

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

**Unaudited Interim Condensed Financial Statements**

**For the six-month ended 30 June 2021**

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

**Unaudited interim condensed financial statements for the six-month ended 30 June 2021**

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

**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

	Note	2021			2020		
		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		12,215	-	12,215	8,937	-	8,937
Right-of-use assets		3,119	-	3,119	2,805	-	2,805
Intangible assets		9,617	-	9,617	11,782	-	11,782
Investments	12	157,004	1,118,204	1,275,208	150,352	1,177,486	1,327,838
Retakaful assets	13	-	546,789	546,789	-	801,339	801,339
Takaful receivables	14	-	1,455,066	1,455,066	-	919,067	919,067
Other receivables		55,822	8,139	18,406	64,816	6,617	11,758
Deferred tax assets		796	1,188	1,984	48	-	48
Tax recoverable		5,715	-	1,781	-	-	-
Cash and bank balances		21,957	78,265	100,222	11,081	23,039	34,120
<b>Total assets</b>		<b>266,245</b>	<b>3,207,651</b>	<b>3,424,407</b>	<b>249,821</b>	<b>2,927,548</b>	<b>3,117,694</b>
<b>Equity</b>							
Share capital		195,000	-	195,000	195,000	-	195,000
Accumulated losses		(79,356)	-	(79,356)	(78,795)	-	(78,795)
Other comprehensive loss fair value reserves		(1,715)	-	(1,715)	(863)	-	(863)
<b>Total equity</b>		<b>113,929</b>	<b>-</b>	<b>113,929</b>	<b>115,342</b>	<b>-</b>	<b>115,342</b>
<b>Liabilities and participants' fund</b>							
Participants' fund		-	4,752	-	-	67,421	-
Expense liabilities		58,219	-	58,219	46,752	-	46,752
Takaful certificate liabilities	15	-	2,200,563	2,205,315	-	2,004,607	2,072,028
Lease liabilities		3,349	-	3,349	3,025	-	3,025
Takaful payables		5,468	857,466	862,934	10,433	695,765	706,198
Other payables		66,754	140,936	162,135	48,485	154,123	142,933
Provisions		3,337	-	3,337	8,790	-	8,790
Amounts due to related companies		15,113	-	15,113	14,488	-	14,488
Deferred tax liabilities		-	-	-	-	2,011	2,011
Provision for zakat		76	-	76	26	-	26
Provision for taxation		-	3,934	-	2,480	3,621	6,101
<b>Total liabilities and participants' fund</b>		<b>152,316</b>	<b>3,207,651</b>	<b>3,310,478</b>	<b>134,479</b>	<b>2,927,548</b>	<b>3,002,352</b>
<b>Total equity, liabilities and participants' fund</b>		<b>266,245</b>	<b>3,207,651</b>	<b>3,424,407</b>	<b>249,821</b>	<b>2,927,548</b>	<b>3,117,694</b>

