ETIQA LIFE INSURANCE BERHAD
201701025113 (1239279-P)
(Incorporated in Malaysia)

Unaudited Interim Condensed Financial Statements for the six months financial period ended 30 June 2021

ETIQA LIFE INSURANCE BERHAD
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(Incorporated in Malaysia)

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ETIQA LIFE INSURANCE BERHAD
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UNAUDITED INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	30.6.2021 RM'000	31.12.2020 RM'000
Assets:			
Property, plant and equipment		34,267	34,952
Investment properties		953,876	953,610
Prepaid land lease payments		776	789
Right-of-use assets ("ROU")		70	86
Intangible assets		44,271	43,554
Investments	13	10,987,409	11,093,586
Financing receivables		258,410	250,074
Reinsurance assets	14	91,747	85,359
Insurance receivables	15	29,708	22,982
Other assets	16	171,758	154,097
Derivative assets		238	10,891
Current tax assets		16,599	12,084
Cash and bank balances		92,095	44,703
Total Assets		12,681,224	12,706,767
Equity and liabilities:			
Share capital		100,000	100,000
Reserves	17	1,325,426	1,338,676
Total Equity		1,425,426	1,438,676
Insurance contract liabilities	18	10,394,802	10,444,964
Derivative liabilities		4,759	3,473
Deferred tax liabilities,net		328,440	340,870
Insurance payables	19	21,674	23,208
Other liabilities	20	459,123	455,576
Dividend payable	10	47,000	-
Total Liabilities		11,255,798	11,268,091
Total Equity and Liabilities		12,681,224	12,706,767

These unaudited interim condensed financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the unaudited interim condensed financial statements.

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UNAUDITED INTERIM CONDENSED INCOME STATEMENT
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021

	Note	1.1.2021 to 30.6.2021 RM'000	1.1.2020 to 30.6.2020 RM'000
Operating revenue		1,166,573	1,046,960
Gross earned premiums		921,028	818,637
Earned premiums ceded to reinsurers		(15,739)	(17,069)
Net earned premiums		905,289	801,568
Fee and commission income		4,436	434
Investment income	21	245,545	228,323
Realised losses		(2,908)	(190,224)
Fair value (losses)/gains		(456,784)	114,393
Other operating income, net	22	20,424	4,131
Other revenue		(189,287)	157,057
Gross benefits and claims paid		(584,106)	(478,904)
Claims ceded to reinsurers		5,924	5,271
Gross change to contract liabilities		56,562	(322,614)
Change in contract liabilities ceded to reinsurers		6,388	8,433
Net benefits and claims		(515,232)	(787,814)
Management expenses	23	(81,077)	(75,977)
Fee and commission expenses		(50,183)	(50,619)
Taxation borned by policyholders	26	18,855	(6,652)
Other expenses		(112,405)	(133,248)
Profit before tax		88,365	37,563
Taxation	26	(25,597)	(8,597)
Net profit for the financial period		62,768	28,966
Basic and dilluted earnings per share (sen)	27	62.77	28.97

These unaudited interim condensed financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the unaudited interim condensed financial statements.

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UNAUDITED INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021

	Note	1.1.2021 to 30.6.2021 RM'000	1.1.2020 to 30.6.2020 RM'000
Net profit for the financial period		62,768	28,966
Other comprehensive income/(loss):			
Items that may be subsequently reclassified to income statement			
Change in fair value of financial assets at fair value through other comprehensive income ("FVOCI")			
- Fair value changes		(32,516)	17,174
- Transfer to profit or loss upon disposal		(861)	(17,624)
Tax effect relating to financial assets at FVOCI	26	4,359	1,185
Other comprehensive (loss)/income for the financial period, net of tax		(29,018)	735
Total comprehensive income for the financial period		33,750	29,701

These unaudited interim condensed financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the unaudited interim condensed financial statements.

