



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

**Unaudited Interim Condensed Financial Statements**  
**for the six months financial period ended 30 June 2023**

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

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**ETIQA GENERAL TAKAFUL BERHAD**  
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**(Incorporated in Malaysia)**

**UNAUDITED INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2023**

	Note	30.6.2023		31.12.2022 (Restated)	
		General Takaful fund RM'000	Company RM'000	General Takaful fund RM'000	Company RM'000
<b>ASSETS</b>					
Property, plant and equipment		-	72	-	82
Intangible assets		-	1,618	-	1,803
Investments	13	2,621,682	4,600,849	2,586,949	4,365,752
Financing receivables		-	273	-	423
Retakaful certificate assets	14	386,051	386,051	335,156	335,156
Takaful certificate assets	14	742,137	686,989	783,810	755,948
Other assets	15	32,521	51,718	27,097	62,910
Deferred tax assets		7,839	81,784	22,650	110,290
Cash and bank balances		13,418	13,743	8,444	8,630
<b>Total assets</b>		<b>3,803,648</b>	<b>5,823,097</b>	<b>3,764,106</b>	<b>5,640,994</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital		-	970,001	-	970,001
Reserves	16	-	770,340	-	673,734
<b>Total equity</b>		<b>-</b>	<b>1,740,341</b>	<b>-</b>	<b>1,643,735</b>
<b>Liabilities</b>					
Takaful certificate liabilities	14	3,607,824	3,792,431	3,541,898	3,665,967
Retakaful certificate liabilities	14	61,732	61,732	48,365	48,365
Other liabilities	17	134,092	206,455	173,843	253,072
Current tax liabilities		-	22,138	-	29,855
<b>Total liabilities</b>		<b>3,803,648</b>	<b>4,082,756</b>	<b>3,764,106</b>	<b>3,997,259</b>
<b>Total equity and liabilities</b>		<b>3,803,648</b>	<b>5,823,097</b>	<b>3,764,106</b>	<b>5,640,994</b>

The accompanying notes form an integrated part of these interim financial statements.

UNAUDITED INTERIM CONDENSED INCOME STATEMENT  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2023

	Note	1.1.2023 to 30.6.2023		1.1.2022 to 30.6.2022 (Restated)	
		General		General	
		Takaful fund RM'000	Company RM'000	Takaful fund RM'000	Company RM'000
Takaful revenue	18	1,066,289	1,403,951	935,630	1,239,142
Takaful service expenses	19	(989,939)	(1,251,177)	(377,485)	(609,312)
Net expense from retakaful certificates held	20	(133,103)	(133,103)	(598,095)	(598,095)
<b>Takaful service result</b>		<b>(56,753)</b>	<b>19,671</b>	<b>(39,950)</b>	<b>31,735</b>
Profit revenue from financial assets not measured at FVTPL	21	56,146	94,808	49,620	79,145
Net fair value losses on financial assets measured at FVTPL	22	(1,336)	(3,213)	(14,158)	(24,882)
Net fair value gains on derecognition of financial assets measured at FVOCI	23	1,489	1,956	1,120	2,136
Other investment income	24	355	1,508	183	664
Net impairment gains/(losses) on financial assets	25	118	157	(98)	(115)
Net foreign exchange income		13	20	207	339
<b>Net investment income</b>		<b>56,785</b>	<b>95,236</b>	<b>36,874</b>	<b>57,287</b>
Finance income/(expenses) from retakaful certificate held	26	25	25	(4)	(4)
<b>Takaful financial result</b>		<b>25</b>	<b>25</b>	<b>(4)</b>	<b>(4)</b>
Other income	27	173	370	181	351
Other expenses	28	-	(1,853)	-	(2,158)
Tax expense incurred on behalf of participant's fund	32	(230)	(230)	2,899	2,899
<b>Other (expenses)/income</b>		<b>(57)</b>	<b>(1,713)</b>	<b>3,080</b>	<b>1,092</b>
<b>Profit before taxation and zakat</b>		<b>-</b>	<b>113,219</b>	<b>-</b>	<b>90,110</b>
Taxation	32	-	(34,171)	-	(17,674)
Zakat		-	(9,809)	-	(4,093)
<b>Net profit for the financial period</b>		<b>-</b>	<b>69,239</b>	<b>-</b>	<b>68,343</b>
<b>Basic and diluted earnings per share (sen):</b>			<b>7.43</b>		<b>7.34</b>

The accompanying notes form an integrated part of these interim financial statements.

UNAUDITED INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2023

	1.1.2023 to 30.6.2023		1.1.2022 to 30.6.2022 (Restated)	
	General Takaful fund RM'000	Company RM'000	General Takaful fund RM'000	Company RM'000
<b>Net profit for the financial period</b>	-	69,239	-	68,343
<b>Other comprehensive income/(loss):</b>				
<b>Items that may be subsequently reclassified to profit or loss:</b>				
Net fair value gains/(losses) on investments in debt securities measured at FVOCI	63,483	101,902	(118,185)	(190,259)
Net fair value on derecognition of financial assets	(1,489)	(1,956)	(1,120)	(2,136)
Fair value adjustments on FVOCI debt securities backing the participant's fund	(47,115)	(47,115)	90,923	90,923
Tax effect relating to these items	(14,879)	(23,988)	28,382	46,219
	-	28,843	-	(55,253)
<b>Items that will not be subsequently reclassified to profit or loss:</b>				
Change in fair value of equity securities at FVOCI	(1,238)	(3,180)	(689)	(1,536)
Fair value adjustments on FVOCI debt securities backing the participant's fund	941	941	696	696
Tax effect relating to these items	297	763	(7)	148
	-	(1,476)	-	(692)
<b>Other comprehensive income/(loss) for the financial period, net of tax</b>	-	<b>27,367</b>	-	<b>(55,945)</b>
<b>Total comprehensive income for the financial period</b>	-	<b>96,606</b>	-	<b>12,398</b>

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**UNAUDITED INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2023**

	Share Capital RM'000	Non- Distributable FVOCI Reserve RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
Note				
<b>At 1 January 2023,</b> as previously stated	970,001	(30,952)	708,669	1,647,718
- Effects of adopting MFRS 17 (Note 3.1)	-	-	(3,983)	(3,983)
<b>At 1 January 2023,</b> as restated	970,001	(30,952)	704,686	1,643,735
Net profit for the financial period	-	-	69,239	69,239
Other comprehensive income for the financial period	-	27,367	-	27,367
Total comprehensive income for the financial period	-	27,367	69,239	96,606
<b>At 30 June 2023</b>	970,001	(3,585)	773,925	1,740,341

	Share Capital RM'000	Non- Distributable FVOCI Reserve RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
<b>At 1 January 2022,</b> as previously stated	870,000	2,342	536,665	1,409,007
- Effects of adopting MFRS 17 (Note 3.1)	-	-	5,193	5,193
<b>At 1 January 2022, as restated</b>	870,000	2,342	541,858	1,414,200
Net profit for the financial period	-	-	68,343	68,343
Other comprehensive loss for the financial period	-	(55,945)	-	(55,945)
Total comprehensive (loss)/income for the financial period	-	(55,945)	68,343	12,398
Reclassification upon disposal of equity securities	-	301	(301)	-
Capital injection	100,001	-	-	100,001
<b>At 30 June 2022</b>	970,001	(53,302)	609,900	1,526,599

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**UNAUDITED INTERIM CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2023**

	Note	1.1.2023 to 30.6.2023 RM'000	1.1.2022 to 30.6.2022 RM'000 (Restated)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before taxation and zakat:		113,219	90,110
Adjustments for:			
Amortisation of:			
- intangible assets		186	178
Net amortisation of premiums	25	2,986	2,459
Depreciation of property, plant and equipment		17	10
Fair value losses/(gains) on:			
- investments		(8,179)	22,428
(Gains)/losses on disposal of:			
- investments	23 & 24	9,436	318
Dividend income		(4,620)	(3,092)
Profit income		(95,456)	(79,579)
(Reversal of)/allowance for impairment losses on:			
- investments	26	(157)	115
(Gains)/losses on foreign exchange:			
- realised		(2)	(356)
- unrealised		(18)	17
Tax borne by participant's fund	33	230	(2,899)
Operating cash flows before working capital changes		<u>17,642</u>	<u>29,709</u>
Changes in working capital:			
(Increase)/decrease in:			
- Deposits with financial institutions		(332,542)	(237,353)
- Net retakaful certificate assets		(37,528)	449,127
- Financing receivables		150	(327)
- Other assets		11,192	3,081
(Decrease)/increase in:			
- Other liabilities		(72,887)	(210,149)
- Net takaful certificate liabilities		195,423	(82,593)
Operating cash flows after working capital changes and carried forward		<u>(218,550)</u>	<u>(48,505)</u>

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**UNAUDITED INTERIM CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONTD.)**

	Note	1.1.2023 to 30.6.2023 RM'000	1.1.2022 to 30.6.2022 RM'000 (Restated)
<b>CASH FLOW FROM OPERATING ACTIVITIES (CONTD.)</b>			
Brought forward			
Operating cash flows after working capital changes		(218,550)	(48,505)
Profit income received		83,850	80,374
Gross dividend income received		4,620	3,126
Zakat paid		(17,879)	(8,445)
Taxation paid		(37,067)	(34,397)
Net cash flows used in from operating activities		<u>(185,026)</u>	<u>(7,847)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of investments		278,674	462,645
Purchase of investments		(88,528)	(537,405)
Purchase of property, plant and equipment		(7)	-
Purchase of intangible assets		-	(64)
Net cash flows generated/(used in) from investing activities		<u>190,139</u>	<u>(74,760)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Issuance of share capital		-	100,001
<b>Increase in cash and cash equivalents</b>		5,113	17,394
<b>Cash and cash equivalents at beginning of financial period</b>		8,630	3,344
<b>Cash and cash equivalents at end of financial period</b>		<u>13,743</u>	<u>20,738</u>
<b>Cash and cash equivalents comprise:</b>			
Cash and bank balances of:			
General Takaful fund		13,418	20,735
		<u>13,743</u>	<u>20,738</u>

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**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2023**

**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.

**2. BASIS OF PREPARATION**

The unaudited interim condensed financial statements of the Company for the financial period ended 30 June 2023 have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 - *Interim Financial Reporting* as issued by the Malaysian Accounting Standards Board ("MASB") and International Accounting Standard ("IAS") 34 - *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB") and Guidelines/Circulars issued by Bank Negara Malaysia ("BNM").

The unaudited interim condensed financial statements of the Company have been prepared on a historical cost basis except for certain financial assets and financial liabilities that are stated at fair value.

The unaudited interim condensed financial statements do not include all the information and disclosures required in audited annual financial statements, and should be read in conjunction with the audited annual financial statements of the Company for the financial year ended 31 December 2022.

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 2022.

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

**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONTD.)**

**2. BASIS OF PREPARATION (CONTD.)**

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

The unaudited interim condensed financial statements were approved for issue by the Board of Directors on 15 August 2023 .

**3. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies and methods of computation adopted in the unaudited interim condensed financial statements are consistent with those adopted in the audited annual financial statements for the financial year ended 31 December 2022 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 2023:

MFRS 17 *Insurance Contracts*

(Amendments to MFRS 17) *Initial Application  
of MFRS 17 and MFRS 9 - Comparative Information*

MFRS 101 *Presentation of Financial Statements*

(Amendments to MFRS 101) *Classification of Liabilities as  
Current or Non-current*

(Amendments to MFRS 101) *Disclosure of Accounting Policies*

MFRS 108 *Accounting Policies, Changes in Accounting Estimates  
and Errors*

(Amendments to MFRS 108) *Definition of Accounting Estimates*

MFRS 112 *Income Taxes*

(Amendments to MFRS 112) *Deferred Tax related to Assets and  
Liabilities arising from a Single Transaction*

The adoption of the above pronouncements are not expected to have a significant impact on the Company, except MFRS 17 *Insurance Contract* .

