

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

Unaudited Interim Condensed Financial Statements

For the six-month ended 30 June 2022

GREAT EASTERN TAKAFUL BERHAD
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(Incorporated in Malaysia)

Unaudited interim condensed financial statements for the six-month ended 30 June 2022

CONTENTS	PAGE
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 - 7
Notes to the Unaudited Interim Condensed Financial Statements	8 - 21

201001032332 (916257-H)

GREAT EASTERN TAKAFUL BERHAD
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	2022			2021		
		Shareholders' fund RM'000	Family takaful fund RM'000	Company RM'000	Shareholders' fund RM'000	Family takaful fund RM'000	Company RM'000
Assets							
Motor vehicles and equipment		11,577	-	11,577	9,426	-	9,426
Right-of-use assets		1,787	-	1,787	2,453	-	2,453
Intangible assets		7,883	-	7,883	10,114	-	10,114
Investments	12	142,723	953,471	1,096,194	124,762	1,036,569	1,161,331
Retakaful assets	13	-	793,592	793,592	-	728,703	728,703
Takaful receivables	14	-	2,251,562	2,251,562	-	1,435,106	1,435,106
Other receivables		17,539	25,456	24,977	104,727	7,843	24,359
Deferred tax assets		8,170	6,555	14,725	8,396	1,177	9,573
Tax recoverable		7,600	1,331	8,931	-	-	-
Cash and bank balances		218,528	404,845	623,373	138,140	262,539	400,679
Total assets		415,807	4,436,812	4,834,601	398,018	3,471,937	3,781,744
Equity							
Share capital		195,000	-	195,000	195,000	-	195,000
Accumulated losses		(65,632)	-	(65,632)	(60,209)	-	(60,209)
Other comprehensive loss fair value reserves		(1,943)	-	(1,943)	(1,538)	-	(1,538)
Total equity		127,425	-	127,425	133,253	-	133,253
Liabilities and participants' fund							
Participants' fund		-	35,578	-	-	44,459	-
Expense liabilities		69,227	-	69,227	53,821	-	53,821
Takaful certificate liabilities	15	-	2,982,599	3,018,177	-	2,164,715	2,209,174
Lease liabilities		2,007	-	2,007	2,679	-	2,679
Takaful payables		5,562	1,275,918	1,281,480	18,181	1,077,548	1,095,729
Other payables		191,834	142,717	316,533	167,362	183,847	262,998
Provisions		5,220	-	5,220	9,705	-	9,705
Amounts due to related companies		14,452	-	14,452	11,449	-	11,449
Provision for zakat		80	-	80	33	-	33
Provision for taxation		-	-	-	1,535	1,368	2,903
Total liabilities and participants' fund		288,382	4,436,812	4,707,176	264,765	3,471,937	3,648,491
Total equity, liabilities and participants' fund		415,807	4,436,812	4,834,601	398,018	3,471,937	3,781,744

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 2022

	2022			2021		
	Shareholders' fund RM'000	Family takaful fund RM'000	Company RM'000	Shareholders' fund RM'000	Family takaful fund RM'000	Company RM'000
Wakalah fee income	166,119	-	-	148,036	-	-
Gross earned contributions	-	1,423,584	1,423,584	-	935,568	935,568
Earned contributions ceded to retakaful operators	-	(360,662)	(360,662)	-	(306,993)	(306,993)
Net earned contributions	-	1,062,922	1,062,922	-	628,575	628,575
Investment income	3,494	17,679	21,173	2,457	17,312	19,769
Realised losses	(946)	(11,723)	(12,669)	(220)	(1,352)	(1,572)
Fair value losses	(1,609)	(60,147)	(61,756)	(2,066)	(24,952)	(27,018)
Fee and commission income	-	572	220	-	905	123
Other operating revenue/(expense)	-	193	193	(7,346)	310	(7,036)
Other revenue	939	(53,426)	(52,839)	(7,175)	(7,777)	(15,734)
Gross benefits and claims paid	-	(226,041)	(226,041)	-	(154,224)	(154,224)
Claims ceded to retakaful operators	-	127,106	127,106	-	87,429	87,429
Gross change in certificate liabilities	-	(610,197)	(818,359)	-	(99,483)	(149,615)
Change in certificate liabilities ceded to retakaful operators	-	64,889	64,889	-	(254,551)	(254,551)
Net benefits and claims	-	(644,243)	(852,405)	-	(420,829)	(470,961)
Change in expense liabilities	(15,406)	-	(15,406)	(11,467)	-	(11,467)
Wakalah fee expense	-	(166,119)	-	-	(148,036)	-
Commission expenses/administration fees	(83,274)	(580)	(83,502)	(70,457)	(1,153)	(70,828)
Management expenses	(75,664)	67	(75,597)	(59,858)	(2,252)	(62,110)
Operating expenses	-	2,447	2,447	-	507	507
Impairment (loss)/income on FVOCI financial assets	-	(203)	(203)	5	(597)	(592)
Taxation of family takaful business	-	7,297	7,297	-	1,694	1,694
Other expenses	(174,344)	(157,091)	(164,964)	(141,777)	(149,837)	(142,796)

