

**GREAT EASTERN TAKAFUL BERHAD**  
**201001032332 (916257-H)**  
(Incorporated in Malaysia)

**Unaudited Interim Condensed Financial Statements**

**For the six-month ended 30 June 2020**

**GREAT EASTERN TAKAFUL BERHAD**  
**201001032332 (916257-H)**  
(Incorporated in Malaysia)

**Unaudited interim condensed financial statements for the six-month ended 30 June 2020**

<b>CONTENTS</b>	<b>PAGE</b>
Unaudited Statement of Financial Position	1
Unaudited Income Statement	2 - 3
Unaudited Statement of Comprehensive Income	4
Unaudited Statement of Changes in Equity	5
Unaudited Statement of Cash Flows	6
Notes to the Unaudited Interim Condensed Financial Statements	7 - 21

201001032332 (916257-H)

**GREAT EASTERN TAKAFUL BERHAD**  
(Incorporated in Malaysia)

**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2020**

	Note	2020			2019		
		Shareholders' fund RM'000	Family takaful fund RM'000	Company RM'000	Shareholders' fund RM'000	Family takaful fund RM'000	Company RM'000
<b>Assets</b>							
Motor vehicles and equipment		13,748	-	13,748	13,276	-	13,276
Right-of-use assets		3,491	-	3,491	4,181	-	4,181
Intangible assets		4,941	-	4,941	8,244	-	8,244
Investments	12	176,151	896,235	1,066,257	91,720	780,380	866,171
Takaful receivables	13	-	835,544	835,544	-	489,985	489,985
Retakaful assets	14	-	530,352	530,352	-	368,401	368,401
Other receivables		18,131	17,440	20,966	64,046	4,480	7,001
Tax recoverable		2,306	-	651	867	-	-
Cash and bank balances		30,689	67,949	98,638	5,284	25,531	30,815
<b>Total assets</b>		<b>249,457</b>	<b>2,347,520</b>	<b>2,574,588</b>	<b>187,618</b>	<b>1,668,777</b>	<b>1,788,074</b>
<b>Equity</b>							
Share capital		195,000	-	195,000	155,000	-	155,000
Accumulated losses		(91,026)	-	(93,168)	(85,998)	-	(87,940)
Other comprehensive (loss)/income fair value reserves		(525)	-	(525)	41	-	41
<b>Total equity</b>		<b>103,449</b>	<b>-</b>	<b>101,307</b>	<b>69,043</b>	<b>-</b>	<b>67,101</b>
<b>Liabilities and participants' fund</b>							
Provision for zakat		76	-	76	-	-	-
Provision for taxation		-	1,655	-	-	1,796	929
Expense liabilities		52,297	-	52,297	41,553	-	41,553
Takaful certificate liabilities	15	-	1,857,625	1,886,103	-	1,334,528	1,365,259
Participants' fund		-	32,117	-	-	34,370	-
Deferred tax liabilities		771	1,864	2,287	1,014	1,061	1,727
Amounts due to related companies		28,370	-	28,370	19,229	-	19,229
Takaful payables		1,111	410,451	411,562	5,813	213,753	219,566
Lease liabilities		3,665	-	3,665	4,277	-	4,277
Other payables		56,428	43,808	85,631	39,639	83,269	61,383
Provisions		3,290	-	3,290	7,050	-	7,050
<b>Total liabilities and participants' fund</b>		<b>146,008</b>	<b>2,347,520</b>	<b>2,473,281</b>	<b>118,575</b>	<b>1,668,777</b>	<b>1,720,973</b>
<b>Total equity, liabilities and participants' fund</b>		<b>249,457</b>	<b>2,347,520</b>	<b>2,574,588</b>	<b>187,618</b>	<b>1,668,777</b>	<b>1,788,074</b>

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

201001032332 (916257-H)