**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONTD.)**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**3.1 Changes in accounting policies and disclosure**

***MFRS 17 Insurance Contracts***

The Company initially applied MFRS 17, including any consequential amendments to the other standards, from 1 January 2023. This standard has brought significant changes to the accounting for Takaful and retakaful certificates. As a result, the Company has restated certain comparative amounts.

The nature and effects of the key changes in the Company's accounting policies resulting from its adoption of MFRS 17 are summarised below:

**(a) Separating components from Takaful and retakaful certificates**

The Company assesses its General Takaful and retakaful products to determine whether they contain distinct components which must be accounted for under another MFRS rather than MFRS 17. After separating any distinct components, an entity must apply MFRS 17 to all remaining components of the (host) Takaful certificates. Currently, the Company's products do not include distinct components that require separation.

MFRS 17 defines investment components as the amounts that a Takaful certificate requires a Takaful operator to repay to a participant even if a covered event event does not occur. Investment components which are highly interrelated with the Takaful certificate of which they form a part are considered non-distinct and are not separately accounted for. Receipts and payments of the investment components (including non-distinct investment components) are recorded outside of profit or loss.

Some certificates issued contain profit or ceding commission arrangements. Under these arrangements, there is a minimum guaranteed amount that the participant will always receive – either in the form of profit commission, or as claims, or another contractual payment irrespective of the covered event happening. Ceding commission in the form of contribution discount is not deemed as a non-distinct investment component. The minimum guaranteed amount and profit commission may or may not be deemed as a non-distinct investment component, depending on whether there is a loss-carry forward mechanism.

**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONTD.)**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**3.1 Changes in accounting policies and disclosure (contd.)**

***MFRS 17 Insurance Contracts (contd.)***

**(b) Level of aggregation**

The level of aggregation for the Company is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of certificates with similar risks which are managed together. Portfolios are further divided based on expected profitability at inception into three categories: onerous certificates, certificates with no significant risk of becoming onerous, and the remainder. This means that, for determining the level of aggregation, the Company identifies a certificates as the smallest 'unit', i.e., the lowest common denominator. However, the Company makes an evaluation of whether a series of certificates can be treated together in making the profitability assessment based on reasonable and supportable information, or whether a single certificate contains components that need to be separated and treated as if they were stand-alone certificates. As such, what is treated as a certificates for accounting purposes may differ from what is considered as a certificates for other purposes (i.e., legal or management). For retakaful certificates held, the basis depends on the type of retakaful arrangement. The minimum unit of account is at Treaty level.

The groups of certificates for which the fully retrospective approach, modified retrospective and the fair value approach have been adopted on transition include certificates issued more than one year apart. The portfolio are further divided by year of issue and profitability for recognition and measurement purposes. Hence, within each year of issue portfolios of certificates are divided into three groups, as follows:

- A group of certificates that are onerous at initial recognition.
- A group of certificates that at initial recognition have no significant possibility of becoming onerous subsequently.
- A group of the remaining certificates in the portfolio.

**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONTD.)**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**3.1 Changes in accounting policies and disclosure (contd.)**

**MFRS 17 *Insurance Contracts* (contd.)**

**(b) Level of aggregation (contd.)**

The retakaful certificates held portfolios are divided into:

- A group of certificates on which there is a net gain on initial recognition.
- A group of certificates that have no significant possibility of a net gain arising subsequent to initial recognition.
- A group of the remaining certificates in the portfolio.

**(c) Recognition**

The Company recognises groups of Takaful certificates that it issues from the earliest of the following:

- The beginning of the coverage period of the group of certificates.
- The date when the first payment from a participants is due, or when the first payment is received if there is no due date.
- For a group of onerous certificates, as soon as facts and circumstances indicate that the group of certificate is onerous.

The Company recognises a group of retakaful certificates held it has entered into from the earliest of the following:

- The beginning of the coverage period of the group of retakaful certificates held. However, the Company delays the recognition of a group of retakaful certificates held that provide proportionate coverage until the date when any underlying Takaful certificate is initially recognised, if that date is later than beginning of the coverage period of the group of retakaful certificates held; and

**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONTD.)**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**3.1 Changes in accounting policies and disclosure (contd.)**

**MFRS 17 *Insurance Contracts* (contd.)**

**(c) Recognition (contd.)**

- The date the Company recognises an onerous group of underlying Takaful certificates if the Company entered into the related retakaful certificates held in the group of retakaful certificates held at or before that date.

The retakaful certificates held by the Company provide proportionate cover. Therefore the Company does not recognise a proportional retakaful certificates held until at least one underlying direct Takaful certificates has been recognised.

The Company adds new certificates in the reporting period in which the certificate meets one of the criteria set out above.

**(d) Onerous groups of certificates**

For General Takaful, the Company issues some certificates before the coverage period starts and the first contribution becomes due. Therefore, the Company has determined whether any certificates issued from a group of onerous certificates before the earlier of the beginning of the coverage period and the date when the first payment from a participant in the Company is due.

The Company's guidelines to assess the facts and circumstances of onerousness is to leverage on:

- (i) the Expected Ultimate Combined Ratio (consists of losses, expenses and risk adjustment) available from the valuation or pricing/underwriting exercise when appropriate.
- (ii) information within the Company or Management about certificates known or apparent to be onerous (e.g., based on the intention of the initial product approval process for market entry or marketing purposes).

**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONTD.)**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**3.1 Changes in accounting policies and disclosure (contd.)**

**MFRS 17 *Insurance Contracts* (contd.)**

**(d) Onerous groups of certificates (contd.)**

The Company looks at facts and circumstances to identify if a group of certificates for General Takaful are onerous based on:

- Pricing information
- Results of similar contracts it has recognised
- Environmental factors, e.g., a change in market experience or regulations

If the facts and circumstances indicate that a group is expected to be onerous, a loss component should be recognised in the statement of financial position and the corresponding loss should be recognised in profit or loss accordingly.

**(e) Contract boundary**

The Company includes in the measurement of a group of Takaful certificates all the future cash flows within the boundary of each certificate in the company. Cash flows are within the boundary of an Takaful certificate if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the participant to pay the contribution, or in which the Company has a substantive obligation to provide the participant with services. A substantive obligation to provide services ends when:

- The Company has the practical ability to reassess the risks of the particular participant and, as a result, can set a price or level of benefits that fully reflects those risks; or
- The Company has the practical ability to reassess the risks of the portfolio that contains the certificate and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the contributions up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONTD.)**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**3.1 Changes in accounting policies and disclosure (contd.)**

**MFRS 17 *Insurance Contracts* (contd.)**

**(f) Measurement**

The Company's Takaful certificates issued and retakaful certificates held are eligible for the measurement models as below:

Premium Allocation Approach ("PAA")

This model will be applied for certificates which have certificate boundaries (i.e. coverage periods) of less than 1 year as well as for certificates with certificate boundaries of more than 1 year but which are able to pass the PAA eligibility test.

Under the PAA, the liability for remaining coverage is measured as the amount of contribution received net of acquisition cash flows paid, less the net amount of contribution and acquisition cash flows that have been recognised in profit or loss over the expired portion of the coverage period based on the passage of time. The measurement of the liability for incurred claims is identical under all three measurement models, apart from the determination of locked-in interest rates used for discounting.

The Company is to apply PAA models for all retakaful certificates held, depending on the specific certificate boundaries for each retakaful certificates.

**(g) Presentation and disclosure**

There are significant changes to presentation and disclosure of the financial statements upon the adoption of MFRS17. The following outlines some of the key presentation and disclosure changes:



**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONTD.)**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**3.1 Changes in accounting policies and disclosure (contd.)**

**MFRS 17 *Insurance Contracts* (contd.)**

**(g) Presentation and disclosure (contd.)**

Statement of financial position

- (i) The Company presents portfolios of Takaful certificate separately from portfolios of retakaful certificate held, and portfolios of asset position are further presented separately from portfolios of liability position. Groups of Takaful certificates issued will include any assets for Takaful acquisition cash flows. Takaful receivables and payables will be assessed on net portfolio position and reported within Takaful Certificates Liabilities or Assets as these are Takaful certificate related balances. Retakaful receivables and payables, retakaful assets and liabilities will be assessed on a net portfolio position and reported within Retakaful Certificates Liabilities or Assets as these are retakaful certificates related. Under MFRS 4, certificates were not split and presented by asset and liability position.
- (ii) Under MFRS 17, Takaful/Retakaful finance reserve created as part of the equity which is to cater the impact of changes in market discount rates on the Takaful certificates and retakaful certificates assets and liabilities.

Statement of Comprehensive Income

Upon the adoption of MFRS 17, with clear delineation of underwriting and investment results. There will no longer be items such as gross, net or earned contributions or net claims incurred shown on the profit or loss. Under MFRS 17, the Company separately presents Takaful service results which consisting of Takaful revenue, Takaful service expense and Takaful finance income and expenses. Income or expenses from retakaful certificates held need to be presented separately from the expenses or income from Takaful certificates issued. Under MFRS 4, the Company reported contribution income, gross claims and benefits, changes in Takaful contract liabilities, benefits and expenses ceded to retakaful and changes in retakaful assets.

**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONTD.)**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**3.1 Changes in accounting policies and disclosure (contd.)**

**MFRS 17 *Insurance Contracts* (contd.)**

**(g) Presentation and disclosure (contd.)**

Statement of Comprehensive Income (contd.)

(i) Takaful Service Results

Takaful revenue in each reporting period represents the changes in the liabilities for remaining coverage that relate to services for which the Company expects to receive consideration and an allocation of contribution that relate to recovering Takaful acquisition cash flows.

Expenses that relate directly to the fulfilment of certificates are recognised in profit or loss as Takaful service expenses when incurred. Expenses that do not relate directly to the fulfilment of certificates are presented in other expenses in profit or loss.

Amount recovered from retakaful and retakaful expenses are no longer presented separately as the Company presents on a net basis as net expenses from retakaful certificates as part of Takaful service results.

(ii) Takaful finance income or expenses

It comprises the change in the carrying amount of the group of Takaful certificates arising from the effect of the time value of money and the effect of financial risk and changes in financial risk.

**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONTD.)**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**3.1 Changes in accounting policies and disclosure (contd.)**

**MFRS 17 *Insurance Contracts* (contd.)**

**(h) Takaful acquisition cash flows**

Takaful acquisition cash flows arise from the costs of distributing, underwriting and starting a group of Takaful certificates (issued or expected to be issued) that are directly attributable to the portfolio of Takaful certificates to which the group belongs.

Where Takaful acquisition cash flows have been paid or incurred before the related group of Takaful certificates is recognised in the statement of financial position, a separate asset for Takaful acquisition cash flows is recognised for each related group.

The asset for Takaful acquisition cash flow is derecognised from the statement of financial position when the Takaful acquisition cash flows are included in the initial measurement of the related group of takaful certificates. The Company expects to derecognise all assets for Takaful acquisition cash flows within the Takaful covered period.

At the end of each reporting period, the Company revises amounts of Takaful acquisition cash flows allocated to groups of Takaful certificates not yet recognised, to reflect changes in assumptions related to the method of allocation used.

After any re-allocation, the Company assesses the recoverability of the asset for Takaful acquisition cash flows, if facts and circumstances indicate the asset may be impaired. When assessing the recoverability, the Company applies:

- An impairment test at the level of an existing or future group of Takaful certificates; and
- An additional impairment test specifically covering the Takaful acquisition cash flows allocated to expected future contract renewals.

**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONTD.)**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**3.1 Changes in accounting policies and disclosure (contd.)**

**MFRS 17 *Insurance Contracts* (contd.)**

**(h) Takaful acquisition cash flows (contd.)**

If an impairment loss is recognised, the carrying amount of the asset is adjusted and an impairment loss is recognised in profit or loss.

