



Family Takaful

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

Unaudited Interim Condensed Financial Statements
for the six months period ended 30 June 2024

ETIQA FAMILY TAKAFUL BERHAD
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ETIQA FAMILY TAKAFUL BERHAD
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UNAUDITED INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	30.6.2024		31.12.2023	
		Family Takaful Fund RM'000	Company RM'000	Family Takaful Fund RM'000	Company RM'000
Assets					
Property, plant and equipment		-	220	-	228
Right-of-use assets ("ROU assets")		-	619	-	713
Intangible assets		-	11,209	-	11,012
Investments	12	13,589,049	16,003,889	13,170,584	15,683,519
Financing receivables		-	9,583	-	10,193
Retakaful certificate assets	13	283,913	283,913	279,772	279,772
Other assets	15	479,842	380,457	172,338	214,217
Derivative assets		122	168	-	-
Deferred tax asset		-	26,875	-	26,224
Current tax assets	16	-	79,295	-	79,295
Cash and bank balances		50,040	51,511	23,200	23,681
Total Assets		14,402,966	16,847,739	13,645,894	16,328,854
Equity and Liabilities:					
Share capital		-	100,000	-	100,000
Reserves	17	-	2,470,318	-	2,648,135
Total Equity		-	2,570,318	-	2,748,135
Liabilities					
Retakaful certificate liabilities	13	1,126	1,126	-	-
Takaful certificate liabilities	14	14,051,828	13,821,649	13,348,392	13,197,036
Deferred tax liabilities		42,904	-	25,809	-
Other liabilities	18	307,108	426,188	271,693	367,856
Current tax liabilities		-	28,458	-	15,827
Total Liabilities		14,402,966	14,277,421	13,645,894	13,580,719
Total Equity and Liabilities		14,402,966	16,847,739	13,645,894	16,328,854

These unaudited interim condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the unaudited condensed interim financial statements.

ETIQA FAMILY TAKAFUL BERHAD
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UNAUDITED INTERIM CONDENSED STATEMENTS INCOME STATEMENT
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024

	Note	1.1.2024 to 30.6.2024		1.1.2023 to 30.6.2023	
		Family Takaful Fund RM'000	Company RM'000	Family Takaful Fund RM'000	Company RM'000
Takaful revenue	19	804,011	782,275	692,821	685,222
Takaful service expenses	20	(946,710)	(757,471)	(787,079)	(674,178)
Net expenses from retakaful certificates held	21	(322)	(322)	(774)	(774)
Takaful service result		(143,021)	24,482	(95,032)	10,270
Profit income from financial assets not measured at FVTPL	22	143,367	178,837	143,899	180,164
Net fair value gains on financial assets measured at FVTPL	23	192,010	201,292	165,992	189,274
Net fair value gains on derecognition of financial assets measured at FVOCI	24	4,852	6,683	894	1,357
Other investment income	25	147,435	165,042	133,058	150,744
Reversal of impairment loss on financial assets	26	425	678	156	193
Net foreign exchange gains		1,393	875	3,213	3,264
Net investment income	27a	489,482	553,407	447,212	524,996
Finance expenses from takaful certificates issued	27	(331,655)	(420,641)	(338,222)	(364,708)
Finance income from retakaful certificates held	28	322	322	-	-
Net Takaful financial result		(331,333)	(420,319)	(338,222)	(364,708)
Total net investment income and net Takaful financial results	27b	158,149	133,088	108,990	160,288
Other income	29	75	286	32	705
Other expenses	31	(2,896)	(5,309)	-	(2,401)
Other expenses		(2,821)	(5,023)	32	(1,696)
Profit before taxation and zakat attributable to participants		12,307	152,547	13,990	168,862
Tax expenses attributable to participants	33	(12,307)	(12,307)	(13,990)	(13,990)
Profit before taxation and zakat		-	140,240	-	154,872
Taxation	34	-	(28,762)	-	(36,676)
Zakat		-	(7,790)	-	(2,689)
Net profit for the financial period		-	103,688	-	115,507
Basic Earnings per share (sen)	35		103.69		115.51

The accompanying notes form an integral part of the interim financial statements.

ETIQA FAMILY TAKAFUL BERHAD
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UNAUDITED INTERIM CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024

	<u>1.1.2024 to 30.6.2024</u>		<u>1.1.2023 to 30.6.2023</u>		
	Note	Family Takaful Fund RM'000	Company RM'000	Family Takaful Fund RM'000	Company RM'000
Net profit for the financial period		-	103,688	-	115,507
Other comprehensive income/(loss):					
Items that may be subsequently reclassified to income statement:		-	7,919	-	36,555
Net fair value gains on investments in debt securities measured at FVOCI		54,024	66,273	208,255	256,817
Net fair value gains on derecognition of financial assets measured at FVOCI	24	(4,852)	(6,683)	(894)	(1,357)
Fair value adjustment on FVOCI financial assets backing participants' funds		(45,601)	(45,601)	(192,342)	(192,342)
Tax effect relating to these items	34	(3,571)	(6,070)	(15,019)	(26,563)
Items that will not be subsequently reclassified to income statements:		-	2,576	-	(615)
Change in fair value of equity securities at FVOCI		15,220	18,609	(3,252)	(4,061)
Fair value adjustment on FVOCI financial assets backing participants' funds		(14,002)	(14,002)	2,992	2,992
Tax effect relating to these items	34	(1,218)	(2,031)	260	454
		-	10,495	-	35,940
Other comprehensive income for the financial period, net of tax		-	10,495	-	35,940
Total comprehensive income for the financial period attributable to equity holders of the Company		-	114,183	-	151,447

The accompanying notes form an integral part of the interim financial statements.

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UNAUDITED INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024

	Attributable to Equity Holder of the Company				Total Equity RM'000
	Share Capital RM'000	Non-Distributable		Distributable	
		FVOCI Reserve RM'000	Takaful Finance Reserve RM'000	Retained Profits RM'000	
Note					
At 1 January 2024	100,000	131,997	(127,332)	2,643,470	2,748,135
Net profit for the financial period	-	-	-	103,688	103,688
Other comprehensive income/(loss) for the financial period	-	70,098	(59,603)	-	10,495
Total comprehensive income/(loss)	-	70,098	(59,603)	103,688	114,183
Dividend on ordinary shares	-	-	-	(292,000)	(292,000)
At 30 June 2024	100,000	202,095	(186,935)	2,455,158	2,570,318
At 1 January 2023 as previously stated	100,000	(43,357)	-	2,316,144	2,372,787
Effects of adopting MFRS 17	-	(110,320)	110,320	212,771	212,771
At 1 January 2023, as restated	100,000	(153,677)	110,320	2,528,915	2,585,558
Net profit for the financial period	-	-	-	115,507	115,507
Other comprehensive income/(loss) for the financial period	-	225,290	(189,350)	-	35,940
Total comprehensive income/(loss)	-	225,290	(189,350)	115,507	151,447
Dividend on ordinary shares	-	-	-	(175,660)	(175,660)
At 30 June 2023	100,000	71,613	(79,030)	2,468,762	2,561,345

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UNAUDITED INTERIM CONDENSED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024

	Note	Company	
		1.1.2024 to 30.6.2024 RM'000	1.1.2023 to 30.6.2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation and zakat		140,240	154,872
<i>Adjustments for:</i>			
Amortisation of:			
- intangible assets	30	783	704
Net amortisation of premiums	25	11,767	12,685
Depreciation of property, plant and equipment	30	35	29
Depreciation of right-of-use assets	30	94	84
Profit on lease liabilities	30	9	2
Fair value gains on investment	23	(172,413)	(212,032)
(Gains)/losses on disposal of investments	23,24	(35,562)	21,401
Dividend income	25	(14,044)	(12,094)
Profit income	22,25	(341,603)	(331,499)
(Reversal of)/allowance for impairment losses on:			
- investments	26	(678)	(193)
- other assets	30	3	(30)
- financing receivables	29	(9)	(266)
Tax expense incurred on behalf of participants	33	12,307	13,990
(Gains)/losses on foreign exchange:			
- realised		776	375
- unrealised		(1,652)	(3,638)
<i>Operating cash flows before changes in assets and liabilities</i>		<u>(399,947)</u>	<u>(355,610)</u>
Changes in working capital:			
Decrease/(increase) in:			
- fixed and call deposits		41,218	(153,521)
- financing receivables		619	798
- takaful certificate liabilities		576,440	378,193
- retakaful certificate assets		(3,015)	(14,446)
- other assets		(157,660)	(40,619)
- other liabilities		59,254	(75,206)
<i>Net cash generated from operating activities</i>		<u>116,909</u>	<u>(260,411)</u>

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UNAUDITED INTERIM CONDENSED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024

	Company	
	1.1.2024 to 30.6.2024 RM'000	1.1.2023 to 30.6.2023 RM'000
Note		
CASH FLOWS FROM INVESTING ACTIVITIES		
Carried forward	116,909	(260,411)
Investment income received	333,505	349,571
Dividends received	14,496	13,040
Tax paid	(37,188)	(51,255)
Zakat paid	(8,682)	(8,094)
Surplus transferred to participants' fund	(11,430)	(11,946)
<i>Net cash generated from operating activities</i>	<u>407,610</u>	<u>30,905</u>
Purchase of:		
- property, plant and equipment	(27)	(1,828)
- intangible assets	(1,143)	-
- investment	(1,201,060)	(749,289)
Proceed from disposal of:		
- property, plant and equipment	-	(12)
- intangible assets	163	-
- investment	1,114,387	852,297
<i>Net cash used in investing activities</i>	<u>(87,680)</u>	<u>101,168</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of dividends	(292,000)	(175,660)
Payment of lease liabilities	(100)	(90)
<i>Net cash used in financing activities</i>	<u>(292,100)</u>	<u>(175,750)</u>
Net (decrease)/increase in cash and cash equivalents	27,830	(43,677)
Cash and cash equivalents at beginning of financial year	23,681	59,972
Cash and cash equivalents at end of financial period	<u>51,511</u>	<u>16,295</u>
Cash and cash equivalents comprise:		
Cash and bank balances:		
Shareholders fund	1,471	279
Family Takaful fund	50,040	16,016
	<u>51,511</u>	<u>16,295</u>

The accompanying notes form an integral part of the interim financial statements.

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**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024**

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at Level 19, Tower C, Dataran Maybank, No. 1, Jalan Maarof, 59000 Kuala Lumpur, Malaysia.

The immediate, penultimate and ultimate holding companies of the Company are Maybank Ageas Holdings Berhad ("MAHB"), Etiqa International Holdings Sdn Bhd ("EIHSB") and Malayan Banking Berhad ("Maybank") respectively, all of which are incorporated in Malaysia. Maybank is a licensed commercial bank listed on the Main Market of Bursa Malaysia Securities Berhad.

The unaudited interim condensed financial statements for the six months ended 30 June 2024 were approved for issue by the Board of Directors on 20 August 2024.

2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

2.1 Statement of compliance

The unaudited interim condensed financial statements of the Group and the Company for the financial period ended 30 June 2024 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 ("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 the annual financial statements, and should be read in conjunction with the audited annual consolidated financial statements of the Company for the financial year ended 31 December 2023.

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 2023.

**2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS
(CONTD.)**

2.1 Statement of compliance (contd.)

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

2.2 Functional and presentation currency

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

2.3 Use of 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 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 2023.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information 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 2023 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 2024:

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

MFRS 16 *Leases*

(Amendments to MFRS 16) *Lease Liability in a Sale and Leaseback*

MFRS 101 *Presentation of Financial Statements*

(Amendments to MFRS 101) *Non-current Liabilities with Covenants*

MFRS 7 *Financial Instruments: Disclosures*

(Amendments to MFRS 107 and MFRS 7) *Supplier Finance Arrangements*

MFRS 107 *Statement of Cash Flows*

(Amendments to MFRS 107 and MFRS 7) *Supplier Finance Arrangements*

The adoption of the above pronouncements are not expected to have a significant impact on the Company.

4. 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 2023 was not qualified.

5. SEASONALITY OR CYCLICALITY OF OPERATIONS

The business of the Company was not materially affected by any seasonal or cyclical fluctuations during the interim financial period ended 30 June 2024.

6. UNUSUAL ITEMS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim financial period ended 30 June 2024.

7. CHANGES IN ESTIMATES

There were no material changes in estimates for the interim financial period ended 30 June 2024.

8. 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 2024.

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9. DIVIDENDS PAID

A final single tier dividend of 292 sen per ordinary share on 100,000,000 ordinary shares amounting to RM292,000,000.00 for the financial year ended 31 December 2023 was approved by the shareholder in Annual General Meeting held on 20 May 2024 and paid on 4 June 2024.

10. 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.