**GREAT EASTERN TAKAFUL BERHAD**  
(Incorporated in Malaysia)

**UNAUDITED INCOME STATEMENT**  
**FOR THE SIX-MONTH ENDED 30 JUNE 2020**

	2020			2019		
	Shareholders' fund RM'000	Family takaful fund RM'000	Company RM'000	Shareholders' fund RM'000	Family takaful fund RM'000	Company RM'000
<b>Wakalah fee income</b>	121,377	-	-	116,311	-	-
Gross earned contributions	-	783,742	783,742	-	650,309	650,309
Earned contributions ceded to retakaful operators	-	(263,865)	(263,865)	-	(123,962)	(123,962)
<b>Net earned contributions</b>	-	519,877	519,877	-	526,347	526,347
Investment income	2,004	15,250	17,254	2,119	11,303	13,422
Realised gains/(losses)	1,102	(8,251)	(7,149)	352	3,395	3,747
Fair value (losses)/gains	(231)	11,879	11,448	1,690	13,177	14,504
Fee and commission income	-	2,264	545	-	895	145
Other operating revenue	91	374	465	21	73	94
<b>Other revenue</b>	2,966	21,516	22,563	4,182	28,843	31,912
Gross benefits and claims paid	-	(91,494)	(91,494)	-	(68,117)	(68,117)
Claims ceded to retakaful operators	-	34,989	34,989	-	25,105	25,105
Gross change in certificate liabilities	-	(478,003)	(522,777)	-	(243,160)	(510,455)
Change in certificate liabilities ceded to retakaful operators	-	161,951	161,951	-	119,743	119,743
<b>Net benefits and claims</b>	-	(372,557)	(417,331)	-	(166,429)	(433,724)
Wakalah fee expense	-	(121,377)	-	-	(116,311)	-
Commission expenses/administration fees	(53,393)	(1,480)	(53,154)	(46,389)	(1,634)	(47,273)
Management expenses	(64,579)	(439)	(65,018)	(56,117)	(1,823)	(57,940)
Change in expense liabilities	(10,743)	-	(10,743)	(20,452)	-	(20,452)
Impairment (loss)/gains on FVOCI financial assets	(11)	56	45	-	14	14
Taxation of family takaful business	-	(822)	(822)	-	(1,711)	(1,711)
<b>Other expenses</b>	(128,726)	(124,062)	(129,692)	(122,958)	(121,465)	(127,362)

201001032332 (916257-H)

GREAT EASTERN TAKAFUL BERHAD  
(Incorporated in Malaysia)

UNAUDITED INCOME STATEMENT (CONTINUED)  
FOR THE SIX-MONTH ENDED 30 JUNE 2020

	2020			2019		
	Shareholders' fund RM'000	Family takaful fund RM'000	Company RM'000	Shareholders' fund RM'000	Family takaful fund RM'000	Company RM'000
<b>Operating (loss)/profit before surplus transfers</b>	(4,383)	44,774	(4,583)	(2,465)	267,296	(2,827)
Surplus attributable to participants	-	(44,774)	-	-	(267,296)	-
<b>Loss before zakat and taxation</b>	(4,383)	-	(4,583)	(2,465)	-	(2,827)
Zakat	(50)	-	(50)	(50)	-	(50)
Taxation	(582)	-	(582)	(983)	-	(983)
<b>Net loss for the year</b>	(5,015)	-	(5,215)	(3,498)	-	(3,860)
<b>Loss per share (sen)</b>						
Basic and diluted	(3.8)	-	(3.8)	(2.6)	-	(2.6)

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

201001032332 (916257-H)

**GREAT EASTERN TAKAFUL BERHAD**  
(Incorporated in Malaysia)

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX-MONTH ENDED 30 JUNE 2020**

	2020			2019		
	Shareholders' fund RM'000	Family takaful fund RM'000	Company RM'000	Shareholders' fund RM'000	Family takaful fund RM'000	Company RM'000
<b>Net loss for the year</b>	(5,015)	-	(5,215)	(3,498)	-	(3,860)
<b>Other comprehensive (loss)/income:</b>						
<b>Other comprehensive loss that will not be reclassified to income statement in subsequent periods (net of tax):</b>						
Equity instruments designated at Fair Value through Other Comprehensive Income ("FVOCI"):						
Net (loss)/gain on fair value changes	(797)	(6,809)	(7,606)	631	6,201	6,832
Tax on realised gain	4	11	15	64	120	184
Deferred tax relating to components of other comprehensive income/(loss)	187	544	731	(216)	(506)	(722)
	<u>(606)</u>	<u>(6,254)</u>	<u>(6,860)</u>	<u>479</u>	<u>5,815</u>	<u>6,294</u>
Islamic debt instruments at FVOCI:						
Net gain on fair value changes	16	6,400	6,416	-	7,789	7,789
Net realised gain transferred to income statement	-	(1,466)	(1,466)	-	(449)	(449)
Changes in allowance for Expected Credit Loss ("ECL")	11	(55)	(44)	-	918	918
Deferred tax relating to components of other comprehensive loss	-	(396)	(396)	-	(587)	(587)
Other comprehensive income/(loss) attributable to participants	-	1,771	1,771	-	(13,486)	(13,486)
Other comprehensive income/(loss) for the year, net of tax	<u>27</u>	<u>6,254</u>	<u>6,281</u>	<u>-</u>	<u>(5,815)</u>	<u>(5,815)</u>
<b>Total comprehensive loss for the year</b>	<u>(5,594)</u>	<u>-</u>	<u>(5,794)</u>	<u>(3,019)</u>	<u>-</u>	<u>(3,381)</u>