201001032332 (916257-H)

GREAT EASTERN TAKAFUL BERHAD
(Incorporated in Malaysia)

UNAUDITED INCOME STATEMENT (CONTINUED)
FOR THE SIX-MONTH ENDED 30 JUNE 2022

	2022			2021		
	Shareholders' fund RM'000	Family takaful fund RM'000	Company RM'000	Shareholders' fund RM'000	Family takaful fund RM'000	Company RM'000
Operating (loss)/profit before surplus transfers	(7,286)	208,162	(7,286)	(916)	50,132	(916)
Surplus attributable to participants	-	(208,162)	-	-	(50,132)	-
Loss before zakat and taxation	(7,286)	-	(7,286)	(916)	-	(916)
Zakat	(50)	-	(50)	(50)	-	(50)
Taxation	2,195	-	2,195	147	-	147
Net loss for the period	(5,141)	-	(5,141)	(819)	-	(819)
Loss per share (sen)						
Basic and diluted	-	-	(2.9)	-	-	(0.5)

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 2022

	2022			2021		
	Shareholders' fund RM'000	Family takaful fund RM'000	Company RM'000	Shareholders' fund RM'000	Family takaful fund RM'000	Company RM'000
Net loss for the period	(5,141)	-	(5,141)	(819)	-	(819)
Other comprehensive (loss)/income:						
Other comprehensive (loss)/income that will not be reclassified to income statement in subsequent periods (net of tax):						
Equity instruments designated at Fair Value through Other Comprehensive Income ("FVOCI"):						
Net (loss)/gain on fair value changes	(904)	1,762	858	(711)	(2,415)	(3,126)
Tax on realised gain/(loss)	89	124	213	(81)	(34)	(115)
Deferred tax relating to components of other comprehensive income/(loss)	128	(151)	(23)	252	196	448
	<u>(687)</u>	<u>1,735</u>	<u>1,048</u>	<u>(540)</u>	<u>(2,253)</u>	<u>(2,793)</u>
Other comprehensive (loss)/income that will be reclassified to income statement in subsequent periods (net of tax):						
Islamic debt instruments at FVOCI:						
Net loss on fair value changes	-	(10,645)	(10,645)	(15)	(12,495)	(12,510)
Net realised loss/(gain) transferred to income statement	-	655	655	(34)	(465)	(499)
Changes in allowance for Expected Credit Loss ("ECL")	-	203	203	(5)	597	592
Deferred tax relating to components of other comprehensive income	-	800	800	-	1,030	1,030
Other comprehensive income attributable to participants	-	7,252	7,252	-	13,586	13,586
Other comprehensive (loss)/income for the period, net of tax	<u>-</u>	<u>(1,735)</u>	<u>(1,735)</u>	<u>(54)</u>	<u>2,253</u>	<u>2,199</u>
Total comprehensive loss for the period	<u>(5,828)</u>	<u>-</u>	<u>(5,828)</u>	<u>(1,413)</u>	<u>-</u>	<u>(1,413)</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 2022