11. CHANGES IN THE COMPOSITION OF THE COMPANY

There were no changes in the composition of the Company during the interim financial period ended 30 June 2024.

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12. INVESTMENTS

	Family Takaful fund RM'000	Company RM'000
30.6.2024		
Malaysian government papers	538,455	690,432
Equity securities	776,214	846,502
Debt securities	10,948,361	13,056,622
Unit and property trust funds	148,931	148,931
Structured products	147,404	147,404
Deposits with financial institutions	1,029,684	1,113,998
	<u>13,589,049</u>	<u>16,003,889</u>
31.12.2023		
Malaysian government papers	655,925	798,123
Equity securities	576,089	640,005
Debt securities	10,718,839	12,894,690
Unit and property trust funds	98,800	98,800
Structured products	96,685	96,685
Deposits with financial institutions	1,024,246	1,155,216
	<u>13,170,584</u>	<u>15,683,519</u>

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

30.6.2024		
Fair value through profit and loss ("FVTPL") (Note a)		
- Designated upon initial recognition	5,889,849	6,682,893
- Held for trading ("HFT")	1,047,680	1,082,593
Fair value through other comprehensive income ("FVOCI") (Note b)	5,621,836	7,124,405
Amortised Cost ("AC")(Note c)	1,029,684	1,113,998
	<u>13,589,049</u>	<u>16,003,889</u>
31.12.2023		
Fair value through profit and loss ("FVTPL") (Note a)		
- Designated upon initial recognition	5,769,402	6,540,659
- Held for trading ("HFT")	781,873	813,803
Fair value through other comprehensive income ("FVOCI") (Note b)	5,595,063	7,173,841
Amortised Cost ("AC")(Note c)	1,024,246	1,155,216
	<u>13,170,584</u>	<u>15,683,519</u>

12. INVESTMENTS (CONTD.)

The following investments will mature after 12 months:

	Family Takaful fund RM'000	Company RM'000
30.6.2024		
FVTPL		
- Designated upon initial recognition	5,563,601	6,356,645
- Held for trading ("HFT")	248,503	248,503
FVOCI	5,430,594	6,897,789
	<u>11,242,698</u>	<u>13,502,936</u>
31.12.2023		
FVTPL		
- Designated upon initial recognition	5,508,444	6,279,700
- Held for trading ("HFT")	217,732	217,732
FVOCI	5,438,542	6,980,341
	<u>11,164,718</u>	<u>13,477,773</u>
(a) FVTPL		
(i) Designated upon initial recognition		
30.6.2024		
<u>At fair value:</u>		
Malaysian government papers	211,518	211,518
Debt securities:		
Unquoted in Malaysia	5,480,097	6,254,657
Unquoted outside Malaysia	50,830	69,314
Structured products	147,404	147,404
Total financial assets designated as FVTPL upon initial recognition	<u>5,889,849</u>	<u>6,682,893</u>
31.12.2023		
<u>At fair value:</u>		
Malaysian government papers	167,120	167,120
Debt securities:		
Unquoted in Malaysia	5,505,597	6,276,854
Structured products	96,685	96,685
Total financial assets designated as FVTPL upon initial recognition	<u>5,769,402</u>	<u>6,540,659</u>

12. INVESTMENTS (CONTD.)

	Family Takaful fund RM'000	Company RM'000
(a) FVTPL (contd.)		
(ii) HFT		
30.6.2024		
<u>At fair value:</u>		
Malaysian government papers	35,837	35,837
Equity securities:		
Quoted in Malaysia	619,956	642,349
Quoted outside Malaysia	30,290	42,810
Debt securities:		
Unquoted in Malaysia	212,666	212,666
Unit and property trust funds:		
Quoted outside Malaysia	148,931	148,931
Total HFT financial assets	<u>1,047,680</u>	<u>1,082,593</u>
31.12.2023		
<u>At fair value:</u>		
Malaysian government papers	53,792	53,792
Equity securities:		
Quoted in Malaysia	440,426	462,069
Quoted outside Malaysia	24,915	35,202
Debt securities:		
Unquoted in Malaysia	163,940	163,940
Unit and property trust funds:		
Quoted outside Malaysia	98,800	98,800
Total HFT financial assets	<u>781,873</u>	<u>813,803</u>

12. INVESTMENTS (CONTD.)

	Family Takaful fund RM'000	Company RM'000
(b) FVOCI		
30.6.2024		
<u>At fair value:</u>		
Malaysian government papers	291,100	443,077
Equity securities:		
Quoted in Malaysia	125,968	161,343
Debt securities:		
Unquoted in Malaysia	5,204,768	6,519,985
Total FVOCI financial assets	5,621,836	7,124,405
31.12.2023		
<u>At fair value:</u>		
Malaysian government papers	435,013	577,211
Equity securities:		
Quoted in Malaysia	110,748	142,734
Debt securities:		
Unquoted in Malaysia	5,049,302	6,453,896
Total FVOCI financial assets	5,595,063	7,173,841

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.

During the financial period, the Company has disposed selected equity securities from its portfolio of FVOCI financial assets as the securities no longer aligned with the long term investment strategy of the Company as a high dividend yielding stocks. The realised gains on disposal of these securities amounted to RM Nil (31.12.2023: (RM14,986)).

12. INVESTMENTS (CONTD.)

(b) FVOCI (contd.)

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

Family Takaful fund	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
30.6.2024				
At 1 January 2024	849	1,204	-	2,053
Net adjustment of loss allowance	(450)	(234)	-	(684)
New financial assets originated or purchased	51	217	-	268
Financial assets that have been derecognised	(9)	-	-	(9)
Reversal of impairment loss (Note 26)	(408)	(17)	-	(425)
At 30 June 2024	441	1,187	-	1,628
31.12.2023				
At 1 January 2023	243	1,152	-	1,395
Net adjustment of loss allowance	578	55	-	633
New financial assets originated or purchased	39	-	-	39
Financial assets that have been derecognised	(11)	(3)	-	(14)
Allowance for impairment loss	606	52	-	658
At 31 December 2023	849	1,204	-	2,053

12. INVESTMENTS (CONTD.)

(ii) FVOCI (contd.)

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

Company	Stage 1	Stage 2	Stage 3	
	12 months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total ECL RM'000

30.6.2024

At 1 January 2024	1,198	1,543	-	2,741
Net adjustment of loss allowance	(620)	(341)	-	(961)
New financial assets originated or purchased	56	265	-	321
Financial assets that have been derecognised	(38)	-	-	(38)
Reversal of impairment loss (Note 26)	(602)	(76)	-	(678)
At 30 June 2024	<u>596</u>	<u>1,467</u>	<u>-</u>	<u>2,063</u>

31.12.2023

At 1 January 2023	334	1,471	-	1,805
Net adjustment of loss allowance	818	75	-	893
New financial assets originated or purchased	58	-	-	58
Financial assets that have been derecognised	(12)	(3)	-	(15)
Allowance for impairment loss	864	72	-	936
At 31 December 2023	<u>1,198</u>	<u>1,543</u>	<u>-</u>	<u>2,741</u>

12. INVESTMENTS (CONTD.)

	Family Takaful fund RM'000	Company RM'000
(iii) AC		
30.6.2024		
Deposits and placements with financial institutions		
Islamic investment accounts with:		
Licensed financial institutions	626,036	696,359
Other licensed financial institutions	403,648	417,639
Total AC financial assets	<u>1,029,684</u>	<u>1,113,998</u>
31.12.2023		
Deposits and placements with financial institutions		
Islamic investment accounts with:		
Licensed financial institutions	714,609	827,025
Other licensed financial institutions	309,637	328,191
Total AC financial assets	<u>1,024,246</u>	<u>1,155,216</u>

The carrying amounts of financial assets classified as AC 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 38 to the unaudited interim condensed financial statements.

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13. RETAKAFUL CERTIFICATE ASSETS

The breakdown of groups of retakaful certificates held that are in an asset and those in a liability position is set out in the table below:

Family Takaful fund/Company

	30.6.2024			31.12.2023		
	Asset RM'000	Liability RM'000	Net RM'000	Asset RM'000	Liability RM'000	Net RM'000
<u>Family retakaful certificates held</u>						
Proportional Family Takaful	275,817	-	275,817	264,770	-	264,770
Proportional Takafulink	7,081	-	7,081	10,091	-	10,091
Non-proportional Excess of Loss	1,015	(1,126)	(111)	4,911	-	4,911
Total retakaful certificates held	283,913	(1,126)	282,787	279,772	-	279,772

The Family Takaful Fund/Company disaggregates information to provide disclosures in respect of family takaful retakaful certificates held. This is disaggregation has been determined based on how the Family Takaful Fund/Company is managed.

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13. RETAKAFUL CERTIFICATE ASSETS (CONTD.)

(a) Analysis by remaining coverage and amounts recoverable on incurred claim measured at Premium Allocation Approach ("PAA")

The Company's roll forward of retakaful certificate assets and liabilities showing assets for remaining coverage ("ARC") and amounts recoverable on incurred claims ("AIC") arising from business ceded to retakaful operators is disclosed in the table below:

30.6.2024

	Note	AIC			Total RM'000
		ARC Excluding loss recovery component RM'000	Present value of future cash flows RM'000	Risk adjustment for non- financial risk RM'000	
Family Takaful Fund/Company					
Retakaful certificates assets at 1 January		(7,216)	11,708	419	4,911
Net (expense)/income from retakaful certificates held		(17,457)	17,288	168	(1)
Effect of changes in non-performance risk of retakaful operators		-	1	-	1
Total amount recognised in income statement		(17,457)	17,289	168	-
Other movements	(i)	-	(5,020)	-	(5,020)
Net balance as at end of the period		(24,673)	23,977	587	(109)
Represented by:					
Retakaful certificates assets at 30 June		(23,547)	23,977	587	1,017
Retakaful certificates liabilities at 30 June		(1,126)	-	-	(1,126)
Net balance as at 30 June		(24,673)	23,977	587	(109)

13. RETAKAFUL CERTIFICATE ASSETS (CONTD.)

(a) Analysis by remaining coverage and amounts recoverable on incurred claim measured at Premium Allocation Approach ("PAA") (Contd.)

The Company's roll forward of retakaful certificate assets and liabilities showing assets for remaining coverage ("ARC") and amounts recoverable on incurred claims ("AIC") arising from business ceded to retakaful operators is disclosed in the table below: (contd.)

31.12.2023

	Note	AIC			Total RM'000
		ARC Excluding loss recovery component RM'000	Present value of future cash flows RM'000	Risk adjustment for non- financial risk RM'000	
Family Takaful Fund/Company					
Retakaful certificates assets at 1 January		(9,552)	12,551	420	3,419
Net (expense)/income from Retakaful certificates held		(20,704)	20,704	(1)	(1)
Effect of changes in non-performance risk of retakaful operators		-	1	-	1
Total amount recognised in income statement		(20,704)	20,705	(1)	-
Cash flows					
Contributions paid net of ceding commission		23,040	-	-	23,040
Amount recoveries from retakaful		-	(24,361)	-	(24,361)
Total cash flows		23,040	(24,361)	-	(1,321)
Other movements	(i)	-	2,813	-	2,813
Net balance as at end of the period		(7,216)	11,708	419	4,911
Represented by:					
Retakaful certificates assets at 31 December		(7,216)	11,708	419	4,911

13. RETAKAFUL CERTIFICATE ASSETS (CONTD.)

(a) Analysis by remaining coverage and amounts recoverable on incurred claim not measured at Premium Allocation Approach ("PAA")

The Company's roll forward of retakaful certificate assets and liabilities showing assets for remaining coverage ("ARC") and amounts recoverable on incurred claims ("AIC") arising from business ceded to retakaful operators is disclosed in the table below:

30.6.2024

	Note	ARC Excluding loss recovery component RM'000	AIC RM'000	Total RM'000
Family Takaful Fund/Company				
Retakaful certificates assets at 1 January		147,671	127,190	274,861
Net (expense)/income from retakaful certificates held		(26,938)	26,617	(321)
Finance income from retakaful certificates held		321	-	321
Total amount recognised in income statement		(26,617)	26,617	-
Cash flows				
Contributions paid net of ceding commission		13,724	-	13,724
Amount recoveries from retakaful		-	(7,938)	(7,938)
Total cash flows		13,724	(7,938)	5,786
Other movements	(i)	-	2,249	2,249
Net balance as at end of the period		134,778	148,118	282,896
Represented by:				
Retakaful certificates assets at 30 June		134,778	148,118	282,896

13. RETAKAFUL CERTIFICATE ASSETS (CONTD.)

(a) Analysis by remaining coverage and amounts recoverable on incurred claim not measured at Premium Allocation Approach ("PAA") (contd.)

The Company's roll forward of retakaful certificate assets and liabilities showing assets for remaining coverage ("ARC") and amounts recoverable on incurred claims ("AIC") arising from business ceded to retakaful operators is disclosed in the table below: (contd.)