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

201001032332 (916257-H)

**GREAT EASTERN TAKAFUL BERHAD**  
(Incorporated in Malaysia)

**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX-MONTH ENDED 30 JUNE 2020**

	<u>Attributable to Equity Holders of the Company</u>			
	<b>Share capital</b>	<b>Non-distributable Fair value reserves</b>	<b>Accumulated losses</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At 1 January 2019</b>	155,000	(455)	(90,773)	63,772
Net loss for the year	-	-	(3,860)	(3,860)
Other comprehensive gain	-	479	-	479
Total comprehensive gain/(loss)	-	479	(3,860)	(3,381)
Transfer of fair value reserve of equity instruments designated at FVOCI	-	205	(205)	-
<b>At 30 June 2019</b>	<b>155,000</b>	<b>229</b>	<b>(94,838)</b>	<b>60,391</b>
<b>At 1 January 2020</b>	155,000	41	(87,940)	67,101
Net loss for the year	-	-	(5,215)	(5,215)
Other comprehensive loss	-	(579)	-	(579)
Total comprehensive loss	-	(579)	(5,215)	(5,794)
Transfer of fair value reserve of equity instruments designated at FVOCI	-	13	(13)	-
Issuance of shares	40,000	-	-	40,000
<b>At 30 June 2020</b>	<b>195,000</b>	<b>(525)</b>	<b>(93,168)</b>	<b>101,307</b>

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

**GREAT EASTERN TAKAFUL BERHAD**  
(Incorporated in Malaysia)

**UNAUDITED STATEMENT OF CASH FLOWS**  
**FOR THE SIX-MONTH ENDED 30 JUNE 2020**

	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Loss before zakat and taxation	(4,583)	(2,828)
Adjustments for:		
Depreciation for motor vehicles and equipment	2,264	2,894
Depreciation for right-of-use assets	690	-
Amortisation of intangible assets	4,288	1,074
Investment income	(17,254)	(13,422)
Realised gains/(losses)	7,158	(3,746)
Fair value losses in income statement	(11,448)	(14,504)
Impairment loss on FVOCI financial assets	(45)	(14)
Taxation of family takaful business	822	1,711
Operating loss before working capital changes	(18,108)	(28,835)
Purchase of FVOCI investments	(237,837)	(81,074)
Proceeds from sales of FVOCI investments	115,137	60,435
Purchase of FVTPL investments	(501,110)	(270,869)
Proceeds from sales of FVTPL investments	428,072	230,993
Increase in takaful and other receivables	(358,609)	(448,134)
Increase in retakaful assets	(161,951)	(119,743)
Decrease in lease liabilities	(612)	-
Increase in takaful and other payables	223,239	140,778
Increase in takaful certificate liabilities	522,616	507,813
Net change in balance with related companies	9,140	7,253
Cash generated from/(used in) operating activities	19,977	(1,383)
Income tax paid	(2,073)	(3,421)
Investment income received	16,338	13,230
<b>Net cash generated from operating activities</b>	<b>34,242</b>	<b>8,426</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of motor vehicles and equipment	(2,736)	(5,772)
Purchase of intangible assets	(984)	(372)
<b>Net cash used in investing activities</b>	<b>(3,720)</b>	<b>(6,144)</b>
<b>FINANCING ACTIVITY</b>		
Issuance of shares	40,000	-
<b>Net cash generated from financing activity</b>	<b>40,000</b>	<b>-</b>
Net increase in cash and cash equivalents	70,523	2,282
Cash and cash equivalents at beginning of year	168,115	141,752
<b>Cash and cash equivalents at end of year</b>	<b>238,638</b>	<b>144,034</b>
Cash and cash equivalents comprise of:		
Cash and bank balances	98,638	25,584
Short term Islamic investment accounts with original maturity period of less than 3 months	140,000	118,450
	<b>238,638</b>	<b>144,034</b>

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



**GREAT EASTERN TAKAFUL BERHAD**  
(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS - 30 JUNE 2020**

**1. BASIS OF PREPARATION**

The unaudited interim condensed financial statements of Great Eastern Takaful Berhad ("the Company") 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").

The interim condensed financial statements of the Company have been prepared under the historical cost convention, unless otherwise stated in the accounting policies.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's audited financial statements for the financial year ended 31 December 2019.

The notes attached to the unaudited interim condensed financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company since the financial year ended 31 December 2019.