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UNAUDITED INTERM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021

			<---------- Non-distributable		Retained Earnings ------>			
	Note	Share Capital RM'000	FVOCI Reserves RM'000	Other Reserves RM'000 (Note 17)	Non-Par Fund Surplus RM'000	Distributable Retained Profits RM'000	Sub-total Retained Profits RM'000	Total Equity RM'000
At 1 January 2021		100,000	30,809	54,465	835,264	418,138	1,253,402	1,438,676
Net profit/(loss) for the period		-	-	-	66,453	(3,685)	62,768	62,768
Other comprehensive loss for the financial period		-	(29,018)	-	-	-	-	(29,018)
Total comprehensive income/(loss) for the financial period		-	(29,018)	-	66,453	(3,685)	62,768	33,750
Dividend on ordinary shares	10	-	-	-	-	(47,000)	(47,000)	(47,000)
At 30 June 2021		100,000	1,791	54,465	901,717	367,453	1,269,170	1,425,426
At 1 January 2020		100,000	29,772	54,465	801,285	649,381	1,450,666	1,634,903
Net profit for the period		-	-	-	17,129	11,837	28,966	28,966
Other comprehensive income for the financial period		-	735	-	-	-	-	735
Total comprehensive income for the financial period		-	735	-	17,129	11,837	28,966	29,701
Dividend on ordinary shares		-	-	-	-	(300,000)	(300,000)	(300,000)
At 30 June 2020		100,000	30,507	54,465	818,414	361,218	1,179,632	1,364,604

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UNAUDITED INTERIM CONDENSED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021

	Note	1.1.2021 to 30.6.2021 RM'000	1.1.2020 to 30.6.2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		88,365	37,563
Adjustments for:			
Taxation borned by policyholders	26	(18,855)	6,652
Depreciation of property, plant and equipment	23	2,978	3,007
Amortisation of intangible assets	23	3,801	3,538
Depreciation of right-use-assets	23	17	-
Lease liabilities interest	23	1	-
Fair value losses/(gains) on financial assets at fair value through profit and loss ("FVTPL")		456,784	(114,393)
Amortisation of prepaid land lease payments	23	13	13
Amortisation of premium on investments	21	3,683	1,739
Net gain on foreign exchange	22	(18,173)	(5,654)
(Reversal of)/allowance for impaiment losses on on insurance receivables	22	(3,908)	120
(Reversal of)/allowance for impairment losses on other assets	22	(86)	964
Allowance for impairment losses on financing receivables	22	2	68
Allowance for/(reversal of) impairment losses on investments	22	88	(50)
Losses on disposal of investment		2,909	190,224
Interest income	21	(201,583)	(202,615)
Gross dividend income	21	(27,884)	(18,188)
Rental income	21	(32,517)	(23,104)
Operating cash flows before working capital changes		255,635	(120,116)
Changes in working capital:			
Increase in reinsurance assets		(6,388)	(8,433)
Increase in insurance receivables		(2,818)	(4,817)
(Increase)/decrease in other assets		(16,849)	1,125
Increase in financing receivables		(8,336)	(15,833)
(increase)/decrease in amounts due from related parties		(23,495)	7,543
Increase in other liabilities		30,313	110,873
(Decrease)/increase in insurance contract liabilities		(56,562)	322,614
(Decrease)/increase in insurance payables		(1,534)	8,172
Decrease/(increase) in placement of deposits with financial institutions		659,406	(201,873)
Interest income received		208,062	219,223
Dividends income received		25,997	17,734
Rental income received		29,595	18,605
Carried forward		1,093,026	354,817

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UNAUDITED INTERIM CONDENSED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONTD.)

	1.1.2021 to 30.6.2021 RM'000	1.1.2020 to 30.6.2020 RM'000
Brought forward	1,093,026	354,817
Tax paid	(19,917)	(35,122)
Net cash flows generated from operating activities	1,073,109	319,695
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of investments	3,100,743	4,177,079
Purchase of investments	(4,119,365)	(4,125,222)
Proceeds from disposal of property, plant and equipment	3,410	-
Purchase of property, plant and equipment	(5,800)	(5,875)
Additions to investment properties	(266)	(455)
Purchase of intangible assets	(4,422)	(3,212)
Net cash flows (used in)/generated from investing activities	(1,025,700)	42,315
CASH FLOWS FROM FINANCING ACTIVITY		
Dividend paid	-	(300,000)
Payment of lease liabilities	(17)	-
Net cash flows used in financing activity	(17)	(300,000)
Net increase in cash and cash equivalents	47,392	62,010
Cash and cash equivalents at beginning of financial period	44,703	2,828
Cash and cash equivalents at end of financial period	92,095	64,838
Cash and cash equivalents comprise:		
Cash and bank balances of:		
Shareholder's fund	228	225
Life insurance funds	91,867	64,613
	92,095	64,838

This unaudited interim condensed financial statements should be read in conjunction with the audited annual financial statement for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the unaudited interim condensed financial statement.