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

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

**UNAUDITED INCOME STATEMENT**  
**FOR THE SIX-MONTH ENDED 30 JUNE 2021**

	2021			2020		
	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>	148,036	-	-	121,377	-	-
Gross earned contributions	-	935,568	935,568	-	783,742	783,742
Earned contributions ceded to retakaful operators	-	(306,993)	(306,993)	-	(263,865)	(263,865)
<b>Net earned contributions</b>	-	628,575	628,575	-	519,877	519,877
Investment income	2,457	17,312	19,769	2,004	15,250	17,254
Realised (loss)/gain	(220)	(1,352)	(1,572)	1,103	(8,261)	(7,148)
Fair value (loss)/gain	(2,066)	(24,952)	(27,018)	(231)	11,878	11,448
Fee and commission income	-	905	123	-	2,265	545
Other operating revenue	(7,346)	310	(7,036)	91	374	465
<b>Other revenue</b>	(7,175)	(7,777)	(15,734)	2,967	21,506	22,563
Gross benefits and claims paid	-	(154,224)	(154,224)	-	(91,494)	(91,494)
Claims ceded to retakaful operators	-	87,429	87,429	-	34,989	34,989
Gross change in certificate liabilities	-	(99,483)	(149,615)	-	(478,003)	(522,777)
Change in certificate liabilities ceded to retakaful operators	-	(254,551)	(254,551)	-	161,951	161,951
<b>Net benefits and claims</b>	-	(420,829)	(470,961)	-	(372,557)	(417,331)
Change in expense liabilities	(11,467)	-	(11,467)	(10,743)	-	(10,743)
Wakalah fee expense	-	(148,036)	-	-	(121,377)	-
Commission expenses/administration fees	(70,457)	(1,153)	(70,828)	(53,393)	(1,480)	(53,154)
Management expenses	(59,858)	(2,252)	(62,110)	(64,579)	(439)	(65,018)
Operating expenses	-	507	507	-	-	-
Impairment loss on FVOCI financial assets	5	(597)	(592)	(11)	56	45
Taxation of family takaful business	-	1,694	1,694	-	(822)	(822)
<b>Other expenses</b>	(141,777)	(149,837)	(142,796)	(128,726)	(124,062)	(129,692)

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GREAT EASTERN TAKAFUL BERHAD  
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UNAUDITED INCOME STATEMENT (CONTINUED)  
FOR THE SIX-MONTH ENDED 30 JUNE 2021

	2021			2020		
	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>	(916)	50,132	(916)	(4,382)	44,764	(4,583)
Surplus attributable to participants	-	(50,132)	-	-	(44,764)	-
<b>Loss before zakat and taxation</b>	(916)	-	(916)	(4,383)	-	(4,583)
Zakat	(50)	-	(50)	(50)	-	(50)
Taxation	147	-	147	(582)	-	(582)
<b>Net loss for the period</b>	<b>(819)</b>	<b>-</b>	<b>(819)</b>	<b>(5,015)</b>	<b>-</b>	<b>(5,215)</b>
<b>Loss per share (sen)</b>						
Basic and diluted	-	-	(0.5)	-	-	(3.8)

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

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**GREAT EASTERN TAKAFUL BERHAD**  
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**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX-MONTH ENDED 30 JUNE 2021**

	2021			2020		
	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 period</b>	(819)	-	(819)	(5,015)	-	(5,215)
<b>Other comprehensive loss:</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 on fair value changes	(711)	(2,415)	(3,126)	(797)	(6,809)	(7,606)
Tax on realised (loss)/gain	(81)	(34)	(115)	4	11	15
Deferred tax relating to components of other comprehensive income	252	196	448	187	544	731
	<u>(540)</u>	<u>(2,253)</u>	<u>(2,793)</u>	<u>(606)</u>	<u>(6,254)</u>	<u>(6,860)</u>
<b>Other comprehensive income/(loss) that will be reclassified to income statement in subsequent periods (net of tax):</b>						
Islamic debt instruments at FVOCI:						
Net (loss)/gain on fair value changes	(15)	(12,495)	(12,510)	16	6,400	6,416
Net realised gain transferred to income statement	(34)	(465)	(499)	-	(1,466)	(1,466)
Changes in allowance for Expected Credit Loss ("ECL")	(5)	597	592	11	(55)	(44)
Deferred tax relating to components of other comprehensive income/(loss)	-	1,030	1,030	-	(396)	(396)
Other comprehensive income attributable to participants	-	13,586	13,586	-	1,771	1,771
Other comprehensive (loss)/income for the period, net of tax	<u>(54)</u>	<u>2,253</u>	<u>2,199</u>	<u>27</u>	<u>6,254</u>	<u>6,281</u>
<b>Total comprehensive loss for the period</b>	<u>(1,413)</u>	<u>-</u>	<u>(1,413)</u>	<u>(5,594)</u>	<u>-</u>	<u>(5,794)</u>

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

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**GREAT EASTERN TAKAFUL BERHAD**  
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**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX-MONTH ENDED 30 JUNE 2021**