The interim condensed financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**(a) New and amended standards and interpretations**

The significant accounting policies in these interim condensed financial statements are consistent with those adopted in the financial statements for the financial year ended 31 December 2019, except for the adoption of the following standards, amendments to standards and interpretation of standards:

**Effective for financial periods beginning on or after 1 January 2020**

Amendments to References to the Conceptual Framework in MFRS Standards

- Amendments to MFRS 2 *Share-based Payments*
- Amendments to MFRS 6 *Exploration for and Evaluation of Mineral Resources*
- Amendments to MFRS 7 *Financial Instruments: Disclosures - Interest Rate Benchmark Reform*

**GREAT EASTERN TAKAFUL BERHAD**  
(Incorporated in Malaysia)

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(a) New and amended standards and interpretations (Continued)**

**Effective for financial periods beginning on or after 1 January 2020 (Continued)**

- Amendments to MFRS 9 *Financial Instruments - Interest Rate Benchmark Reform*
- Amendments to MFRS 14 *Regulatory Deferral Accounts*
- Amendments to MFRS 101 *Presentation of Financial Statements*
- Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*
- Amendments to MFRS 134 *Interim Financial Reporting*
- Amendments to MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*
- Amendments to MFRS 138 *Intangible Assets*
- Amendments to MFRS 139 *Financial Instrument: Recognition and Measurement - Interest Rate Benchmark Reform*
- Amendments to IC Interpretation 12 *Service Concession Arrangements*
- Amendments to IC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments*
- Amendments to IC Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*
- Amendments to IC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*
- Amendments to IC Interpretation 132 *Intangible Assets - Web Site Costs*
- Amendment to MFRS 16 *Leases - Covid-19-Related Rent Concessions*

**(b) Standards issued but not yet effective**

The following are standards, amendments to standards and interpretation to standards issued by Malaysian Accounting Standards Board (“MASB”) that will be effective for the Company in future years. The Company intends to adopt these standards, amendment to standards and interpretation to standards, if applicable, when they become effective.

**Effective for financial periods beginning on or after 1 January 2021 (proposed deferral to 1 January 2022)**

- MFRS 17 *Insurance Contracts*

**GREAT EASTERN TAKAFUL BERHAD**  
(Incorporated in Malaysia)

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(b) Standards issued but not yet effective (Continued)**

**Effective for financial periods beginning on or after 1 January 2022**

Amendments to References to the Conceptual Framework in MFRS Standards

- Amendments to MFRS 3 *Business Combinations*
- Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRS Standards 2018 - 2020"
- Amendments to MFRS 116 *Property, Plant and Equipment - Proceeds before Intended Use*
- Amendments to MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract*

**Deferred**

- Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The management expects that the adoption of the above standards, amendments to standards and interpretations to standards issued by MASB, but not yet effective, will have no material impact on the financial statements in the period of initial application except as discussed below:

**MFRS 17 Insurance Contracts**

In August 2017, MFRS 17 was issued, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure, which replaces MFRS 4.

MFRS 17 is effective for annual periods beginning on or after 1 January 2021 (with proposed deferral to 1 January 2022). The Company plans to adopt the new standard on the required effective date and a Project Steering Committee has been formed to oversee the implementation of MFRS 17. The Company expects that the new standard will result in an important change to the accounting policies for insurance contract liabilities of the Company and is likely to have a significant impact on profit and total equity together with the Company's financial statements' presentation and disclosures.

**3. SEASONALITY OF OPERATIONS**

The business and operations of the Company was not materially affected by any seasonal or cyclical fluctuations during the interim financial period.

**GREAT EASTERN TAKAFUL BERHAD**  
**(Incorporated in Malaysia)**

**4. UNUSUAL ITEMS**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows for the financial period ended 30 June 2020.

**5. METHODS OF COMPUTATION AND CHANGES IN ESTIMATES**

There were no changes in the methods of computation and basis used for accounting estimates for the interim financial period compared to the most recent financial statement.

**6. DEBT AND EQUITY SECURITIES**

There were no issuance, repurchase and repayment of debt and equity securities by the Company during the interim financial period.

**7. DIVIDENDS**

No dividend has been paid or declared by the Company since the end of the previous financial period.

**8. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD**

There were no material events subsequent to the end of the interim reporting period that have not been reflected in the unaudited interim condensed financial statements.

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

There is no change in the composition of the Company during the interim financial period.

**10. AUDITORS' REPORT**

The auditors' report on the audited financial statements of the preceding 31 December 2019 did not contain any qualification.

**11. CONTINGENT LIABILITIES**

There were no contingent liabilities as at the date of this report.