31.12.2023

	Note	ARC Excluding loss recovery component RM'000	AIC RM'000	Total RM'000
Family Takaful Fund/Company				
Retakaful certificates assets at 1 January		105,960	171,179	277,139
Net (expense)/income from retakaful certificates held		(53,058)	49,706	(3,352)
Finance income/(expense) from retakaful certificates held		3,713	(361)	3,352
Total amount recognised in income statement		(49,345)	49,345	-
Cash flows				
Contributions paid net of ceding commission		91,056	-	91,056
Amount recoveries from retakaful		-	(72,773)	(72,773)
Total cash flows		91,056	(72,773)	18,283
Other movements	(i)	-	(20,561)	(20,561)
Net balance as at end of the year		147,671	127,190	274,861
Represented by:				
Retakaful certificates assets at 31 December		147,671	127,190	274,861

Note:

(i) Other movements relates to movement of retakaful unallocated surplus during the financial period/year.

13. RETAKAFUL CERTIFICATE ASSETS (CONTD.)

(b) Analysis showing estimates of present value of future cash flows and risk adjustment for retakaful certificates held not measured at PAA

The roll-forward of retakaful certificates assets or liabilities showing estimates of the present value of future cash flows and risk adjustment.

30.6.2024

	Note	Estimate of the present value of future cash flows RM'000	Risk adjustments for non-financial risk RM'000	Total RM'000
Family Takaful Fund/Company				
Retakaful certificates assets at 1 January		273,431	1,430	274,861
Changes that relate to current services				
Experience adjustments		(14,274)	-	(14,274)
Changes that relate to past services				
Adjustment to liabilities for incurred claims		15,553	(1,600)	13,953
Takaful service results		1,279	(1,600)	(321)
Finance income from retakaful certificates held		321	-	321
Total amount recognised in income statement		1,600	(1,600)	-
Cash flows				
Contributions paid net of ceding commission		13,724	-	13,724
Amount recoveries from retakaful		(7,938)	-	(7,938)
Total cash flows		5,786	-	5,786
Other movements	(i)	2,249	-	2,249
Net balance as at end of the period		283,066	(170)	282,896
Represented by:				
Retakaful certificates assets at 30 June		283,066	(170)	282,896

13. RETAKAFUL CERTIFICATE ASSETS (CONTD.)

(b) Analysis showing estimates of present value of future cash flows and risk adjustment for retakaful certificates held not measured at PAA (contd.)

The roll-forward of retakaful certificates assets or liabilities showing estimates of the present value of future cash flows and risk adjustment. (contd.)

31.12.2023

	Note	Estimate of the present value of future cash flows RM'000	Risk adjustments for non-financial risk RM'000	Total RM'000
Family Takaful Fund/Company				
Retakaful certificates assets at 1 January		277,139	-	277,139
Changes that relate to current services				
Experience adjustments		20,041	-	20,041
Changes that relate to past services				
Adjustment to liabilities for incurred claims		(24,823)	1,430	(23,393)
Takaful service results		(4,782)	1,430	(3,352)
Finance income from retakaful certificates held		3,352	-	3,352
Total amount recognised in income statement		(1,430)	1,430	-
Cash flows				
Contributions paid net of ceding commission		91,056	-	91,056
Amount recoveries from retakaful		(72,773)	-	(72,773)
Total cash flows		18,283	-	18,283
Other movements	(i)	(20,561)	-	(20,561)
Net balance as at end of the period		273,431	1,430	274,861
Represented by:				
Retakaful certificates assets at 31 December		273,431	1,430	274,861

Note:

(i) Other movements relates to movement of retakaful unallocated surplus during the financial period/year.

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13. RETAKAFUL CERTIFICATE ASSETS (CONTD.)

(c) Impact of certificates recognised in the period

The components of new business for family retakaful held portfolios are disclosed in the table below:

	30.6.2024	31.12.2023
	RM'000	RM'000
Certificates purchased		
Estimates of the present value of future cash outflows	(146,835)	(187,742)
Estimates of the present value of future cash inflows	146,835	187,742
Cost of retroactive cover on retakaful certificates held at 30 June/31 December	-	-

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14. TAKAFUL CERTIFICATE LIABILITIES

Composition of Statement of Financial Position

The breakdown of groups of Takaful certificates issued, that are in an asset position and those in a liability position is set out in the table below:

	Family Takaful fund			Company		
	Asset RM'000	Liability RM'000	Net RM'000	Asset RM'000	Liability RM'000	Net RM'000
30.6.2024						
<u>Family Takaful certificates issued</u>						
Direct :						
Credit	-	7,008,262	7,008,262	-	7,142,263	7,142,263
Non credit	-	3,202,479	3,202,479	-	2,759,693	2,759,693
Annuity	-	676,556	676,556	-	868,072	868,072
Investment Linked Takaful	-	658,942	658,942	-	587,366	587,366
Group Yearly Renewable Term	-	192,990	192,990	-	151,656	151,656
Unallocated Surplus	-	2,199,999	2,199,999	-	2,199,999	2,199,999
Others	-	112,600	112,600	-	112,600	112,600
Total direct	-	14,051,828	14,051,828	-	13,821,649	13,821,649
31.12.2023						
<u>Family Takaful certificates issued</u>						
Direct :						
Credit	-	6,629,933	6,629,933	-	6,810,862	6,810,862
Non credit	-	3,152,732	3,152,732	-	2,732,484	2,732,484
Annuity	-	691,578	691,578	-	891,369	891,369
Investment Linked Takaful	-	528,895	528,895	-	464,348	464,348
Group Yearly Renewable Term	-	144,965	144,965	-	97,688	97,688
Unallocated Surplus	-	2,123,986	2,123,986	-	2,123,986	2,123,986
Others	-	76,303	76,303	-	76,299	76,299
Total direct	-	13,348,392	13,348,392	-	13,197,036	13,197,036

14. TAKAFUL CERTIFICATE LIABILITIES (CONTD.)

(a) Analysis by liability for remaining coverage and the liability for incurred claims measured at Premium Allocation Approach ("PAA")

The overview of the movement for net asset or liability for takaful certificates issued, showing the liability for remaining coverage ("LRC") and the liability for incurred claims ("LIC") is presented in the table below:

30.6.2024

	Note	LIC			Total RM'000
		LRC Excluding loss recovery component RM'000	Present value of future cash flows RM'000	Risk adjustments for non- financial risk RM'000	
Family Takaful Fund					
Takaful certificates liabilities at 1 January		(8,930)	109,302	44,593	144,965
Takaful service revenue	19	(226,880)	-	-	(226,880)
Takaful service expenses		28,499	213,613	(15,326)	226,786
Takaful service result		(198,381)	213,613	(15,326)	(94)
Finance expense from takaful certificates held		-	18,788	158	18,946
Total amount recognised in income statement		(198,381)	232,401	(15,168)	18,852
Cash flows					
Contributions received		235,591	-	-	235,591
Claims and other takaful service expenses paid		-	(166,222)	-	(166,222)
Takaful acquisition cash flows		(31,624)	-	-	(31,624)
Total cash flows		203,967	(166,222)	-	37,745
Transfer to other liabilities	(i)	-	(7,019)	-	(7,019)
Other movements	(ii)	-	(1,550)	-	(1,550)
Net balance as at end of the period		(3,344)	166,912	29,425	192,993
Represented by:					
Takaful certificates liabilities at 30 June		(3,344)	166,912	29,425	192,993

14. TAKAFUL CERTIFICATE LIABILITIES (CONTD.)

(a) Analysis by liability for remaining coverage and the liability for incurred claims measured at Premium Allocation Approach ("PAA") (contd.)

The overview of the movement for net asset or liability for takaful certificates issued, showing the liability for remaining coverage ("LRC") and the liability for incurred claims ("LIC") is presented in the table below (contd.):

30.6.2024

	Note	LIC		Total # RM'000	
		LRC Excluding loss recovery component RM'000	Present value of future cash flows RM'000		Risk adjustments for non- financial risk RM'000
Company					
Takaful certificates liabilities at 1 January		(56,183)	109,274	44,593	97,684
Takaful service revenue	19	(255,866)	-	-	(226,779)
Takaful service expenses		60,161	224,953	(15,326)	240,742
Takaful service result		(195,705)	224,953	(15,326)	13,963
Finance expense from takaful certificates held		-	18,788	158	18,946
Total amount recognised in income statement		(195,705)	243,741	(15,168)	32,909
Cash flows					
Contributions received		267,702	-	-	267,702
Claims and other takaful service expenses paid		-	(177,869)	-	(177,869)
Takaful acquisition cash flows		(59,831)	-	-	(60,194)
Total cash flows		207,871	(177,869)	-	29,639
Transfer to other liabilities	(i)	-	(7,019)	-	(7,019)
Other movements	(ii)	-	(1,554)	-	(1,554)
Net balance as at end of the period		(44,017)	166,573	29,425	151,659
Represented by:					
Takaful certificates liabilities at 30 June		(44,017)	166,573	29,425	151,659

Elimination of LRC and LIC are included in Total to derived to net balance as at end of period.

14. TAKAFUL CERTIFICATE LIABILITIES (CONTD.)

(a) Analysis by liability for remaining coverage and the liability for incurred claims measured at Premium Allocation Approach ("PAA") (contd.)

The overview of the movement for net asset or liability for takaful certificates issued, showing the liability for remaining coverage ("LRC") and the liability for incurred claims ("LIC") is presented in the table below (contd.):

31.12.2023

	Note	LIC		Total RM'000	
		LRC Excluding loss recovery component RM'000	Present value of future cash flows RM'000		Risk adjustments for non- financial risk RM'000
Family Takaful Fund					
Takaful certificates liabilities at 1 January		(37,773)	196,759	35,279	194,265
Takaful service revenue		(409,148)	-	-	(409,148)
Takaful service expenses		54,503	348,524	8,492	411,519
Takaful service result		(354,645)	348,524	8,492	2,371
Finance expense from takaful certificates held		-	24,371	822	25,193
Total amount recognised in income statement		(354,645)	372,895	9,314	27,564
Cash flows					
Contributions received		431,869	-	-	431,869
Claims and other takaful service expenses paid		-	(379,707)	-	(379,707)
Takaful acquisition cash flows		(48,381)	-	-	(48,381)
Total cash flows		383,488	(379,707)	-	3,781
Transfer to other liabilities	(i)	-	(8,643)	-	(8,643)
Other movements	(ii)	-	(72,002)	-	(72,002)
Net balance as at end of the period		(8,930)	109,302	44,593	144,965
Represented by:					
Takaful certificates liabilities at 31 December		(8,930)	109,302	44,593	144,965

14. TAKAFUL CERTIFICATE LIABILITIES (CONTD.)

(a) Analysis by liability for remaining coverage and the liability for incurred claims measured at Premium Allocation Approach ("PAA") (contd.)

The overview of the movement for net asset or liability for takaful certificates issued, showing the liability for remaining coverage ("LRC") and the liability for incurred claims ("LIC") is presented in the table below (contd.):

31.12.2023

	Note	LIC			Total RM'000
		LRC Excluding loss recovery component RM'000	Present value of future cash flows RM'000	Risk adjustments for non- financial risk RM'000	
Company					
Takaful certificates liabilities at 1 January		(46,483)	196,725	35,279	185,521
Takaful service revenue		(409,250)	-	-	(409,250)
Takaful service expenses		10,777	366,489	8,492	385,758
Takaful service result		(398,473)	366,489	8,492	(23,492)
Finance expense from takaful certificates held		-	24,371	822	25,193
Total amount recognised in income statement		(398,473)	390,860	9,314	1,701
Cash flows					
Contributions received		480,250	-	-	480,250
Claims and other takaful service expenses paid		-	(404,183)	-	(404,183)
Takaful acquisition cash flows		(84,963)	-	-	(84,963)
Total cash flows		395,287	(404,183)	-	(8,896)
Transfer to other liabilities	(i)	-	(8,643)	-	(8,643)
Other movements	(ii)	(6,514)	(65,485)	-	(71,999)
Net balance as at end of the period		(56,183)	109,274	44,593	97,684
Represented by:					
Takaful certificates liabilities at 31 December		(56,183)	109,274	44,593	97,684

14. TAKAFUL CERTIFICATE LIABILITIES (CONTD.)

(a) Analysis by liability for remaining coverage and the liability for incurred claims not measured at PAA

The overview of the movement for net asset or liability for takaful certificates issued, showing the liability for remaining coverage ("LRC") and the liability for incurred claims ("LIC") is presented in the table below:

		9,912,250		
		<u>LRC</u>		
		<u>Excluding</u>		
		<u>loss recovery</u>		
		<u>component</u>		
		<u>RM'000</u>	<u>LIC</u>	<u>Total</u>
	Note		RM'000	RM'000
30.6.2024				
Family Takaful Fund				
Takaful certificates liabilities at 1 January		9,932,250	3,271,177	13,203,427
Takaful service revenue	19	(577,131)	-	(577,131)
Takaful service expenses		59,131	660,793	719,924
Takaful service result		<u>(518,000)</u>	<u>660,793</u>	<u>142,793</u>
Finance expense from takaful certificates held		312,304	405	312,709
Investment components		(409,830)	409,830	-
Total amount recognised in income statement		<u>(615,526)</u>	<u>1,071,028</u>	<u>455,502</u>
Cash flows				
Contributions received		988,824	-	988,824
Qard received	(iii)	79	-	79
Claims and other takaful service expenses paid		-	(651,293)	(651,293)
Takaful acquisition cash flows		(187,476)	-	(187,476)
Total cash flows		<u>801,427</u>	<u>(651,293)</u>	<u>150,134</u>
Transfer to other liabilities	(i)	-	(8,611)	(8,611)
Other movements	(ii)	36,292	22,091	58,383
Net balance as at end of the period		<u>10,154,443</u>	<u>3,704,392</u>	<u>13,858,835</u>
Represented by:				
Takaful certificates liabilities at 30 June		<u>10,154,443</u>	<u>3,704,392</u>	<u>13,858,835</u>

14. TAKAFUL CERTIFICATE LIABILITIES (CONTD.)

(a) Analysis by liability for remaining coverage and the liability for incurred claims not measured at PAA (contd.)