	<u>Attributable to Equity Holders of the Company</u>			
	Share capital	Non-distributable Fair value reserves	Accumulated losses	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	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	-
Issuance of shares	-	-	-	-
At 30 June 2021	<u>195,000</u>	<u>(1,715)</u>	<u>(79,356)</u>	<u>113,929</u>
At 1 January 2022	195,000	(1,538)	(60,209)	133,253
Net loss for the period	-	-	(5,141)	(5,141)
Other comprehensive loss	-	(687)	-	(687)
Total comprehensive loss	-	(687)	(5,141)	(5,828)
Transfer of fair value reserve of equity instruments designated at FVOCI	-	282	(282)	-
At 30 June 2022	<u>195,000</u>	<u>(1,943)</u>	<u>(65,632)</u>	<u>127,425</u>

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 2022

	2022	2021
	RM'000	RM'000
OPERATING ACTIVITIES		
Loss before zakat and taxation	(7,286)	(916)
Adjustments for:		
Depreciation for motor vehicles and equipment	1,056	1,284
Depreciation for right-of-use assets	666	668
Amortisation of intangible assets	2,540	2,564
Investment income	(21,173)	(19,769)
Realised gain	12,670	1,574
Fair value gains in income statement	61,755	27,017
Impairment loss on FVOCI financial assets	203	592
Profit income/(expense) on lease liabilities	75	(102)
Taxation of family takaful business	(7,297)	(1,694)
Operating profit before working capital changes	43,209	11,218
Purchase of FVOCI investments	(148,822)	(186,777)
Proceeds from sales of FVOCI investments	196,691	233,960
Purchase of FVTPL investments	(439,980)	(477,629)
Proceeds from sales of FVTPL investments	374,940	363,107
Decrease in loans and receivables	-	30,000
Increase in takaful and other receivables	(834,507)	(542,291)
(Increase)/decrease in retakaful assets	(64,889)	254,550
Increase in lease liabilities	-	1,187
Increase in takaful and other payables	268,010	182,068
Increase in takaful certificate liabilities	816,255	146,874
Net change in balance with related companies	3,003	625
Cash generated from operating activities	213,910	16,891
Income tax paid	(6,503)	(8,625)
Investment income received	19,550	19,088
Net cash generated from operating activities	226,957	27,354
INVESTING ACTIVITIES		
Purchase of motor vehicles and equipment	(3,211)	(4,561)
Increase of right-of-use assets	-	(982)
Purchase of intangible assets	(303)	(399)
Net cash used in investing activities	(3,514)	(5,942)
FINANCING ACTIVITIES		
Issuance of shares	-	-
Repayment of lease liabilities	(748)	(760)
Net cash used in financing activities	(748)	(760)

201001032332 (916257-H)

GREAT EASTERN TAKAFUL BERHAD
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2022

	2022	2021
	RM'000	RM'000
Net increase in cash and cash equivalents	222,693	20,652
Cash and cash equivalents at beginning of period	400,680	267,120
Cash and cash equivalents at end of period	623,373	287,772
Cash and cash equivalents comprise:		
Cash and bank balances	176,053	100,222
Short term Islamic investment accounts with original maturity period of less than 3 months	447,320	187,550
	623,373	287,772

Reconciliation of liabilities arising from financing activities:

	Balances as at beginning of the financial period RM'000	Net cash flow from operating activities RM'000	Net cash flow from financing activities RM'000	Additions to lease liability RM'000	Finance cost of leases RM'000	Balances as at year end of the financial period RM'000
2022						
Lease liabilities	2,680	75	(748)	0	-	2,007
2021						
Lease liabilities	3,025	102	(760)	983	-	3,349

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 2022

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 2021.

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 2021.

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 2021, except for the adoption of the following standards, amendments to standards and interpretation of standards:

On 1 January 2022, the Company adopted the following amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2022.

