to participants' funds		-	(69,428)	-	-	(29,773)	-
Surplus attributable to shareholders		57,361	(57,361)	-	24,908	(24,908)	-
Profit before taxation		190,546	-	190,546	99,786	-	99,786
Taxation	30	(47,515)	-	(47,515)	(30,222)	-	(30,222)
Zakat		(7,317)	-	(7,317)	(2,712)	-	(2,712)
Net profit for the period		135,714	-	135,714	66,852	-	66,852
Basic and diluted earnings per share (sen):	34			15.60			7.68

These unaudited interim condensed financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the unaudited interim condensed financial statements.

UNAUDITED INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020

Note	1.1.2020 to 30.6.2020			1.1.2019 to 30.6.2019		
	Shareholder's	General	Company	Shareholder's	General	Company
	fund	Takaful fund		fund	Takaful fund	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net profit for the period	135,714	-	135,714	66,852	-	66,852
Other comprehensive income:						
Item that may be subsequently reclassified to income statement:						
Net gains on Fair Value through Other Comprehensive Income ("FVOCI") financial assets:						
- Fair value changes	(50,027)	(47,261)	(97,288)	46,721	48,160	94,881
- Transfer to profit and loss upon disposal	38,170	35,812	73,982	(3,695)	(2,296)	(5,991)
Tax effects relating to components of other comprehensive income/(losses) 30	2,846	2,748	5,594	(10,326)	(11,007)	(21,333)
Other comprehensive loss attributable to participants	-	8,701	8,701	-	(34,857)	(34,857)
Other comprehensive (loss)/ income for the period, net of tax	(9,011)	-	(9,011)	32,700	-	32,700
Total comprehensive income for the period	126,703	-	126,703	99,552	-	99,552

These unaudited interim condensed financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the unaudited interim condensed financial statements.

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UNAUDITED INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020

	Attributable to Equity Holder of the Company			
	Share Capital	Non-Distributable		Total Equity
		FVOCI Reserve	Distributable Retained Profits	
Note	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	870,000	47,714	308,692	1,226,406
Net profit after tax for the period	-	-	135,714	135,714
Other comprehensive loss for the period	-	(9,011)	-	(9,011)
Total comprehensive income for the period	-	(9,011)	135,714	126,703
Dividend on ordinary shares	-	-	(109,968)	(109,968)
At 30 June 2020	870,000	38,703	334,438	1,243,141

	Attributable to Equity Holder of the Company			
	Share Capital	Non-Distributable		Total Equity
		FVOCI Reserve	Distributable Retained Profits	
	RM'000	RM'000	RM'000	RM'000
At 1 January 2019	870,000	5,230	153,156	1,028,386
Net profit after tax for the period	-	-	66,852	66,852
Other comprehensive income for the period	-	32,700	-	32,700
Total comprehensive income for the period	-	32,700	66,852	99,552
At 30 June 2019	870,000	37,930	220,008	1,127,938

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

	Note	1.1.2020 to 30.6.2020 RM'000	1.1.2019 to 30.6.2019 RM'000
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation and zakat		190,546	99,786
Adjustments for:			
Amortisation of intangible assets	27	123	121
Fair value gains on investments		(6,516)	(3,575)
Realised gains on disposal of investments		(56,045)	(5,415)
Realised loss on foreign exchange	26	40	-
Unrealised gains on foreign exchange (Reversal)/allowance of impairment losses	26	(91)	-
on investments	26	(468)	176
Allowance/(reversal) of impairment losses on takaful receivables	26	1,880	(121)
Allowance of impairment losses on other assets	26	-	858
(Reversal)/allowance of impairment losses on retakaful assets	26	(477)	700
Profit income	25	(63,457)	(65,314)
Gross dividend/distribution income	25	(1,028)	(534)
Net amortisation of premiums	25	666	1,536
Tax borne by participants	30	680	670
Surplus transferred to participants' funds	18	69,428	29,773
Operating cash flows before working capital changes		135,281	58,661
Changes in working capital:			
Increase in takaful receivables		(33,671)	(2,265)
(Increase)/decrease in other assets		(15,248)	17,546
Increase/(decrease) in takaful payables		40,046	(139)
Increase in other liabilities		47,626	12,997
(Decrease)/increase in expense liabilities		(81)	20,931
Decrease/(increase) in financing receivables		15	(282)
(Increase)/decrease in placements of deposits with financial institutions		(1,209,694)	63,529
Increase in retakaful assets		(97,645)	(17,984)
Increase in takaful certificate liabilities		171,323	130,313
Operating cash flows after working capital changes and carried forward		(962,048)	283,307

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

	Note	1.1.2020 to 30.6.2020 RM'000	1.1.2019 to 30.6.2019 RM'000
CASH FLOW FROM OPERATING ACTIVITIES (CONTD.)			
Brought forward			
Operating cash flows after working capital changes		(962,048)	283,307
Profit income received		69,580	59,958
Gross dividend/distribution income received		1,034	631
Zakat paid		(2,816)	(3,712)
Taxation paid		(20,812)	(41,659)
Surplus paid to participants	18	(57,361)	(24,904)
Net cash flows (used)/generated from operating activities		<u>(972,423)</u>	<u>273,621</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from disposal of investments		1,677,497	552,934
Purchase of investments		(572,271)	(844,962)
Purchase of intangible assets		-	(39)
Net cash flows generated/(used) in investing activities		<u>1,105,226</u>	<u>(292,067)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid	10	(109,968)	-
Net cash flows used in financing activities		<u>(109,968)</u>	<u>-</u>
Increase/(decrease) in cash and cash equivalents		22,835	(18,446)
Cash and cash equivalents at beginning of period		44,838	80,229
Cash and cash equivalents at end of period		<u>67,673</u>	<u>61,783</u>
Cash and cash equivalents comprise:			
Cash and bank balances of:			
Shareholder's fund		521	12,838
General Takaful fund		67,152	48,945
		<u>67,673</u>	<u>61,783</u>

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**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020**

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 and ultimate holding companies of the Company are Maybank Ageas Holdings Berhad ("MAHB") and Malayan Banking Berhad ("Maybank") respectively, both 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 2020 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 2019.