The overview of the movement for net asset or liability for takaful certificates issued, showing the liability for remaining coverage ("LRC") and the liability for incurred claims ("LIC") is presented in the table below (contd.):

30.6.2024

Company	Note	LRC		LIC RM'000	Total # RM'000
		Excluding loss recovery component RM'000	Loss component RM'000		
Takaful certificates liabilities at 1 January		9,821,656	6,128	3,271,568	13,099,352
Takaful service revenue	19	(773,491)	-	-	(555,496)
Takaful service expenses		97,860	(1,072)	726,922	516,729
Takaful service result		(675,631)	(1,072)	726,922	(38,767)
Finance expense from takaful certificates held		312,304	-	405	401,695
Investment components		(409,830)	-	409,830	-
Total amount recognised in income statement		(773,157)	(1,072)	1,137,157	362,928
Cash flows					
Contributions received		1,201,569	-	-	1,201,569
Claims and other takaful service expenses paid		-	-	(717,410)	(717,410)
Takaful acquisition cash flows		(306,221)	-	-	(326,221)
Total cash flows		895,348	-	(717,410)	157,938
Transfer to other liabilities	(i)	-	-	(8,611)	(8,611)
Other movements	(ii)	36,293	-	22,090	58,383
Net balance as at end of the period		9,980,140	5,056	3,704,794	13,669,990
Represented by:					
Takaful certificates liabilities at 30 June		9,980,140	5,056	3,704,794	13,669,990

Elimination of LRC and LIC are included in Total to derived to net balance as at end of period.

14. TAKAFUL CERTIFICATE LIABILITIES (CONTD.)

(a) Analysis by liability for remaining coverage and the liability for incurred claims not measured at PAA (contd.)

The overview of the movement for net asset or liability for takaful certificates issued, showing the liability for remaining coverage ("LRC") and the liability for incurred claims ("LIC") is presented in the table below (contd.):

31.12.2023

	Note	<u>LRC</u> Excluding loss recovery component RM'000	LIC RM'000	Total RM'000
Family Takaful Fund				
Takaful certificates liabilities at 1 January		9,360,384	2,722,260	12,082,644
Takaful service revenue		(1,056,919)	-	(1,056,919)
Takaful service expenses		101,276	1,206,333	1,307,609
Takaful service result		(955,643)	1,206,333	250,690
Finance expense from takaful certificates held Investment components		513,992 (737,189)	777 737,189	514,769 -
Total amount recognised in income statement		(1,178,840)	1,944,299	765,459
Cash flows				
Contributions received		1,834,313	-	1,834,313
Claims and other takaful service expenses paid		-	(1,396,799)	(1,396,799)
Takaful acquisition cash flows		(319,684)	-	(319,684)
Total cash flows		1,514,629	(1,396,799)	117,830
Transfer to other liabilities	(i)	-	(45,955)	(45,955)
Other movements	(ii)	236,077	47,372	283,449
Net balance as at end of the period		9,932,250	3,271,177	13,203,427
Represented by:				
Takaful certificates liabilities at 31 December		9,932,250	3,271,177	13,203,427

14. TAKAFUL CERTIFICATE LIABILITIES (CONTD.)

(a) Analysis by liability for remaining coverage and the liability for incurred claims not measured at PAA (contd.)

The overview of the movement for net asset or liability for takaful certificates issued, showing the liability for remaining coverage ("LRC") and the liability for incurred claims ("LIC") is presented in the table below (contd.):

31.12.2023

Company	Note	LRC		LIC RM'000	Total RM'000
		Excluding loss recovery component RM'000	Loss component RM'000		
Takaful certificates liabilities at 1 January		9,301,172	1,202	2,722,938	12,025,312
Takaful service revenue		(1,082,277)	-	-	(1,082,277)
Takaful service expenses		68,707	4,926	937,219	1,010,852
Takaful service result		(1,013,570)	4,926	937,219	(71,425)
Finance expense from takaful certificates held		623,982	-	779	624,761
Investment components		(737,189)	-	737,189	-
Total amount recognised in income statement		(1,126,777)	4,926	1,675,187	553,336
Cash flows					
Contributions received		2,096,780	-	-	2,096,780
Claims and other takaful service expenses paid		-	-	(1,305,331)	(1,305,331)
Takaful acquisition cash flows		(640,303)	-	-	(640,303)
Total cash flows		1,456,477	-	(1,305,331)	151,146
Transfer to other liabilities	(i)	-	-	(45,955)	(45,955)
Other movements	(ii)	190,784	-	224,729	415,513
Net balance as at end of the period		9,821,656	6,128	3,271,568	13,099,352
Represented by:					
Takaful certificates liabilities at 31 December		9,821,656	6,128	3,271,568	13,099,352

14. TAKAFUL CERTIFICATE LIABILITIES (CONTD.)

(a) Analysis by liability for remaining coverage and the liability for incurred claims not measured at PAA (contd.)

The overview of the movement for net asset or liability for takaful certificates issued, showing the liability for remaining coverage ("LRC") and the liability for incurred claims ("LIC") is presented in the table below (contd.):

- (i) Included within the 'Transfer to other liabilities' are the amounts that are classified as deemed settlement. Deemed settlement includes payables to intermediaries on commission of contribution in the course of collection and withholding tax on amount payables.
- (ii) Other movements comprises of FVOCI reserve and unallocated surplus movement during the financial period/year.
- (iii) The balance and reconciliations of fulfillment cash flows include obligations to repay Qard advanced by the Shareholder's Fund to the Family Takaful Fund. Qard was advanced by the Shareholder's Fund in compliance with the requirements set out in paragraph 19 of the BNM Takaful Operating Framework ("TOF"). Consistent with those requirements, the amount does not bear profit. The amount is repayable, and if to the extent, the Family Takaful Fund has available resources. In accordance with Paragraph 19.4 of the BNM TOF, the Shareholder's Fund has determined a time period during which the Qard shall be repaid and consequently the period beyond which any unpaid Qard will be deemed irrecoverable and the outstanding amount forgiven. The table below reconciles the nominal value of the Qard included in fulfillment cash flows:

	Family Takaful Fund	
	30.6.2024	31.12.2023
	RM'000	RM'000
Nominal amount		
At 1 January	-	-
Qard advanced during the financial period/year	79	-
At 30 June	<u>79</u>	<u>-</u>

The current outstanding Qard balance is expected to be repaid within 0.6 year upon the availability of surplus in the Family Takaful Fund.

14. TAKAFUL CERTIFICATE LIABILITIES (CONTD.)

(b) Analysis by measurement component of takaful certificate not measured at PAA

The table below presents a roll-forward of the net asset or liability showing estimates of the present value of future cash flows and risk adjustment for Family Takaful certificates issued.

30.6.2024

Family Takaful Fund	Note	Estimate of the present value of future cash flows RM'000	Risk adjustments for non- financial risk RM'000	Total RM'000
Takaful certificates liabilities at 1 January		13,195,373	8,054	13,203,427
Changes that relate to current services				
Experience adjustments		194,017	-	194,017
Changes that relate to past services				
Adjustment to liabilities for incurred claims		(50,254)	(970)	(51,224)
Takaful service results		143,763	(970)	142,793
Finance expense from takaful certificates held		312,716	(7)	312,709
Total amount recognised in income statement		456,479	(977)	455,502
Cash flows				
Contributions received		988,824	-	988,824
Qard received		79	-	79
Claims and other takaful service expenses paid		(651,293)	-	(651,293)
Takaful acquisition cash flows		(187,476)	-	(187,476)
Total cash flows		150,134	-	150,134
Transfer to other liabilities	(i)	(8,611)	-	(8,611)
Other movements	(ii)	58,383	-	58,383
Net balance as at end of the period		13,851,758	7,077	13,858,835
Represented by:				
Takaful certificates liabilities at 30 June		13,851,758	7,077	13,858,835

14. TAKAFUL CERTIFICATE LIABILITIES (CONTD.)

(b) Analysis by measurement component of takaful certificate not measured at PAA (contd.)

The table below presents a roll-forward of the net asset or liability showing estimates of the present value of future cash flows, risk adjustment, CSM and the impact on the current year of the transition approaches adopted to establishing CSMs for Family Takaful certificate issued. (contd.)

30.6.2024

Company	Note	Estimate of the present value of future cash flows RM'000	Risk adjustments for non-financial risk RM'000	Total CSM RM'000	CSM			Total # RM'000
					New Certificates and certificates measured under the full retrospective approach at transition RM'000	Certificates measured under the modified retrospective approach at transition RM'000	Certificates measured under the fair value approach at transition RM'000	
Takaful certificates liabilities at 1 January		11,180,285	574,521	1,344,546	444,248	597,904	302,394	13,099,352
Changes that relate to current services								
CSM recognised for services received		-	-	(71,348)	(24,127)	(25,119)	(22,102)	(71,348)
Change in the risk adjustment for non-financial risks for risks expired		-	(29,114)	-	-	-	-	(29,114)
Experience adjustments		201,907	-	-	-	-	-	112,920
Changes that relate to future services								
Certificates initially recognised in the year		(195,582)	87,376	108,206	108,490	-	(284)	-
Changes in estimates that adjust the CSM		27,772	(79,895)	52,123	48,845	(40,627)	43,905	-
Changes that relate to past services								
Adjustment to liabilities for incurred claims		(50,255)	(970)	-	-	-	-	(51,225)
Takaful service results		(16,158)	(22,603)	88,981	133,208	(65,746)	21,519	(38,767)
Finance expense from takaful certificates held		312,715	(7)	-	-	-	-	401,695
Total amount recognised in income statement		296,557	(22,610)	88,981	133,208	(65,746)	21,519	362,928
Cash flows								
Contributions received		1,201,569	-	-	-	-	-	1,201,569
Claims and other takaful service expenses paid		(717,410)	-	-	-	-	-	(717,410)
Takaful acquisition cash flows		(326,221)	-	-	-	-	-	(326,221)
Total cash flows		157,938	-	-	-	-	-	157,938
Transfer to other liabilities	(i)	(8,611)	-	-	-	-	-	(8,611)
Other movements	(ii)	58,383	-	-	-	-	-	58,383
Net balance as at end of the period		11,684,552	551,911	1,433,527	577,456	532,158	323,913	13,669,990
Represented by:								
Takaful certificates liabilities at 30 June		11,684,552	551,911	1,433,527	577,457	532,158	323,913	13,669,990

Eliminations of estimates of the present value of future cash flows items are included in Total to derived to net balance as at end of period.

14. TAKAFUL CERTIFICATE LIABILITIES (CONTD.)

(b) Analysis by measurement component of takaful certificate not measured at PAA (contd.)

The table below presents a roll-forward of the net asset or liability showing estimates of the present value of future cash flows and risk adjustment for Family Takaful certificates issued. (contd.)