- Amendments to MFRS 116 *Proceeds before Intended Use*

GREAT EASTERN TAKAFUL BERHAD
(Incorporated in Malaysia)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

- 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)*
- Annual Improvements to Illustrative Example accompanying MFRS 16 *Leases: Lease Incentives*
- Amendments to MFRS 137 *Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 9 *Financial Instruments Fees in the 10 per cent Test for Derecognition of Financial Liabilities (Annual Improvements to MFRSs 2018 – 2020 Cycle)*

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 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*
- MFRS 17 *Insurance Contracts and its amendments*
- Amendment to MFRS 112 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendment to MFRS 17 *Initial Application of MFRS 17 and MFRS 9 - Comparative Information*

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 interpretation 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:

GREAT EASTERN TAKAFUL BERHAD
(Incorporated in Malaysia)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

The original effective date for MFRS 17 was for annual periods beginning on or after 1 January 2021. On 25 June 2020, the International Accounting Standards Board (“IASB”) has issued amendments to the IFRS 17 Insurance Contracts which has deferred the effective dates of IFRS 17 and temporary exemption of the adoption of IFRS 9 for qualifying insurers to annual reporting periods beginning on or after 1 January 2023.

The Malaysian Accounting Standard Board has issued the amendments to MFRS 17 Insurance Contracts on 17 August 2020.

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 2022.

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.

201001032332 (916257-H)

GREAT EASTERN TAKAFUL BERHAD
(Incorporated in Malaysia)

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 2021 did not contain any qualification.

11. CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 June 2022.

201001032332 (916257-H)

GREAT EASTERN TAKAFUL BERHAD
(Incorporated in Malaysia)

12. INVESTMENTS

	At 30.06.2022			At 31.12.2021		
	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	23,690	5,620	29,310	20,802	23,359	44,161
Government investment issues	-	180,472	180,472	-	221,274	221,274
Unquoted Islamic private debt securities	-	228,641	228,641	-	230,431	230,431
Financial assets at FVTPL:						
Quoted Shariah-approved equities	5,033	389,058	394,091	5,125	424,371	429,496
Financial instruments with embedded derivatives	-	436	436	-	658	658
Unit trusts - REITS	-	8,471	8,471	-	12,877	12,877
Government investment issues	42,396	10,109	52,505	30,478	18,866	49,344
Unquoted Islamic private debt securities	71,604	130,664	202,268	68,357	104,733	173,090
	<u>142,723</u>	<u>953,471</u>	<u>1,096,194</u>	<u>124,762</u>	<u>1,036,569</u>	<u>1,161,331</u>

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

	At 30.06.2022			At 31.12.2021		
	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	23,690	414,733	438,423	20,802	475,064	495,866
Financial assets at FVTPL	119,033	538,738	657,771	103,960	561,505	665,465
	<u>142,723</u>	<u>953,471</u>	<u>1,096,194</u>	<u>124,762</u>	<u>1,036,569</u>	<u>1,161,331</u>

201001032332 (916257-H)

GREAT EASTERN TAKAFUL BERHAD
(Incorporated in Malaysia)

12. INVESTMENTS (CONTINUED)

(a) FVOCI financial assets

	At 30.06.2022			At 31.12.2021		
	Shareholders' fund RM'000	Family takaful fund RM'000	Company RM'000	Shareholders' fund RM'000	Family takaful fund RM'000	Company RM'000
At amortised cost/cost						
Quoted Shariah-approved equities	26,247	7,929	34,176	22,825	27,554	50,379
Government investment issues	-	185,432	185,432	-	223,382	223,382
Unquoted Islamic private debt securities	-	235,533	235,533	-	230,185	230,185
	<u>26,247</u>	<u>428,894</u>	<u>455,141</u>	<u>22,825</u>	<u>481,121</u>	<u>503,946</u>
At fair value						
Quoted Shariah-approved equities	23,690	5,620	29,310	20,802	23,359	44,161
Government investment issues	-	180,472	180,472	-	221,274	221,274
Unquoted Islamic private debt securities	-	228,641	228,641	-	230,431	230,431
	<u>23,690</u>	<u>414,733</u>	<u>438,423</u>	<u>20,802</u>	<u>475,064</u>	<u>495,866</u>