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 2019.

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**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020 (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 10 August 2020 .

3. SIGNIFICANT ACCOUNTING POLICIES

The audited annual financial statements of the Company for the financial year ended 31 December 2019 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 adopted in preparing these unaudited interim condensed financial statements are consistent with those of the audited annual financial statements for the financial year ended 31 December 2019 except for the adoption of the following new Malaysian Financial Reporting Standards ("MFRSs"), Issues Committee ("IC") Interpretations, amendments to MFRSs and annual improvements to MFRSs which are effective for annual periods beginning on or after 1 January 2020:

Revised Conceptual Framework for Financial Reporting
Amendments to MFRS 3 - *Definition of a Business*
Amendments to MFRS 101 and MFRS 108 - *Definition of Material*
Amendment to MFRS 7, MFRS 9 and MFRS 139 - *Interest Rate Benchmark Reform*

The adoption of the above new MFRSs, IC Interpretation, amendments to MFRSs and annual improvements to MFRSs do not have financial implication to the Company's financial statements.

**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020 (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 2019.

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 2019 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 2020.

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 2020.

8. CHANGES IN ESTIMATES

There were no material changes in estimates for the interim financial period ended 30 June 2020.

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 2020.

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**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020 (CONTD.)**

10. DIVIDENDS PAID

A final single tier dividend of 12.64 sen per ordinary share on 870,000,000 ordinary shares amounting to RM109,968,000.00 for the financial year ended 31 December 2019 was approved by the shareholder in the Annual General Meeting ("AGM") held on 4 June 2020. Thereafter, the final dividend was paid on 17 June 2020.

11. MATERIAL EVENTS SUBSEQUENT TO END OF REPORTING PERIOD

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

12. CHANGES IN THE COMPOSITION OF THE COMPANY

There were no changes in the composition of the Company during the interim financial period ended 30 June 2020.

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13. INVESTMENTS

	Shareholder's fund RM'000	General Takaful fund RM'000	Company RM'000
30.6.2020			
Malaysian government papers	76,631	44,357	120,988
Debt securities	766,812	977,373	1,744,185
Equity securities	23,988	25,959	49,947
Unit and property trust funds	1,874	1,223	3,097
Deposits with financial institutions*	513,838	1,070,869	1,584,707
	<u>1,383,143</u>	<u>2,119,781</u>	<u>3,502,924</u>
31.12.2019			
Malaysian government papers	64,166	214,215	278,381
Debt securities	1,145,430	1,514,892	2,660,322
Equity securities	23,428	20,698	44,126
Unit and property trust funds	660	844	1,504
Deposits with financial institutions*	121,872	253,141	375,013
	<u>1,355,556</u>	<u>2,003,790</u>	<u>3,359,346</u>

* Included in the deposits with financial institutions are balances invested in other related companies within the Maybank Group amounting to RM755,300,000 (2019: RM105,537,000).

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

	Shareholder's fund RM'000	General Takaful fund RM'000	Company RM'000
30.6.2020			
Fair value through profit and loss ("FVTPL")			
- Designated upon initial recognition	-	19,961	19,961
- Held for trading ("HFT")	25,862	27,182	53,044
Fair value through other comprehensive income ("FVOCI")	843,443	1,001,769	1,845,212
Amortised Cost ("AC")	513,838	1,070,869	1,584,707
	<u>1,383,143</u>	<u>2,119,781</u>	<u>3,502,924</u>

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13. INVESTMENTS (CONTD.)

	Shareholder's fund RM'000	General Takaful fund RM'000	Company RM'000
31.12.2019			
Fair value through profit and loss ("FVTPL")			
- Designated upon initial recognition	-	25,374	25,374
- Held for trading ("HFT")	24,088	21,542	45,630
Fair value through other comprehensive income ("FVOCI")	1,209,596	1,703,733	2,913,329
Amortised Cost ("AC")	121,872	253,141	375,013
	<u>1,355,556</u>	<u>2,003,790</u>	<u>3,359,346</u>

The following investments will mature after 12 months:

	Shareholder's fund RM'000	General Takaful fund RM'000	Company RM'000
30.6.2020			
FVTPL			
- Designated upon initial recognition	-	19,961	19,961
FVOCI	808,126	897,534	1,705,660
	<u>808,126</u>	<u>917,495</u>	<u>1,725,621</u>

31.12.2019			
FVTPL			
- Designated upon initial recognition	-	25,374	25,374
FVOCI	1,204,581	1,568,997	2,773,578
	<u>1,204,581</u>	<u>1,594,371</u>	<u>2,798,952</u>

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13. INVESTMENTS (CONTD.)