The Company recognises in profit or loss a reversal of some or all of an impairment loss previously recognised and increases the carrying amount of the asset, to the extent that the impairment conditions no longer exist or have improved.

**(i) Loss components**

The Company has grouped certificates that are onerous at initial recognition separately from certificates in the same portfolio that are not onerous at initial recognition. Groups that were not onerous at initial recognition can also subsequently become onerous if assumptions and experience changes. The Company has established a loss component of the liability for remaining coverage for any onerous group depicting the future losses recognised.

Where a loss-recovery component has been set up at initial recognition or subsequently, the Company adjusts the loss-recovery component to reflect changes in the loss component of an onerous group of underlying Takaful certificates.

The carrying amount of the loss-recovery component must not exceed the portion of the carrying amount of the loss component of the onerous group of underlying Takaful certificates that the Company expects to recover from the group of retakaful certificates held. On this basis, the loss-recovery component recognised at initial recognition is reduced to zero in line with reductions in the onerous group of underlying Takaful certificates and is nil when loss component of the onerous group of underlying Takaful certificates is nil.

**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONTD.)**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**3.1 Changes in accounting policies and disclosure (contd.)**

**MFRS 17 *Insurance Contracts* (contd.)**

**(j) Transition**

On the transition date of 1 January 2022, the Company has:

- Identified, recognised and measured each group of Takaful and retakaful certificates as if MFRS 17 had always applied (unless impracticable), using the full retrospective approach;
- Identified, recognised and measured assets for Takaful acquisition cash flows as if MFRS 17 had always applied;
- Derecognised any existing balances that would not exist had MFRS 17 always applied; and
- Recognised any resulting net difference in equity.

Where the Full Retrospective Approach ("FRA") has been determined to be impracticable to apply during the implementation period, due to constraints on data or other relevant inputs, the Company has applied the Full Retrospective Approach ("FRA") and Fair Value Approach ("FVA"). These are described in further detail below.

**(a) Full retrospective approach ("FRA")**

The determination of whether it is impracticable to adopt the FRA for group of certificates as at the transition date was made after considering the cost or effort required to collect the required information or create information where the required data is unavailable (either due to system migrations in the past, data retention policies, and changes in requirements introduced by MFRS 17) and if hindsight is needed to determine the estimates at prior periods.

**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONTD.)**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**3.1 Changes in accounting policies and disclosure (contd.)**

**MFRS 17 *Insurance Contracts* (contd.)**

**(j) Transition (contd.)**

**(b) Fair value approach ("FVA")**

Under the FVA, the CSM is determined as the positive difference between the fair value determined in accordance with MFRS 13 *Fair Value Measurement* and the fulfilment cash flows (any negative difference will be recognised in retained earnings at the transition date).

The Company has ascertained the Takaful certificate portfolios to which the Company will apply the transition approaches above.

**Amendment to MFRS 9 as a result of MFRS 17 implementation**

The Company has adopted MFRS 9 from the financial year ended 31 December 2018. In doing so, the Company has also applied the overlay approach, which allows it to adjust profit or loss for eligible financial assets by removing any accounting volatility to other comprehensive income that may arise from the adoption of MFRS 17. As MFRS 17 allows an election for the effect of changes in discount rates to be recognised through profit or loss ("FVTPL") or through other comprehensive income ("FVOCI"), the Company is in the midst of assessing the reclassification require for eligible financial assets to match against the Takaful certificate liabilities.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

#### 3.1 Changes in accounting policies and disclosure (contd.)

##### Financial Effect arising from the adoption of MFRS 17 *Insurance Contract*

The Company's primary objectives are to finalize the transition balance sheet, preparing the 2022 comparatives for 2023 reporting, and implementing the end state control environment. The actual impact of adopting MFRS 17 on 1 January 2023, with a transition date of 1 January 2022, may change as the Company continues to embed and refine the new systems, processes, and controls required, including the audit validations. This impact assessment is based on an interim control environment and models that are still undergoing validation. The implementation of the end state control environment will continue as the Company introduces business-as-usual controls throughout 2023.

The comparative figures have been restated to conform with current year's presentation in accordance with MFRS 17 *Insurance Contracts*. The effects of the adjustments on the assets, liabilities and equity on the statement of financial position of the Company as at 31 December 2022 and on the components of profit or loss for the period ended 30 June 2022 are presented below:

##### (a) Statement of financial position as at 31 December 2022

Company	As previously stated as at 31 December 2022 RM'000	Remapping / Removal of MFRS 4 RM'000	Remeasurement effect of MFRS 17 RM'000	Tax effect RM'000	As restated as at December 2022 RM'000
<b><u>Assets:</u></b>					
Retakaful certificate assets	284,238	(283,918)	286,471	-	286,791
Takaful receivables	111,743	(111,743)	-	-	-
Other assets	60,828	2,082	-	-	62,910
Deferred tax assets	80,303	(55,034)	12,908	40,832	110,290
<b><u>Equities:</u></b>					
Retained profits	708,669	(150,643)	117,431	29,229	704,686
<b><u>Liabilities:</u></b>					
Takaful certificate liabilities	2,541,190	(2,511,615)	2,880,444	-	2,910,019
Expense liabilities	179,857	(179,857)	-	-	-
Takaful payables	79,068	(79,068)	-	-	-
Other liabilities	436,108	(183,036)	-	-	253,072

### 3. SIGNIFICANT ACCOUNTING POLICIES ("CONTD.")

#### 3.1 Changes in accounting policies and disclosure (contd.)

##### Financial Effect arising from the adoption of MFRS 17 *Insurance Contract* (contd.)

##### (b) Financial impact from adoption of MFRS 17

The following table shows the nature of the measurement adjustments made to the statement of financial position:

Nature of the measurement adjustments	Description
Remapping/ Removal of MFRS 4	The items include: Takaful receivables, Takaful payables, retakaful certificate assets, takaful certificate liabilities and other payables were removed on transition and to be replaced within MFRS 17 equivalents.
Remeasurement effect of MFRS 17	<u>Fulfilment Cash Flows</u> The measurement of the Takaful certificate assets/liabilities under MFRS17 is based on groups of Takaful certificate and includes a liabilities for fulfilling the contractual obligations associated with the Takaful certificate, such as contributions, expenses, and Takaful benefits and claims. These are recorded within the fulfilment cash flows component of the Takaful certificate liabilities, together with the risk adjustment.
Tax effect	Deferred tax were reported, where appropriate, on temporary differences between the new MFRS 17 accounting balances and associated tax bases.

##### (c) Income statement for the financial period ended 30 June 2022

Company	As previously stated for the period ended 30 June 2022 RM'000	Classification and measurement*	As restated for the period ended 30 June 2022 RM'000
Profit before taxation and zakat	123,540	(33,430)	90,110
Net profit/(loss) for the financial period	71,300	(33,430)	68,343

\* Derecognition of MFRS 4 and recognition of MFRS 17



**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2023**

**4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of unaudited interim condensed financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of income, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Although these estimates and judgements are based on management's best knowledge of current events and actions, actual results may differ.

In preparing these unaudited interim condensed financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements for the financial year ended 31 December 2022 except for the measurements related to MFRS 17 *Insurance Contracts*:

**(i) Estimates of future cash flows**

In estimating the future cash flows, the Company incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience, updated to reflect current expectations of future events.

The estimates of future cash flows reflect the Company's view of current conditions at the reporting date and current expectations of future events that might affect those cash flows.

Cash flows within the boundary of a certificate are those that relate directly to the fulfilment of the certificate, including those for which the Company has discretion over the amount or timing. These include payments to (or on behalf of) participants, takaful acquisition cash flows and other costs that are incurred in fulfilling certificates. Takaful acquisition cash flows and other costs that are incurred in fulfilling certificates comprise both direct costs and an allocation of fixed and variable overheads.

Cash flows are attributed to acquisition activities and other fulfilment activities either directly or estimated based on the type of activities performed by the respective business function. Cash flows attributable to acquisition and other fulfilment activities are allocated to groups of certificates using methods that are systematic and rational and will be consistently applied to all costs that have similar characteristics, such as based on total contributions, number of certificates or number of claims.

**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2023**

**4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTD.)**

**(ii) Discount rates**

The Company generally determines risk-free discount rates using the observed yield curves of government securities. The yield curve will be interpolated between the last available market data point and an ultimate forward rate, which reflects long-term real interest rate and inflation expectations. Although the ultimate forward rate will be subject to revision, it is expected to be updated only on significant changes on long-term expectations. No adjustment for illiquidity contribution is required given the relatively liquid nature of takaful payout on certificate cancellation or takaful claim.

**(iii) Risk adjustments for non-financial risk**

Risk adjustments for non-financial risk are determined to reflect the compensation that the Company would require for bearing non-financial risk and its degree of risk aversion. The Company applies a confidence level technique to determine the risk adjustments for non-financial risk of both its takaful and retakaful certificates.

Under a confidence level technique, the Company estimates the probability distribution of the expected value of the future cash flows at each reporting date and calculate the risk adjustment for non-financial risk as the excess of the value at risk at the target confidence level over the expected present value of the future cash flows allowing for the associated risks over all future years. The target confidence level is 75th percentile, in line with the regulatory requirement of Bank Negara Malaysia under the Risk-Based Capital Framework for Takaful Operator.

**5. AUDITOR'S REPORT ON PRECEDING AUDITED ANNUAL FINANCIAL STATEMENTS**

The auditor's report on the audited annual financial statements for the financial year ended 31 December 2022 was not qualified.

**6. 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 2023.

**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2023**

**7. UNUSUAL ITEMS**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim financial period ended 30 June 2023.

**8. CHANGES IN ESTIMATES**

The preparation of these condensed consolidated interim financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the annual consolidated audited financial statements except the change in accounting estimates and judgement upon adoption of MFRS 17 as disclosed in Note 4.

**9. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES**

There were no issuance or repayment of debt and equity securities for the interim financial period ended 30 June 2023.

**10. DIVIDENDS PAID**

There were no dividend paid for the interim financial period ended 30 June 2023.

**11. MATERIAL EVENTS SUBSEQUENT TO END OF REPORTING PERIOD**

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

**12. CHANGES IN THE COMPOSITION OF THE COMPANY**

There were no changes in the composition of the Company during the interim financial period ended 30 June 2023.