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021

1. CORPORATE INFORMATION

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

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

2. BASIS OF PREPARATION

The unaudited condensed interim financial statements of the Company for the financial period ended 30 June 2021 have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting as issued by the Malaysian Accounting Standards Board ("MASB") and International Accounting Standard ("IAS") 34 Interim Financial Reporting as issued by International Accounting Standards Board ("IASB") and Guidelines/Circulars issued by Bank Negara Malaysia ("BNM").

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

The unaudited condensed interim financial statements do not include all the information and disclosures required in audited annual financial statements and should be read in conjunction with the audited annual financial statements of the Company for the financial year ended 31 December 2020.

The explanatory notes attached to the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant to gain an understanding of the changes in the financial position and performance of the Company since the financial year ended 31 December 2020.

As at the reporting date, the Company has met the minimum capital requirements as prescribed by the Risk-Based Capital Framework for Insurers ("the RBC Framework") issued by BNM.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONTD.)

2. BASIS OF PREPARATION (CONTD.)

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

The unaudited condensed interim financial statements were approved for issue by the Board of Directors on 12 August 2021. .

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted in the unaudited condensed interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2020 except for the adoption of the following accounting amendments to Malaysian Financial Reporting Standards ("MFRSs") issued by the Malaysian Accounting Standards Board ("MASB") that are effective for the Company's financial year beginning 1 January 2021 and 1 June 2021:

(i) **Effective for financial periods beginning on or after 1 January 2021:**
Interest Rate Benchmark Reform-Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)

(ii) **Effective for financial periods beginning on or after 1 June 2021:**
MFRS 16 *Leases* (Amendment to MFRS 16): *Covid-19- Related Rent Concessions*

The adoption of the above amended standards do not have any significant financial impacts to the Company's financial statements.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

In preparing these unaudited condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements for the financial year ended 31 December 2020.

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONTD.)

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

The auditor's report on the audited annual financial statements for the financial year ended 31 December 2020 was not qualified.

6. SEASONALITY OR CYCLICALITY OF OPERATIONS

The business of the Company was not materially affected by any seasonal or cyclical fluctuations during the interim financial period ended 30 June 2021.

However, as is common for insurer, surplus for life funds will only be transferred at the financial year end upon approval by the Appointed Actuary.

7. UNUSUAL ITEMS

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

8. CHANGES IN ESTIMATES

There were no material changes in estimates for the interim financial period ended 30 June 2021.

9. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no issuance or repayment of debt and equity securities for the interim financial period ended 30 June 2021.

10. DIVIDENDS

A final single tier tax exempt dividend of 47sen per ordinary share on 100,000,000 ordinary shares amounting to RM47,000,000.00 for the financial year ended 31 December 2020 was approved by the shareholder in Annual General Meeting held on 7 April 2021. Thereafter, the final dividend was paid on 4 August 2021.

11. MATERIAL EVENTS SUBSEQUENT TO END OF REPORTING PERIOD

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

12. CHANGES IN THE COMPOSITION OF THE COMPANY

There were no changes in the composition of the Company during the interim financial period ended 30 June 2021.