	<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 2020</b>	155,000	41	(87,940)	67,101
Net loss for the period	-	-	(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>
<b>At 1 January 2021</b>	195,000	(863)	(78,795)	115,342
Net loss for the period	-	-	(819)	(819)
Other comprehensive loss	-	(594)	-	(594)
Total comprehensive loss	-	(594)	(819)	(1,413)
Transfer of fair value reserve of equity instruments designated at FVOCI	-	(258)	258	-
<b>At 30 June 2021</b>	<b>195,000</b>	<b>(1,715)</b>	<b>(79,356)</b>	<b>113,929</b>

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

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

**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 JUNE 2021**

	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Loss before zakat and taxation	(916)	(4,583)
Adjustments for:		
Depreciation for motor vehicles and equipment	1,284	2,595
Depreciation for right-of-use assets	668	690
Amortisation of intangible assets	2,564	1,605
Investment income	(19,769)	(17,253)
Realised gain	1,574	7,158
Fair value gain/(loss) in income statement	27,017	(11,448)
Impairment gain/(loss) on FVOCI financial assets	592	(45)
Profit expense on lease liabilities	(102)	(141)
Taxation of family takaful business	(1,694)	822
Operating profit/(loss) before working capital changes	11,218	(20,600)
Purchase of FVOCI investments	(186,777)	(237,837)
Proceeds from sales of FVOCI investments	233,960	115,137
Purchase of FVTPL investments	(477,629)	(501,110)
Proceeds from sales of FVTPL investments	363,107	428,072
Decrease in loans and receivables	30,000	-
Increase in takaful and other receivables	(542,291)	(358,609)
Decrease/(Increase) in retakaful assets	254,550	(161,951)
Increase in lease liabilities	1,187	310
Increase in takaful and other payables	182,068	223,239
Increase in takaful certificate liabilities	146,874	522,616
Net change in balance with related companies	625	9,140
Cash generated from operating activities	16,891	18,407
Income tax paid	(8,625)	(2,073)
Investment income received	19,088	16,339
<b>Net cash generated from operating activities</b>	<b>27,354</b>	<b>32,673</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of motor vehicles and equipment	(4,561)	(3,067)
Increase of right-of-use assets	(982)	-
Proceeds from disposal of intangible assets	-	2,683
Purchase of intangible assets	(399)	(984)
<b>Net cash used in investing activities</b>	<b>(5,942)</b>	<b>(1,368)</b>
<b>FINANCING ACTIVITIES</b>		
Issuance of shares	-	40,000
Repayment of lease liabilities	(760)	(781)
<b>Net cash (used in)/generated from financing activities</b>	<b>(760)</b>	<b>39,219</b>



**GREAT EASTERN TAKAFUL BERHAD**  
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**STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE PERIOD ENDED 30 JUNE 2021**

	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Net increase in cash and cash equivalents	20,652	70,524
Cash and cash equivalents at beginning of period	<u>267,120</u>	<u>168,115</u>
<b>Cash and cash equivalents at end of period</b>	<b><u>287,772</u></b>	<b><u>238,639</u></b>
Cash and cash equivalents comprise:		
Cash and bank balances	100,222	98,639
Short term Islamic investment accounts with original maturity period of less than 3 months	<u>187,550</u>	<u>140,000</u>
	<b><u>287,772</u></b>	<b><u>238,639</u></b>

**Reconciliation of liabilities arising from financing activities:**

	<b>Balances as at beginning of the financial period RM'000</b>	<b>Net cash flow from operating activities RM'000</b>	<b>Net cash flow from financing activities RM'000</b>	<b>Additions to lease liability RM'000</b>	<b>Finance cost of leases RM'000</b>	<b>Balances as at year end of the financial period RM'000</b>
<b>2021</b>						
Lease liabilities	3,025	102	(760)	983	-	3,349
<b>2020</b>						
Lease liabilities	4,277	262	(1,514)	-	-	3,025

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 2021**

**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").

As at the reporting date, the Company has met the minimum capital adequacy requirements as prescribed under the Risk-Based Capital Framework for Takaful Operators ("RBCT") issued by Bank Negara Malaysia ("BNM").