	Shareholder's fund RM'000	General Takaful fund RM'000	Company RM'000
(i) FVTPL (contd.)			
(a) Designated upon initial recognition (contd.)			
30.06.2020			
<u>At fair value</u>			
Unquoted debt securities in Malaysia	-	19,961	19,961
Total FVTPL designated upon initial recognition financial assets	-	19,961	19,961
31.12.2019			
<u>At fair value</u>			
Unquoted debt securities in Malaysia	-	25,374	25,374
Total FVTPL designated upon initial recognition financial assets	-	25,374	25,374
(b) HFT			
30.6.2020			
<u>At fair value</u>			
Quoted equity securities in Malaysia	23,258	24,909	48,167
Quoted equity securities outside Malaysia	730	1,050	1,780
Quoted unit and property trust funds in Malaysia	1,874	1,223	3,097
Total HFT financial assets	25,862	27,182	53,044
31.12.2019			
<u>At fair value</u>			
Quoted equity securities in Malaysia	23,428	20,698	44,126
Quoted unit and property trust funds in Malaysia	660	844	1,504
Total HFT financial assets	24,088	21,542	45,630

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13. INVESTMENTS (CONTD.)

	Shareholder's fund RM'000	General Takaful fund RM'000	Company RM'000
(ii) FVOCI			
30.6.2020			
<u>At fair value</u>			
Malaysian government papers	76,631	44,357	120,988
Unquoted debt securities in Malaysia	766,812	957,412	1,724,224
Total FVOCI financial assets	843,443	1,001,769	1,845,212
31.12.2019			
<u>At fair value</u>			
Malaysian government papers	64,166	214,215	278,381
Unquoted debt securities in Malaysia	1,145,430	1,489,518	2,634,948
Total FVOCI financial assets	1,209,596	1,703,733	2,913,329

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

	<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
30.6.2020				
Shareholder's fund				
At 1 January	531	54	-	585
New adjustment of loss allowance	(37)	-	-	(37)
New financial assets originated or purchased	26	-	-	26
Financial asset derecognised during the period	(162)	-	-	(162)
At 30 June	358	54	-	412

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13. INVESTMENTS (CONTD.)

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

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	
	12 months	Lifetime ECL	Lifetime ECL	Total
	ECL	not credit	credit	ECL
	RM'000	impaired	impaired	RM'000
	RM'000	RM'000	RM'000	RM'000
30.6.2020 (contd.)				
General Takaful fund				
At 1 January	1,018	5	-	1,023
New adjustment of loss allowance	(4)	-	-	(4)
New financial assets originated or purchased	18	-	-	18
Financial asset derecognised during the period	(309)	-	-	(309)
At 30 June	<u>723</u>	<u>5</u>	<u>-</u>	<u>728</u>
31.12.2019				
Shareholder's fund				
At 1 January	572	107	-	679
New adjustment of loss allowance	(133)	(39)	-	(172)
New financial assets originated or purchased	235	-	-	235
Financial assets derecognised during the year	(143)	(14)	-	(157)
At 31 December	<u>531</u>	<u>54</u>	<u>-</u>	<u>585</u>
General Takaful fund				
At 1 January	1,030	58	-	1,088
New adjustment of loss allowance	(325)	(3)	-	(328)
New financial assets originated or purchased	449	-	-	449
Financial assets derecognised during the year	(136)	(50)	-	(186)
At 31 December	<u>1,018</u>	<u>5</u>	<u>-</u>	<u>1,023</u>

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13. INVESTMENTS (CONTD.)

	Shareholder's fund RM'000	General Takaful fund RM'000	Company RM'000
(iii) AC			
30.6.2020			
<u>At cost</u>			
Islamic investment accounts with:			
Licensed financial institutions	460,695	934,449	1,395,144
Others	53,143	136,420	189,563
Total AC financial assets	513,838	1,070,869	1,584,707
31.12.2019			
<u>At cost</u>			
Licensed financial institutions	83,547	197,263	280,810
Others	38,325	55,878	94,203
Total AC financial assets	121,872	253,141	375,013

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 basis used in the determination of the fair values of investments are further disclosed in Note 32 of the unaudited interim condensed financial statements.

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14. RETAKAFUL ASSETS

	30.6.2020	31.12.2019
	RM'000	RM'000
General Takaful fund/Company		
Retakaful operators' share of takaful certificate liabilities (Note 19):		
Claims liabilities	289,733	207,844
Contribution liabilities	47,703	31,947
	<u>337,436</u>	<u>239,791</u>
Allowance for impairment losses	(239)	(716)
	<u>337,197</u>	<u>239,075</u>

Movements in the allowance for impairment losses for retakaful assets are as follows:

	30.6.2020	31.12.2019
	RM'000	RM'000
Lifetime ECL		
At 1 January	716	-
Net adjustment of loss allowance (Note 26)	(477)	716
At 30 June/31 December	<u>239</u>	<u>716</u>

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15. TAKAFUL RECEIVABLES

	30.6.2020	31.12.2019
	RM'000	RM'000
General Takaful fund/Company		
Due contributions including agents/ brokers, cedants and co-takaful business*	121,794	85,423
Due from retakaful operators	4,703	7,403
	<u>126,497</u>	<u>92,826</u>
Allowance for impairment losses	(11,643)	(9,763)
	<u>114,854</u>	<u>83,063</u>

Movements in the allowance for impairment losses for Takaful receivables are as follows:

	30.6.2020	31.12.2019
	RM'000	RM'000
Lifetime ECL		
At 1 January	9,763	6,463
Net adjustment of loss allowance (Note 26)	1,880	3,300
At 30 June/31 December	<u>11,643</u>	<u>9,763</u>

* Included in due contributions including agents/brokers and co-takaful balances are balances due to ultimate holding company, immediate holding company and penultimate holding company amounting to RM9,287,000 (2019 : RM7,674,000) and RM43,000 (2019: RM NIL) respectively.

