



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

Abridged Audited Financial Statements
31 December 2020

ETIQA FAMILY TAKAFUL BERHAD
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(Incorporated in Malaysia)

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	31.12.2020			31.12.2019			1.1.2019		
	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000	Shareholder's fund RM'000 (Restated)	Family Takaful fund RM'000 (Restated)	Company RM'000 (Restated)	Shareholder's fund RM'000 (Restated)	Family Takaful fund RM'000 (Restated)	Company RM'000 (Restated)
ASSETS									
Property, plant and equipment	203	-	203	315	-	315	413	-	413
Right-of-use assets	518	-	518	678	-	678	-	-	-
Intangible assets	5,589	-	5,589	4,604	-	4,604	4,934	-	4,934
Investments	2,447,377	12,024,957	14,444,717	2,230,830	11,465,206	13,669,976	2,174,152	10,310,238	12,459,457
Financing receivables	15,011	-	15,011	15,567	-	15,567	16,406	-	16,406
Retakaful assets	-	162,030	162,030	-	111,198	111,198	-	73,802	73,802
Takaful receivables	-	140,095	140,095	-	120,399	120,399	-	75,591	75,591
Other assets	185,842	118,429	158,955	157,929	132,600	161,207	223,762	166,131	206,355
Deferred tax assets	-	-	-	-	-	-	4,126	1,767	5,893
Current tax assets	63,042	20,416	83,458	61,563	20,416	81,979	61,645	21,181	82,826
Cash and bank balances	38,893	193,264	232,157	5,922	120,189	126,111	43,664	103,532	147,196
Total Assets	2,756,475	12,659,191	15,242,733	2,477,408	11,970,008	14,292,034	2,529,102	10,752,242	13,072,873
EQUITY, LIABILITIES AND PARTICIPANTS' FUND									
Equity									
Share capital	100,000	-	100,000	100,000	-	100,000	100,000	-	100,000
Reserves	1,892,830	-	1,885,213	1,698,548	-	1,692,488	1,544,746	-	1,540,813
Total Equity	1,992,830	-	1,985,213	1,798,548	-	1,792,488	1,644,746	-	1,640,813
Liabilities and Participants' Fund									
Participants' fund	-	2,433,412	2,433,412	-	3,690,961	3,690,961	-	3,233,339	3,233,339
Takaful certificate liabilities	-	9,516,784	9,496,784	-	7,804,488	7,784,488	-	7,053,776	7,032,776
Subordinated obligation	-	-	-	-	-	-	300,000	-	300,000
Expense liabilities	572,186	-	572,186	535,282	-	535,282	445,941	-	445,941
Deferred tax liabilities	34,162	51,654	85,816	28,764	48,526	77,290	-	-	-
Takaful payables	3,400	20,365	23,765	1,949	29,785	31,734	12,428	33,515	45,943
Other liabilities	142,800	636,876	634,360	89,874	396,244	356,796	97,987	431,612	346,061
Current tax liabilities	11,097	100	11,197	22,991	4	22,995	26,811	-	26,811
Profit payable on subordinated obligation	-	-	-	-	-	-	1,189	-	1,189
Total Liabilities and Participants' Fund	763,645	12,659,191	13,257,520	678,860	11,970,008	12,499,546	884,356	10,752,242	11,432,060
Total Equity, Liabilities and Participants' Fund	2,756,475	12,659,191	15,242,733	2,477,408	11,970,008	14,292,034	2,529,102	10,752,242	13,072,873

**INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	2020			2019		
	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000	Shareholder's fund RM'000	Family Takaful fund RM'000	Company RM'000
Operating revenue	405,649	2,046,386	2,137,827	460,270	2,165,901	2,261,414
Gross earned contributions	-	1,586,714	1,586,714	-	1,674,739	1,674,739
Earned contributions ceded to retakaful	-	(87,904)	(87,904)	-	(72,215)	(72,215)
Net earned contributions	-	1,498,810	1,498,810	-	1,602,524	1,602,524
Fee and commission income	314,321	1,510	1,623	364,757	361	361
Investment income	91,441	459,672	551,113	95,513	491,162	586,675
Realised gains	23,691	215,293	238,984	11,887	37,107	48,994
Fair value gains	27,876	113,158	139,477	108,821	418,905	525,599
Other operating (expenses)/ income, net	(18,270)	15,170	(3,100)	(10,994)	10,145	(849)
Other revenue	439,059	804,803	928,097	569,984	957,680	1,160,780
Gross benefits and claims paid	-	(1,310,398)	(1,310,398)	-	(1,115,368)	(1,115,368)
Claims ceded to retakaful	-	58,085	58,085	-	58,967	58,967
Gross change in certificate liabilities	-	(395,340)	(597,730)	-	(722,942)	(980,821)
Change in certificate liabilities ceded to retakaful	-	50,832	50,832	-	37,396	37,396
Net benefits and claims	-	(1,596,821)	(1,799,211)	-	(1,741,947)	(1,999,826)
Management expenses	(144,648)	(29,862)	(174,510)	(171,164)	(26,780)	(197,944)
Change in expense liabilities	(36,904)	-	(36,904)	(89,341)	-	(89,341)
Fee and commission expenses	(125,318)	(314,915)	(126,025)	(131,988)	(365,505)	(132,736)
Profit on subordinated obligation	-	-	-	(5,536)	-	(5,536)
Tax borne by the participants	-	(8,370)	(8,370)	-	(33,183)	(33,183)
Other expenses	(306,870)	(353,147)	(345,809)	(398,029)	(425,468)	(458,740)
Operating profit before surplus transfers	132,189	353,645	281,887	171,955	392,789	304,738
Surplus transferred to participants' fund	-	(202,390)	-	-	(257,879)	-
Surplus attributable to shareholder's fund	151,255	(151,255)	-	134,910	(134,910)	-
Profit before taxation and zakat	283,444	-	281,887	306,865	-	304,738
Taxation	(78,107)	-	(78,107)	(96,474)	-	(96,474)
Zakat	(11,906)	-	(11,906)	(4,745)	-	(4,745)
Net profit for the financial year	193,431	-	191,874	205,646	-	203,519
Basic and diluted earnings per share (sen)			191.87			203.52