201001032332 (916257-H)

GREAT EASTERN TAKAFUL BERHAD
(Incorporated in Malaysia)

12. INVESTMENTS (CONTINUED)

(b) Financial assets at FVTPL

	At 30.06.2022			At 31.12.2021		
	Shareholders' fund RM'000	Family takaful fund RM'000	Company RM'000	Shareholders' fund RM'000	Family takaful fund RM'000	Company RM'000
At fair value:						
Mandatorily measured:						
Quoted Shariah-approved equities	5,033	389,058	394,091	5,125	424,371	429,496
Financial instruments with embedded derivatives	-	436	436	-	658	658
Unit trusts - REITS	-	8,471	8,471	-	12,877	12,877
Government investment issues	-	6,295	6,295	-	17,841	17,841
Unquoted Islamic private debt securities	-	95,961	95,961	-	84,738	84,738
Designated upon initial recognition:						
Government investment issues	42,396	3,814	46,210	30,478	1,025	31,503
Unquoted Islamic private debt securities	71,604	34,703	106,307	68,357	19,995	88,352
	<u>119,033</u>	<u>538,738</u>	<u>657,771</u>	<u>103,960</u>	<u>561,505</u>	<u>665,465</u>

201001032332 (916257-H)

GREAT EASTERN TAKAFUL BERHAD
(Incorporated in Malaysia)

12. INVESTMENTS (CONTINUED)

(c) 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 30.06.2022			At 31.12.2021		
	Shareholders' fund RM'000	Family takaful fund RM'000	Company RM'000	Shareholders' fund RM'000	Family takaful fund RM'000	Company RM'000
Valuation techniques:						
FVOCI financial assets						
Quoted prices	23,690	5,620	29,310	20,802	23,359	44,161
Market observable inputs	-	409,113	409,113	-	451,705	451,705
Financial assets at FVTPL						
Quoted prices	5,033	397,965	402,998	5,125	437,906	443,031
Market observable inputs	114,000	140,773	254,773	98,835	123,599	222,434
	<u>142,723</u>	<u>953,471</u>	<u>1,096,194</u>	<u>124,762</u>	<u>1,036,569</u>	<u>1,161,331</u>

GREAT EASTERN TAKAFUL BERHAD
(Incorporated in Malaysia)

13. RETAKAFUL ASSETS

<u>Family takaful fund/Company</u>	At 30.06.2022 RM'000	At 31.12.2021 RM'000
Retakaful of takaful certificates	197,952	210,449
Retakaful of takaful certificates arising from the mySalam Scheme	595,640	518,254
Total retakaful of takaful certificates	<u>793,592</u>	<u>728,703</u>

14. TAKAFUL RECEIVABLES

<u>Family takaful fund/Company</u>	At 30.06.2022 RM'000	At 31.12.2021 RM'000
Contributions due from agents, other intermediaries and corporate shareholder	21,003	18,446
Contribution due arising from the mySalam Scheme	2,217,238	1,407,818
Amount due arising from retakaful operators	14,148	9,762
	<u>2,252,389</u>	<u>1,436,026</u>
Allowance for impairment	(827)	(920)
	<u>2,251,562</u>	<u>1,435,106</u>
Movement in impairment allowance account:		
Individual impairment:		
At 1 January	(920)	(2,031)
Impairment for the period/year	93	1,111
	<u>(827)</u>	<u>(920)</u>

Description	<u>At 30.06.2022</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	103	-	103
Claims recoveries	-	33,223	33,223
Retakaful contributions	(19,178)	-	(19,178)
	<u>(19,075)</u>	<u>33,223</u>	<u>14,148</u>

GREAT EASTERN TAKAFUL BERHAD
(Incorporated in Malaysia)