201001032332 (916257-H)

**GREAT EASTERN TAKAFUL BERHAD**  
(Incorporated in Malaysia)

**12. INVESTMENTS**

	At 30.06.2020			At 31.12.2019		
	Shareholders' fund RM'000	Family takaful fund RM'000	Company RM'000	Shareholders' fund RM'000	Family takaful fund RM'000	Company RM'000
FVOCI financial assets:						
Quoted Shariah-approved equities	17,010	109,680	126,690	8,596	85,051	93,647
Government investment issues	20,613	200,755	221,368	-	141,393	141,393
Unquoted Islamic private debt securities	-	168,208	168,208	-	159,701	159,701
Financial assets at FVTPL:						
Quoted Shariah-approved equities	-	214,707	214,707	-	173,584	173,584
Financial instruments with embedded derivatives	-	119	119	-	242	242
Unit trusts - REITS	-	6,366	6,366	-	6,390	6,390
Government investment issues	34,251	33,446	67,697	25,885	30,600	56,485
Unquoted Islamic private debt securities	69,148	51,954	121,102	51,310	46,119	97,429
Units held in investment-linked fund	6,129	-	-	5,929	-	-
Financial assets at AC:						
Islamic investment accounts with licensed Islamic banks	29,000	111,000	140,000	-	137,300	137,300
	<u>176,151</u>	<u>896,235</u>	<u>1,066,257</u>	<u>91,720</u>	<u>780,380</u>	<u>866,171</u>

The funds' and Company's financial assets are summarised by categories as follows:

	At 30.06.2020			At 31.12.2019		
	Shareholders' fund RM'000	Family takaful fund RM'000	Company RM'000	Shareholders' fund RM'000	Family takaful fund RM'000	Company RM'000
FVOCI financial assets	37,623	478,643	516,266	8,596	386,145	394,741
Financial assets at FVTPL	109,528	306,592	409,991	83,124	256,935	334,130
Financial assets at AC	29,000	111,000	140,000	-	137,300	137,300
	<u>176,151</u>	<u>896,235</u>	<u>1,066,257</u>	<u>91,720</u>	<u>780,380</u>	<u>866,171</u>

201001032332 (916257-H)

GREAT EASTERN TAKAFUL BERHAD  
(Incorporated in Malaysia)

12. INVESTMENTS (CONTINUED)

(a) FVOCI financial assets

	At 30.06.2020			At 31.12.2019		
	Shareholders' fund RM'000	Family takaful fund RM'000	Company RM'000	Shareholders' fund RM'000	Family takaful fund RM'000	Company RM'000
<b>At amortised cost/cost</b>						
Quoted Shariah-approved equities	17,736	115,974	133,710	8,542	84,547	93,089
Government investment issues	20,597	193,334	213,931	-	136,888	136,888
Unquoted Islamic private debt securities	-	160,462	160,462	-	153,975	153,975
	<u>38,333</u>	<u>469,770</u>	<u>508,103</u>	<u>8,542</u>	<u>375,410</u>	<u>383,952</u>
<b>At fair value</b>						
Quoted Shariah-approved equities	17,010	109,680	126,690	8,596	85,051	93,647
Government investment issues	20,613	200,755	221,368	-	141,393	141,393
Unquoted Islamic private debt securities	-	168,208	168,208	-	159,701	159,701
	<u>37,623</u>	<u>478,643</u>	<u>516,266</u>	<u>8,596</u>	<u>386,145</u>	<u>394,741</u>

201001032332 (916257-H)

GREAT EASTERN TAKAFUL BERHAD  
(Incorporated in Malaysia)

12. INVESTMENTS (CONTINUED)

(b) Financial assets at FVTPL

	At 30.06.2020			At 31.12.2019		
	Shareholders' fund RM'000	Family takaful fund RM'000	Company RM'000	Shareholders' fund RM'000	Family takaful fund RM'000	Company RM'000
<b>At fair value:</b>						
<b>Mandatorily measured:</b>						
Quoted Shariah-approved equities	-	214,707	214,707	-	173,584	173,584
Financial instruments with embedded derivatives	-	119	119	-	242	242
Unit trusts - REITS	-	6,366	6,366	-	6,390	6,390
Units held in investment-linked fund	6,129	-	-	5,929	-	-
Government investment issues	-	33,446	33,446	-	30,600	30,600
Unquoted Islamic private debt securities	-	51,954	51,954	-	46,119	46,119
<b>Designated upon initial recognition:</b>						
Government investment issues	34,251	-	34,251	25,885	-	25,885
Unquoted Islamic private debt securities	69,148	-	69,148	51,310	-	51,310
	<u>109,528</u>	<u>306,592</u>	<u>409,991</u>	<u>83,124</u>	<u>256,935</u>	<u>334,130</u>