13. INVESTMENTS

	30.6.2021 RM'000	31.12.2020 RM'000
Malaysian government papers	888,885	766,563
Equity securities	1,476,728	1,481,194
Debt securities	7,321,204	7,069,679
Unit and property trust funds	366,352	185,443
Structured products	90,676	87,737
Deposits with financial institutions	843,564	1,502,970
	10,987,409	11,093,586

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

	30.6.2021 RM'000	31.12.2020 RM'000
Fair value through profit and loss ("FVTPL")		
- Designated upon initial recognition	6,552,502	6,723,962
- Held for trading ("HFT")	2,412,078	2,201,821
Fair value through other comprehensive income ("FVOCI")	1,179,265	664,833
Amortised Cost ("AC")	843,564	1,502,970
	10,987,409	11,093,586

The following investments mature after 12 months:

	30.6.2021 RM'000	31.12.2020 RM'000
FVTPL		
- Designated upon initial recognition	6,359,949	6,395,953
- HFT	544,613	519,622
FVOCI	1,150,822	631,930
	8,055,384	7,547,505

13. INVESTMENTS (CONTD.)

	30.6.2021 RM'000	31.12.2020 RM'000
(a) FVTPL		
(i) Designated upon initial recognition		
At fair value		
Malaysian government papers	528,933	450,977
Debt securities:		
Unquoted in Malaysia	5,762,620	6,034,681
Unquoted outside Malaysia	170,809	151,168
Structured products	90,140	87,136
Total financial assets designated as FVTPL upon initial recognition	6,552,502	6,723,962
(ii) HFT		
At fair value		
Malaysian government papers	82,338	140,294
Equity securities:		
Quoted in Malaysia	1,383,197	1,395,611
Quoted outside Malaysia	12,969	18,482
Unquoted in Malaysia	67,101	67,101
Unquoted debt securities in Malaysia	499,585	394,289
Unit and property trust funds:		
Quoted in Malaysia	29,502	36,541
Quoted outside Malaysia	336,850	148,902
Structured products	536	601
Total HFT financial assets	2,412,078	2,201,821

	30.6.2021 RM'000	31.12.2020 RM'000
(b) FVOCI		
At fair value		
Malaysian government papers	277,614	175,292
Equity securities*:		
Quoted in Malaysia	13,461	-
Debt securities:		
Unquoted in Malaysia	888,190	489,541
Total FVOCI financial assets	1,179,265	664,833

* The Company has elected to recognise these equity investments at fair value through other comprehensive income as these investments are held as long term strategic investments that are not expected to be sold in the short term to medium term. Gains or losses on the derecognition of these equity investments are not transferred to profit or loss.

13. INVESTMENTS (CONTD.)

(b) FVOCI (Contd.)

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

	Stage 1	Stage 2	Stage 3	
		<----- Lifetime ECL ----->		
30.06.2021	**12 months ECL RM'000**	**not credit impaired RM'000**	**credit impaired RM'000**	**Total ECL RM'000**
At 1 January 2021	212	153	-	365
Net adjustment of loss allowance	3	13	-	16
New financial assets originated or purchased	133	-	-	133
Financial assets that have been derecognised	(61)	-	-	(61)
Changes due to change in credit risk	(4)	4	-	-
At 30 June 2021	283	170	-	453
31.12.2020				
At 1 January 2020	281	16	-	297
Net adjustment of loss allowance	(15)	144	-	129
New financial assets originated or purchased	79	-	-	79
Financial assets that have been derecognised	(140)	-	-	(140)
Changes due to change in credit risk	7	(7)	-	-
At 31 December 2020	212	153	-	365

13. INVESTMENTS (CONTD.)

	30.6.2021 RM'000	31.12.2020 RM'000
(c) AC		
Fixed and call deposits with:		
Licensed banks	791,981	1,423,755
Other financial institutions	51,583	79,215
Total AC financial assets	843,564	1,502,970

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

Fair Value of Financial Investments

An analysis of the different fair value measurement bases used in the determination of the fair values of investments are further disclosed in Note 31 to the unaudited condensed interim financial statements.

