



ETIQA GENERAL INSURANCE BERHAD
197001000276 (9557-T)
(Incorporated in Malaysia)

Abridged Audited Financial Statements
31 December 2020

ETIQA GENERAL INSURANCE BERHAD
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ETIQA GENERAL INSURANCE BERHAD
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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	2020	2019
	RM'000	RM'000
<u>Assets</u>		
Property, plant and equipment	13,576	15,914
Investment properties	287,860	283,920
Right-of-use assets	6,036	6,428
Intangible assets	32,702	36,703
Investment in subsidiary	* ₋	* ₋
Investment in associate	152	152
Investments	1,560,438	1,398,755
Financing receivables	27,830	26,552
Reinsurance assets	3,930,463	2,953,227
Insurance receivables	257,723	320,600
Other assets	75,205	70,204
Derivative assets	6,099	-
Current tax assets	41,275	90,019
Cash and bank balances	31,962	9,443
Total Assets	<u>6,271,321</u>	<u>5,211,917</u>
<u>Equity</u>		
Share capital	229,879	229,879
Reserves	931,470	833,699
Total Equity	<u>1,161,349</u>	<u>1,063,578</u>
<u>Liabilities</u>		
Insurance contract liabilities	4,595,728	3,596,928
Deferred tax liabilities, net	46,516	42,742
Insurance payables	379,265	424,248
Other liabilities	78,870	81,682
Current tax liabilities	9,593	2,739
Total Liabilities	<u>5,109,972</u>	<u>4,148,339</u>
Total Equity and Liabilities	<u>6,271,321</u>	<u>5,211,917</u>

* Representing RM 1

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INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	2020	2019
	RM'000	RM'000
Operating revenue	<u>1,358,977</u>	<u>1,365,603</u>
Gross earned premiums	1,345,000	1,264,264
Earned premiums ceded to reinsurers	<u>(849,519)</u>	<u>(764,324)</u>
Net earned premiums	<u>495,481</u>	<u>499,940</u>
Fee and commission income	60,893	71,508
Investment income	59,885	60,378
Realised gains	1,982	1,340
Fair value gains	21,948	16,201
Other operating (expenses)/income, net	<u>(6,321)</u>	<u>2,074</u>
Other revenue	<u>138,387</u>	<u>151,501</u>
Gross benefits and claims paid	(407,680)	(647,853)
Claims ceded to reinsurers	181,954	407,486
Gross change in contract liabilities	(1,044,707)	(312,755)
Change in contract liabilities ceded to reinsurers	<u>1,012,648</u>	<u>256,371</u>
Net benefits and claims	<u>(257,785)</u>	<u>(296,751)</u>
Management expenses	(128,312)	(154,117)
Fee and commission expenses	<u>(80,466)</u>	<u>(95,688)</u>
Other expenses	<u>(208,778)</u>	<u>(249,805)</u>
Profit before tax	167,305	104,885
Taxation	<u>(43,113)</u>	<u>(28,114)</u>
Net profit for the financial year	<u>124,192</u>	<u>76,771</u>
Basic and diluted earnings per share (sen)	58.54	36.19

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	2020	2019
	RM'000	RM'000
Net profit for the financial year	<u>124,192</u>	<u>76,771</u>
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	26,424	43,024
- Transfer to profit or loss upon disposal	(21,552)	(6,822)
Tax effect relating to financial assets at FVOCI	(1,169)	(8,689)
	3,703	27,513
Currency translation differences	<u>(126)</u>	<u>93</u>
Other comprehensive income for the financial year, net of tax	<u>3,577</u>	<u>27,606</u>
Total comprehensive income for the financial year	<u>127,769</u>	<u>104,377</u>

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STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

----- Non-distributable ----->

	Share Capital RM'000	FVOCI Reserves RM'000	Revaluation Reserves RM'000	Currency Translation Reserves RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
At 1 January 2020	229,879	28,710	76,391	13,969	714,629	1,063,578
Net profit for the financial year	-	-	-	-	124,192	124,192
Other comprehensive income/(loss) for the financial year	-	3,703	-	(126)	-	3,577
Total comprehensive income/(loss) for the financial year	-	3,703	-	(126)	124,192	127,769
Dividend on ordinary shares	-	-	-	-	(29,998)	(29,998)
At 31 December 2020	229,879	32,413	76,391	13,843	808,823	1,161,349
At 1 January 2019	229,879	1,197	76,391	13,876	637,858	959,201
Net profit for the financial year	-	-	-	-	76,771	76,771
Other comprehensive income for the financial year	-	27,513	-	93	-	27,606
Total comprehensive income for the financial year	-	27,513	-	93	76,771	104,377
At 31 December 2019	229,879	28,710	76,391	13,969	714,629	1,063,578