201001032332 (916257-H)

**GREAT EASTERN TAKAFUL BERHAD**  
(Incorporated in Malaysia)

**12. INVESTMENTS (CONTINUED)**

**(c) Financial assets at AC**

	At 30.06.2020			At 31.12.2019		
	Shareholders' fund RM'000	Family takaful fund RM'000	Company RM'000	Shareholders' fund RM'000	Family takaful fund RM'000	Company RM'000
<b>At amortised cost/fair value</b>						
Islamic investment accounts with licensed Islamic banks	29,000	111,000	140,000	-	137,300	137,300
	<u>29,000</u>	<u>111,000</u>	<u>140,000</u>	<u>-</u>	<u>137,300</u>	<u>137,300</u>

Included in Islamic investment accounts with licensed Islamic banks of the Company, are short term Islamic investment accounts with original maturity periods of less than 3 months amounting to RM140,000,000 (2019: RM137,300,000), which have been classified as cash and cash equivalents for the purpose of the statement of cash flows.

The carrying value of the Islamic investment accounts with licensed Islamic banks approximates fair value due to the relatively short term maturities.

**(d) Fair values of financial instruments**

The following table shows financial investments recorded at fair value analysed by the different basis of fair values as follows:

	At 30.06.2020			At 31.12.2019		
	Shareholders' fund RM'000	Family takaful fund RM'000	Company RM'000	Shareholders' fund RM'000	Family takaful fund RM'000	Company RM'000
<b>Valuation techniques:</b>						
FVOCI financial assets						
Quoted prices	17,010	109,680	126,690	8,596	85,051	93,647
Market observable inputs	20,613	368,963	389,576	-	301,094	301,094
Financial assets at FVTPL						
Quoted prices	-	221,192	221,192	-	180,216	180,216
Market observable inputs	109,528	85,400	188,799	83,124	76,719	153,914
	<u>147,151</u>	<u>785,235</u>	<u>926,257</u>	<u>91,720</u>	<u>643,080</u>	<u>728,871</u>



**GREAT EASTERN TAKAFUL BERHAD**  
**(Incorporated in Malaysia)**

**13. TAKAFUL RECEIVABLES**

<u>Family takaful fund/Company</u>	At 30.06.2020 RM'000	At 31.12.2019 RM'000
Contributions due from agents, other intermediaries and corporate shareholder	16,216	8,423
Contribution due arising from the mySalam Scheme	822,449	483,609
Amount due arising from retakaful operators	999	1,641
	<u>839,664</u>	<u>493,673</u>
Allowance for impairment	(4,120)	(3,688)
	<u>835,544</u>	<u>489,985</u>
Movement in impairment allowance account:		
Individual impairment:		
At 1 January	(3,688)	(652)
Impairment for the year	(432)	(3,036)
	<u>(4,120)</u>	<u>(3,688)</u>

Description	<u>At 30.06.2020</u>		
	Gross carrying amount RM'000	Gross amounts offset in the statement of financial position RM'000	Net amounts in the statement of financial position RM'000
Retakaful contributions	(1,025)	-	(1,025)
Commission earned	-	-	-
Claims recoveries	-	2,024	2,024
	<u>(1,025)</u>	<u>2,024</u>	<u>999</u>

**GREAT EASTERN TAKAFUL BERHAD**  
**(Incorporated in Malaysia)**

**13. TAKAFUL RECEIVABLES (CONTINUED)**

Description	At 31.12.2019		
	Gross carrying amount RM'000	Gross amounts offset in the statement of financial position RM'000	Net amounts in the statement of financial position RM'000
Retakaful contributions	(9,043)	-	(9,043)
Commission earned	-	70	70
Claims recoveries	-	10,614	10,614
	<u>(9,043)</u>	<u>10,684</u>	<u>1,641</u>

The carrying amounts disclosed above approximate fair values at the reporting date due to the relatively short-term maturity of these balances.

**14. RETAKAFUL ASSETS**

<u>Family takaful fund/Company</u>	At 30.06.2020 RM'000	At 31.12.2019 RM'000
Retakaful of takaful certificates	147,269	154,512
Retakaful of takaful certificates arising from the mySalam Scheme	383,083	213,889
Total retakaful of takaful certificates	<u>530,352</u>	<u>368,401</u>

**15. TAKAFUL CERTIFICATE LIABILITIES**

<u>Family takaful fund</u> 30.06.2020	Gross RM'000	Retakaful RM'000	Net RM'000
Provision for outstanding claims reported by certificate holders	72,285	(55,231)	17,054
Actuarial reserves	129,331	(92,038)	37,293
Participants' investment account ("PIA")	340,148	-	340,148
Net asset value attributable to certificate holders	354,138	-	354,138
Accumulated surplus	77,687	-	77,687
Takaful certificate liabilities for mySalam (including accumulated surplus)	884,036	(383,083)	500,953
	<u>1,857,625</u>	<u>(530,352)</u>	<u>1,327,273</u>