14. REINSURANCE ASSETS

	30.6.2021 RM'000	31.12.2020 RM'000
Reinsurers' share of insurance contract liabilities (Note 18):		
Claims liabilities	14,543	9,441
Actuarial liabilities	77,204	75,918
	91,747	85,359

15. INSURANCE RECEIVABLES

	30.6.2021 RM'000	31.12.2020 RM'000
Due premiums including agents/brokers and co-insurers balances	28,103	24,056
Due from reinsurers and cedants	1,815	3,044
	29,918	27,100
Allowance for impairment losses	(210)	(4,118)
	29,708	22,982

Movements in allowance for impairment losses for Insurance receivables are as follows:

	Not credit-impaired RM'000	Credit-impaired RM'000	Total RM'000
Gross carrying amount			
At 1 January 2020	24,381	2,106	26,487
Increase/(decrease)	(1,834)	2,447	613
At 31 December 2020/1 January 2021	22,547	4,553	27,100
Increase/(decrease)	3,937	(1,119)	2,818
At 30 June 2021	26,484	3,434	29,918
Lifetime ECL			
At 1 January 2020	93	677	770
Increase/(decrease)	807	2,541	3,348
At 31 December 2020/1 January 2021	900	3,218	4,118
Decrease	(862)	(3,046)	(3,908)
At 30 June 2021	38	172	210

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

16. OTHER ASSETS

	30.6.2021 RM'000	31.12.2020 RM'000
Amount due from stockbrokers	26,547	8,967
Amount due from a fund manager	197	337
	26,744	9,304
Sundry receivables, deposits and prepayments	9,263	9,906
Allowance for impairment losses	(157)	(157)
	9,106	9,749
Income due and accrued	133,010	134,627
Allowance for impairment losses	(54)	(140)
	132,956	134,487
Amounts due from related companies* (Note 30(b)):		
- Penultimate holding company	-	35
- Other related companies	2,952	522
	2,952	557
Total Other Assets	171,758	154,097

Movements in allowance for impairment losses for other assets are as follows:

	Not credit-impaired RM'000	Credit-impaired RM'000	Total ** RM'000
Gross carrying amount			
At 1 January 2020	167,008	1,609	168,617
Increase/(decrease)	(25,978)	5,867	(20,111)
At 31 December 2020/1 January 2021	141,030	7,476	148,506
Increase	16,201	2,497	18,698
At 30 June 2021	157,231	9,973	167,204
Lifetime ECL			
At 1 January 2020	225	916	1,141
Decrease	(163)	(681)	(844)
At 31 December 2020/1 January 2021	62	235	297
Decrease	(36)	(50)	(86)
At 30 June 2021	26	185	211

* Amounts due from related companies are non-trade in nature, unsecured, interest free and repayable in the short-term.

** Movement for impairment losses for other assets is net of prepayments.

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

17. RESERVES

	Note	30.6.2021 RM'000	31.12.2020 RM'000
Non-distributable:			
FVOCI reserve	(i)	1,791	30,809
Other reserves:			
Revaluation reserve	(ii)	54,465	54,465
		56,256	85,274
Retained profits:			
Distributable	(iii)	367,453	418,138
Non-distributable non-Par fund surplus	(iv)	901,717	835,264
		1,269,170	1,253,402
Total reserves		1,325,426	1,338,676

(i) The FVOCI reserve arose from the changes in the fair value of the financial assets carried at FVOCI of the shareholder and non-Par funds.

(ii) The revaluation reserve represents the difference between the carrying amount of properties previously classified as self occupied properties but subsequently transferred to investment properties upon the end of owner occupation, and its fair value at the date of change in use.

(iii) The entire distributable retained earnings may be distributed to the shareholder under the single-tier system.

(iv) Non-distributable non-Par fund surplus represents the unallocated surplus of the non-Par fund. In accordance with the Financial Services Act 2013, the unallocated surplus is only available for distribution to the shareholder's fund upon recommendation by the Appointed Actuary. Upon such approval, the distribution is presented as a transfer from non-distributable non-Par fund surplus to distributable retained profits.

18. INSURANCE CONTRACT LIABILITIES

	<---------- 30.6.2021---------->			<---------- 31.12.2020---------->		
	Gross	**Reinsurance**	**Net**	**Gross**	**Reinsurance**	**Net**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
		(Note 14)			(Note 14)	
Claims liabilities	105,211	(14,543)	90,668	81,836	(9,441)	72,395
Actuarial liabilities	7,550,624	(77,204)	7,473,420	7,758,496	(75,918)	7,682,578
Participating fund unallocated surplus	654,704	-	654,704	667,536	-	667,536
Participating fund FVOCI reserve	6,400	-	6,400	-	-	-
Participating fund revaluation reserve	24,431	-	24,431	24,431	-	24,431
NAV attributable to unitholders	2,053,432	-	2,053,432	1,912,665	-	1,912,665
	10,394,802	(91,747)	10,303,055	10,444,964	(85,359)	10,359,605