31.12.2023

Family Takaful Fund	Note	Estimate of the present value of future cash flows RM'000	Risk adjustments for non- financial risk RM'000	Total RM'000
Takaful certificates liabilities at 1 January		12,082,225	419	12,082,644
Changes that relate to current services				
Experience adjustments		111,696	-	111,696
Changes that relate to past services				
Adjustment to liabilities for incurred claims		131,346	7,648	138,994
Takaful service results		243,042	7,648	250,690
Finance expense from takaful certificates held		514,782	(13)	514,769
Total amount recognised in income statement		757,824	7,635	765,459
Cash flows				
Contributions received		1,834,313	-	1,834,313
Claims and other takaful service expenses paid		(1,396,799)	-	(1,396,799)
Takaful acquisition cash flows		(319,684)	-	(319,684)
Total cash flows		117,830	-	117,830
Transfer to other liabilities	(i)	(45,955)	-	(45,955)
Other movements	(ii)	283,449	-	283,449
Net balance as at end of the period		13,195,373	8,054	13,203,427
Represented by:				
Takaful certificates liabilities at 31 December		13,195,373	8,054	13,203,427

14. TAKAFUL CERTIFICATE LIABILITIES (CONTD.)

(b) Analysis by measurement component of takaful certificate not measured at PAA (contd.)

The table below presents a roll-forward of the net asset or liability showing estimates of the present value of future cash flows, risk adjustment, CSM and the impact on the current year of the transition approaches adopted to establishing CSMs for Family Takaful certificate issued. (contd.)

31.12.2023

Company	Note	Estimate of the present value of future cash flows RM'000	Risk adjustments for non-financial risk RM'000	Total CSM RM'000	CSM			Total RM'000
					New certificates and certificates measured under the full retrospective approach at transition RM'000	Certificates measured under the modified retrospective approach at transition RM'000	Certificates measured under the fair value approach at transition RM'000	
Takaful certificates liabilities at 1 January		10,300,708	564,740	1,159,864	211,519	644,848	303,497	12,025,312
Changes that relate to current services								
CSM recognised for services received		-	-	(127,431)	(30,540)	(53,596)	(43,295)	(127,431)
Change in the risk adjustment for non-financial risks for risks expired		-	(55,549)	-	-	-	-	(55,549)
Experience adjustments		(27,440)	-	-	-	-	-	(27,440)
Changes that relate to future services								
Certificates initially recognised in the year		(362,960)	146,982	215,978	213,561	-	2,417	-
Changes in estimates that adjust the CSM		(6,848)	(89,287)	96,135	49,708	6,652	39,775	-
Changes that relate to past services								
Adjustment to liabilities for incurred claims		131,347	7,648	-	-	-	-	138,995
Takaful service results		(265,901)	9,794	184,682	232,729	(46,944)	(1,103)	(71,425)
Finance expense from takaful certificates held		624,774	(13)	-	-	-	-	624,761
Total amount recognised in income statement		358,873	9,781	184,682	232,729	(46,944)	(1,103)	553,336
Cash flows								
Contributions received		2,096,780	-	-	-	-	-	2,096,780
Claims and other takaful service expenses paid		(1,305,331)	-	-	-	-	-	(1,305,331)
Takaful acquisition cash flows		(640,303)	-	-	-	-	-	(640,303)
Total cash flows		151,146	-	-	-	-	-	151,146
Transfer to other liabilities	(i)	(45,955)	-	-	-	-	-	(45,955)
Other movements	(ii)	415,513	-	-	-	-	-	415,513
Net balance as at end of the period		11,180,285	574,521	1,344,546	444,248	597,904	302,394	13,099,352
Represented by:								
Takaful certificates liabilities at 31 December		11,180,285	574,521	1,344,546	444,248	597,904	302,394	13,099,352

14. TAKAFUL CERTIFICATE LIABILITIES (CONTD.)

(b) Analysis by measurement component of takaful certificate not measured at PAA (contd.)

Notes:

- (i) Included within the 'Transfer to other liabilities' are the amounts that are classified as deemed settlement. Deemed settlement includes payables to intermediaries on commission of contribution in the course of collection and withholding tax on amount payables.
- (ii) Other movements comprises of FVOCI reserve and unallocated surplus movement during the financial period/year.

(c) Impact of certificates recognised in the period

The components of new business for family takaful issued is disclosed in the table below:

	Certificates issued Non-onerous / Total	
	Family Takaful Fund RM'000	Company RM'000
30.6.2024		
Takaful certificate liabilities		
Estimates of the present value of future cash outflows	1,697,695	927,207
Estimates of the present value of future cash inflows	(1,697,695)	(1,122,789)
Risk adjustment for non-financial risks	-	87,376
CSM	-	108,206
Losses on onerous certificates at initial recognition	-	-
31.12.2023		
Takaful certificate liabilities		
Estimates of the present value of future cash outflows	2,841,865	1,555,353
Estimates of the present value of future cash inflows	(2,841,865)	(1,918,313)
Risk adjustment for non-financial risks	-	146,982
CSM	-	215,978
Losses on onerous certificates at initial recognition	-	-

(d) Expected release of CSM

The disclosure of when the CSM is expected to be recognised in income statement in future years is presented below:

	Less than one year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	5 - 10 years RM'000	More than 10 years RM'000	Total RM'000
30.6.2024								
Takaful certificates issued	141,921	127,904	115,099	103,533	93,000	344,848	507,222	1,433,527
31.12.2023								
Takaful certificates issued	127,677	118,192	106,231	95,447	85,779	319,719	491,501	1,344,546

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15. OTHER ASSETS

	Family Takaful fund RM'000	Company RM'000
30.6.2024		
Sundry receivables, deposits and prepayments	16,617	35,840
Allowance for impairment losses	(507)	(2,990)
	<u>16,110</u>	<u>32,850</u>
Income and profits due and accrued	153,327	182,935
Provision for staff medical	-	125,375
Amount due from other related companies*	-	24,526
Amounts due from Shareholder's fund*	296,164	-
Amount due from stockbrokers	14,241	14,771
	<u>463,732</u>	<u>347,607</u>
Total other assets	<u>479,842</u>	<u>380,457</u>
31.12.2023		
Sundry receivables, deposits and prepayments	10,177	23,557
Allowance for impairment losses	(507)	(2,987)
	<u>9,670</u>	<u>20,570</u>
Income and profits due and accrued	160,562	190,581
Amount due from other related companies*	-	170
Amounts due from stockbrokers	2,106	2,896
	<u>162,668</u>	<u>193,647</u>
Total other assets	<u>172,338</u>	<u>214,217</u>

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15. OTHER ASSETS (CONTD.)

Movements in gross carrying value and allowances for impairment losses recognised for not credit-impaired and credit impaired assets of the Company are as follows:

	Not credit impaired RM'000	Credit impaired RM'000	Total ** RM'000
Family Takaful fund			
<u>Gross carrying amount</u>			
At 1 January 2023	136,311	507	136,818
Increase	36,027	-	36,027
At 31 December 2023	172,338	507	172,845
Increase	307,504	-	307,504
At 30 June 2024	<u>479,842</u>	<u>507</u>	<u>480,349</u>
<u>Lifetime ECL</u>			
At 1 January 2023 / 30 June 2024	<u>-</u>	<u>507</u>	<u>507</u>
Company			
<u>Gross carrying amount</u>			
At 1 January 2023	170,110	2,383	172,493
Increase	43,519	309	43,828
At 31 December 2023	213,629	2,692	216,321
Increase	163,369	134	163,503
At 30 June 2024	<u>376,998</u>	<u>2,826</u>	<u>379,824</u>
<u>Lifetime ECL</u>			
At 1 January 2023	10	3,017	3,027
Decrease	(9)	(31)	(40)
At 31 December 2023	1	2,986	2,987
(Decrease)/increase	(1)	4	3
At 30 June 2024	<u>-</u>	<u>2,990</u>	<u>2,990</u>

* Amount due from other related companies and amount due from Shareholder fund are non-trade in nature, unsecured, profit-free and repayable in the short-term.

** Movement for impairment losses for other assets is net of prepayments, deposits and service tax recoverable.

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

16. CURRENT TAX ASSETS

Company	RM'000
30.6.2024	
At 1 January 2024 / 30 June 2024	<u>79,295</u>
31.12.2023	
At 1 January 2023	79,675
Reversal during the year :	
YA 2016 (offset YA2023 installment)	(380)
At 31 December 2023	<u>79,295</u>

The Inland Revenue Board of Malaysia (“IRBM”) had in previous financial years, raised additional assessments to the Company for Years of Assessment (“YA”) 2008 to 2015, totalling RM79,294,509.

The Company has made full settlement of the additional assessments raised by the IRBM as and when they arose, 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 issued are as summarised below:

- (a) For YA2008 to YA2013, the additional assessments, amounting to RM75,695,975, mainly related to the deductibility of commission expenses incurred by the Shareholder's fund (“SHF”) in connection with the business of the then General Takaful fund (“GTF”).

In respect to the Company's appeal, SCIT and High Court had rejected the Company's appeal on 19 February 2021 and 14 September 2022. The Company appealed to High Court and fixed on case management on 8 August 2024.

- (b) For YA2014 to YA2015, the additional assessments, amounting to RM3,598,534, mainly related to deeming surplus earned on retakaful ceded and processing fee income for the Family Takaful fund's business as incidental income of the Company under Section 60AA(13) of the Income Tax Act, 1967.

16. CURRENT TAX ASSETS (CONTD.)

- (b) Based on the Ministry of Finance ("MOF")'s letter dated 25 February 2022, the MOF has agreed that the retakaful discount/experience refund is an amount received directly in relation to the retakaful ceded under the Family Takaful Fund. In view of the above, the retakaful discount/experience refund should not be regarded as other income under Section 60AA(13) of the ITA and hence is not subject to tax. The MOF has deemed that these issues have been resolved. The same letter was copied to Malaysian Takaful Association ("MTA"). The court fixed the matter for mention on 12 June 2024 to update the settlement status by IRBM.

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

17. RESERVES

Company		30.6.2024	31.12.2023
	Note	RM'000	RM'000
Non-distributable			
FVOCI Reserve	(i)	15,160	4,665
Retained profits:			
Distributable	(ii)	2,455,158	2,643,470
Total reserves		<u>2,470,318</u>	<u>2,648,135</u>

- (i) The FVOCI reserve arose from changes in the fair values of the financial assets which are measured at fair value through other comprehensive income.

- (ii) The entire distributable profits of the Company may be distributed to the shareholders under the single-tier system.

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18. OTHER LIABILITIES

	Family Takaful fund RM'000	Company RM'000
30.6.2024		
Proposal deposits	29,135	29,135
Lease liabilities	-	601
Provision for restoration/dismantling costs	-	76
Unclaimed monies	86,905	86,927
Service tax payable	16,379	16,379
Amount due to related companies* (Note 37)		
- ultimate holding company*	-	11,207
- immediate and penultimate holding companies*	-	2,135
- other related companies*	10	1,623
Amount due to stockbrokers	941	941
Zakat payable	-	13,157
Provisions for expenses	-	46,789
Sundry payables and accrued liabilities	103,510	146,990
Other components of takaful certificate liabilities	70,228	70,228
Total Other Liabilities	307,108	426,188
31.12.2023		
Proposal deposits	9,992	9,992
Lease liabilities	-	692
Provision for restoration/dismantling costs	-	76
Amounts due to Shareholder's fund	21,191	-
Unclaimed monies	105,805	105,827
Service tax payable	9,522	9,522
Amount due to related companies* (Note 37)		
- ultimate holding company*		9,993
- immediate and penultimate holding companies*		2,483
- other related companies*	249	2,167
Amount due to stockbrokers	1,656	1,664
Zakat payable	-	14,039
Provisions for expenses	-	38,766
Sundry payables and accrued liabilities	68,680	118,037
Other components of takaful certificate liabilities	54,598	54,598
Total Other Liabilities	271,693	367,856

* Amount due to ultimate holding company, immediate holding company and other related companies are non-trade in nature, unsecured, not subject to any profit elements and are repayable in the short-term.

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19. TAKAFUL REVENUE

The table below presents an analysis of the total takaful revenue recognised in the financial period:

	Note	1.1.2024 to 30.6.2024		1.1.2023 to 30.6.2023	
		Family		Family	
		Takaful Fund	Company	Takaful Fund	Company
		RM'000	RM'000	RM'000	RM'000
Certificates not measured under the PAA					
Amounts relating to changes in liabilities for remaining coverage					
- Expected claims and takaful service expenses incurred in the period	(i)	518,000	418,661	456,981	375,039
- Change in risk adjustment for non financial risk	(ii)	-	29,114	-	26,771
- Amount of CSM recognised in profit or loss	(iii)	-	71,348	-	65,144
Amounts relating to recovery of takaful acquisition cash flows	(iv)	59,131	38,595	48,287	30,715
Experience adjustments		-	(2,222)	-	-
Takaful revenue from certificates not measure under the PAA		577,131	555,496	505,268	497,669
Takaful revenue from certificates measure under the PAA		226,880	226,779	187,553	187,553
Total Takaful Revenue		804,011	782,275	692,821	685,222

- (i) Expected takaful service expenses incurred in the period comprise of claims and other expenses which the Company expects to pay on insured events that occurred during the period.
- (ii) Change in risk adjustment shows amount of risk which expired during the period.
- (iii) The CSM is recognised in profit or loss over the coverage period of the corresponding group of certificates based on the established coverage units.
- (iv) Acquisition cash flows are allocated on a straight-line basis over the coverage period of the group of certificates.