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
30.6.2020			
Sundry receivables, deposits and prepayments	3,566	6	3,572
Allowance for impairment losses	(362)	-	(362)
	<u>3,204</u>	<u>6</u>	<u>3,210</u>
Wakalah receivables	41,555	-	41,555
Allowance for impairment losses	(1,043)	-	(1,043)
	<u>40,512</u>	<u>-</u>	<u>40,512</u>
Income and profit due and accrued **	10,542	18,008	28,550
Amounts due from General Takaful fund*	72,881	-	-
Amounts due from stockbrokers	17	17	34
	<u>127,156</u>	<u>18,031</u>	<u>72,306</u>
31.12.2019			
Sundry receivables, deposits and prepayments	2,340	6	2,346
Allowance for impairment losses	(362)	-	(362)
	<u>1,978</u>	<u>6</u>	<u>1,984</u>
Wakalah receivables	27,531	-	27,531
Allowance for impairment losses	(1,043)	-	(1,043)
	<u>26,488</u>	<u>-</u>	<u>26,488</u>
Income and profit due and accrued **	12,826	21,853	34,679
Amounts due from General Takaful fund*	56,816	-	-
Amounts due from stockbrokers	36	-	36
	<u>98,144</u>	<u>21,859</u>	<u>63,187</u>

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16. OTHER ASSETS (CONTD.)

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

	Shareholder's fund /Company RM'000
Lifetime ECL	
30.6.2020	
At 1 January/30 June	<u>1,405</u>
31.12.2019	
At 1 January	634
Net adjustment of loss allowance	<u>771</u>
At 31 December	<u>1,405</u>

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

** Included in income and profit due and accrued are balances due from other related companies within the Maybank Group amounting to RM2,439,000 (2019: RM129,000).

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	30.6.2020 RM'000	31.12.2019 RM'000
Shareholder's fund/Company			
Non-distributable:			
FVOCI reserve	(i)	38,703	47,714
Distributable:			
Retained profits	(ii)	<u>334,438</u>	<u>308,692</u>
		<u>373,141</u>	<u>356,406</u>

- (i) The FVOCI reserve of the Company arose from changes in the fair values of the investment assets of the Shareholder's fund.
- (ii) The entire distributable retained profits may be distributed to the shareholder under the single-tier system.

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18. PARTICIPANTS' FUNDS

	30.6.2020	31.12.2019
	RM'000	RM'000
General Takaful fund/Company		
Accumulated surplus (Note (i))	194,191	182,124
FVOCI reserve (Note (ii))	31,692	40,393
	<u>225,883</u>	<u>222,517</u>
(i) Accumulated surplus		
At 1 January	182,124	172,167
Surplus arising during the period/year	69,428	54,729
Surplus paid to participants during the period/year	(57,361)	(44,772)
At 30 June/31 December	<u>194,191</u>	<u>182,124</u>
(ii) FVOCI reserve		
At 1 January	40,393	(8,322)
Fair value changes	(47,261)	57,199
Realised gain transferred to income statement	35,812	6,900
Deferred tax on fair value changes	2,748	(15,384)
At 30 June/31 December	<u>31,692</u>	<u>40,393</u>

19. TAKAFUL CERTIFICATE LIABILITIES

	←----- 30.6.2020 ----->			←----- 31.12.2019 ----->		
	Gross RM'000	Retakaful assets RM'000 (Note 14)	Net RM'000	Gross RM'000	Retakaful assets RM'000 (Note 14)	Net RM'000
General Takaful fund						
Claims liabilities (i)	1,163,296	(289,733)	873,563	981,381	(207,844)	773,537
Contribution liabilities (ii)	714,721	(47,703)	667,018	725,313	(31,947)	693,366
	<u>1,878,017</u>	<u>(337,436)</u>	<u>1,540,581</u>	<u>1,706,694</u>	<u>(239,791)</u>	<u>1,466,903</u>
(i) Claims liabilities						
At 1 January	981,381	(207,844)	773,537	869,254	(188,007)	681,247
Claims incurred in the current accident period/year	498,858	(84,637)	414,221	946,499	(32,880)	913,619
Movements in claims incurred in prior accident period/year	(3,850)	(3,526)	(7,376)	(41,408)	(9,638)	(51,046)
Claims paid during the period/year	(324,099)	11,199	(312,900)	(789,424)	22,013	(767,411)
Movements in Provision of Risk Margin for Adverse Deviation ("PRAD")	11,006	(4,925)	6,081	(3,540)	668	(2,872)
At 30 June/31 December	<u>1,163,296</u>	<u>(289,733)</u>	<u>873,563</u>	<u>981,381</u>	<u>(207,844)</u>	<u>773,537</u>
(ii) Contribution liabilities						
At 1 January	725,313	(31,947)	693,366	634,309	(44,166)	590,143
Contributions written during the period/year (Note 23)	802,161	(106,586)	695,575	1,604,793	(121,226)	1,483,567
Contributions earned during the period/year (Note 23)	(812,753)	90,830	(721,923)	(1,513,789)	133,445	(1,380,344)
At 30 June/31 December	<u>714,721</u>	<u>(47,703)</u>	<u>667,018</u>	<u>725,313</u>	<u>(31,947)</u>	<u>693,366</u>

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20. EXPENSE LIABILITIES

	30.6.2020	31.12.2019
	RM'000	RM'000
Shareholder's fund/Company		
Unearned wakalah fee ("UWF") of General Takaful fund	148,632	148,713
At 1 January	148,713	127,590
Wakalah fee received during the period/year (Note 24)	256,628	514,135
Wakalah fee earned during the period/year	(256,709)	(493,012)
Movement in UWF	(81)	21,123
At 30 June/31 December	148,632	148,713