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

**13. INVESTMENTS**

	<b>General Takaful fund RM'000</b>	<b>Company RM'000</b>
<b>30.6.2023</b>		
Malaysian government papers	91,970	184,609
Debt securities	1,678,304	2,683,523
Equity securities	85,939	174,138
Property trust funds	1,220	1,884
Deposits with financial institutions	764,249	1,556,695
	<u>2,621,682</u>	<u>4,600,849</u>
<b>31.12.2022</b>		
Malaysian government papers	168,963	277,861
Debt securities	1,717,728	2,694,767
Equity securities	85,546	167,095
Property trust funds	1,205	1,876
Deposits with financial institutions	613,507	1,224,153
	<u>2,586,949</u>	<u>4,365,752</u>

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

	<b>General Takaful fund RM'000</b>	<b>Company RM'000</b>
<b>30.6.2023</b>		
Fair value through profit or loss ("FVTPL")(Note i)		
- Designated upon initial recognition	13,566	13,566
- Held for trading ("HFT")	59,387	114,564
	<u>72,953</u>	<u>128,130</u>
Fair value through other comprehensive income ("FVOCI")(Note ii)	1,784,480	2,916,024
Amortised cost ("AC")(Note iii)	764,249	1,556,695
	<u>2,621,682</u>	<u>4,600,849</u>
<b>31.12.2022</b>		
Fair value through profit or loss ("FVTPL")(Note i)		
- Designated upon initial recognition	18,631	18,631
- Held for trading ("HFT")	74,994	143,631
	<u>93,625</u>	<u>162,262</u>
Fair value through other comprehensive income ("FVOCI")(Note ii)	1,879,817	2,979,337
Amortised cost ("AC")(Note iii)	613,507	1,224,153
	<u>2,586,949</u>	<u>4,365,752</u>

13. INVESTMENTS (CONTD.)

The following investments will mature after 12 months:

	<b>General Takaful fund RM'000</b>	<b>Company RM'000</b>
<b>30.6.2023</b>		
FVTPL		
- Designated upon initial recognition	13,566	13,566
FVOCI	<u>1,711,485</u>	<u>2,809,344</u>
	<u>1,725,051</u>	<u>2,822,910</u>

**31.12.2022**

FVTPL		
- Designated upon initial recognition	18,631	18,631
FVOCI	<u>1,814,024</u>	<u>2,894,937</u>
	<u>1,832,655</u>	<u>2,913,568</u>

**(a) FVTPL**

	<b>General Takaful fund RM'000</b>	<b>Company RM'000</b>
<b>- Designated upon initial recognition</b>		
<b>30.6.2023</b>		
<u>At fair value</u>		
Debt securities:		
Unquoted in Malaysia	<u>13,566</u>	<u>13,566</u>
<b>Total financial assets designated as FVTPL upon initial recognition</b>	<u>13,566</u>	<u>13,566</u>
<b>31.12.2022</b>		
<u>At fair value</u>		
Debt securities:		
Unquoted in Malaysia	<u>18,631</u>	<u>18,631</u>
<b>Total financial assets designated as FVTPL upon initial recognition</b>	<u>18,631</u>	<u>18,631</u>

13. INVESTMENTS (CONTD.)

	General Takaful fund RM'000	Company RM'000
<b>(a) FVTPL (CONTD.)</b>		
- HFT		
<b>30.6.2023</b>		
<u>At fair value</u>		
Equity securities:		
Quoted in Malaysia	56,895	110,668
Quoted outside Malaysia	1,272	2,012
Property trust funds:		
Quoted in Malaysia	1,220	1,884
<b>Total HFT financial assets</b>	<b>59,387</b>	<b>114,564</b>
<b>31.12.2022</b>		
<u>At fair value</u>		
Equity securities:		
Quoted in Malaysia	72,584	139,929
Quoted outside Malaysia	1,205	1,826
Property trust funds:		
Quoted in Malaysia	1,205	1,876
<b>Total HFT financial assets</b>	<b>74,994</b>	<b>143,631</b>
<b>(b) FVOCI</b>		
	<b>General Takaful fund RM'000</b>	<b>Company RM'000</b>
<b>30.6.2023</b>		
<u>At fair value</u>		
Malaysian government papers		
	91,970	184,609
Debt securities:		
Unquoted in Malaysia	1,664,738	2,669,957
Equity securities:		
Quoted in Malaysia	27,772	61,458
<b>Total FVOCI financial assets</b>	<b>1,784,480</b>	<b>2,916,024</b>
<b>31.12.2022</b>		
<u>At fair value:</u>		
Malaysian government papers		
	168,963	277,861
Debt securities:		
Unquoted in Malaysia	1,699,097	2,676,136
Equity securities:		
Quoted in Malaysia	11,757	25,340
<b>Total FVOCI financial assets</b>	<b>1,879,817</b>	<b>2,979,337</b>

**13. INVESTMENTS (CONTD.)**

**(b) FVOCI (CONTD.)**

The movements in allowance for impairment losses on financial assets at FVOCI are as follows:

<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
<b>12-month ECL</b>	<b>Lifetime ECL not credit impaired</b>	<b>Lifetime ECL credit impaired</b>	<b>Total</b>
<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>

**General Takaful fund**

**30.6.2023**

**Financial assets at FVOCI**

At 1 January 2023	134	680	-	814
Writeback of loss allowance	-	(143)	-	(143)
Net adjustment of loss allowance	25	-	-	25
Allowance for impairment losses during the financial period	25	(143)	-	(118)
At 30 June 2023	159	537	-	696

**31.12.2022**

**Financial assets at FVOCI**

At 1 January 2022	177	398	-	575
Net adjustment of loss allowance	201	58	-	259
New financial assets originated at purchase	18	-	-	18
Financial assets derecognised during the financial year	(38)	-	-	(38)
Changes due to change in credit risk	(224)	224	-	-
Allowance for impairment losses during the financial year	(43)	282	-	239
At 31 December 2022	134	680	-	814

**13. INVESTMENTS (CONTD.)**

**(b) FVOCI (CONTD.)**

The movements in allowance for impairment losses on financial assets at FVOCI are as follows:  
(contd.)

<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
<b>12-month ECL</b>	<b>Lifetime ECL not credit impaired</b>	<b>Lifetime ECL credit impaired</b>	<b>Total</b>
<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>

**Company**

**30.6.2023**

**Financial assets at FVOCI**

At 1 January 2023	202	936	-	1,138
Writeback of loss allowance	-	(200)	-	(200)
Net adjustment of loss allowance	43	-	-	43
Allowance for impairment losses during the financial period	43	(200)	-	(157)
At 30 June 2023	245	736	-	981

**31.12.2022**

**Financial assets at FVOCI**

At 1 January 2022	242	569	-	811
Net adjustment of loss allowance	256	85	-	341
New financial assets originated at purchase	28	-	-	28
Financial assets derecognised during the financial year	(42)	-	-	(42)
Changes due to change in credit risk	(282)	282	-	-
Allowance for impairment losses during the financial year	(40)	367	-	327
At 31 December 2022	202	936	-	1,138



13. INVESTMENTS (CONTD.)

(c) AC

	General Takaful fund RM'000	Company RM'000
<b>30.6.2023</b>		
<u>At cost</u>		
Islamic investment accounts with:		
Licensed financial institutions	566,627	1,147,937
Other licensed financial institutions	197,622	408,758
<b>Total AC financial assets</b>	<u>764,249</u>	<u>1,556,695</u>
<b>31.12.2022</b>		
<u>At cost</u>		
Islamic investment accounts with:		
Licensed financial institutions	401,221	916,260
Other licensed financial institutions	212,286	307,893
<b>Total AC financial assets</b>	<u>613,507</u>	<u>1,224,153</u>

The carrying amounts of financial assets at AC are reasonable approximations of fair values due to the short-term maturity of the financial assets.

**Fair Value of Investments**

An analysis of the different fair value measurement bases used in the determination of the fair values of investments are further disclosed in Note 33 to the unaudited interim condensed financial statements.

14. TAKAFUL CERTIFICATE AND RETAKAFUL CERTIFICATE ASSET/LIABILITIES

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

30.6.2023

	Note	Assets			Liabilities			Total Assets RM'000	Total Liabilities RM'000	Total Net RM'000
		Remaining Coverage RM'000	Incurred Claim RM'000	Total RM'000	Remaining Coverage RM'000	Incurred Claim RM'000	Total RM'000			
<b>General Takaful fund</b>										
Takaful Certificates Issued	14	243,431	498,706	742,137	(1,203,827)	(2,403,997)	(3,607,824)	742,137	(3,607,824)	(2,865,687)
Retakaful Certificates Held	14	124,818	261,234	386,052	(21,891)	(39,842)	(61,733)	386,052	(61,733)	324,319

	Note	Assets			Liabilities			Total Assets RM'000	Total Liabilities RM'000	Total Net RM'000
		Remaining Coverage RM'000	Incurred Claim RM'000	Total RM'000	Remaining Coverage RM'000	Incurred Claim RM'000	Total RM'000			
<b>Company</b>										
Takaful Certificates Issued	14	190,650	496,339	686,989	(1,372,317)	(2,420,114)	(3,792,431)	686,989	(3,792,431)	(3,105,442)
Retakaful Certificates Held	14	124,818	261,234	386,052	(21,891)	(39,842)	(61,733)	386,052	(61,733)	324,319

**Notes:**

The General Takaful Fund/Company disaggregates information to provide disclosure in respect of general takaful certificates issued and retakaful certificates issued separately. The disaggregation has been determined based on how the General Takaful Fund/company is managed.

Wakalah fees receivable and surplus receivable are due from General Takaful fund to the Shareholder's fund and were eliminated to arrive at the Company-level balances. These balances are trade in nature, unsecured, not subject to any profit elements and is repayable in accordance with the terms of the takaful contracts.

14. TAKAFUL CERTIFICATE AND RETAKAFUL CERTIFICATE ASSET/LIABILITIES (CONTD.)

The breakdown of groups of takaful certificates issued and retakaful certificates held, that are in an asset and those in a liability position is set out in the table below: (contd.)

31.12.2022 (Restated)

	Note	Assets			Liabilities			Total Assets RM'000	Total Liabilities RM'000	Total Net RM'000
		Remaining Coverage RM'000	Incurred Claim RM'000	Total RM'000	Remaining Coverage RM'000	Incurred Claim RM'000	Total RM'000			
<b>General Takaful fund</b>										
Takaful Certificates Issued	14	297,140	486,670	783,810	(1,191,567)	(2,350,331)	(3,541,898)	783,810	(3,541,898)	(2,758,088)
Retakaful Certificates Held	15	100,182	234,976	335,158	(51,584)	3,217	(48,367)	335,158	(48,367)	286,791

	Note	Assets			Liabilities			Total Assets RM'000	Total Liabilities RM'000	Total Net RM'000
		Remaining Coverage RM'000	Incurred Claim RM'000	Total RM'000	Remaining Coverage RM'000	Incurred Claim RM'000	Total RM'000			
<b>Company</b>										
Takaful Certificates Issued	14	271,294	484,654	755,948	(1,300,380)	(2,365,587)	(3,665,967)	755,948	(3,665,967)	(2,910,019)
Retakaful Certificates Held	15	100,182	234,976	335,158	(51,584)	3,217	(48,367)	335,158	(48,367)	286,791

**Notes:**

The General Takaful Fund/Company disaggregates information to provide disclosure in respect of general takaful certificates issued and retakaful certificates issued separately. The disaggregation has been determined based on how the General Takaful Fund/company is managed.

Wakalah fees receivable and surplus receivable are due from General Takaful fund to the Shareholder's fund and were eliminated to arrive at the Company-level balances. These balances are trade in nature, unsecured, not subject to any profit elements and is repayable in accordance with the terms of the takaful contracts.

14. TAKAFUL CERTIFICATE AND RETAKAFUL CERTIFICATE ASSET/LIABILITIES (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:

	30.6.2023			31.12.2022 (Restated)		
	LRC RM'000	LIC RM'000	Total RM'000	LRC RM'000	LIC RM'000	Total RM'000
<b>General Takaful fund</b>						
Opening Takaful certificate liabilities	1,191,567	2,350,331	3,541,898	1,343,413	2,209,527	3,552,940
Opening Takaful certificate assets	(297,140)	(486,670)	(783,810)	(378,216)	(19,798)	(398,014)
<b>Net opening Takaful certificate liabilities</b>	<b>894,427</b>	<b>1,863,661</b>	<b>2,758,088</b>	<b>965,197</b>	<b>2,189,729</b>	<b>3,154,926</b>
<b>Changes in the statement of profit or loss</b>						
Takaful revenue	(1,066,289)	-	(1,066,289)	(1,945,115)	-	(1,945,115)
Takaful service expenses	279,539	710,400	989,939	509,448	832,098	1,341,546
Takaful service result	(786,750)	710,400	(76,350)	(1,435,667)	832,098	(603,569)
<b>Total amount recognised in profit or loss</b>	<b>(786,750)</b>	<b>710,400</b>	<b>(76,350)</b>	<b>(1,435,667)</b>	<b>832,098</b>	<b>(603,569)</b>
<b>Net cash flows</b>	<b>852,719</b>	<b>(668,770)</b>	<b>183,949</b>	<b>1,364,897</b>	<b>(1,158,166)</b>	<b>206,731</b>
<b>Net closing Takaful certificate liabilities</b>	<b>960,396</b>	<b>1,905,291</b>	<b>2,865,687</b>	<b>894,427</b>	<b>1,863,661</b>	<b>2,758,088</b>
<b>Closing Takaful certificate liabilities</b>	<b>1,203,827</b>	<b>2,403,997</b>	<b>3,607,824</b>	<b>1,191,567</b>	<b>2,350,331</b>	<b>3,541,898</b>
<b>Closing Takaful certificate assets</b>	<b>(243,431)</b>	<b>(498,706)</b>	<b>(742,137)</b>	<b>(297,140)</b>	<b>(486,670)</b>	<b>(783,810)</b>
<b>Net closing Takaful certificate liabilities</b>	<b>960,396</b>	<b>1,905,291</b>	<b>2,865,687</b>	<b>894,427</b>	<b>1,863,661</b>	<b>2,758,088</b>

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**14. TAKAFUL CERTIFICATE AND RETAKAFUL CERTIFICATE ASSET/LIABILITIES (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.)