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20. TAKAFUL SERVICE EXPENSES

The table below presents an analysis of the total takaful service expenses recognised in the financial period:

	<u>1.1.2024 to 30.6.2024</u>		<u>1.1.2023 to 30.6.2023</u>	
	Family		Family	
	Takaful Fund	Company	Takaful Fund	Company
Note	RM'000	RM'000	RM'000	RM'000
Incurring claims and other directly attributable expenses	492,224	554,521	543,786	607,262
Incurring wakalah fees	(i) 45,481	-	48,536	-
Incurring surplus to Shareholder's Fund	187,442	-	105,861	-
Incurring surplus to participants	174,988	174,988	85,093	85,093
Amortisation of takaful acquisition cash flows	87,630	69,974	73,086	47,621
Losses on onerous certificates and reversal of losses on onerous certificates	-	(957)	-	3,485
Changes to liabilities for incurred claims	(ii) (41,055)	(41,055)	(69,283)	(69,283)
Total takaful service expenses	946,710	757,471	787,079	674,178

Notes:

- (i) The wakalah fees paid to the Shareholder's Fund during the financial period is RM77,592,000 (1.1.2023 to 30.6.2023 : RM67,680,000).
- (ii) There were no surplus paid to Shareholder's fund and certificate holders from Family Takaful fund.

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21. NET EXPENSES FROM RETAKAFUL CERTIFICATES HELD

The Company has voluntarily disclosed an analysis of the net expenses from retakaful certificates held recognised in the financial period, showed in the table below:

		1.1.2024	1.1.2023
		to	to
		30.6.2024	30.6.2023
Family Takaful fund/Company	Note	RM'000	RM'000
Amounts relating to the changes in the assets for remaining coverage			
Expected recovery for takaful service expenses in the financial period	(i)	(26,938)	-
Net cost recognised in profit or loss	(ii)	(17,457)	(5,464)
Allocation of retakaful contributions		<u>(44,395)</u>	<u>(5,464)</u>
Amounts recoverable for incurred claims and other expenses			
Amounts recoverable for claims and other expenses incurred in the financial period		35,878	33,146
Incurred unallocated surplus		2,772	-
Changes in amounts recoverable arising from changes in liability for incurred claims		5,423	(28,456)
Amounts recoverable from retakaful operators		<u>44,073</u>	<u>4,690</u>
Net expense from retakaful certificates held		<u>(322)</u>	<u>(774)</u>

- (i) Expected recovery for takaful service expenses incurred in the financial period comprise recovery for claims and other expenses which the Family Takaful Fund/Company expects to receive from retakaful operators on covered events occurred during the financial period.
- (ii) Net cost recognised in profit or loss during the coverage financial period of the corresponding groups of retakaful certificates held based on established coverage units.

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22. PROFIT INCOME FROM FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

	Family Takaful Fund RM'000	Company RM'000
1.1.2024 to 30.6.2024		
Profit income		
(i) Financial Assets at FVOCI		
-Malaysian government papers	6,562	9,438
-Debt securities	115,859	146,679
(ii) Financial Assets at AC		
-Deposits with financial institutions	20,946	22,622
(iii) Financing receivables		
-Staff loans	-	88
-Non-staff loans	-	10
Total profit revenue from financial assets not measure at FVTPL	<u>143,367</u>	<u>178,837</u>
1.1.2023 to 30.6.2023		
Profit income		
(i) Financial Assets at FVOCI		
-Malaysian government papers	4,451	7,221
-Debt securities	116,983	147,943
(ii) Financial Assets at AC		
-Deposits with financial institutions	22,465	24,799
(iii) Financing receivables		
-Staff loans	-	100
-Non-staff loans	-	101
Total profit revenue from financial assets not measure at FVTPL	<u>143,899</u>	<u>180,164</u>

23. NET FAIR VALUE GAINS ON FINANCIAL ASSETS MEASURED AT FVTPL

	Family Takaful Fund RM'000	Company RM'000
1.1.2024 to 30.6.2024		
Realised gains on disposal on financial assets, net	28,779	28,879
Fair value gains/(losses) on investments:		
-Malaysian government papers	(1,505)	(1,505)
-Equity securities	99,317	104,372
-Debt securities	45,223	49,305
-Unit and property trust funds	19,354	19,354
-Structured products	719	719
-Derivative	123	168
Total net fair value gains on investments	163,231	172,413
Total net fair value gains on financial assets measured at FVTPL	<u>192,010</u>	<u>201,292</u>
1.1.2023 to 30.6.2023		
Realised losses on disposal on financial assets, net	(21,267)	(22,758)
Fair value gains/(losses) on investments:		
-Malaysian government papers	9,615	9,615
-Equity securities	4,219	5,198
-Debt securities	170,381	194,175
-Unit and property trust funds	9,090	9,090
-Structured products	(6,046)	(6,046)
Total net fair value gains on investments	187,259	212,032
Total net fair value gains on financial assets measured at FVTPL	<u>165,992</u>	<u>189,274</u>

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24. NET FAIR VALUE GAINS ON DERECOGNITION OF FINANCIAL ASSETS MEASURED AT FVOCI

	Family Takaful Fund RM'000	Company RM'000
1.1.2024 to 30.6.2024		
Financial Assets at FVOCI		
- Malaysian government papers	4,685	4,873
- Debt securities	167	1,810
Total net fair value gains on derecognition of financial assets measured at FVOCI	4,852	6,683
1.1.2023 to 30.6.2023		
Financial Assets at FVOCI		
- Malaysian government papers	894	1,334
- Debt securities	-	23
Total net fair value gains on derecognition of financial assets measured at FVOCI	894	1,357

25. OTHER INVESTMENT INCOME

	Family Takaful Fund RM'000	Company RM'000
1.1.2024 to 30.6.2024		
Dividend/distribution income:		
Equity securities	12,385	14,044
Profit income from financial assets measured at FVTPL	145,241	164,829
Rental income, net	-	30
Net amortisation of premiums	(8,986)	(11,767)
Investment related expenses, net	(1,205)	(2,093)
Obligations on financial assets sold under repurchase agreements	-	(1)
Total other investment income	147,435	165,042

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25. OTHER INVESTMENT INCOME (CONTD.)

	Family Takaful Fund RM'000	Company RM'000
1.1.2023 to 30.6.2023		
Dividend/distribution income:		
Equity securities	10,222	12,094
Profit income from financial assets measured at FVTPL	133,852	153,311
Rental income, net	-	27
Net amortisation of premiums	(9,872)	(12,685)
Investment related expenses, net	(1,144)	(2,003)
Total other investment income	<u>133,058</u>	<u>150,744</u>

26. REVERSAL OF IMPAIRMENT LOSS ON FINANCIAL ASSETS

	Family Takaful Fund RM'000	Company RM'000
1.1.2024 to 30.6.2024		
Reversal of impairment losses on:		
- Investments	425	678
Total reversal of impairment loss on financial assets	<u>425</u>	<u>678</u>

1.1.2023 to 30.6.2023		
Reversal of impairment losses on:		
- Investments	156	193
Total reversal of impairment loss on financial assets	<u>156</u>	<u>193</u>

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27. FINANCE EXPENSES FROM TAKAFUL CERTIFICATES ISSUED

	Note	1.1.2024 to 30.6.2024		1.1.2023 to 30.6.2023	
		Family	Company	Family	Company
		Takaful Fund	Company	Takaful Fund	Company
		RM'000	RM'000	RM'000	RM'000
Takaful finance expenses from takaful certificates issued					
Changes in fair value of underlying assets of Family takaful fund		(129,038)	(218,024)	(153,695)	(180,181)
Profit accreted to takaful certificates using current financial assumptions		(1,055)	(1,055)	(1,252)	(1,252)
Profit accreted to takaful certificates using locked-in-rates		(183,269)	(183,269)	(167,767)	(167,767)
Effect of changes in profit rates and other financial assumptions		(18,293)	(18,293)	(15,508)	(15,508)
Takaful finance expenses from takaful certificates issued		(331,655)	(420,641)	(338,222)	(364,708)
Represented by:					
Amount recognised in profit and loss		(331,655)	(420,641)	(338,222)	(364,708)
<u>Net investment income and net Takaful finance results:</u>					
Represented by:					
Amount recognised in profit and loss					
Net investment income	27a	489,482	553,407	447,212	524,996
Finance expense from takaful certificates	27	(331,655)	(420,641)	(338,222)	(364,708)
Finance Income from retakaful certificates held	28	322	322	-	-
	27b	158,149	133,088	108,990	160,288

It represents fair value gains or losses on underlying assets and profit income of the Company.

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28. FINANCE INCOME FROM RETAKAFUL CERTIFICATES HELD

	1.1.2024 to 30.6.2024		1.1.2023 to 30.6.2023	
	Family Takaful Fund RM'000	Company RM'000	Family Takaful Fund RM'000	Company RM'000
Finance (expenses)/income from retakaful certificates held				
Profit accreted to retakaful certificates using locked-in rates	4,760	4,760	-	-
Effect of changes in profit rates and other financial assumptions	(4,439)	(4,439)	-	-
Changes in risk non-performance risk of retakaful operators	1	1	-	-
Finance income from retakaful certificates held	322	322	-	-
Represented by:				
Amount recognised in profit and loss	322	322	-	-

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29. OTHER INCOME

	Family Takaful Fund RM'000	Company RM'000
1.1.2024 to 30.6.2024		
Reversal of impairment losses on:		
- financing receivables	-	9
Sundry income	75	277
Total other income	<u>75</u>	<u>286</u>
1.1.2023 to 30.6.2023		
Reversal of impairment losses on:		
- financing receivables	-	266
- other assets	-	30
Sundry income	32	409
Total other income	<u>32</u>	<u>705</u>

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30. OTHER EXPENSES

An analysis of the expenses incurred by the Family Takaful Fund in the reporting period is included in the table below:

Family Takaful Fund

	1.1.2024 to 30.6.2024				1.1.2023 to 30.6.2023			
	<i>Takaful service expenses</i>				<i>Takaful service expenses</i>			
	Expenses attributed to takaful acquisition cash flows	Other directly attributable expenses	Other expenses	Total	Expenses attributed to takaful acquisition cash flows	Other directly attributable expenses	Other expenses	Total
Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Commission	(A) -	-	-	-	-	-	-	-
Other expenses								
Employee benefits expense (a)	-	9,960	-	9,960	-	8,258	-	8,258
Auditors' remuneration:								
- statutory audits	-	88	-	88	-	47	-	47
- regulatory related services	-	48	-	48	-	16	-	16
- other services	-	118	-	118	-	12	-	12
Bank and financing charges	-	9	-	9	-	13	-	13
Other management fees	-	(1)	-	(1)	-	1	-	1
Professional fees	-	34	-	34	-	-	-	-
Rental of offices/premises	-	508	-	508	-	470	-	470
Office facilities expenses	-	126	-	126	-	103	-	103
Electronic data processing expenses	-	944	-	944	-	942	-	942
Information technology outsourcing	-	1,177	-	1,177	-	908	-	908
Postage and stamp duties	-	172	-	172	-	19	-	19
Printing and stationery	-	151	-	151	-	13	-	13
Promotional and marketing cost	-	(9)	-	(9)	-	-	-	-
Total	-	13,325	-	13,325	-	10,802	-	10,802

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30. OTHER EXPENSES (CONTD.)

An analysis of the expenses incurred by the Family Takaful Fund in the reporting period is included in the table below: (contd.)

Family Takaful Fund (contd.)

	1.1.2024 to 30.6.2024				1.1.2023 to 30.6.2023			
	<i>Takaful service expenses</i>				<i>Takaful service expenses</i>			
	Expenses attributed to takaful acquisition cash flows RM'000	Other directly attributable expenses RM'000	Other expenses RM'000	Total RM'000	Expenses attributed to takaful acquisition cash flows RM'000	Other directly attributable expenses RM'000	Other expenses RM'000	Total RM'000
Brought forward	-	13,325	-	13,325	-	10,802	-	10,802
Training expenses	-	25	-	25	-	28	-	28
Utilities, assessment and maintenance	-	140	-	140	-	175	-	175
Travelling expenses	-	22	-	22	-	13	-	13
Licence, subscription and levies	-	50	-	50	-	41	-	41
Contract staff services	-	105	-	105	-	123	-	123
Policy related expenses	-	11	-	11	-	427	-	427
Others	-	399	-	399	-	-	-	-
Total	(B)	14,077	-	14,077	-	11,609	-	11,609
Other operating expenses								
Sundry expenditure	-	241	2,896	3,137	-	359	-	359
Total	(C)	241	2,896	3,137	-	359	-	359
Total other expenses	(A) + (B) + (C)	14,318	2,896	17,214	-	11,968	-	11,968
							1.1.2024 to 30.6.2024 RM'000	1.1.2023 to 30.6.2023 RM'000
Represented by:								
Takaful service expenses							14,318	11,968
Other expenses							2,896	-
							17,214	11,968

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30. OTHER EXPENSES (CONTD.)