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 2020.

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 2020.

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 2020, except for the adoption of the following standards, amendments to standards and interpretation of standards:

On 1 January 2021, the Company adopted the following amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2021.

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 *Interest Rate Benchmark Reform - Phase 2*

**GREAT EASTERN TAKAFUL BERHAD**  
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**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

On 1 April 2021, the Company adopted the following amended MFRSs mandatory for annual financial periods beginning on or after 1 April 2021.

- Amendments to MFRS 16 *Covid-19-Related Rent Concessions beyond 30 June 2021*

The adoption of the above did not have any significant effects on the interim condensed financial statements upon their initial recognition.

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

The following are standards, amendments to standards and interpretation to standards issued by MASB that will be effective for the Company in future years. The Company intends to adopt these standards, amendments to standards and interpretation to standards, if applicable, when they become effective.

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

- Amendments to MFRS 116 *Proceeds before Intended Use*
- Amendments to MFRS 3 *Reference to the Conceptual Framework*
- Amendments to MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRSs 2018 – 2020 Cycle)*
- Amendments to MFRS 9 *Financial Instruments (Annual Improvements to MFRSs 2018 – 2020 Cycle)*
- Amendments to MFRS 16 *Leases (Annual Improvements to MFRSs 2018 – 2020 Cycle)*
- Amendments to MFRS 141 *Agriculture (Annual Improvements to MFRSs 2018 – 2020 Cycle)*
- Amendments to MFRS 137 *Onerous Contracts – Cost of Fulfilling a Contract*

**Effective for financial periods beginning on or after 1 January 2023**

- Amendments to MFRS 101 *Classification of liabilities as current or non-current*
- Amendments to MFRS 101, MFRS Practice Statement 2 *Disclosure of Accounting Policies* and MFRS 108 *Definition of Accounting Estimates*
- Amendments to MFRS 112 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to MFRS 17 *Insurance Contracts*

**Deferred**

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

**GREAT EASTERN TAKAFUL BERHAD**  
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**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure, was issued to replace MFRS 4.

**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.

**4. UNUSUAL ITEMS**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows for the financial period ended 30 June 2021.

**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.

**GREAT EASTERN TAKAFUL BERHAD**  
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**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 2020 did not contain any qualification.

**11. CONTINGENT LIABILITIES**

There were no contingent liabilities as at 30 June 2021.

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**12. INVESTMENTS**

	At 30.06.2021			At 31.12.2020		
	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	17,508	50,939	68,447	16,545	108,639	125,184
Government investment issues	508	200,453	200,961	10,777	229,750	240,527
Unquoted Islamic private debt securities	-	215,092	215,092	-	181,724	181,724
Financial assets at FVTPL:						
Quoted Shariah-approved equities	5,167	361,468	366,635	13,451	285,758	299,209
Financial instruments with embedded derivatives	-	114	114	-	101	101
Unit trusts - REITS	-	10,928	10,928	-	2,459	2,459
Government investment issues	42,407	21,676	64,083	41,154	43,353	84,507
Unquoted Islamic private debt securities	65,514	95,884	161,398	59,025	72,102	131,127
Financial assets at AC:						
Islamic investment accounts with licensed Islamic banks	25,900	161,650	187,550	9,400	253,600	263,000
	<u>157,004</u>	<u>1,118,204</u>	<u>1,275,208</u>	<u>150,352</u>	<u>1,177,486</u>	<u>1,327,838</u>

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

	At 30.06.2021			At 31.12.2020		
	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	18,016	466,484	484,500	27,322	520,113	547,435
Financial assets at FVTPL	113,088	490,070	603,158	113,630	403,773	517,403
Financial assets at AC	25,900	161,650	187,550	9,400	253,600	263,000
	<u>157,004</u>	<u>1,118,204</u>	<u>1,275,208</u>	<u>150,352</u>	<u>1,177,486</u>	<u>1,327,838</u>

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12. INVESTMENTS (CONTINUED)