	30.6.2023			31.12.2022 (Restated)		
	LRC RM'000	LIC RM'000	Total RM'000	LRC RM'000	LIC RM'000	Total RM'000
<b>Company</b>						
Opening Takaful certificate liabilities	1,300,380	2,365,587	3,665,967	1,343,413	2,055,618	3,399,031
Opening Takaful certificate assets	(271,294)	(484,654)	(755,948)	(378,216)	(19,798)	(398,014)
<b>Net opening Takaful certificate liabilities</b>	<b>1,029,086</b>	<b>1,880,933</b>	<b>2,910,019</b>	<b>965,197</b>	<b>2,035,820</b>	<b>3,001,017</b>
<b>Changes in the statement of profit or loss</b>						
Takaful revenue	(1,403,951)	-	(1,403,951)	(2,564,115)	-	(2,564,115)
Takaful service expenses	430,407	820,770	1,251,177	812,839	945,934	1,758,773
Takaful service result	(973,544)	820,770	(152,774)	(1,751,276)	945,934	(805,342)
<b>Total amount recognised in profit or loss</b>	<b>(973,544)</b>	<b>820,770</b>	<b>(152,774)</b>	<b>(1,751,276)</b>	<b>945,934</b>	<b>(805,342)</b>
<b>Net cash flows</b>	<b>1,126,125</b>	<b>(777,928)</b>	<b>348,197</b>	<b>1,815,165</b>	<b>(1,100,821)</b>	<b>714,344</b>
<b>Net closing Takaful certificate liabilities</b>	<b>1,181,667</b>	<b>1,923,775</b>	<b>3,105,442</b>	<b>1,029,086</b>	<b>1,880,933</b>	<b>2,910,019</b>
<b>Closing Takaful certificate liabilities</b>	<b>1,372,317</b>	<b>2,420,114</b>	<b>3,792,431</b>	<b>1,300,380</b>	<b>2,365,587</b>	<b>3,665,967</b>
<b>Closing Takaful certificate assets</b>	<b>(190,650)</b>	<b>(496,339)</b>	<b>(686,989)</b>	<b>(271,294)</b>	<b>(484,654)</b>	<b>(755,948)</b>
<b>Net closing Takaful certificate liabilities</b>	<b>1,181,667</b>	<b>1,923,775</b>	<b>3,105,442</b>	<b>1,029,086</b>	<b>1,880,933</b>	<b>2,910,019</b>

14. TAKAFUL CERTIFICATE AND RETAKAFUL CERTIFICATE ASSET/LIABILITIES (CONTD.)

The overview of the movement for net asset or liability for retakaful certificates held, showing the asset for remaining coverage ("ARC") and the amount recoverable on incurred claims ("AIC") is presented in the table below:

	30.6.2023			31.12.2022 (Restated)		
	ARC RM'000	AIC RM'000	Total RM'000	ARC RM'000	AIC RM'000	Total RM'000
<b>General Takaful fund</b>						
Opening retakaful operators' Takaful certificate assets	100,182	234,976	335,158	27,656	827,437	855,093
Opening retakaful operators' Takaful certificate liabilities	(51,584)	3,217	(48,367)	(15,965)	(31,180)	(47,145)
<b>Net opening retakaful certificate assets</b>	<b>48,598</b>	<b>238,193</b>	<b>286,791</b>	<b>11,691</b>	<b>796,257</b>	<b>807,948</b>
<b>Changes in the statement of profit or loss</b>						
Net expenses from retakaful certificates held	(174,166)	41,063	(133,103)	(240,194)	(453,975)	(694,169)
Finance income from retakaful certificates held	-	25	25	-	32	32
<b>Total amount recognised in profit or loss</b>	<b>(174,166)</b>	<b>41,088</b>	<b>(133,078)</b>	<b>(240,194)</b>	<b>(453,943)</b>	<b>(694,137)</b>
<b>Net cash flows</b>	<b>228,495</b>	<b>(57,889)</b>	<b>170,606</b>	<b>277,101</b>	<b>(104,121)</b>	<b>172,980</b>
<b>Net closing retakaful certificate assets</b>	<b>102,927</b>	<b>221,392</b>	<b>324,319</b>	<b>48,598</b>	<b>238,193</b>	<b>286,791</b>
<b>Closing retakaful certificate assets</b>	<b>124,818</b>	<b>261,234</b>	<b>386,052</b>	<b>100,182</b>	<b>234,976</b>	<b>335,158</b>
<b>Closing retakaful certificate liabilities</b>	<b>(21,891)</b>	<b>(39,842)</b>	<b>(61,733)</b>	<b>(51,584)</b>	<b>3,217</b>	<b>(48,367)</b>
<b>Net closing retakaful certificate assets</b>	<b>102,927</b>	<b>221,392</b>	<b>324,319</b>	<b>48,598</b>	<b>238,193</b>	<b>286,791</b>

14. TAKAFUL CERTIFICATE AND RETAKAFUL CERTIFICATE ASSET/LIABILITIES (CONTD.)

The overview of the movement for net asset or liability for retakaful certificates held, showing the asset for remaining coverage ("ARC") and the amount recoverable on incurred claims ("AIC") is presented in the table below: (contd.)

	30.6.2023			31.12.2022 (Restated)		
	ARC RM'000	AIC RM'000	Total RM'000	ARC RM'000	AIC RM'000	Total RM'000
<b>Company</b>						
Opening retakaful operators' Takaful certificate assets	100,182	234,976	335,158	27,656	827,437	855,093
Opening retakaful operators' Takaful certificate liabilities	(51,584)	3,217	(48,367)	(15,965)	(31,180)	(47,145)
<b>Net opening retakaful certificate assets</b>	<b>48,598</b>	<b>238,193</b>	<b>286,791</b>	<b>11,691</b>	<b>796,257</b>	<b>807,948</b>
<b>Changes in the statement of profit or loss</b>						
Net expenses from retakaful certificates held	(174,166)	41,063	(133,103)	(240,194)	(453,975)	(694,169)
Finance income from retakaful certificates held	-	25	25	-	32	32
<b>Total amount recognised in profit or loss</b>	<b>(174,166)</b>	<b>41,088</b>	<b>(133,078)</b>	<b>(240,194)</b>	<b>(453,943)</b>	<b>(694,137)</b>
<b>Net cash flows</b>	<b>228,495</b>	<b>(57,889)</b>	<b>170,606</b>	<b>277,101</b>	<b>(104,121)</b>	<b>172,980</b>
<b>Net closing retakaful certificate assets</b>	<b>102,927</b>	<b>221,392</b>	<b>324,319</b>	<b>48,598</b>	<b>238,193</b>	<b>286,791</b>
<b>Closing retakaful certificate assets</b>	<b>124,818</b>	<b>261,234</b>	<b>386,052</b>	<b>100,182</b>	<b>234,976</b>	<b>335,158</b>
<b>Closing retakaful certificate liabilities</b>	<b>(21,891)</b>	<b>(39,842)</b>	<b>(61,733)</b>	<b>(51,584)</b>	<b>3,217</b>	<b>(48,367)</b>
<b>Net closing retakaful certificate assets</b>	<b>102,927</b>	<b>221,392</b>	<b>324,319</b>	<b>48,598</b>	<b>238,193</b>	<b>286,791</b>

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**15. OTHER ASSETS**

	<b>General Takaful fund RM'000</b>	<b>Company RM'000</b>
<b>30.6.2023</b>		
Sundry receivables, deposits and prepayments	2,448	3,905
Allowance for impairment losses	-	(362)
	<u>2,448</u>	<u>3,543</u>
Income and profit due and accrued	29,990	49,975
Amounts due from stockbrokers	83	121
	<u>32,521</u>	<u>51,718</u>
<b>31.12.2022 (Restated)</b>		
Sundry receivables, deposits and prepayments	2,566	3,483
Allowance for impairment losses	-	(363)
	<u>2,566</u>	<u>3,120</u>
Income and profit due and accrued	24,465	38,369
Amounts due from stockbrokers	66	21,421
	<u>27,097</u>	<u>62,910</u>

	<b>Not Credit-Impaired RM'000</b>	<b>Credit-Impaired RM'000</b>	<b>Total RM'000</b>
<b>General Takaful fund</b>			
<b><u>Gross carrying amount</u></b>			
At 1 January 2021	17,458	-	17,458
Increase	12,077	-	12,077
At 31 December 2021/At 1 January 2022	<u>29,535</u>	<u>-</u>	<u>29,535</u>
Decrease	(4,954)	-	(4,954)
At 31 December 2022/At 1 January 2023	<u>24,581</u>	<u>-</u>	<u>24,581</u>
Increase	7,900	-	7,900
At 30 June 2023	<u>32,481</u>	<u>-</u>	<u>32,481</u>



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**15. OTHER ASSETS (CONTD.)**

<b>Company</b>	<b>Not Credit-Impaired</b>	<b>Credit-Impaired</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Gross carrying amount</u></b>			
At 1 January 2021	43,373	-	43,373
Increase	3,460	-	3,460
At 31 December 2021/At 1 January 2022	46,833	-	46,833
Increase	13,086	-	13,086
At 31 December 2022/At 1 January 2023	59,919	-	59,919
Increase	3,246	-	3,246
At 30 June 2023	63,165	-	63,165
<b><u>Lifetime ECL</u></b>			
At 1 January 2021	372	-	372
Decrease	(5)	-	(5)
At 31 December 2021/At 1 January 2022	367	-	367
Decrease	(4)	-	(4)
At 31 December 2022/At 1 January 2023	363	-	363
Decrease	(1)	-	(1)
At 30 June 2023	362	-	362

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

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

**16. RESERVES**

	<b>Note</b>	<b>30.6.2023</b> <b>RM'000</b>	<b>31.12.2022</b> <b>(Restated)</b> <b>RM'000</b>
<b>Company</b>			
<b>Non-distributable:</b>			
FVOCI reserve	(i)	(3,585)	(30,952)
<b>Distributable:</b>			
Retained profits	(ii)	773,925	704,686
		<u>770,340</u>	<u>673,734</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 retained profits may be distributed to the shareholder under the single-tier system.

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**17. OTHER LIABILITIES**

	<b>General Takaful fund RM'000</b>	<b>Company RM'000</b>
<b>30.6.2023</b>		
Amount due to Shareholder's fund*	12,103	-
Unclaimed monies	51,764	51,764
Service tax payable	43,293	43,293
Stamp duty payable	2,069	2,069
Withholding tax payable	22,321	22,321
Amounts due to related companies (Note 34)*:		
- Ultimate holding company	-	7,065
- Penultimate holding company	-	220
- Immediate holding company	-	1,474
- Other related company	-	3,324
Zakat payable	-	13,500
Provisions for expenses	-	15,227
Due to stockbroker	-	73
Sundry payables and accrued liabilities	2,542	46,125
	<u>134,092</u>	<u>206,455</u>
<b>31.12.2022 (Restated)</b>		
Amount due to Shareholder's fund*	9,856	-
Unclaimed monies	107,014	107,014
Service tax payable	33,515	33,515
Stamp duty payable	3,297	3,297
Withholding tax payable	19,358	19,358
Amounts due to related companies (Note 34)*:		
- Ultimate holding company	-	7,456
- Penultimate holding company	-	8
- Immediate holding company	-	1,005
- Other related company	47	4,644
Zakat payable	-	20,707
Provisions for expenses	-	10,927
Sundry payables and accrued liabilities	756	45,141
	<u>173,843</u>	<u>253,072</u>

\* Amounts due to related companies and the Shareholder's fund are non-trade in nature, unsecured, not subject to any profit elements and are repayable in the short-term.