ETIQA GENERAL INSURANCE BERHAD
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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	2020	2019
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation:	167,305	104,885
Adjustments for:		
Depreciation of property, plant and equipment	3,027	2,600
Amortisation of intangible assets	6,163	6,032
Depreciation of right-of-use assets	2,259	2,271
Interest on lease liabilities	178	246
Fair value gains on financial assets at Fair Value through Profit or Loss ("FVTPL")	(18,008)	(3,038)
Fair value gains on investment properties	(3,940)	(13,163)
Accretion of discount on investments	(405)	(353)
Gain on disposal of property, plant and equipment	(9)	-
Net loss/(gain) on foreign exchange	9,932	(2)
Allowance for impairment losses on reinsurance assets	1,712	9,192
Allowance for impairment losses on insurance receivables	567	3,125
Reversal of impairment losses on other assets	-	(2)
Allowance for/(reversal of) impairment losses on financing receivables	196	(362)
Gain on disposal of investments	(1,973)	(1,340)
Interest income	(47,044)	(47,623)
Allowance for impairment losses on investments	8	30
Dividend income	(2,123)	(1,737)
Rental income	(13,383)	(13,123)
Operating cash flows before working capital changes	<u>104,462</u>	<u>47,638</u>
Changes in working capital:		
Increase in reinsurance assets	(978,947)	(259,072)
Decrease in insurance receivables	62,309	23,005
(Increase)/decrease in other assets	(2,268)	20,957
(Increase)/decrease in financing receivables	(1,474)	2,513
Increase in amounts due from related parties	(3,559)	(6,061)
Decrease in other liabilities	(8,427)	(16,017)
Increase in insurance contract liabilities	998,800	353,716
(Decrease)/increase in insurance payables	(44,983)	20,402
Carried forward	<u>125,913</u>	<u>187,081</u>

ETIQA GENERAL INSURANCE BERHAD
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STATEMENT OF CASH FLOWS (CONTD.)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	2020	2019
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONTD.)		
Brought forward	125,913	187,081
Decrease in placement of deposits with financial institutions	(196,234)	(78,921)
Interest income received	49,345	46,237
Dividend received	2,013	1,714
Rental income received	13,368	13,174
Currency translation reserve	(126)	93
Cash (used in)/generated from operations	<u>(5,721)</u>	<u>169,378</u>
Tax paid	(42,925)	(41,741)
Tax refund	58,016	-
Net cash flows generated from operating activities	<u>9,370</u>	<u>127,637</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of investments and derivatives	1,402,485	960,797
Purchase of investments	(1,354,499)	(1,130,955)
Proceeds from disposal of property, plant and equipment	4,475	1
Purchase of property, plant and equipment	(5,155)	(9,327)
Purchase of intangible assets	(2,162)	(1,366)
Net cash generated from/(used in) investing activities	<u>45,144</u>	<u>(180,850)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(29,998)	-
Payment of lease liabilities	(1,997)	(1,996)
Net cash used in financing activities	<u>(31,995)</u>	<u>(1,996)</u>
Net increase/(decrease) in cash and cash equivalents	22,519	(55,209)
Cash and cash equivalents at beginning of financial year	<u>9,443</u>	<u>64,652</u>
Cash and cash equivalents at end of financial year	<u>31,962</u>	<u>9,443</u>
Cash and cash equivalents comprise:		
Cash and bank balances of:		
General insurance fund	3,566	49
Shareholder's fund	28,396	9,394
	<u>31,962</u>	<u>9,443</u>

Notes:

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

**Independent auditors' report to the member of
Etiqua General Insurance Berhad
197001000276 (9557-T)
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Report on the abridged financial statements

Opinion

The abridged financial statements, which comprise the summary statement of financial position as at 31 December 2020, and the summary income statement, summary statement of comprehensive income, summary statement of changes in equity and summary statement of financial year then ended, are derived from the audited financial statements of Etiqa General the financial year ended 31 December 2020.

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

Abridged financial statements

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

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 22 February 2021.

Directors' responsibility for the abridged financial statements

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

Auditors' responsibility

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

**Independent auditors' report to the member of
Etiqa General Insurance Berhad (Contd.)
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Restriction on use

Our report on the abridged financial statements of Etiqa General Insurance Berhad for the financial year ended 31 December 2020 is issued in compliance with Bank Negara Malaysia Guidelines and for no other purpose.

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

Brandon Bruce Sta Maria
No. 02937/09/2021 J
Chartered Accountant

Kuala Lumpur, Malaysia
22 February 2021