**GREAT EASTERN TAKAFUL BERHAD**  
**(Incorporated in Malaysia)**

**15. TAKAFUL CERTIFICATE LIABILITIES (CONTINUED)**

The movement of the family takaful certificate liabilities is further analysed as follows:

	<b>Gross RM'000</b>	<b>Retakaful RM'000</b>	<b>Net RM'000</b>
At 1.1.2020	1,334,528	(368,401)	966,127
Benefits intimated during the period	58,372	(14,864)	43,508
Benefits paid during the period	(72,314)	19,644	(52,670)
Increase in liabilities due to:			
Portfolio movements	62,346	1,432	63,778
Surplus allocated to participants during the year	22	-	22
Change in assumptions and basis	(800)	1,031	231
Surplus arising during the period	44,600	-	44,600
Movement of takaful certificate liabilities for mySalam	430,871	(169,194)	261,677
At 30.06.2020	<u>1,857,625</u>	<u>(530,352)</u>	<u>1,327,273</u>

<b><u>Family takaful fund</u></b>	<b>Gross RM'000</b>	<b>Retakaful RM'000</b>	<b>Net RM'000</b>
<b>31.12.2019</b>			
Provision for outstanding claims reported by certificate holders	86,226	(60,011)	26,215
Actuarial reserves	128,562	(94,501)	34,061
Participants' investment account ("PIA")	321,458	-	321,458
Net asset value attributable to certificate holders	312,031	-	312,031
Accumulated surplus	33,087	-	33,087
Takaful certificate liabilities for mySalam (including accumulated surplus)	453,164	(213,889)	239,275
	<u>1,334,528</u>	<u>(368,401)</u>	<u>966,127</u>

The movement of the family takaful certificate liabilities is further analysed as follows:

<b><u>Family takaful fund</u></b>	<b>Gross RM'000</b>	<b>Retakaful RM'000</b>	<b>Net RM'000</b>
At 1.1.2019	666,627	(124,132)	542,495
Benefits intimated during the year	218,858	(102,345)	116,513
Benefits paid during the year	(156,642)	58,352	(98,290)
Increase in liabilities due to:			
Portfolio movements	402,937	(202,764)	200,173
Surplus allocated to participants during the year	16,534	-	16,534
Change in assumptions and basis	(3,243)	2,488	(755)
Surplus arising during the period	189,457	-	189,457
At 31.12.2019	<u>1,334,528</u>	<u>(368,401)</u>	<u>966,127</u>

**GREAT EASTERN TAKAFUL BERHAD**  
**(Incorporated in Malaysia)**

**15. TAKAFUL CERTIFICATE LIABILITIES (CONTINUED)**

<u>Company</u> 30.06.2020	<b>Gross</b> <b>RM'000</b>	<b>Retakaful</b> <b>RM'000</b>	<b>Net</b> <b>RM'000</b>
Provision for outstanding claims reported by certificate holders	83,437	(64,152)	19,285
Actuarial reserves	815,075	(466,200)	348,875
Participants' investment account ("PIA")	340,148	-	340,148
Net asset value attributable to certificate holders	350,499	-	350,499
Accumulated surplus	264,827	-	264,827
Unallocated surplus	23,061	-	23,061
FVOCI reserves	9,056	-	9,056
	<u>1,886,103</u>	<u>(530,352)</u>	<u>1,355,751</u>

The movement of the family takaful certificate liabilities is further analysed as follows:

	<b>Gross</b> <b>RM'000</b>	<b>Retakaful</b> <b>RM'000</b>	<b>Net</b> <b>RM'000</b>
At 1.1.2020	1,365,259	(368,401)	996,858
Benefits intimated during the period	79,773	(31,985)	47,788
Benefits paid during the period	(91,494)	34,988	(56,506)
Increase in liabilities due to:			
Portfolio movements	562,686	(228,346)	334,340
Change in assumptions and basis	(73,827)	63,392	(10,435)
Net surplus arising during the period	45,937	-	45,937
Surplus distributable to participants	(459)	-	(459)
FVOCI fair value loss for the period	(1,920)	-	(1,920)
Deferred tax relating to FVOCI fair value loss	148	-	148
At 30.06.2020	<u>1,886,103</u>	<u>(530,352)</u>	<u>1,355,751</u>