14. TAKAFUL RECEIVABLES (CONTINUED)

Description	At 31.12.2021		
	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	-	84	84
Claims recoveries	-	23,431	23,431
Retakaful contributions	(13,753)	-	(13,753)
	<u>(13,753)</u>	<u>23,515</u>	<u>9,762</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> 30.06.2022	Gross RM'000	Retakaful RM'000	Net RM'000
Provision for outstanding claims reported by certificate holders	137,752	(99,243)	38,509
Actuarial reserves	165,898	(98,709)	67,189
Participants' investment account ("PIA")	453,107	-	453,107
Net asset value attributable to certificate holders	484,826	-	484,826
Accumulated surplus	119,804		119,804
Takaful certificate liabilities for mySalam (including accumulated surplus)	<u>1,621,212</u>	<u>(595,640)</u>	<u>1,025,572</u>
	<u>2,982,599</u>	<u>(793,592)</u>	<u>2,189,007</u>

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

	Gross RM'000	Retakaful RM'000	Net RM'000
At 1.1.2022	2,164,715	(728,703)	1,436,012
Benefits intimated during the period	128,674	(34,041)	94,633
Benefits paid during the period	(118,812)	30,567	(88,245)
Increase in liabilities due to:			
Portfolio movements	12,112	4,719	16,831
Surplus allocated to participants during the year	-	-	-
Change in assumptions and basis	(14,785)	11,252	(3,533)
Surplus arising during the period	36,622	-	36,622
Movement of takaful certificate liabilities for mySalam	<u>774,073</u>	<u>(77,386)</u>	<u>696,687</u>
At 30.06.2022	<u>2,982,599</u>	<u>(793,592)</u>	<u>2,189,007</u>

GREAT EASTERN TAKAFUL BERHAD
(Incorporated in Malaysia)

15. TAKAFUL CERTIFICATE LIABILITIES (CONTINUED)

<u>Family takaful fund</u>	Gross	Retakaful	Net
31.12.2021	RM'000	RM'000	RM'000
Provision for outstanding claims reported by certificate holders	127,891	(95,769)	32,122
Actuarial reserves	174,557	(114,680)	59,877
Participants' investment account ("PIA")	430,785	-	430,785
Net asset value attributable to certificate holders	501,161	-	501,161
Accumulated surplus	83,181	-	83,181
Takaful certificate liabilities for mySalam (including accumulated surplus)	847,140	(518,254)	328,886
	<u>2,164,715</u>	<u>(728,703)</u>	<u>1,436,012</u>

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

<u>Family takaful fund</u>	Gross	Retakaful	Net
	RM'000	RM'000	RM'000
At 1.1.2021	2,004,607	(801,339)	1,203,268
Benefits intimated during the year	236,822	(98,553)	138,269
Benefits paid during the year	(196,177)	68,207	(127,970)
Increase in liabilities due to:			
Portfolio movements	79,861	12,008	91,869
Surplus allocated to participants during the year	50,436	-	50,436
Change in assumptions and basis	25,718	(21,544)	4,174
Surplus arising during the period	39,657	-	39,657
Movement of takaful certificate liabilities for mySalam	(76,209)	112,518	36,309
At 31.12.2021	<u>2,164,715</u>	<u>(728,703)</u>	<u>1,436,012</u>

<u>Company</u>	Gross	Retakaful	Net
30.06.2022	RM'000	RM'000	RM'000
Provision for outstanding claims reported by certificate holders	350,571	(288,902)	61,669
Actuarial reserves	1,115,736	(504,690)	611,046
Participants' investment account ("PIA")	453,107	-	453,107
Net asset value attributable to certificate holders	484,826	-	484,826
Accumulated surplus	578,359	-	578,359
Unallocated surplus	46,336	-	46,336
FVOCI reserves	(10,758)	-	(10,758)
	<u>3,018,177</u>	<u>(793,592)</u>	<u>2,224,585</u>

GREAT EASTERN TAKAFUL BERHAD
(Incorporated in Malaysia)