The carrying amounts of financial liabilities are reasonable approximations of fair values at the reporting date due to the relatively short-term maturity of these balances.

**18. TAKAFUL REVENUE**

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

	1.1.2023 to 30.6.2023		1.1.2022 to 30.6.2022 (Restated)	
	General Takaful fund RM'000	Company RM'000	General Takaful fund RM'000	Company RM'000
<b>a. Takaful revenue from certificates measure under the PAA</b>				
Release of contributions for current financial period (PAA)	1,066,289	1,403,951	935,630	1,239,142
<b>Total takaful revenue</b>	<b>1,066,289</b>	<b>1,403,951</b>	<b>935,630</b>	<b>1,239,142</b>

## 19. TAKAFUL SERVICE EXPENSES

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

	1.1.2023 to 30.6.2023		1.1.2022 to 30.6.2022 (Restated)	
	General Takaful fund RM'000	Company RM'000	General Takaful fund RM'000	Company RM'000
<b>b. Takaful service expenses</b>				
Incurring claims and other directly attributable expenses	(550,020)	(629,534)	(409,420)	(482,397)
Changes that relate to the past service - adjustment to the Liabilities Incurred Claim ("LIC")	(134,338)	(135,646)	381,547	379,950
Takaful acquisition cash flow amortisation	(i) (279,539)	(430,407)	(251,175)	(412,382)
Others	(26,042)	(55,590)	(98,437)	(94,483)
<b>Total takaful service expenses</b>	<b>(989,939)</b>	<b>(1,251,177)</b>	<b>(377,485)</b>	<b>(609,312)</b>

### Notes:

(i) Acquisition cash flows are allocated on a straight-line basis over the coverage period of the group of certificates. Refer to Note 3.1 for details of accounting policy.

19. TAKAFUL SERVICE EXPENSES (CONTD.)

The table below presents an analysis of the total takaful service expenses recognised in the financial period.(contd.)

The breakdown of expenses incurred by the Shareholder's fund:-

	1.1.2023 to 30.6.2023  RM'000	1.1.2022 to 30.6.2022 (Restated) RM'000
Commission expenses	96,252	92,465
Employee benefits expenses	38,179	38,037
Depreciation expenses	809	723
Amortisation expenses	126	122
Advertising and promotion expenses	329	444
Other expenses	42,734	36,534
Add: Amortisation of acquisition cash flows	57,566	54,550
<b>Represented by:</b>	<u>235,186</u>	<u>222,152</u>
Takaful service expenses:	233,333	219,994
Maintenance expenses	79,515	72,979
Acquisition expenses	153,818	147,015
Other expenses	1,853	2,158
	<u>235,186</u>	<u>222,152</u>

**20. NET INCOME/(EXPENSES) FROM RETAKAFUL CERTIFICATE HELD**

The table below represents the analysis of the net expenses from retakaful certificates held recognised in the financial period.

	1.1.2023 to 30.6.2023		1.1.2022 to 30.6.2022 (Restated)	
	General Takaful fund RM'000	Company RM'000	General Takaful fund RM'000	Company RM'000
Retakaful expenses - certificates measured under PAA	(174,166)	(174,166)	(131,286)	(131,286)
Claims recovered	15,029	15,029	38,443	38,443
Changes that relate to the past service - adjustment to incurred claims	26,034	26,034	(505,252)	(505,252)
<b>Total net expenses from retakaful certificates held</b>	<b>(133,103)</b>	<b>(133,103)</b>	<b>(598,095)</b>	<b>(598,095)</b>

**Notes:**

- Expected recovery for takaful service expenses incurred in the period comprise recovery for claims and other expenses which the General Takaful fund/Company expects to receive from retakaful operators on covered events occurred during the period.
- Change in risk adjustment shows amount of risk which expired during the period. Refer to Note 3.1 for the details of accounting policy.
- Net cost or gain recognised in profit or loss during the coverage period of the corresponding group of retakaful certificates held based on coverage units. Refer to Note 3.1.

**21. PROFIT REVENUE FROM FINANCIAL ASSETS NOT MEASURE AT FVTPL**

	<b>General Takaful fund RM'000</b>	<b>Company RM'000</b>
<b>Profit income</b>		
<b>1.1.2023 to 30.6.2023</b>		
<b>(i) Financial assets at FVOCI:</b>		
Investment		
- Malaysian government papers	2,201	4,226
- Debt securities	38,572	61,518
<b>(ii) Financial assets at AC:</b>		
Investment		
- Deposits with financial institutions	15,300	28,980
Financing receivables		
- Staff loans	-	2
Other profit income	73	82
<b>Total profit revenue from financial assets not measured at FVTPL</b>	<b><u>56,146</u></b>	<b><u>94,808</u></b>
<b>1.1.2022 to 30.6.2022 (Restated)</b>		
<b>(i) Financial assets at FVOCI:</b>		
Investment		
- Malaysian government papers	4,744	7,509
- Debt securities	42,063	66,582
<b>(ii) Financial assets at AC:</b>		
Investment		
- Deposits with financial institutions	2,756	4,973
Financing receivables		
- Staff loans	-	1
Other profit income	57	80
<b>Total profit revenue from financial assets not measured at FVTPL</b>	<b><u>49,620</u></b>	<b><u>79,145</u></b>



**22. NET FAIR VALUE GAINS/(LOSSES) ON FINANCIAL ASSETS MEASURED AT FVTPL**

	<b>General Takaful fund RM'000</b>	<b>Company RM'000</b>
<b>1.1.2023 to 30.6.2023</b>		
<b>Fair value gains/(losses) on:</b>		
Investment		
- Equity securities	(1,561)	(3,438)
- Debt securities	225	225
<b>Total net fair value losses on financial assets measured at FVTPL</b>	<b><u>(1,336)</u></b>	<b><u>(3,213)</u></b>
<b>1.1.2022 to 30.6.2022 (Restated)</b>		
<b>Fair value losses on:</b>		
Investment		
- Equity securities	(13,628)	(24,352)
- Debt securities	(530)	(530)
<b>Total net fair value losses on financial assets measured at FVTPL</b>	<b><u>(14,158)</u></b>	<b><u>(24,882)</u></b>

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

	<b>General Takaful fund RM'000</b>	<b>Company RM'000</b>
<b>1.1.2023 to 30.6.2023</b>		
<b>Financial Assets at FVOCI</b>		
- Debts securities	1,069	1,069
- Malaysian government papers	420	887
<b>Total net fair value gains on derecognition of financial assets measured at FVOCI</b>	<b><u>1,489</u></b>	<b><u>1,956</u></b>
<b>1.1.2022 to 30.6.2022 (Restated)</b>		
<b>Financial Assets at FVOCI</b>		
- Debts securities	1,120	2,136
<b>Total net fair value gains on derecognition of financial assets measured at FVOCI</b>	<b><u>1,120</u></b>	<b><u>2,136</u></b>

**24. OTHER INVESTMENT INCOME**

	<b>General Takaful fund RM'000</b>	<b>Company RM'000</b>
<b>1.1.2023 to 30.6.2023</b>		
Dividend/distribution income:		
Equity securities	2,186	4,558
Property trust funds	40	62
Profit income at FVTPL:		
Investment		
- Debt securities	486	486
Net amortisation of premiums	(2,125)	(2,986)
Investment related expenses, net	(232)	(612)
<b>Total other investment income</b>	<b>355</b>	<b>1,508</b>
<b>1.1.2022 to 30.6.2022 (Restated)</b>		
Dividend/distribution income:		
Equity securities	1,665	3,008
Property trust funds	50	84
Profit income at FVTPL:		
Investment		
- Debt securities	515	515
Net amortisation of premiums	(1,824)	(2,459)
Investment related expenses, net	(223)	(484)
<b>Total other investment income</b>	<b>183</b>	<b>664</b>

**25. NET IMPAIRMENT LOSS ON FINANCIAL ASSETS**

	<b>General Takaful fund RM'000</b>	<b>Company RM'000</b>
<b>1.1.2023 to 30.6.2023</b>		
Reversal on impairment losses on investments	118	157
<b>Total reversal on impairment loss on financial assets</b>	<b>118</b>	<b>157</b>
<b>1.1.2022 to 30.6.2022 (Restated)</b>		
Impairment losses on investments	(98)	(115)
<b>Total net impairment loss on financial assets</b>	<b>(98)</b>	<b>(115)</b>

**26. FINANCE INCOME/(EXPENSES) FROM RETAKAFUL CERTIFICATE HELD**

An analysis of net investment income and net retakaful finance expenses

	1.1.2023 to 30.6.2023 RM'000	1.1.2022 to 30.6.2022 (Restated) RM'000
<b><u>General Takaful fund</u></b>		
<b>Finance income/(expenses) from retakaful certificates held</b>		
Changes in risk non-performance retakaful operators	25	(4)
<b>Finance income/(expenses) from retakaful certificates held</b>	<u>25</u>	<u>(4)</u>
<b>Represented by:</b>		
Amount recognised in profit or loss	25	(4)
	<u>25</u>	<u>(4)</u>
 <b><u>Company</u></b>		
<b>Finance income/(expenses) from retakaful certificates held</b>		
Changes in risk non-performance retakaful operators	25	(4)
<b>Finance income/(expenses) from retakaful certificates held</b>	<u>25</u>	<u>(4)</u>
<b>Represented by:</b>		
Amount recognised in profit or loss	25	(4)
	<u>25</u>	<u>(4)</u>

**27. OTHER INCOME**

	<b>General Takaful fund RM'000</b>	<b>Company RM'000</b>
<b>Other revenue</b>		
<b>1.1.2023 to 30.6.2023</b>		
Sundry income	173	370
	<u>173</u>	<u>370</u>
<b>Other revenue</b>		
<b>1.1.2022 to 30.6.2022</b>		
Sundry income	181	351
	<u>181</u>	<u>351</u>