21. TAKAFUL PAYABLES

	30.6.2020	31.12.2019
	RM'000	RM'000
General Takaful fund/Company		
Due to agents and brokers	86,909	73,597
Due to retakaful operators	67,779	41,045
	154,688	114,642

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
30.6.2020			
Amount due to Shareholder's fund*	-	72,881	-
Amounts due to stockbrokers	71	86	157
Unclaimed monies	-	32,110	32,110
Service tax payable	-	24,109	24,109
Surplus payable to participants	-	211,353	211,353
Withholding tax payable	-	10,251	10,251
Amounts due to related companies (Note 31 (b))*:			
- Ultimate holding company	4,217	-	4,217
- Immediate holding and penultimate holding companies	1,090	-	1,090
- Other related companies	8,171	-	8,171
Zakat payable	9,529	-	9,529
Wakalah payables	-	41,555	41,555
Sundry payables and accrued liabilities**	40,866	3,622	44,488
	<u>63,944</u>	<u>395,967</u>	<u>387,030</u>
31.12.2019			
Amount due to Shareholder's fund*	-	56,816	-
Unclaimed monies	-	42,483	42,483
Service tax payable	-	21,434	21,434
Surplus payable to participants	-	171,377	171,377
Withholding tax payable	-	8,623	8,623
Amounts due to related companies (Note 31 (b))*:			
- Ultimate holding company	1,543	-	1,543
- Immediate holding company	498	-	498
- Other related companies	6,316	27	6,343
Zakat payable	5,027	-	5,027
Provisions for expenses	3,733	-	3,733
Wakalah payables	-	27,531	27,531
Sundry payables and accrued liabilities**	41,934	4,374	46,308
	<u>59,051</u>	<u>332,665</u>	<u>334,900</u>

* Amounts due to ultimate holding company, immediate holding company and other 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.

** Included in sundry payables and accrued liabilities are balances due to other related companies within the Maybank Group amounting to RM5,083,000 (2019: RM2,327,000).

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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23. NET EARNED CONTRIBUTION

	1.1.2020 to 30.6.2020 RM'000	1.1.2019 to 30.6.2019 RM'000
General Takaful fund/Company		
Gross contribution (Note 19)	802,161	799,769
Change in unearned contribution reserves	10,592	(81,269)
	<u>812,753</u>	<u>718,500</u>
Contributions ceded to retakaful operators (Note 19)	(106,586)	(73,207)
Change in unearned contribution reserves	15,756	1,177
	<u>(90,830)</u>	<u>(72,030)</u>
Net earned contributions	<u>721,923</u>	<u>646,470</u>

24. FEE AND COMMISSION INCOME

	Shareholder's fund RM'000	General Takaful fund RM'000	Company RM'000
1.1.2020 to 30.6.2020			
Wakalah fee income from			
General Takaful fund (Note 20)	256,628	-	-
Profit commission	-	270	270
Retakaful commission income	-	5,611	5,611
Others	-	130	130
Total fee and commission income	<u>256,628</u>	<u>6,011</u>	<u>6,011</u>
1.1.2019 to 30.6.2019			
Wakalah fee income from			
General Takaful fund	252,427	-	-
Retakaful commission income	-	4,958	4,958
Others	-	239	239
Total fee and commission income	<u>252,427</u>	<u>5,197</u>	<u>5,197</u>

25. INVESTMENT INCOME

	Shareholder's fund RM'000	General Takaful fund RM'000	Company RM'000
1.1.2020 to 30.6.2020			
Financial assets at FVTPL:			
- HFT			
Dividend income:			
Quoted equity securities in Malaysia	536	492	1,028
Financial assets at FVOCI:			
Profit income	17,853	25,090	42,943
Financial assets at AC:			
Profit income	7,730	12,784	20,514
Net amortisation of premiums	(101)	(565)	(666)
Investment related expenses	(210)	(93)	(303)
Total investment income	25,808	37,708	63,516
1.1.2019 to 30.6.2019			
Financial assets at FVTPL:			
- Designated upon initial recognition			
Profit income	-	1,854	1,854
- HFT			
Dividend income:			
Quoted equity securities in Malaysia	260	274	534
Financial assets at FVOCI:			
Profit income	24,938	35,703	60,641
Financial assets at AC:			
Profit income	1,436	1,383	2,819
Net amortisation of premiums	(523)	(1,013)	(1,536)
Investment related expenses	(100)	(155)	(255)
Total investment income	26,011	38,046	64,057

26. OTHER OPERATING INCOME/(EXPENSES), NET

	Shareholder's fund RM'000	General Takaful fund RM'000	Company RM'000
1.1.2020 to 30.6.2020			
Other income			
Reversal of impairment losses on:			
- Investments	173	295	468
- Retakaful assets	-	477	477
Unrealised gains on foreign exchange	39	52	91
Sundry income	1,406	435	1,841
	<u>1,618</u>	<u>1,259</u>	<u>2,877</u>
Other expenses			
Allowance for impairment losses on takaful receivables	-	(1,880)	(1,880)
Realised loss on foreign exchange	(18)	(22)	(40)
Sundry expenditure	(2)	(17)	(19)
	<u>(20)</u>	<u>(1,919)</u>	<u>(1,939)</u>
Total other operating income, net	<u>1,598</u>	<u>(660)</u>	<u>938</u>
1.1.2019 to 30.6.2019			
Other income			
Reversal of impairment losses on takaful receivables	-	121	121
Sundry income	1,042	20	1,062
	<u>1,042</u>	<u>141</u>	<u>1,183</u>
Other expenses			
Allowance for impairment losses on:			
- Investments	(22)	(154)	(176)
- Other assets	(858)	-	(858)
- Retakaful assets	-	(700)	(700)
Takaful receivables written off	-	(581)	(581)
Realised loss on foreign exchange	-	(1)	(1)
	<u>(880)</u>	<u>(1,436)</u>	<u>(2,316)</u>
Total other operating expenses, net	<u>162</u>	<u>(1,295)</u>	<u>(1,133)</u>