An analysis of the expenses incurred by the Company in the reporting period is included in the table below:

Company

	1.1.2024 to 30.6.2024				1.1.2023 to 30.6.2023			
	<i>Takaful service expenses</i>				<i>Takaful service expenses</i>			
	Expenses attributed to takaful acquisition cash flows	Other directly attributable expenses	Other expenses	Total	Expenses attributed to takaful acquisition cash flows	Other directly attributable expenses	Other expenses	Total
Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Commission	(A) 86,490	21,479	-	107,969	64,107	22,717	-	86,824
Other expenses								
Employee benefits expense (a)	28,061	35,976	1,783	65,820	20,502	37,025	1,860	59,387
Directors' remuneration	31 -	-	412	412	-	-	500	500
Shariah committee's remuneration	32 -	118	-	118	-	162	-	162
Auditors' remuneration:								
- statutory audits	-	370	-	370	-	181	-	181
- regulatory related services	-	220	-	220	-	70	-	70
- other services	-	540	-	540	-	49	-	49
Amortisation of intangible assets	-	783	-	783	-	704	-	704
Bank and financing charges	-	3,937	1	3,938	-	4,229	21	4,250
Depreciation of property, plant and equipment	-	35	-	35	-	29	-	29
Right-of-use expenses:								
- depreciation	-	94	-	94	-	84	-	84
- profit on lease liabilities	-	9	-	9	-	2	-	2
Other management fees	50	(5)	-	45	19	7	-	26
Professional fees	-	205	-	205	-	2	-	2
Rental of offices/premises	1,486	1,737	25	3,248	996	1,772	26	2,794
Office facilities expenses	-	606	-	606	-	784	-	784
Electronic data processing expenses	833	5,697	-	6,530	734	4,936	-	5,670
Information technology outsourcing	2,367	7,101	-	9,468	1,562	4,687	-	6,249
Postage and stamp duties	226	761	8	995	150	254	10	414
Printing and stationery	-	669	-	669	-	(238)	-	(238)
Promotional and marketing cost	28,552	(9)	222	28,765	19,130	-	92	19,222
Training expenses	189	546	1	736	370	491	1	862
Total	61,764	59,390	2,452	123,606	43,463	55,230	2,510	101,203

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30. OTHER EXPENSES (CONTD.)

An analysis of the expenses incurred by the Company in the reporting period is included in the table below: (contd.)

Company (contd.)

	1.1.2024 to 30.6.2024				1.1.2023 to 30.6.2023			
	<i>Takaful service expenses</i>				<i>Takaful service expenses</i>			
	Expenses attributed to takaful acquisition cash flows RM'000	Other directly attributable expenses RM'000	Other expenses RM'000	Total RM'000	Expenses attributed to takaful acquisition cash flows RM'000	Other directly attributable expenses RM'000	Other expenses RM'000	Total RM'000
Brought forward	61,764	59,390	2,452	123,606	43,463	55,230	2,510	101,203
Utilities, assessment and maintenance	-	603	2	605	-	800	3	803
Entertainment	-	-	137	137	-	-	123	123
Travelling expenses	469	106	26	601	225	145	22	392
Legal fees	-	125	-	125	-	19	-	19
Licence, subscription and levies	-	3,078	-	3,078	-	2,918	-	2,918
Contract staff services	545	650	-	1,195	235	925	2	1,162
Policy related expenses	15,498	1,658	172	17,328	10,938	1,830	119	12,887
Others	1,545	997	120	2,662	1,767	1,028	59	2,854
Total	(B) 79,821	66,607	2,909	149,337	56,628	62,895	2,838	122,361
Other operating expenses								
Impairment								
-financing receivables	-	-	3	3	-	-	-	-
Sundry expenditure	162	1,454	2,397	4,013	19	1,855	(437)	1,437
Total	(C) 162	1,454	2,400	4,016	19	1,855	(437)	1,437
Total other expenses	(A) + (B) + (C) 166,473	89,540	5,309	261,322	120,754	87,467	2,401	210,622
							1.1.2024	1.1.2023
							to	to
							30.6.2024	30.6.2023
							RM'000	RM'000
Represented by:								
Takaful service expenses							256,013	208,221
Other expenses							5,309	2,401
							261,322	210,622

30. OTHER EXPENSES (CONTD.)

	Family Takaful Fund RM'000	Company RM'000
(a) Employee Benefits Expense:		
1.1.2024 to 30.6.2024		
Wages, salaries and bonuses	7,954	50,999
Employees Provident Fund ("EPF")	1,213	7,750
Social Security Contributions ("SOCSSO")	41	344
Employees' Share Grant Plan ("ESGP")	170	1,052
Other benefits	582	5,675
	<u>9,960</u>	<u>65,820</u>
1.1.2023 to 30.6.2023		
Wages, salaries and bonuses	6,436	45,540
EPF	1,008	7,099
SOCSSO	33	346
ESGP	170	1,060
Other benefits	611	5,342
	<u>8,258</u>	<u>59,387</u>

Included in employee benefits expense above are remuneration of CEO of the Company amounting to RM1,258,000 (2023: RM954,000) further disclosed in Note 30(b) below.

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

	1.1.2024 to 30.6.2024 RM'000	1.1.2023 to 30.6.2023 RM'000
Salary	474	435
Bonus	450	350
EPF and Pension Scheme	152	129
ESGP	140	-
Other emoluments	42	40
	<u>1,258</u>	<u>954</u>

31. DIRECTORS' FEES AND REMUNERATION

	1.1.2024	1.1.2023
	to	to
	30.6.2024	30.6.2023
	RM'000	RM'000
Family Takaful Fund/Company		
Non-executive directors:		
Fees	330	390
Other emoluments	82	110
	<u>412</u>	<u>500</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	RM'000
1.1.2024 to 30.6.2024			
Non-executive directors:			
Dato' Majid Bin Mohamad (Chairman)	90	23	113
Mr. Ajay Kumar Garg*	60	8	68
Mr. Wong Pakshong Kat Jeong			
Colin Stewart	60	12	72
Prof. Dr. Azman Bin Mohd Noor	60	15	75
En. Mohd Din Bin Merican	60	24	84
	<u>330</u>	<u>82</u>	<u>412</u>
1.1.2023 to 30.6.2023			
Non-executive directors:			
Dato' Majid Bin Mohamad (Chairman)	90	24	114
Dato' Johan Bin Ariffin	60	14	74
Mr. Wong Pakshong Kat Jeong			
Colin Stewart	60	14	74
Mr. Andrew King Sun Cheung	60	14	74
Prof. Dr. Azman Bin Mohd Noor	60	18	78
En. Mohd Din Bin Merican	60	26	86
	<u>390</u>	<u>110</u>	<u>500</u>

* The directors' fees and other emoluments for nominees of Ageas Insurance International N.V. ("Ageas") are remitted directly to Ageas.

32. SHARIAH COMMITTEE'S REMUNERATION

	1.1.2024	1.1.2023
	to	to
	30.6.2024	30.6.2023
	RM'000	RM'000
Family Takaful Fund/Company		
Fees	68	83
Other emoluments	50	79
Total Shariah Committee's fees and remuneration	<u>118</u>	<u>162</u>

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

	Fees	Other	Total
	RM'000	emoluments	RM'000
		RM'000	RM'000
1.1.2024 to 30.6.2024			
Shariah committee:			
Prof. Dr. Azman Mohd Noor (Chairman)	17	11	28
Prof. Dr. Aznan bin Hasan (Retired w.e.f 31 May 2024)	11	9	20
Prof. Datin Dr. Rusni binti Hassan (Resigned w.e.f 29 February 2024)	5	4	9
Prof. Dr. Abdul Rahim bin Abdul Rahman	13	7	20
Prof. Emeritus Dato' Dr. Mohd Azmi bin Omar	13	11	24
Dr Muhammad Najib Bin Abdullah (Member w.e.f 4 April 2024)	7	6	13
Prof. Dr. Sharifah Faigah Binti Syed Alwi (Member w.e.f 1 June 2024)	2	2	4
	<u>68</u>	<u>50</u>	<u>118</u>
1.1.2023 to 30.6.2023			
Shariah committee:			
Prof. Dr. Azman Mohd Noor (Chairman)	18	14	32
Prof. Dr. Aznan bin Hasan (Retired w.e.f 31 May 2024)	13	13	26
Prof. Datin Dr. Rusni binti Hassan (Resigned w.e.f 29 February 2024)	13	13	26
Prof. Dr. Abdul Rahim bin Abdul Rahman	13	13	26
Prof. Emeritus Dato' Dr. Mohd Azmi bin Omar	13	13	26
Sahibus Samahah Dato' Dr. Mohamad Sabri Haron (Retired w.e.f 31 December 2023)	13	13	26
	<u>83</u>	<u>79</u>	<u>162</u>

33. TAX EXPENSE ATTRIBUTABLE TO PARTICIPANTS

	1.1.2024 to 30.6.2024 RM'000	1.1.2023 to 30.6.2023 RM'000
Family Takaful fund/Company		
Deferred taxation:		
Relating to origination and reversal of temporary differences	12,307	13,990
	<u>12,307</u>	<u>13,990</u>

Taxation of family takaful business

The income tax for Family Takaful fund is calculated based on the statutory rate of 8% (2023: 8%) of the estimated assessable investment income net of allowable deductions for the financial period for the Malaysian operations.

34. TAXATION

The major components of income tax expense for the financial period ended 30 June 2024 and 30 June 2023 are as follows:

	1.1.2024 to 30.6.2024 RM'000	1.1.2023 to 30.6.2023 RM'000
<u>Income Statement</u>		
<u>Income tax:</u>		
Tax expense for the financial period	49,819	43,907
Overprovision of taxation in prior financial periods	-	(663)
<u>Deferred taxation:</u>		
Relating to origination and reversal of temporary differences	(21,057)	(6,568)
	<u>28,762</u>	<u>36,676</u>

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34. TAXATION (CONTD.)

The major components of income tax expense for the financial period ended 30 June 2024 and 30 June 2023 are as follows (contd.):

Statement of Comprehensive Income:

Family Takaful fund

Deferred income tax related to other comprehensive income:

Fair value changes on financial assets at FVOCI

- debt securities

3,571 15,019

- equities securities

1,218 (260)

4,789 14,759

Company

Deferred income tax related to other comprehensive income:

Fair value changes on financial assets at FVOCI

- debt securities

6,070 26,563

- equities securities

2,031 (454)

8,101 26,109

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:

	1.1.2024	1.1.2023
	to	to
	30.6.2024	30.6.2023
	RM'000	RM'000
Profit before taxation and zakat	<u>140,240</u>	<u>154,872</u>
Taxation at Malaysian statutory tax rate of 24%	33,658	37,169
Income not subject to tax	(56,237)	(339)
Expenses not deductible for tax purposes	51,341	509
Over provision of taxation in prior financial period	-	(663)
Tax expense for the financial period	<u>28,762</u>	<u>36,676</u>

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

35. EARNINGS PER SHARE

Basic and diluted earnings per share ("EPS") are calculated by dividing the profit for the financial period attributable to ordinary equity holder of the Company by the weighted average number of ordinary shares in issue during the financial period.

	1.1.2024	1.1.2023
	to	to
	30.6.2024	30.6.2023
Profit attributable to ordinary shareholder (RM'000)	<u>103,688</u>	<u>115,507</u>
Weighted average number of ordinary shares in issue (units '000)	<u>100,000</u>	<u>100,000</u>
Basic and diluted earnings per share (sen)	<u>103.69</u>	<u>115.51</u>

There were no potential dilutive effects on the ordinary shares during and at the end of financial period. There have been no other transactions involving ordinary shares between the reporting date and the authorisation date of the financial statements.

36. OTHER COMMITMENTS AND CONTINGENCIES

	1.1.2024	1.1.2023
	to	to
	30.6.2024	31.12.2023
	RM'000	RM'000
Family Takaful Fund		
Derivative financial assets:		
Foreign exchange related contracts:		
Less than a year	<u>122</u>	<u>-</u>
	<u>122</u>	<u>-</u>
Company		
Derivative financial assets:		
Foreign exchange related contracts:		
Less than a year	<u>168</u>	<u>-</u>
	<u>168</u>	<u>-</u>

37. SIGNIFICANT RELATED PARTY DISCLOSURES

For the purpose of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel includes all the directors and the Chief Executive Officer of the Company.