**GREAT EASTERN TAKAFUL BERHAD**  
**(Incorporated in Malaysia)**

**15. TAKAFUL CERTIFICATE LIABILITIES (CONTINUED)**

<u>Company</u> 31.12.2019	<b>Gross</b> <b>RM'000</b>	<b>Retakaful</b> <b>RM'000</b>	<b>Net</b> <b>RM'000</b>
Provision for outstanding claims reported by certificate holders	95,157	(67,156)	28,001
Actuarial reserves	386,992	(301,245)	85,747
Participants' investment account ("PIA")	321,458	-	321,458
Net asset value attributable to certificate holders	308,392	-	308,392
Accumulated surplus	218,890	-	218,890
Unallocated surplus	23,542	-	23,542
FVOCI reserves	10,828	-	10,828
	<u>1,365,259</u>	<u>(368,401)</u>	<u>996,858</u>

The movement of the family takaful certificate liabilities is further analysed as follows:

	<b>Gross</b> <b>RM'000</b>	<b>Retakaful</b> <b>RM'000</b>	<b>Net</b> <b>RM'000</b>
At 1.1.2019	682,846	(124,132)	558,714
Benefits intimated during the year	218,858	(102,345)	116,513
Benefits paid during the year	(156,642)	58,352	(98,290)
Increase in liabilities due to:			
Portfolio movements	402,937	(202,764)	200,173
Change in assumptions and basis	(3,243)	2,488	(755)
Deficit arising during the year	189,457	-	189,457
Surplus distributable to participants	18,274	-	18,274
FVOCI fair value gain for the year	13,881	-	13,881
Deferred tax relating to FVOCI fair value gain	(1,109)	-	(1,109)
At 31.12.2019	<u>1,365,259</u>	<u>(368,401)</u>	<u>996,858</u>

**GREAT EASTERN TAKAFUL BERHAD**  
**(Incorporated in Malaysia)**

**16. REGULATORY CAPITAL REQUIREMENT**

The capital structure of the Company as at 30 June 2020, as prescribed under the Risk-Based Capital Framework for Takaful Operators ("RBCT") is provided below:

<b>30.06.2020</b>	<b>Shareholders' fund RM'000</b>	<b>Family takaful fund RM'000</b>	<b>Company RM'000</b>
<b>Eligible Tier 1 Capital</b>			
Share capital	175,000	-	175,000
Accumulated losses	(91,013)	-	(91,013)
Valuation surplus maintained in the takaful funds	-	56,910	56,910
	<u>83,987</u>	<u>56,910</u>	<u>140,897</u>
<b>Eligible Tier 2 Capital</b>			
Available-for-sale reserves	(565)	(3,396)	(3,961)
Redeemable preference shares	20,000	-	20,000
	<u>19,435</u>	<u>(3,396)</u>	<u>16,039</u>
<b>Deductions</b>			
Intangible assets	(4,941)	-	(4,941)
Deferred tax assets	-	-	-
	<u>(4,941)</u>	<u>-</u>	<u>(4,941)</u>
<b>Capital Available</b>	<u>98,481</u>	<u>53,514</u>	<u>151,995</u>
Less: Adjustment for family takaful fund (limited to 130% of Total Capital Required)	-	(41,023)	(41,023)
<b>Total Capital Available</b>	<u>98,481</u>	<u>12,491</u>	<u>110,972</u>

**GREAT EASTERN TAKAFUL BERHAD**  
**(Incorporated in Malaysia)**

**16. REGULATORY CAPITAL REQUIREMENT (CONTINUED)**

31.12.2019	Shareholders' fund RM'000	Family takaful fund RM'000	Company RM'000
<b>Eligible Tier 1 Capital</b>			
Share capital	135,000	-	135,000
Accumulated losses	(85,998)	-	(85,998)
Valuation surplus maintained in the takaful funds	-	21,907	21,907
	<u>49,002</u>	<u>21,907</u>	<u>70,909</u>
<b>Eligible Tier 2 Capital</b>			
Available-for-sale reserves	41	(1,601)	(1,560)
Redeemable preference shares	20,000	-	20,000
	<u>20,041</u>	<u>(1,601)</u>	<u>18,440</u>
<b>Deductions</b>			
Intangible assets	(8,244)	-	(8,244)
	<u>(8,244)</u>	<u>-</u>	<u>(8,244)</u>
<b>Capital Available</b>			
	<u>60,799</u>	<u>20,306</u>	<u>81,105</u>
Less: Adjustment for family takaful fund (limited to 130% of Total Capital Required)	-	(7,473)	(7,473)
<b>Total Capital Available</b>	<u>60,799</u>	<u>12,833</u>	<u>73,632</u>