(a) FVOCI financial assets

	At 30.06.2021			At 31.12.2020		
	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	19,768	58,771	78,539	17,754	114,022	131,776
Government investment issues	507	199,638	200,145	10,726	222,505	233,231
Unquoted Islamic private debt securities	-	213,709	213,709	-	173,810	173,810
	<u>20,275</u>	<u>472,118</u>	<u>492,393</u>	<u>28,480</u>	<u>510,337</u>	<u>538,817</u>
<b>At fair value</b>						
Quoted Shariah-approved equities	17,508	50,939	68,447	16,545	108,639	125,184
Government investment issues	508	200,453	200,961	10,777	229,750	240,527
Unquoted Islamic private debt securities	-	215,092	215,092	-	181,724	181,724
	<u>18,016</u>	<u>466,484</u>	<u>484,500</u>	<u>27,322</u>	<u>520,113</u>	<u>547,435</u>

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12. INVESTMENTS (CONTINUED)

(b) Financial assets at FVTPL

	At 30.06.2021			At 31.12.2020		
	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	5,167	361,468	366,635	13,451	285,758	299,209
Financial instruments with embedded derivatives	-	114	114	-	101	101
Unit trusts - REITS	-	10,928	10,928	-	2,459	2,459
Government investment issues	-	21,676	21,676	-	43,353	43,353
Unquoted Islamic private debt securities	-	95,884	95,884	-	72,102	72,102
<b>Designated upon initial recognition:</b>						
Government investment issues	42,407	-	42,407	41,154	-	41,154
Unquoted Islamic private debt securities	65,514	-	65,514	59,025	-	59,025
	<u>113,088</u>	<u>490,070</u>	<u>603,158</u>	<u>113,630</u>	<u>403,773</u>	<u>517,403</u>



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**12. INVESTMENTS (CONTINUED)**

**(c) Financial assets at AC**

	At 30.06.2021			At 31.12.2020		
	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	25,900	161,650	187,550	9,400	253,600	263,000
	<u>25,900</u>	<u>161,650</u>	<u>187,550</u>	<u>9,400</u>	<u>253,600</u>	<u>263,000</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 RM187,550,000 (31.12.2020: RM233,000,000), 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 30.06.2021			At 31.12.2020		
	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	17,508	50,939	68,447	16,545	108,639	125,184
Market observable inputs	508	415,545	416,053	10,777	411,474	422,251
Financial assets at FVTPL						
Quoted prices	5,167	372,510	377,677	13,451	288,318	301,769
Market observable inputs	107,921	117,560	225,481	100,179	115,455	215,634
	<u>131,104</u>	<u>956,554</u>	<u>1,087,658</u>	<u>140,952</u>	<u>923,886</u>	<u>1,064,838</u>

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**13. RETAKAFUL ASSETS**

<u>Family takaful fund/Company</u>	At 30.06.2021 RM'000	At 31.12.2020 RM'000
Retakaful of takaful certificates	163,552	170,567
Retakaful of takaful certificates arising from the mySalam Scheme	383,237	630,772
Total retakaful of takaful certificates	<u>546,789</u>	<u>801,339</u>

**14. TAKAFUL RECEIVABLES**

<u>Family takaful fund/Company</u>	At 30.06.2021 RM'000	At 31.12.2020 RM'000
Contributions due from agents, other intermediaries and corporate shareholder	16,730	8,063
Contribution due arising from the mySalam Scheme	1,439,106	911,549
Amount due arising from retakaful operators	3,505	1,486
	<u>1,459,341</u>	<u>921,098</u>
Allowance for impairment	(4,275)	(2,031)
	<u>1,455,066</u>	<u>919,067</u>
Movement in impairment allowance account:		
Individual impairment:		
At 1 January	(2,031)	(3,688)
Impairment for the year	(2,244)	1,657
	<u>(4,275)</u>	<u>(2,031)</u>

Description	<u>At 30.06.2021</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
Commission earned	59	-	59
Claims recoveries	-	13,200	13,200
Retakaful contributions	(9,754)	-	(9,754)
	<u>(9,695)</u>	<u>13,200</u>	<u>3,505</u>