The Company has related party relationships with its holding companies, fellow subsidiary companies, key management personnel and the subsidiaries and associates of a company with significant influence over its shareholders.

Related party transactions have been entered into in the normal course of business under normal trade terms.

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

Income/(expenses):	Family Takaful fund RM'000	Company RM'000
1.1.2024 to 30.6.2024		
Ultimate holding company:		
Gross contribution income	11,549	11,549
Commission and fee expenses	-	(127)
Other income	-	151
Bank charges	(8)	(211)
ESGP	-	(657)
Claims paid	(4,436)	(4,436)
Immediate and penultimate holding companies:		
Gross contribution income	391	391
Shared services costs	-	(9,679)
Claims paid	(432)	(432)
Remuneration of a seconded employee	-	-
Other expenses	-	(448)
Dividend paid	-	(292,000)

37. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)

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

Income/(expenses):	Family Takaful fund RM'000	Company RM'000
1.1.2024 to 30.6.2024		
Fellow subsidiaries within the MAHB Group:		
Gross contribution income	973	973
Rental income	-	30
Rental expenses	-	(2,649)
Shared services costs	-	(10,724)
	<hr/>	<hr/>
Fellow subsidiaries within the EIHSB Group:		
Gross contribution income	39	39
	<hr/>	<hr/>
Other related companies within the Maybank Group:		
Claims paid	(2,520)	(2,520)
Gross contribution income	6,799	6,799
Commission and fee expenses	-	(1,680)
Profit income	6,015	7,152
Other income	-	7
Information technology outsourcing	(1,177)	(9,468)
Investment expenses	(1,204)	(1,465)
	<hr/>	<hr/>
Companies related to a company with significant influence over the MBB Group:		
Gross contribution income	14,919	14,919
	<hr/>	<hr/>
1.1.2023 to 30.6.2023		
Ultimate holding company:		
Gross contribution income	10,803	10,803
Commission and fee expenses	-	(4,457)
Other income	-	330
Bank charges	(13)	(207)
Claims paid	(3,738)	(3,738)
ESGP	-	(793)
	<hr/>	<hr/>

37. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)

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

Income/(expenses):	Family Takaful fund RM'000	Company RM'000
1.1.2023 to 30.6.2023		
Immediate and penultimate holding companies:		
Claims paid	(638)	(638)
Gross contribution income	349	349
Shared services costs	(1)	(8,922)
Remuneration of a seconded employee	-	(181)
Other expenses	-	(343)
Dividend paid	-	(175,660)
	<hr/>	<hr/>
Fellow subsidiaries within the MAHB Group:		
Gross contribution income	887	887
Rental income	-	27
Rental expenses	-	(2,551)
Claims paid	(1,315)	(1,315)
Shared services costs	-	(15,010)
	<hr/>	<hr/>
Fellow subsidiaries within the EIHSB Group:		
Gross contribution income	31	31
	<hr/>	<hr/>
Other related companies within the Maybank Group:		
Gross contribution income	7,127	7,127
Commission and fee expenses	-	(34,575)
Profit income	10,854	12,433
Other income	-	16
Information technology outsourcing	(908)	(6,249)
Claims paid	(2,296)	(2,296)
Investment expenses	(1,144)	(1,410)
	<hr/>	<hr/>
Companies with significant influence over the Maybank Group:		
Claims paid	(1,091)	(1,091)
Gross contribution income	11,311	11,311
	<hr/>	<hr/>

37. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)

- (ii) Included in the statement of financial position of the Company are investments placed with and amounts due from/(to) related companies as follows:

	Family Takaful fund RM'000	Company RM'000
30.6.2024		
Ultimate holding company:		
Bank balances	27,598	29,069
Outstanding contributions	860	860
Claim liabilities	(2,738)	(2,738)
Sundry payables and accrued liabilities	-	126,555
Amount due to ultimate holding company (Note 18)	<u>-</u>	<u>(11,207)</u>
Immediate and penultimate holding companies:		
Amount due to immediate holding company (Note 18)	(1,595)	(1,595)
Amount due to penultimate holding company (Note 18)	<u>(540)</u>	<u>(540)</u>
Fellow subsidiaries within the MAHB Group:		
Outstanding contributions	16	16
Claim liabilities	(243)	(243)
Amount due from other related companies (Note 15)	-	24,519
Amount due to other related companies (Note 18)	<u>-</u>	<u>(1,613)</u>
Fellow subsidiaries within the EIHSB Group:		
Amount due from other related companies (Note 15)	<u>-</u>	<u>7</u>

37. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)

- (ii) Included in the statement of financial position of the Company are investments placed with and amounts due from/(to) related companies as follows (contd.):

	Family Takaful fund RM'000	Company RM'000
30.6.2024		
Other related companies within the Maybank Group:		
Income due and accrued	1,275	1,473
Fixed and call deposits	369,403	439,726
Outstanding contributions	3,136	3,136
Derivatives	123	168
Claims liabilities	(515)	(515)
Sundry receivables, deposits and prepayments	-	(1,179)
Sundry payables and accrued liabilities	-	-
Amount due to other related companies (Note 18)	<u>(10)</u>	<u>(10)</u>
Companies with significant influence over the Maybank Group:		
Outstanding contributions	<u>-</u>	<u>-</u>
31.12.2023		
Ultimate holding company:		
Bank balances	9,244	9,725
Outstanding contributions	231	231
Claim liabilities	(2,934)	(2,934)
Sundry payables and accrued liabilities	-	(8,225)
Amount due to ultimate holding company (Note 18)	<u>-</u>	<u>(9,993)</u>
Immediate holding company:		
Claim liabilities	-	-
Amount due to immediate holding company (Note 18)	<u>-</u>	<u>(2,483)</u>
Fellow subsidiaries within the MAHB Group:		
Amount due from other related companies (Note 15)	-	170
Amount due to other related companies (Note 18)	<u>-</u>	<u>(1,777)</u>

37. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)

- (ii) Included in the statement of financial position of the Company are investments placed with and amounts due from/(to) related companies as follows (contd.):

	Family Takaful fund RM'000	Company RM'000
31.12.2023		
Fellow subsidiaries within the EIHSB Group:		
Amount due to other related companies (Note 18)	-	(83)
<hr/>		
Other related companies within the Maybank Group:		
Income due and accrued	7,165	7,345
Fixed and call deposits	441,293	523,710
Outstanding contributions	911	911
Sundry receivables, deposits and prepayments	-	4,070
Sundry payables and accrued liabilities	-	(909)
Amount due to other related companies (Note 18)	(249)	(307)
<hr/>		
Companies with significant influence over the Maybank Group:		
Outstanding contributions	539	539
<hr/>		

Trade and investments related balances with related companies are subject to normal trade terms. The terms for non-trade balances with related companies are as disclosed in Notes 15 and 18.

37. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)

(iii) The remuneration of key management personnel during the period was as follows:

	1.1.2024	1.1.2023
	to	to
	30.6.2024	30.6.2023
	RM'000	RM'000
Short-term employee benefits		
Fees	330	390
Salaries, allowances and bonuses	957	785
Contribution to EPF and pension scheme	151	129
Share option under ESGP	140	-
Other emoluments	92	150
	<u>1,670</u>	<u>1,454</u>

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

	1.1.2024	1.1.2023
	to	to
	30.6.2024	30.6.2023
	RM'000	RM'000
Award date		
At 1 January	559	514
Awarded	75	-
At 31 December	<u>634</u>	<u>514</u>

38. FAIR VALUE MEASUREMENTS

(a) Valuation principle

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 listed derivatives, quoted equities and unit and property trust funds traded on an exchange.

- Level 2 : No Active Market – Valuation techniques using observable inputs

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, structured products, NCDs/NICDs, and over-the-counter ("OTC") derivatives.

- 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 government bonds, structured products 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.

38. FAIR VALUE MEASUREMENTS (CONTD.)

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

Family Takaful Fund	Valuation technique using :		Total RM'000
	Level 1	Level 2	
	Quoted market prices RM'000	Using observable inputs RM'000	
30.6.2024			
Financial investments at FVTPL			
(i) Designated upon initial recognition			
Malaysian government papers	-	211,518	211,518
Debt securities	-	5,530,927	5,530,927
Structured products	-	147,404	147,404
(ii) Held-for-trading ("HFT")			
Malaysian government papers	-	35,837	35,837
Equity securities	650,246	-	650,246
Debt securities	-	212,666	212,666
Unit and property trust funds	-	148,931	148,931
Financial investments at FVOCI			
Malaysian government papers	-	291,100	291,100
Equity securities	125,968	-	125,968
Debt securities	-	5,204,768	5,204,768
Total assets	776,214	11,783,151	12,559,365

38. FAIR VALUE MEASUREMENTS (CONTD.)

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

Family Takaful Fund	Valuation technique using :		Total RM'000
	Level 1	Level 2	
	Quoted market prices RM'000	Using observable inputs RM'000	
31.12.2023			
Financial investments at FVTPL			
(i) Designated upon initial recognition			
Malaysian government papers	-	167,120	167,120
Debt securities	-	5,505,597	5,505,597
Structured products	-	96,685	96,685
(ii) HFT			
Malaysian government papers	-	53,792	53,792
Equity securities	465,341	-	465,341
Debt securities	-	163,940	163,940
Unit and property trust funds	98,800	-	98,800
Financial investments at FVOCI			
Malaysian government papers	-	435,013	435,013
Equity securities	110,748	-	110,748
Debt securities	-	5,049,302	5,049,302
Total assets	674,889	11,471,449	12,146,338

38. FAIR VALUE MEASUREMENTS (CONTD.)

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

Company	Valuation technique using :		Total RM'000
	Level 1	Level 2	
	Quoted market prices RM'000	Using observable inputs RM'000	
30.6.2024			
Financial investments at FVTPL			
(i) Designated upon initial recognition			
Malaysian government papers	-	211,518	211,518
Debt securities	-	6,323,971	6,323,971
Structured products	-	147,404	147,404
(ii) Held-for-trading ("HFT")			
Malaysian government papers	-	35,837	35,837
Equity securities	685,159	-	685,159
Debt securities	-	212,666	212,666
Unit and property trust funds	-	148,931	148,931
Financial investments at FVOCI			
Malaysian government papers	-	443,077	443,077
Debt securities	-	6,519,985	6,519,985
Equity securities	161,343	-	161,343
Total assets	846,502	14,043,389	14,889,891

38. FAIR VALUE MEASUREMENTS (CONTD.)

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

Company	Valuation technique using :		Total RM'000
	Level 1	Level 2	
	Quoted market prices RM'000	Using observable inputs RM'000	
31.12.2023			
Financial investments at FVTPL			
(i) Designated upon initial recognition			
Malaysian government papers	-	167,120	167,120
Debt securities	-	6,276,854	6,276,854
Structured products	-	96,685	96,685
(ii) HFT			
Malaysian government papers	-	53,792	53,792
Equity securities	497,271	-	497,271
Debt securities	-	163,940	163,940
Unit and property trust funds	98,800	-	98,800
Financial investments at FVOCI			
Malaysian government papers	-	577,211	577,211
Equity securities	142,734	-	142,734
Debt securities	-	6,453,896	6,453,896
Total assets	738,805	13,789,498	14,528,303

38. FAIR VALUE MEASUREMENTS (CONTD.)

(c) Transfer between Level 1 and Level 2 in the fair value hierarchy

Assets and liabilities of the Company are recognised in the financial statements on a recurring basis. The Company determine whether transfers have occurred between fair value hierarchy levels by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There were no transfers between Level 1 and Level 2 for the Company during the financial period ended 30 June 2023 and 31 December 2022.

(d) Sensitivity of fair value measurements to changes in unobservable input assumptions

The Company's exposure to financial investments measured with valuation techniques using significant unobservable inputs comprised a small number of financial investments which constitute an insignificant component of the Group's portfolio of financial investments. 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.

39. REGULATORY CAPITAL REQUIREMENT

The capital structure of the Company as at 30 June 2024 and 31 December 2023, as prescribed under the RBCT Framework, is provided below:

	30.6.2024	31.12.2023
	RM'000	RM'000
Eligible Tier 1 Capital		
Paid up share capital	100,000	100,000
Valuation surplus in takaful funds	2,459,885	2,063,103
Retained earnings	2,271,140	2,533,005
	<u>4,831,025</u>	<u>4,696,108</u>
Tier 2 Capital		
FVOCI reserve	192,935	122,839
Qard from shareholders' fund	79	-
	<u>192,935</u>	<u>122,839</u>
Amount deducted from capital	<u>(98,341)</u>	<u>(102,676)</u>
Total Capital Available	<u>4,925,697</u>	<u>4,716,271</u>