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

	2020			2019		
	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 year	193,431	-	191,874	205,646	-	203,519
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	26,055	97,525	123,580	31,918	280,927	312,845
- transfer to income statement upon disposal	(24,935)	(169,144)	(194,079)	(1,450)	(15,895)	(17,345)
Tax effects relating to components of other comprehensive income	(269)	5,145	4,876	(7,312)	(17,878)	(25,190)
Other comprehensive income /(loss) attributable to participants	-	66,474	66,474	-	(247,154)	(247,154)
Other comprehensive income for the financial year, net of tax	851	-	851	23,156	-	23,156
Total comprehensive income for the financial year	194,282	-	192,725	228,802	-	226,675

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

	<u>Attributable to Equity Holder of the Company</u>			Total Equity RM'000
	Share Capital RM'000	Non-Distributable FVOCI Reserve RM'000	Distributable Retained Profits RM'000	
At 1 January 2020	100,000	23,668	1,668,820	1,792,488
Net profit for the financial year	-	-	191,874	191,874
Other comprehensive income for the financial year	-	851	-	851
Total comprehensive income for the financial year	-	851	191,874	192,725
At 31 December 2020	100,000	24,519	1,860,694	1,985,213
At 1 January 2019	100,000	512	1,540,301	1,640,813
Net profit for the financial year	-	-	203,519	203,519
Other comprehensive income for the financial year	-	23,156	-	23,156
Total comprehensive income for the financial year	-	23,156	203,519	226,675
Capital reduction	-	-	-	-
Dividend on Ordinary Share	-	-	(75,000)	(75,000)
At 31 December 2019	100,000	23,668	1,668,820	1,792,488

ETIQA FAMILY TAKAFUL BERHAD
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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	31.12.2020	31.12.2019
	RM'000	RM'000
		(Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and zakat:	281,887	304,738
Adjustments for:		
Tax borne by participants	8,370	33,183
Depreciation of property, plant and equipment	122	138
Amortisation of intangible assets	879	792
Profit on lease liabilities	24	29
Depreciation of right-of-use assets	229	185
Fair value gains on investments	(139,477)	(525,599)
Realised gains on disposal of investments	(238,984)	(48,994)
Realised loss on foreign exchange	164	-
Unrealised losses on foreign exchange	17	-
Realised gains on property, plant and equipment	(1)	(1)
Allowance for/(reversal of) impairment losses on investments	482	(141)
Allowance for impairment losses on takaful receivables	3,746	1,905
Allowance for impairment losses on other receivables	47	123
Reversal of allowance for impairment losses on financing receivables	(175)	(427)
Recovery of takaful receivables	-	(143)
Profit income	(554,955)	(589,413)
Finance cost	-	5,536
Gross dividend/distribution income	(16,148)	(11,902)
Net amortisation of premiums	16,660	12,232
Surplus transferred to participants' fund	202,390	257,879
Operating cash flows before working capital changes	<u>(434,723)</u>	<u>(559,880)</u>
Changes in working capital:		
Increase in takaful receivables	(23,442)	(46,570)
(Increase)/decrease in other assets	(14,134)	113,557
Decrease in takaful payables	(7,969)	(14,209)
Increase/(decrease) in other liabilities	260,360	(45,877)
Increase in expense liabilities	36,904	89,341
Decrease in financing receivables	731	1,266
Increase in placements of deposits with financial institutions	(1,940,036)	(298,441)
Increase in retakaful assets	(50,832)	(37,396)
Increase in takaful certificate liabilities	395,340	722,938
Operating cash flows after working capital changes, carried forward	<u>(1,777,801)</u>	<u>(75,271)</u>