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**14. TAKAFUL RECEIVABLES (CONTINUED)**

Description	At 31.12.2020		
	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
Claims recoveries	-	2,144	2,144
Retakaful contributions	(658)	-	(658)
	<u>(658)</u>	<u>2,144</u>	<u>1,486</u>

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

**15. TAKAFUL CERTIFICATE LIABILITIES**

<u>Family takaful fund</u> 30.06.2021	Gross RM'000	Retakaful RM'000	Net RM'000
Provision for outstanding claims reported by certificate holders	95,675	(69,710)	25,965
Actuarial reserves	141,667	(93,842)	47,825
Participants' investment account ("PIA")	404,839	-	404,839
Net asset value attributable to certificate holders	465,300	-	465,300
Accumulated surplus	109,120		109,120
Takaful certificate liabilities for mySalam (including accumulated surplus)	983,962	(383,237)	600,725
	<u>2,200,563</u>	<u>(546,789)</u>	<u>1,653,774</u>

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

	Gross RM'000	Retakaful RM'000	Net RM'000
At 1.1.2021	2,004,607	(801,339)	1,203,268
Benefits intimated during the period	101,285	(36,483)	64,802
Benefits paid during the period	(92,856)	32,197	(60,659)
Increase in liabilities due to:			
Portfolio movements	59,190	11,302	70,492
Surplus allocated to participants during the year	3,127	-	3,127
Change in assumptions and basis	(1,000)	-	(1,000)
Surplus arising during the period	65,597	-	65,597
Movement of takaful certificate liabilities for mySalam	60,613	247,534	308,147
At 30.06.2021	<u>2,200,563</u>	<u>(546,789)</u>	<u>1,653,774</u>

**GREAT EASTERN TAKAFUL BERHAD**  
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**15. TAKAFUL CERTIFICATE LIABILITIES (CONTINUED)**

<b>Family takaful fund</b> <b>31.12.2020</b>	<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	87,246	(65,424)	21,822
Actuarial reserves	149,090	(105,143)	43,947
Participants' investment account ("PIA")	368,461	-	368,461
Net asset value attributable to certificate holders	432,936	-	432,936
Accumulated surplus	43,525	-	43,525
Takaful certificate liabilities for mySalam (including accumulated surplus)	923,349	(630,772)	292,577
	<u>2,004,607</u>	<u>(801,339)</u>	<u>1,203,268</u>

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

<b>Family takaful fund</b>	<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	1,334,528	(368,401)	966,127
Benefits intimated during the year	166,010	(50,041)	115,969
Benefits paid during the year	(164,992)	44,629	(120,363)
Increase in liabilities due to:			
Portfolio movements	163,841	(4,013)	159,828
Surplus allocated to participants during the year	17,204	-	17,204
Change in assumptions and basis	7,394	(6,630)	764
Surplus arising during the period	10,437	-	10,437
Movement of takaful certificate liabilities for mySalam	470,185	(416,883)	53,302
At 31.12.2020	<u>2,004,607</u>	<u>(801,339)</u>	<u>1,203,268</u>

<b>Company</b> <b>30.06.2021</b>	<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	179,526	(147,677)	31,849
Actuarial reserves	786,117	(399,112)	387,005
Participants' investment account ("PIA")	404,839	-	404,839
Net asset value attributable to certificate holders	465,300	-	465,300
Accumulated surplus	364,781	-	364,781
Unallocated surplus	8,010	-	8,010
FVOCI reserves	(3,258)	-	(3,258)
	<u>2,205,315</u>	<u>(546,789)</u>	<u>1,658,525</u>