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27. MANAGEMENT EXPENSES

	1.1.2020	1.1.2019
	to	to
	30.6.2020	30.6.2019
	RM'000	RM'000
Shareholder's fund/Company		
Employee benefits expenses (Note 27 (a))	61,260	57,638
Directors' fee and remuneration (Note 28)	428	428
Shariah Committee's remuneration (Note 29)	34	51
Auditors' remuneration:		
- statutory audits	131	131
- regulatory services	10	10
- other services	56	-
Amortisation of intangible assets	123	121
Auto assist service	3,574	6,923
Bank and financing charges	3,603	6,881
Electronic data processing expenses	4,831	5,289
Entertainment expenses	92	108
Legal fees	127	159
Information technology outsourcing	3,681	4,306
Office facilities expenses	197	340
Other management fees	568	1,662
Postage and stamp duties	1,047	711
Printing and stationery	1,345	520
Professional fees	756	610
Promotional and marketing costs	16,141	17,843
Rental of offices/premises	3,189	3,156
Training expenses	311	638
Travelling expenses	426	269
Utilities, assessment and maintenance	1,057	1,148
Other expenses	6,716	5,060
Total management expenses	109,703	114,002

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27. MANAGEMENT EXPENSES (CONTD.)

	1.1.2020	1.1.2019
	to	to
	30.6.2020	30.6.2019
	RM'000	RM'000
(a) Employee benefits expenses		
Shareholder's fund/Company		
Wages, salaries and bonuses	46,517	43,677
Employees' Provident Fund ("EPF")	7,433	6,985
Social Security Organisation ("SOCSO")	335	308
Share based compensation	985	394
Other benefits	5,990	6,274
	<u>61,260</u>	<u>57,638</u>

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

	1.1.2020	1.1.2019
	to	to
	30.6.2020	30.6.2019
	RM'000	RM'000
Salaries	322	322
Bonus	250	326
EPF	92	104
Share based compensation	64	-
Other emoluments	32	20
	<u>760</u>	<u>772</u>

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28. DIRECTORS' REMUNERATION

	1.1.2020 to 30.6.2020 RM'000	1.1.2019 to 30.6.2019 RM'000
Shareholder's fund/Company		
Executive director:		
Fees	60	60
Other emoluments	4	4
	<u>64</u>	<u>64</u>
Non-executive directors:		
Fees	328	330
Other emoluments	36	34
	<u>364</u>	<u>364</u>
Total director's fees and remuneration	<u><u>428</u></u>	<u><u>428</u></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
1.1.2020 to 30.6.2020			
Executive director:			
Dato' Mohamed Rafique Merican			
Mohd Wahiduddin Merican	60	4	64
Non-executive directors:			
Dato' Majid Mohamad (Chairman)	90	8	98
Mr Philippe Pol Arthur Latour (Vice Chairman)	60	6	66
Dato' Johan Ariffin	60	6	66
Mr Koh Heng Kong	60	8	68
Prof Dr. Rusni Hassan	58	8	66
Total director's fees and remuneration	<u><u>388</u></u>	<u><u>40</u></u>	<u><u>428</u></u>
1.1.2019 to 30.6.2019			
Executive director:			
Dato' Mohamed Rafique Merican			
Mohd Wahiduddin Merican	60	4	64
Non-executive directors:			
Dato' Majid Mohamad (Chairman)	90	8	98
Mr Philippe Pol Arthur Latour (Vice Chairman)	60	6	66
Dato' Johan Ariffin	60	6	66
Dr. Abdul Rahim Abdul Rahman	60	6	66
Mr. Koh Heng Kong	60	8	68
Total director's fees and remuneration	<u><u>390</u></u>	<u><u>38</u></u>	<u><u>428</u></u>

29. SHARIAH COMMITTEE'S REMUNERATION

	1.1.2020 to 30.6.2020 RM'000	1.1.2019 to 30.6.2019 RM'000
Shareholder's fund/Company		
Fees	23	27
Other emoluments	11	24
Total shariah committee's remuneration	34	51

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

	Fees RM'000	Other emoluments RM'000	Total RM'000
1.1.2020 to 30.6.2020			
Shariah committee:			
Assoc Prof Dr. Aznan Hasan (Chairman)	6	3	9
Dr. Sarip Adul	5	2	7
Prof Dr. Rusni Hassan	4	2	6
Prof Dr. Abdul Rahim Abdul Rahman	4	2	6
Prof Dato' Dr. Mohd Azmi Omar	4	2	6
Total shariah committee's remuneration	23	11	34

1.1.2019 to 30.6.2019

Shariah committee:			
Assoc Prof Dr. Aznan Hasan (Chairman) (Appointed w.e.f 1 June 2019)	2	2	4
Dr. Ahcene Lahsasna (Ceased as Chairman w.e.f 31 May 2019)	5	4	9
Dr. Sarip Adul	4	3	7
Prof Dr. Rusni Hassan	4	3	7
Prof Dr. Abdul Rahim Abdul Rahman	4	4	8
Prof Dato' Dr. Mohd Azmi Omar	4	4	8
Dato' Dr Anhar Opir	4	4	8
Total shariah committee's remuneration	27	24	51

30. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the financial period ended 30 June 2020 and 30 June 2019 are as follows:

	1.1.2020 to 30.06.2020 RM'000	1.1.2019 to 30.06.2019 RM'000
Shareholder's fund/Company		
<u>Income Statement</u>		
Income tax:		
Tax expense for the financial period	46,788	30,518
Deferred taxation:		
Relating to origination and reversal of temporary differences	727	(296)
Income tax expense recognised in Income Statement	<u>47,515</u>	<u>30,222</u>

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:

	1.1.2020 to 30.06.2020 RM'000	1.1.2019 to 30.06.2019 RM'000
Shareholder's fund/Company		
Profit before taxation	<u>190,546</u>	<u>99,786</u>
Taxation at Malaysian statutory tax rate of 24%	45,731	23,949
Income not subject to tax	(833)	(175)
Expenses not deductible for tax purposes	<u>2,617</u>	<u>6,448</u>
Tax expense for the financial period	<u>47,515</u>	<u>30,222</u>

The domestic income tax for Shareholder's fund are calculated at the Malaysian statutory tax rate of 24% (2019 : 24%) of the estimated assessable profit for the financial period.

30. INCOME TAX EXPENSE (CONTD.)

Taxation borne by participants

	1.1.2020 to 30.06.2020 RM'000	1.1.2019 to 30.06.2019 RM'000
General Takaful fund/Company		
<u>Income Statement</u>		
Deferred taxation:		
Relating to origination and reversal of temporary differences	680	670
Tax borne by participants recognised in Income Statement	<u>680</u>	<u>670</u>

The domestic income tax for General Takaful fund are calculated at the Malaysian statutory tax rate of 24% (2019 : 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
1.1.2020 to 30.6.2020			
Deferred income tax related to other comprehensive income:			
- Fair value changes on FVOCI financial assets	<u>(2,846)</u>	<u>(2,748)</u>	<u>(5,594)</u>
1.1.2019 to 30.6.2019			
Deferred income tax related to other comprehensive income:			
- Fair value changes on FVOCI financial assets	<u>10,326</u>	<u>11,007</u>	<u>21,333</u>

31. 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 the Directors and Chief Executive Officer of the Company.

The Company has related party relationships with its shareholders 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.

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

Income/(expenses):	Shareholder's fund RM'000	General Takaful fund RM'000	Company RM'000
1.1.2020 to 30.6.2020			
Ultimate holding company:			
Gross contribution income	-	13	13
Commission and fee expenses	(15,005)	-	(15,005)
Bank charges	(322)	-	(322)
Employee's Share Grant Plan ("ESGP")	(64)	-	(64)
Immediate holding company:			
Shared service costs	(5,921)	-	(5,921)
Claims paid	-	(28)	(28)
Remuneration of a seconded employee	(48)	-	(48)
Dividend paid	(109,968)	-	(109,968)
Fellow subsidiaries within the MAHB Group:			
Gross contribution income	-	36	36
Rental expenses	(3,151)	-	(3,151)
Shared service costs	(25,991)	-	(25,991)

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

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

Income/(expenses) (contd.):	Shareholder's fund RM'000	General Takaful fund RM'000	Company RM'000
1.1.2020 to 30.6.2020			
Other related companies within the Maybank Group:			
Gross contribution income	-	1,026	1,026
Profit income	4,485	6,883	11,368
Information technology outsourcing	(3,681)	-	(3,681)
Commission and fee expenses	(2,519)	-	(2,519)
Investment expenses	(73)	(93)	(166)
Claims paid	-	(8)	(8)
Companies with significant influence over the Maybank Group:			
Gross contribution income	-	6,370	6,370
Claims paid	-	(15)	(15)
1.1.2019 to 30.6.2019			
Ultimate holding company:			
Gross contribution income	-	70	70
Commission and fee expenses	(13,858)	-	(13,858)
Bank charges	(266)	-	(266)
Immediate holding company:			
Gross contribution income	-	1	1
Shared service costs	(4,805)	-	(4,805)
Claims paid	-	(69)	(69)
Fellow subsidiaries within the MAHB Group:			
Gross contribution income	-	5	5
Shared service costs	(46,497)	-	(46,497)
Rental expense	(3,153)	-	(3,153)
Other related companies within the Maybank Group:			
Gross takaful contribution income	-	833	833
Profit income	252	410	662
Commission and fee expenses	(2,042)	-	(2,042)
Information technology outsourcing	(4,306)	-	(4,306)
Investment expenses	(100)	(155)	(255)

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

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

	Shareholder's fund RM'000	General Takaful fund RM'000	Company RM'000
Income/(expenses) (contd.)			
1.1.2019 to 30.6.2019			

Companies with significant influence over the Maybank Group:

Gross contribution income	-	3,906	3,906
Claims paid	-	(163)	(163)

(b) Included in the statement of financial position of the Company are investments placed with and amounts due from/(to) related companies represented by the following:

30.6.2020

Ultimate holding company:

Bank balances	521	57,816	58,337
Outstanding contributions (Note 15)	-	9,287	9,287
Amount due to ultimate holding company (Note 22)	(4,217)	-	(4,217)

Immediate holding and penultimate holding company

Amount due to immediate holding and penultimate holding companies (Note 22)	(1,090)	-	(1,090)
Outstanding contributions (Note 15)	-	43	43

Fellow subsidiaries within the MAHB Group:

Amount due to other related companies (Note 22)	(8,171)	-	(8,171)
Claim liabilities	-	(5)	(5)

Other related companies within the Maybank Group:

Fixed and call deposits (Note 13)	299,637	455,663	755,300
Income and profit due and accrued (Note 16)	815	1,624	2,439
Claim liabilities	-	(10)	(10)
Sundry payables & accrued liabilities (Note 22)	(5,083)	-	(5,083)

Companies with significant influence over the Maybank Group:

Claim liabilities	-	(659)	(659)
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31. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES DISCLOSURES
(CONTD.)