15. TAKAFUL CERTIFICATE LIABILITIES (CONTINUED)

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

	Gross RM'000	Retakaful RM'000	Net RM'000
At 1.1.2022	2,209,174	(728,703)	1,480,471
Benefits intimated during the period	261,582	(153,524)	108,058
Benefits paid during the period	(226,041)	127,106	(98,935)
Increase in liabilities due to:			
Portfolio movements	571,723	(49,723)	522,000
Change in assumptions and basis	(14,784)	11,252	(3,532)
Net surplus arising during the period	225,404	-	225,404
Surplus distributable to participants	(1,629)	-	(1,629)
FVOCI fair value loss for the period	(7,901)	-	(7,901)
Deferred tax relating to FVOCI fair value loss	649	-	649
At 30.06.2022	<u>3,018,177</u>	<u>(793,592)</u>	<u>2,224,585</u>

Company	Gross RM'000	Retakaful RM'000	Net RM'000
31.12.2021			
Provision for outstanding claims reported by certificate holders	315,031	(262,484)	52,547
Actuarial reserves	564,784	(466,219)	98,565
Participants' investment account ("PIA")	430,785	-	430,785
Net asset value attributable to certificate holders	501,161	-	501,161
Accumulated surplus	352,954	-	352,954
Unallocated surplus	47,965	-	47,965
FVOCI reserves	(3,506)	-	(3,506)
	<u>2,209,174</u>	<u>(728,703)</u>	<u>1,480,471</u>

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

	Gross RM'000	Retakaful RM'000	Net RM'000
At 1.1.2021	2,072,028	(801,339)	1,270,689
Benefits intimated during the year	522,218	(350,898)	171,320
Benefits paid during the year	(329,570)	188,343	(141,227)
Increase in liabilities due to:			
Portfolio movements	(193,313)	256,735	63,422
Change in assumptions and basis	25,718	(21,544)	4,174
Net Surplus arising during the year	84,619	-	84,619
Surplus distributable to participants	41,309	-	41,309
FVOCI fair value loss for the year	(15,288)	-	(15,288)
Deferred tax relating to FVOCI fair value loss	1,453	-	1,453
At 31.12.2021	<u>2,209,174</u>	<u>(728,703)</u>	<u>1,480,471</u>

GREAT EASTERN TAKAFUL BERHAD
(Incorporated in Malaysia)

16. REGULATORY CAPITAL REQUIREMENT

The capital structure of the Company as at 30 June 2022, as prescribed under the Risk-Based Capital Framework for Takaful Operators ("RBCT") is provided below:

30.06.2022	Shareholders' fund RM'000	Family takaful fund RM'000	Company RM'000
Tier-1 Capital	109,650	99,290	208,940
Tier-2 Capital	17,775	(2,650)	15,125
Deductions	16,015	322	16,337
Capital Available	<u>111,410</u>	<u>96,318</u>	<u>207,728</u>
Credit risk capital charges	3,126	1,813	4,939
Market risk capital charges	8,327	3,853	12,180
Takaful liability risk capital charges	-	10,701	10,701
Operational risk capital charges	14,757	-	14,757
Expense risk capital charges	7,775	-	7,775
Capital Charges	<u>33,985</u>	<u>16,367</u>	<u>50,352</u>
Capital Required	33,985	16,367	50,352
Total Capital Available	<u>111,410</u>	<u>21,278</u>	<u>132,688</u>
Total Capital Required			50,352

GREAT EASTERN TAKAFUL BERHAD
(Incorporated in Malaysia)

16. REGULATORY CAPITAL REQUIREMENT (CONTINUED)

31.12.2021	Shareholders' fund RM'000	Family takaful fund RM'000	Company RM'000
Tier-1 Capital	114,791	53,637	168,428
Tier-2 Capital	18,462	(1,047)	17,415
Deductions	(18,443)	(183)	(18,626)
Capital Available	<u>114,810</u>	<u>52,407</u>	<u>167,217</u>
Credit risk capital charges	2,454	1,649	4,103
Market risk capital charges	8,679	2,464	11,143
Takaful liability risk capital charges	-	8,419	8,419
Operational risk capital charges	14,369	-	14,369
Expense risk capital charges	6,808	-	6,808
Capital Charges	<u>32,310</u>	<u>12,532</u>	<u>44,842</u>
Capital Required	32,310	12,532	44,842
Total Capital Available	<u>114,811</u>	<u>16,292</u>	<u>131,103</u>
Total Capital Required			44,842