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

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

	<b>Gross RM'000</b>	<b>Retakaful RM'000</b>	<b>Net RM'000</b>
At 1.1.2021	2,072,028	(801,339)	1,270,689
Benefits intimated during the period	211,368	(135,176)	76,192
Benefits paid during the period	(154,225)	87,429	(66,796)
Increase in liabilities due to:			
Portfolio movements	40,238	302,297	342,535
Change in assumptions and basis	(1,000)	-	(1,000)
Net surplus arising during the period	96,447	-	96,447
Surplus distributable to participants	(45,955)	-	(45,955)
FVOCI fair value loss for the period	(14,812)	-	(14,812)
Deferred tax relating to FVOCI fair value loss	1,226	-	1,226
At 30.06.2021	<u>2,205,315</u>	<u>(546,789)</u>	<u>1,658,525</u>

<b><u>Company</u></b>	<b>Gross RM'000</b>	<b>Retakaful RM'000</b>	<b>Net RM'000</b>
<b>31.12.2020</b>			
Provision for outstanding claims reported by certificate holders	122,383	(99,930)	22,453
Actuarial reserves	812,491	(701,409)	111,082
Participants' investment account ("PIA")	368,461	-	368,461
Net asset value attributable to certificate holders	432,936	-	432,936
Accumulated surplus	268,336	-	268,336
Unallocated surplus	57,092	-	57,092
FVOCI reserves	10,329	-	10,329
	<u>2,072,028</u>	<u>(801,339)</u>	<u>1,270,689</u>

The movement of the company 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	1,365,259	(368,401)	996,858
Benefits intimated during the year	265,688	(144,725)	120,963
Benefits paid during the year	(238,464)	111,952	(126,512)
Increase in liabilities due to:			
Portfolio movements	706,080	(512,833)	193,247
Change in assumptions and basis	(129,874)	112,668	(17,206)
Deficit arising during the year	53,084	-	53,084
Surplus distributable to participants	50,754	-	50,754
FVOCI fair value gain for the year	(607)	-	(607)
Deferred tax relating to FVOCI fair value gain	108	-	108
At 31.12.2020	<u>2,072,028</u>	<u>(801,339)</u>	<u>1,270,689</u>

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**16. REGULATORY CAPITAL REQUIREMENT**

The capital structure of the Company as at 30 June 2021, as prescribed under the Risk-Based Capital Framework for Takaful Operators ("RBCT") is provided below:

<b>30.06.2021</b>	<b>Shareholders' fund RM'000</b>	<b>Family takaful fund RM'000</b>	<b>Company RM'000</b>
Tier-1 Capital	95,386	90,703	186,089
Tier-2 Capital	18,540	204	18,744
Deductions	10,318	45	10,363
Capital Available	<u>103,608</u>	<u>90,862</u>	<u>194,470</u>
Credit risk capital charges	2,773	1,338	4,111
Market risk capital charges	8,416	2,995	11,412
Takaful liability risk capital charges	-	6,151	6,151
Operational risk capital charges	13,345	-	13,345
Expense risk capital charges	5,123	-	5,123
Capital Charges	<u>29,657</u>	<u>10,485</u>	<u>40,141</u>
Capital Required	29,657	10,485	40,141
Total Capital Available	<u>103,608</u>	<u>13,629</u>	<u>117,237</u>
Total Capital Required			40,141
Capital Adequacy Ratio (%)			292.06%

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

<b>31.12.2020</b>	<b>Shareholders' fund RM'000</b>	<b>Family takaful fund RM'000</b>	<b>Company RM'000</b>
Tier-1 Capital	96,205	38,011	134,216
Tier-2 Capital	19,081	(3,507)	15,574
Deductions	(11,658)	-	(11,658)
Capital Available	<u>103,628</u>	<u>34,504</u>	<u>138,132</u>
Credit risk capital charges	1,946	1,279	3,225
Market risk capital charges	9,101	4,311	13,412
Takaful liability risk capital charges	-	4,465	4,465
Operational risk capital charges	12,222	-	12,222
Expense risk capital charges	5,968	-	5,968
Capital Charges	<u>29,237</u>	<u>10,055</u>	<u>39,292</u>
Capital Required	29,237	10,055	39,292
Total Capital Available	<u>103,628</u>	<u>34,504</u>	<u>138,132</u>
Total Capital Required			39,292
Capital Adequacy Ratio (%)			297.01%