28. OTHER EXPENSES

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

	1.1.2023 to 30.6.2023				1.1.2022 to 30.6.2022 (Restated)			
	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
Commission	96,252	-	-	96,252	92,465	-	-	92,465
Employee benefits expense (a)	24,450	36,715	1,464	62,629	24,857	36,809	1,228	62,894
Directors' remuneration (Note 31)	-	-	411	411	-	-	390	390
Shariah Committee's remuneration (Note 32)	-	-	132	132	-	-	141	141
Committee's fees related expenses	-	-	1	1	-	-	-	-
Auditors' remuneration:								
- statutory audits	64	88	-	152	63	77	-	140
- regulatory related services	12	17	-	29	13	15	-	28
- other services	11	15	-	26	7	8	-	15
Amortisation of intangible assets	92	126	-	218	99	122	-	221
Auto assist service	-	12,042	-	12,042	-	11,175	-	11,175
Other finance cost	1	6,206	2	6,209	-	5,812	2	5,814
Depreciation of property, plant and equipment	587	809	-	1,396	590	723	-	1,313
Right-of-use expenses:								
-Depreciation	-	507	-	507	-	261	-	261
Other management fees	98	6	-	104	90	15	-	105
Outside services & others	26	249	-	275	30	330	-	360
Professional fees	1,514	3,804	-	5,318	795	2,033	-	2,828
Short term leases	1,488	2,201	-	3,689	1,522	2,275	-	3,797
Small value assets	6	246	-	252	9	249	-	258
Office facilities expenses	199	274	-	473	137	168	-	305
Electronic data processing expenses	1,256	1,730	-	2,986	1,289	1,581	-	2,870
Expensed assets	-	-	-	-	-	1	-	1
Information technology outsourcing	2,633	3,631	-	6,264	2,511	3,079	-	5,590
Postage and stamp duties	22	1,325	-	1,347	26	1,127	-	1,153
Printing and stationery	31	622	-	653	63	59	-	122
Promotional and marketing cost	20,364	268	61	20,693	18,757	79	365	19,201
Training expenses	264	305	-	569	40	50	-	90
Utilities, assessment and maintenance	453	775	1	1,229	403	644	1	1,048
Entertainment	-	-	130	130	-	-	116	116
Travelling expenses	169	263	2	434	75	110	-	185
Tax services expense	1	2	-	3	1	1	-	2
Legal fees	18	24	-	42	(6)	(9)	-	(15)
Licence, subscription and levies	265	2,867	1	3,133	216	2,778	-	2,994
Contract staff services	229	967	1	1,197	204	727	2	933
Policy related expenses	2,668	1,925	26	4,619	1,826	1,536	145	3,507
<b>Total</b>	<b>56,921</b>	<b>78,009</b>	<b>2,232</b>	<b>137,162</b>	<b>53,617</b>	<b>71,835</b>	<b>2,390</b>	<b>127,842</b>

28. OTHER EXPENSES (CONTD.)

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

	1.1.2023 to 30.6.2023				1.1.2022 to 30.6.2022 (Restated)			
	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
<b>Other operating expenses</b>								
Sundry expenditure	645	1,506	(379)	1,772	933	1,144	(232)	1,845
<b>Total</b>	<b>645</b>	<b>1,506</b>	<b>(379)</b>	<b>1,772</b>	<b>933</b>	<b>1,144</b>	<b>(232)</b>	<b>1,845</b>
<b>Total other expenses</b>	<b>153,818</b>	<b>79,515</b>	<b>1,853</b>	<b>235,186</b>	<b>147,015</b>	<b>72,979</b>	<b>2,158</b>	<b>222,152</b>
				<b>1.1.2023 to 30.6.2023 RM'000</b>				<b>1.1.2022 to 30.6.2022 RM'000</b>
<b>(a) Employee benefits expenses</b>								
Wages, salaries and bonus				46,958				46,336
Employees' Provident Fund ("EPF")				7,550				7,490
Social Security Organisation ("SOCSSO")				426				385
Share-based compensation				630				761
Other benefits				7,065				7,922
				<u>62,629</u>				<u>62,894</u>
<b>(b) The details of CEO's remuneration during the financial period are as follows:</b>								
Salaries				435				365
Bonus				350				250
EPF				129				102
Share-based compensation				87				78
Other emoluments				109				114
				<u>1,110</u>				<u>909</u>



**29. DIRECTORS' FEES AND REMUNERATION**

<b>Company</b>	<b>1.1.2023 to 30.6.2023 RM'000</b>	<b>1.1.2022 to 30.6.2022 RM'000</b>
<b>Executive director:</b>		
Fees	60	60
Other emoluments	12	12
	<u>72</u>	<u>72</u>
<b>Non-executive directors:</b>		
Fees	270	270
Other emoluments	69	48
	<u>339</u>	<u>318</u>
<b>Total directors' fees and remuneration</b>	<u>411</u>	<u>390</u>

The details of the remuneration of the directors of the Company are as follows:

	<b>Fees RM'000</b>	<b>Other Emoluments RM'000</b>	<b>Total RM'000</b>
<b>1.1.2023 to 30.6.2023</b>			
<b>Executive director:</b>			
Dato' Mohamed Rafique Merican bin Mohd Wahiduddin Merican	60	12	72
<b>Non-executive directors:</b>			
Dato' Majid bin Mohamad (Chairman)	90	12	102
Mr Philippe Pol Arthur Latour	60	10	70
Prof Datin Dr. Rusni binti Hassan	60	16	76
Mr Raymond Wong Shu Yoon	60	31	91
<b>Total directors' fees and remuneration</b>	<u>330</u>	<u>81</u>	<u>411</u>
<b>1.1.2022 to 30.6.2022</b>			
<b>Executive director:</b>			
Dato' Mohamed Rafique Merican bin Mohd Wahiduddin Merican	60	12	72
<b>Non-executive directors:</b>			
Dato' Majid bin Mohamad (Chairman)	90	12	102
Mr Philippe Pol Arthur Latour	60	10	70
Mr Koh Heng Kong	60	12	72
Prof Datin Dr. Rusni binti Hassan	60	14	74
<b>Total directors' fees and remuneration</b>	<u>330</u>	<u>60</u>	<u>390</u>

**30. SHARIAH COMMITTEE'S FEES AND REMUNERATION**

<b>Company</b>	<b>1.1.2023 to 30.6.2023 RM'000</b>	<b>1.1.2022 to 30.6.2022 RM'000</b>
Fees	68	66
Other emoluments	64	75
<b>Total Shariah Committee's fees and remuneration</b>	<b>132</b>	<b>141</b>

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

	<b>Fees RM'000</b>	<b>Other Emoluments RM'000</b>	<b>Total RM'000</b>
<b>1.1.2023 to 30.6.2023</b>			
<b>Shariah Committee:</b>			
Assoc. Prof. Dr. Azman bin Mohd Noor (Chairman w.e.f 1 January 2023)	13	11	24
Assoc. Prof. Dr. Aznan bin Hasan (Chairman)	11	11	22
Prof Datin Dr. Rusni binti Hassan	11	11	22
Prof Dr. Abdul Rahim bin Abdul Rahman	11	11	22
Prof Dato' Dr. Mohd Azmi bin Omar	11	10	21
Sahibus Samahah Dato' Dr. Mohamad Mohamad Sabri bin Haron	11	10	21
<b>Total Shariah Committee's fees and remuneration</b>	<b>68</b>	<b>64</b>	<b>132</b>
<b>1.1.2022 to 30.6.2022</b>			
<b>Shariah Committee:</b>			
Assoc. Prof. Dr. Aznan bin Hasan (Chairman)	13	12	25
Prof Datin Dr. Rusni binti Hassan	10	12	22
Prof Dr. Abdul Rahim bin Abdul Rahman	10	12	22
Prof Dato' Dr. Mohd Azmi bin Omar	11	13	24
Assoc. Prof. Dr. Azman bin Mohd Noor	11	13	24
Sahibus Samahah Dato' Dr Mohamad Sabri bin Haron	11	13	24
<b>Total Shariah Committee's fees and remuneration</b>	<b>66</b>	<b>75</b>	<b>141</b>

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

**31. EARNINGS PER SHARE**

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

	<b>1.1.2023 to 30.6.2023 RM'000</b>	<b>1.1.2022 to 30.6.2022 (Restated) RM'000</b>
Profit attributable to ordinary equity holders	<u>69,239</u>	<u>68,343</u>
Weighted average number of ordinary shares in issue at 30 June (units '000)	<u>931,350</u>	<u>931,350</u>
Basic and diluted earnings per share (sen)	<u>7.43</u>	<u>7.34</u>

There have been no other transactions involving ordinary shares between the reporting date and date of completion of these unaudited interim condensed financial statements.

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

**32. TAXATION**

The major components of income tax expense for the financial period ended 30 June 2023 and 30 June 2022 are as follows:

	<b>Company RM'000</b>
<b>1.1.2023 to 30.6.2023</b>	
<b><u>Income Statement</u></b>	
Income tax:	
Current financial period	28,119
Deferred taxation:	
Relating to origination and reversal of temporary differences	6,052
	<u>34,171</u>
	<b>Company RM'000</b>
<b>1.1.2022 to 30.6.2022 (Restated)</b>	
<b><u>Income Statement</u></b>	
Income tax:	
Current financial period	46,585
Deferred taxation:	
Relating to origination and reversal of temporary differences	(28,911)
	<u>17,674</u>

**32. TAXATION (CONTD.)**

**Reconciliation between tax expense and accounting profit**

The reconciliation of income tax expense applicable to profit before taxation and zakat at the statutory income tax rate to income tax expense at the effective income tax rate of the Shareholder's fund and the Company are as follows:

	<b>Company RM'000</b>
<b>1.1.2023 to 30.6.2023</b>	
Profit before taxation and zakat	<u>113,219</u>
Taxation at Malaysian statutory tax rate of 24%	30,618
Income not subject to tax	(16,470)
Expenses not deductible for tax purposes	<u>20,023</u>
Tax expense for the financial period	<u>34,171</u>

	<b>Company RM'000</b>
<b>1.1.2022 to 30.6.2022 (Restated)</b>	
Profit before taxation and zakat	<u>90,110</u>
Taxation at Malaysian statutory tax rate of 24%	29,612
Income not subject to tax	(261)
Expenses not deductible for tax purposes	(17,879)
Effect of Prosperity Tax	<u>6,202</u>
Tax expense for the financial period	<u>17,674</u>

The domestic income tax for Company are calculated at the Malaysian statutory tax rate of 24% (2022 : 24%) of the estimated assessable profit for the financial period.

32. TAXATION (CONTD.)

**Taxation borne by participant's fund**

	<b>General Takaful fund RM'000</b>	<b>Company RM'000</b>
<b>1.1.2023 to 30.6.2023</b>		
<b><u>Income Statement</u></b>		
Deferred taxation: Relating to origination and reversal of temporary differences	230	230
Tax borne by participant recognised in Income Statement	230	230

	<b>General Takaful fund RM'000</b>	<b>Company RM'000</b>
<b>1.1.2022 to 30.6.2022 (Restated)</b>		
<b><u>Income Statement</u></b>		
Deferred taxation: Relating to origination and reversal of temporary differences	(2,899)	(2,899)
Tax borne by participant recognised in Income Statement	(2,899)	(2,899)

The domestic income tax for General Takaful fund is calculated at the Malaysian statutory tax rate of 24% (2022 : 24%) of the estimated assessable profit for the financial period.

32. TAXATION (CONTD.)

**Statement of Comprehensive Income**

	General Takaful fund RM'000	Company RM'000
<b>1.1.2023 to 30.6.2023</b>		
Deferred income tax related to other comprehensive income:		
- Fair value changes on debt securities at FVOCI	14,879	23,988
Deferred income tax related to other comprehensive income:		
- Fair value changes on equity securities at FVOCI	(297)	(763)
<b>1.1.2022 to 30.6.2022</b>		
Deferred income tax related to other comprehensive income:		
- Fair value changes on debt securities at FVOCI	(28,382)	(46,219)
Deferred income tax related to other comprehensive income:		
- Fair value changes on equity securities at FVOCI	7	(148)

### **33. FAIR VALUES MEASUREMENTS**

#### **(a) Valuation principles**

The Company continuously enhances its design, validation methodologies and processes to ensure the valuations are reflective and periodic reviews are performed to ensure the model remains suitable for its intended use.

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 by the following hierarchies/levels:

- Level 1 : Active Market – Quoted price

Refers to financial instruments which are regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. Such financial instruments include actively traded government securities, listed derivatives and cash products traded on an exchange.

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

Refers to inputs other than quoted price included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

Examples of Level 2 financial instruments include corporate and other government bonds, less liquid equities and over the counter ("OTC") derivatives.

- Level 3 : No Active Market – Valuation techniques using unobservable input

Refers to financial instruments where fair values are measured using unobservable market inputs. The valuation technique is consistent with Level 2. The chosen valuation technique incorporates management's assumptions and data.

Examples of Level 3 instruments include corporate bonds in illiquid markets and private equity investments.