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

	31.12.2020	31.12.2019
	RM'000	RM'000
		(Restated)
CASH FLOWS FROM OPERATING ACTIVITIES (CONTD.)		
Operating cash flows after working capital changes, brought forward	(1,777,801)	(75,271)
Profit income received	572,123	574,227
Gross dividend/distribution income received	15,320	12,772
Donation	(10,000)	-
Zakat paid	(9,009)	(7,702)
Taxation paid	(86,349)	(74,635)
Surplus paid to participants	(37,948)	(601)
Withholding tax borne by participants	(14,555)	(14,393)
Net cash flows (used in) / generated from operating activities	<u>(1,348,219)</u>	<u>414,397</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of investments	4,881,511	4,305,073
Purchase of investments	(3,425,156)	(4,358,148)
Proceeds from disposal of intangible assets	22	-
Purchase of intangible assets	(1,886)	(462)
Purchase of property, plant and equipment	(10)	(40)
Net cash flows generated from / (used in) from investing activities	<u>1,454,481</u>	<u>(53,577)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	-	(75,000)
Payment of lease liabilities	(216)	(180)
Profit paid on subordinated obligation	-	(6,725)
Repayment of subordinated obligation	-	(300,000)
Net cash flows used in financing activities	<u>(216)</u>	<u>(381,905)</u>
Increase/(decrease) in cash and cash equivalents	106,046	(21,085)
Cash and cash equivalents at beginning of year	126,111	147,196
Cash and cash equivalents at end of year	<u>232,157</u>	<u>126,111</u>
Cash and cash equivalents comprise:		
Cash and bank balances of:		
Shareholder's fund	38,893	5,922
Family Takaful fund	193,264	120,189
	<u>232,157</u>	<u>126,111</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.

REPORT OF THE SHARIAH COMMITTEE

In the name of Allah, the Most Beneficent, the Most Merciful

We, Associate Professor Dr Aznan bin Hasan and Professor Dato' Dr Mohd Azmi bin Omar, being two of the members of the Shariah Committee of Etiqa Family Takaful Berhad, do hereby report on behalf of the Committee that to the best of our knowledge and belief:

In compliance with our letter of appointment and terms of reference, we have reviewed and approved the principles, policies, products and the contracts relating to the transactions undertaken by the Company during the financial year ended 31 December 2020. We have also conducted our review to form an opinion pursuant to Section 30(1) of Islamic Financial Services Act 2013 ("IFSA"), as to whether the Company has complied with the principles of Shariah, Shariah rulings issued by the Shariah Advisory Council of Bank Negara Malaysia ("BNM"), Shariah standards issued by BNM pursuant to Section 29 of IFSA, relevant guidelines and circulars issued by BNM, Shariah rulings issued by the Shariah Advisory Council of Securities Commission (for capital market related matters), as well as Shariah decisions resolved by us.

The management of the Company has held responsible for ensuring that the Company conducts its business in accordance with Shariah rules and principles. It is our responsibility to express an independent opinion, based on our review of the operations of the Company.

We have assessed the work carried out by Shariah review and Shariah audit which included examining, on a test basis, the relevant type of transactions, documentations and procedures adopted by the Company.

We obtained all the informations and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Company has not violated the rules and principles of Shariah.

In our opinion:

1. the relevant contracts, transactions and dealings entered into by the Company during the financial year ended 31 December 2020 that we have reviewed are in compliance with the Shariah principles;
2. the allocation of profit and charging of losses relating to investment accounts conform to the basis that had been approved by us in accordance with Shariah principles;
3. the sharing of surplus arising from the tabarru' fund (Participants' Risk Fund) conforms with the respective internal policies and approved by us;
4. there is no Shariah non-compliant transactions and earnings encountered by us during the financial year ended 31 December 2020; and
5. the calculation, payment and distribution of business zakat and distribution of Amal Jariah fund is in compliance with the principles of Shariah.

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REPORT OF THE SHARIAH COMMITTEE (CONTD.)

This opinion is rendered based on what has been presented to us by the management of the Company and its Shariah Management. All in all, we, the members of the Shariah Committee of Etiqa Family Takaful Berhad, do hereby confirm that, in our level best, the operations of the Company for the financial year ended 31 December 2020 have been conducted in conformity with the rules and principles of Shariah.

They said, "Exalted are You (Allah); we have no knowledge except what You have taught us. Indeed, it is You who is the Knowing, the Wise." (Surah al-Baqarah, chapter 2, verse 32)

Allah knows best.

Signed on behalf of the Committee.

ASSOCIATE PROFESSOR
DR. AZNAN BIN HASAN

PROFESSOR DATO' DR MOHD
AZMI BIN OMAR

Kuala Lumpur, Malaysia
23 February 2021

**Independent auditors' report to the member of
Etiqa Family Takaful Berhad
199301011506 (266243-D)
(Incorporated in Malaysia)**

Report on the abridged of 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 cash flows for the year then ended, are derived from the audited financial statements of Etiqa Family Takaful Berhad for the 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 Family Takaful 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 23 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 consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with Malaysian Approved Standard on Auditing ISA 810 (Revised), "Engagements to Report on Summary Financial Statements".

**Independent auditors' report to the member of
Etiqa Family Takaful Berhad (contd.)
199301011506 (266243-D)
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Restriction on use

Our report on the abridged financial statements of Etiqa Family Takaful Berhad for the 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
23 February 2021