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

	Shareholder's fund RM'000	General Takaful fund RM'000	Company RM'000
31.12.2019			
Ultimate holding company:			
Bank balances	11,578	30,292	41,870
Outstanding contributions (Note 15)	-	7,674	7,674
Amount due to ultimate holding company (Note 22)	<u>(1,543)</u>	<u>-</u>	<u>(1,543)</u>
Immediate holding company:			
Amount due to immediate holding company (Note 22)	<u>(498)</u>	<u>-</u>	<u>(498)</u>
Fellow subsidiaries within the MAHB Group:			
Amount due to other related companies (Note 22)	(6,297)	-	(6,297)
Claim liabilities	<u>-</u>	<u>(5)</u>	<u>(5)</u>
Other related companies within the Maybank Group:			
Fixed and call deposits (Note 13)	30,013	75,524	105,537
Income and profit due and accrued (Note 16)	41	88	129
Claim liabilities	-	(10)	(10)
Amount due to other related companies (Note 22)	(19)	(27)	(46)
Sundry payables and accrued liabilities (Note 22)	<u>(2,327)</u>	<u>-</u>	<u>(2,327)</u>
Companies with significant influence over the Maybank Group:			
Claim liabilities	<u>-</u>	<u>(1,164)</u>	<u>(1,164)</u>

31. 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:

	1.1.2020 to 30.6.2020 RM'000	1.1.2019 to 30.6.2019 RM'000
Short-term employee benefits		
- Fees	388	390
- Salaries, allowances and bonuses	572	648
- EPF and pension scheme	92	104
- Share-based compensation	64	-
- Other emoluments	72	58
	<u>1,188</u>	<u>1,200</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 & 28 of the unaudited interim condensed financial statements.

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

	30.6.2020 '000	31.12.2019 '000
At 1 January	264	132
Awarded	-	132
At 30 June	<u>264</u>	<u>264</u>

32. FAIR VALUE 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 MFRS are an indication of the observability of prices or valuation input. It can be classified into 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 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 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.

32. FAIR VALUE MEASUREMENTS (CONTD.)

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

Shareholder's fund

	Valuation techniques using:			Total RM'000
	Level 1 Quoted market prices RM'000	Level 2 Observable inputs RM'000	Level 3 Non Observable inputs RM'000	
30.6.2020				
<u>Assets</u>				
FVTPL financial assets				
- HFT				
Equity securities	23,988	-	-	23,988
Unit and property trust funds	1,874	-	-	1,874
FVOCI financial assets				
Malaysian government papers	-	76,631	-	76,631
Debt securities	-	766,812	-	766,812
Total assets	25,862	843,443	-	869,305
31.12.2019				
<u>Assets</u>				
FVTPL financial assets				
- HFT				
Equity securities	23,428	-	-	23,428
Unit and property trust funds	660	-	-	660
FVOCI financial assets				
Malaysian government papers	-	64,166	-	64,166
Debt securities	-	1,145,430	-	1,145,430
Total assets	24,088	1,209,596	-	1,233,684

32. FAIR VALUE MEASUREMENTS (CONTD.)

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

General Takaful fund

	Valuation techniques using:			Total RM'000
	Level 1 Quoted market prices RM'000	Level 2 Observable inputs RM'000	Level 3 Non Observable inputs RM'000	
30.6.2020				
<u>Assets</u>				
FVTPL financial assets				
- Designated upon initial recognition				
Debt securities	-	19,961	-	19,961
- HFT				
Equity securities	25,959	-	-	25,959
Unit and property trust funds	1,223	-	-	1,223
FVOCI financial assets				
Malaysian government papers	-	44,357	-	44,357
Debt securities	-	957,412	-	957,412
Total assets	27,182	1,021,730	-	1,048,912
31.12.2019				
<u>Assets</u>				
FVTPL financial assets				
- Designated upon initial recognition				
Debt securities and structured products	-	25,374	-	25,374
- HFT				
Equity securities	20,698	-	-	20,698
Unit and property trust funds	844	-	-	844
FVOCI financial assets				
Malaysian government papers	-	214,215	-	214,215
Debt securities	-	1,489,518	-	1,489,518
Total assets	21,542	1,729,107	-	1,750,649

32. FAIR VALUE 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 2020.

(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 2020.

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33. REGULATORY CAPITAL REQUIREMENT

The capital structure of the Company as at 30 June 2020 and 31 December 2019, as prescribed under the RBCT Framework, is provided below:

	30.6.2020	31.12.2019
	RM'000	RM'000
Company		
Eligible Tier 1 Capital		
Paid up share capital	870,000	870,000
Valuation surplus in takaful funds	194,191	182,124
Retained earnings	334,438	308,692
	<u>1,398,629</u>	<u>1,360,816</u>
Tier 2 Capital		
FVOCI reserve	70,395	88,107
	<u>70,395</u>	<u>88,107</u>
Amount deducted from capital	<u>(890)</u>	<u>(1,012)</u>
Total Capital Available	<u>1,468,134</u>	<u>1,447,911</u>

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34. 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.

	1.1.2020	1.1.2019
	to	to
	30.6.2020	30.6.2019
Profit attributable to ordinary equity holders (RM'000)	<u>135,714</u>	<u>66,852</u>
Weighted average number of ordinary shares in issue ('000)	<u>870,000</u>	<u>870,000</u>
Basic and diluted earnings per share (sen)	<u>15.60</u>	<u>7.68</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.