33. FAIR VALUES MEASUREMENTS (CONTD.)

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

General Takaful fund

	Fair value measurement using:			Total RM'000
	Level 1 Quoted market prices RM'000	Level 2 Significant Observable inputs RM'000	Level 3 Significant Unobservable inputs RM'000	
<b>30.6.2023</b>				
<b><u>Assets</u></b>				
<b>Financial assets at FVTPL</b>				
<b>(i) Designated upon initial recognition</b>				
Debt securities	-	13,566	-	13,566
<b>(ii) Held for trading (HFT)</b>				
Equity securities	58,167	-	-	58,167
Property trust funds	1,220	-	-	1,220
<b>Financial assets at FVOCI</b>				
Malaysian government papers	-	91,970	-	91,970
Debt securities	-	1,664,738	-	1,664,738
Equity securities	27,772	-	-	27,772
<b>Total assets</b>	<b>87,159</b>	<b>1,770,274</b>	<b>-</b>	<b>1,857,433</b>
<b>31.12.2022</b>				
<b><u>Assets</u></b>				
<b>Financial assets at FVTPL</b>				
<b>(i) Designated upon initial recognition</b>				
Debt securities	-	18,631	-	18,631
<b>(ii) Held for trading (HFT)</b>				
Equity securities	73,789	-	-	73,789
Property trust funds	1,205	-	-	1,205
<b>Financial assets at FVOCI</b>				
Malaysian government papers	-	168,963	-	168,963
Debt securities	-	1,699,097	-	1,699,097
Equity securities	11,757	-	-	11,757
<b>Total assets</b>	<b>86,751</b>	<b>1,886,691</b>	<b>-</b>	<b>1,973,442</b>

33. FAIR VALUES MEASUREMENTS (CONTD.)

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

Company	Fair value measurement using:			Total RM'000
	Level 1 Quoted market prices RM'000	Level 2 Significant Observable inputs RM'000	Level 3 Significant Unobservable inputs RM'000	
<b>30.6.2023</b>				
<b><u>Assets</u></b>				
<b>Financial assets at FVTPL</b>				
<b>(i) Designated upon initial recognition</b>				
Debt securities	-	13,566	-	13,566
<b>(ii) Held for trading (HFT)</b>				
Equity securities	112,680	-	-	112,680
Property trust funds	1,884	-	-	1,884
<b>Financial assets at FVOCI</b>				
Malaysian government papers	-	184,609	-	184,609
Debt securities	-	2,669,957	-	2,669,957
Equity securities	61,458	-	-	61,458
<b>Total assets</b>	<b>176,022</b>	<b>2,868,132</b>	<b>-</b>	<b>3,044,154</b>
<b>31.12.2022</b>				
<b><u>Assets</u></b>				
<b>Financial assets at FVTPL</b>				
<b>(i) Designated upon initial recognition</b>				
Debt securities	-	13,566	-	13,566
<b>(ii) Held for trading (HFT)</b>				
Equity securities	112,680	-	-	112,680
Property trust funds	1,884	-	-	1,884
<b>Financial assets at FVOCI</b>				
Malaysian government papers	-	184,609	-	184,609
Debt securities	-	2,669,957	-	2,669,957
Equity securities	61,458	-	-	61,458
<b>Total assets</b>	<b>176,022</b>	<b>2,868,132</b>	<b>-</b>	<b>3,044,154</b>

**33. 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 financial year ended 31 December 2022.

### **34. 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 the Directors and 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.

(a) The significant related party transactions and balances of the Company are as follow:

	<b>General Takaful fund RM'000</b>	<b>Company RM'000</b>
<b>Income/(expenses):</b>		
<b>1.1.2023 to 30.6.2023</b>		
Ultimate holding company:		
Gross contribution income	85	85
Commission and fee expenses	-	(13,983)
Employee's Share Grant Plan ("ESGP")	-	(473)
Bank charges	-	(506)
	<hr/>	<hr/>
Immediate holding company:		
Gross contribution income	340	340
Shared services costs	-	(9,262)
Remuneration of a seconded employee	-	(113)
Other expenses	-	(143)
	<hr/>	<hr/>

**34. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)**

(a) The significant related party transactions and balances of the Company are as follow: (contd.)

	<b>General Takaful fund RM'000</b>	<b>Company RM'000</b>
<b>Income/(expenses): (contd.)</b>		
<b>1.1.2023 to 30.6.2023 (contd.)</b>		
Fellow subsidiaries within the MAHB Group:		
Gross contribution income	26	26
Rental expenses	-	(3,548)
Shared services costs	-	(19,411)
	<hr/>	<hr/>
Fellow subsidiaries within the EIHSB Group:		
Gross contribution income	18	18
Consultation fee	-	(3,729)
	<hr/>	<hr/>
Other related companies within the Maybank Group:		
Gross contribution income	3,995	3,995
Profit income	4,152	7,797
Information technology outsourcing	-	(3,711)
Commission and fee expenses	-	(4,821)
Investment expenses	(232)	(402)
Claims paid	(18)	(18)
	<hr/>	<hr/>
Companies with significant influence over the Maybank Group:		
Gross contribution income	30,622	30,622
Claims paid	(95)	(95)
	<hr/>	<hr/>
Companies with significant influence over the MAHB Group:		
Contribution ceded	(709)	(709)
	<hr/>	<hr/>

**34. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES DISCLOSURES (CONTD.)**

(a) The significant related party transactions and balances of the Company are as follow: (contd.)

	<b>General Takaful fund RM'000</b>	<b>Company RM'000</b>
<b>Income/(expenses) (contd.)</b>		
<b>1.1.2022 to 30.6.2022 (contd.)</b>		
Ultimate holding company:		
Commission and fee expenses	-	(14,852)
Bank charges	-	(469)
ESGP	-	(346)
	<hr/>	<hr/>
Immediate holding company:		
Shared services costs	-	(11,246)
Claims paid	(2)	(2)
Remuneration of a seconded employee	-	(49)
	<hr/>	<hr/>
Penultimate holding company:		
Other expenses	-	(174)
	<hr/>	<hr/>
Fellow subsidiaries within the MAHB Group:		
Gross contribution income	48	48
Rental expenses	-	(3,511)
Shared services costs	-	(18,727)
	<hr/>	<hr/>
Fellow subsidiaries within the EIHSB Group:		
Consultation fee	-	(1,920)
Shared services costs	-	(79)
	<hr/>	<hr/>
Other related companies within the Maybank Group:		
Gross contribution income	1,196	1,196
Profit income	2,046	4,176
Information technology outsourcing	-	(3,381)
Commission and fee expenses	-	(5,875)
Investment expenses	(222)	(364)
Claims paid	(12)	(12)
	<hr/>	<hr/>

**34. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES DISCLOSURES (CONTD.)**

(a) The significant related party transactions and balances of the Company are as follow: (contd.)

	<b>General Takaful Fund RM'000</b>	<b>Company RM'000</b>
<b>Income/(expenses) (contd.)</b>		
<b>1.1.2022 to 30.6.2022 (contd.)</b>		
Companies with significant influence over the Maybank Group:		
Gross contribution income	1,917	1,917
Claims paid	(18)	(18)
	<u>1,917</u>	<u>1,917</u>
Companies with significant influence over the MAHB Group:		
Contribution ceded	1	1
	<u>1</u>	<u>1</u>
(b) Included in the statement of financial position of the Company are amounts due from/(to) related companies represented by the following:		
<b>30.6.2023</b>		
Ultimate holding company:		
Bank balances	(8,672)	(8,347)
Outstanding contributions	2,746	2,746
Amount due to ultimate holding company (Note 17)	-	(7,065)
	<u>(8,672)</u>	<u>(8,347)</u>
Immediate holding companies:		
Outstanding contributions	289	289
Amount due to immediate holding company (Note 17)	-	(1,474)
	<u>289</u>	<u>(1,185)</u>
Penultimate holding companies:		
Amount due to penultimate holding company (Note 17)	-	(220)
	<u>-</u>	<u>(220)</u>
Fellow subsidiaries within the MAHB Group:		
Amount due to other related companies (Note 17)	(41)	(2,258)
	<u>(41)</u>	<u>(2,258)</u>

**34. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES DISCLOSURES (CONTD.)**

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

	<b>General Takaful Fund RM'000</b>	<b>Company RM'000</b>
<b>30.6.2023 (contd.)</b>		
Fellow subsidiaries within the EIHSB Group: Amount due to other related company (Note 17)	-	(1,107)
Other related companies within the Maybank Group: Fixed and call deposits	213,482	388,278
Income and profit due and accrued	2,787	4,999
Claim liabilities	(162)	(162)
Sundry payables and accrued liabilities	-	(4,925)
Companies with significant influence over the Maybank Group: Claim liabilities	(9,518)	(9,518)

The balances with related companies are subject to normal trade terms or as disclosed in Note 18.

	<b>General Takaful fund RM'000</b>	<b>Company RM'000</b>
<b>31.12.2022</b>		
Ultimate holding company: Bank balances	(10,493)	(10,307)
Outstanding contributions	719	719
Amount due to ultimate holding company (Note 17)	-	(7,456)
Immediate and penultimate holding companies: Amount due to immediate holding company (Note 17)	-	(1,005)
Amount due to penultimate holding company (Note 17)	-	(8)



**34. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES DISCLOSURES (CONTD.)**

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

	<b>General Takaful fund RM'000</b>	<b>Company RM'000</b>
<b>31.12.2022 (contd.)</b>		
Fellow subsidiaries within the MAHB Group:		
Amount due to other related companies (Note 17)	-	(3,740)
Outstanding contributions	13	13
Outstanding claim recovery from retakaful	44	44
	<hr/>	<hr/>
Fellow subsidiaries within the EIHSB Group:		
Amount due to other related companies (Note 17)	-	(823)
	<hr/>	<hr/>
Other related companies within the Maybank Group:		
Fixed and call deposits	135,049	283,042
Income and profit due and accrued	280	546
Outstanding contributions	3	3
Claim liabilities	(4)	(4)
Amount due to other related companies (Note 17)	(47)	(81)
Sundry payables and accrued liabilities	-	(8,828)
	<hr/>	<hr/>
Companies with significant influence over the Maybank Group:		
Claim liabilities	142	142
Outstanding contributions	(2,101)	(2,101)
	<hr/>	<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 Note 15 and Note 17.

**34. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES DISCLOSURES (CONTD.)**

(c) Key management personnel compensation

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

	<b>1.1.2023 to 30.6.2023 RM'000</b>	<b>1.1.2022 to 30.6.2022 RM'000</b>
<b>Short-term employee benefits</b>		
- Fees	330	330
- Salaries, allowances and bonuses	785	615
- Contribution to EPF and pension scheme	129	102
- Share-based compensation	87	78
- Other emoluments	190	174
	<u>1,521</u>	<u>1,299</u>

The remuneration of other key management personnel, being the executive director and non-executive directors of the Company are as disclosed in Notes 28 and 29 of the unaudited interim condensed financial statements.

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

	<b>30.6.2023 Units '000</b>	<b>31.12.2022 Units '000</b>
At 1 January 2023/At 1 January 2022	348	320
Awarded	28	28
At 30 June 2023/At 31 December 2022	<u>376</u>	<u>348</u>

**35. REGULATORY CAPITAL REQUIREMENT**

The capital structure of the Company as at 30 June 2023 and 31 December 2022, as prescribed under the RBCT Framework, are provided below:

	<b>30.6.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Company</b>		
<b>Eligible Tier 1 Capital</b>		
Paid up share capital	970,001	970,001
Valuation surplus in takaful funds	217,231	224,027
Retained earnings	802,806	708,513
	<u>1,990,038</u>	<u>1,902,541</u>
<b>Tier 2 Capital</b>		
FVOCI reserve	(19,822)	(93,364)
	<u>(19,822)</u>	<u>(93,364)</u>
Amount deducted from capital	<u>(63,952)</u>	<u>(82,155)</u>
<b>Total Capital Available</b>	<u><b>1,906,264</b></u>	<u><b>1,727,022</b></u>