Movements of Life Insurance contract liabilities

			<--- Participating fund---->						
	Claims Liabilities	**Actuarial Liabilities**	**DPF's Unallocated Surplus**	**FVOCI reserve**	**Revaluation reserve**	**NAV attributable to unitholders**	**Gross**	**Reinsurance**	**Net**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
30.6.2021									
At 1 January 2021	81,836	7,758,496	667,536	-	24,431	1,912,665	10,444,964	(85,359)	10,359,605
Premiums received	-	-	281,637	-	-	393,468	675,105	-	675,105
Other revenue	-	-	(118,854)	-	-	(48,291)	(167,145)	-	(167,145)
Net benefits and claims	23,375	-	(258,844)	-	-	(208,766)	(444,235)	(5,102)	(449,337)
Other expenses	-	-	(33,258)	-	-	(23)	(33,281)	-	(33,281)
Change in Reserve :									
- Discounting	-	(280,878)	121,580	-	-	-	(159,298)	4,190	(155,108)
- Assumptions	-	(42,386)	56,055	-	-	-	13,669	(2,397)	11,272
- Policy movements	-	115,392	(66,327)	-	-	-	49,065	(3,079)	45,986
Change in FVOCI reserves	-	-	-	6,989	-	-	6,989	-	6,989
Taxation	-	-	9,279	(589)	-	4,379	13,069	-	13,069
Par transferred to Non-Par fund*	-	-	(4,100)	-	-	-	(4,100)	-	(4,100)
At 30 June 2021	105,211	7,550,624	654,704	6,400	24,431	2,053,432	10,394,802	(91,747)	10,303,055

* As Annuity Par fund is no longer in deficit, the release of reserve from Non-Par fund that occurred as at 31 December 2020 is reversed. This reserve is set aside in Non-Par fund in support of future deficit in Annuity Par fund.

18. INSURANCE CONTRACT LIABILITIES (CONTD.)

Movements of Life Insurance contract liabilities (Contd.)

	<---- Participating fund ---->							
	Claims Liabilities RM'000	**Actuarial Liabilities RM'000**	**Unallocated Surplus RM'000**	**Revaluation reserve RM'000**	**NAV attributable to unitholders RM'000**	**Gross RM'000**	**Reinsurance RM'000**	**Net RM'000**
31.12.2020								
At 1 January 2020	67,697	7,116,930	703,636	24,431	1,653,181	9,565,875	(68,710)	9,497,165
Premiums received	-		580,206	-	615,839	1,196,045	-	1,196,045
Other revenue	-	-	368,925	-	(6,682)	362,243	-	362,243
Net benefits and claims	14,139	-	(531,982)	-	(350,183)	(868,026)	(1,293)	(869,319)
Other expenses	-	-	(67,969)	-	(46)	(68,015)	-	(68,015)
Change in Reserve :								
- Discounting	-	282,887	(169,947)	-	-	112,940	(2,667)	110,273
- Assumptions	-	(63,911)	66,919	-	-	3,008	(730)	2,278
- Policy movements	-	422,590	(239,355)	-	-	183,235	(11,959)	171,276
Taxation	-	-	(25,597)	-	556	(25,041)	-	(25,041)
Surplus transferred to shareholder's fund	-	-	(21,400)	-	-	(21,400)	-	(21,400)
Non-Par transferred to Par fund*	-	-	4,100	-	-	4,100	-	4,100
At 31 December 2020	81,836	7,758,496	667,536	24,431	1,912,665	10,444,964	(85,359)	10,359,605

* Release of reserve set aside in Non-Par fund in support of deficit in Annuity Par fund caused by investment variance.

19. INSURANCE PAYABLES

	30.6.2021 RM'000	31.12.2020 RM'000
Due to agents and intermediaries	10,501	10,804
Due to reinsurers and cedants	11,173	12,404
	21,674	23,208

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

20. OTHER LIABILITIES

	30.6.2021 RM'000	31.12.2020 RM'000
Premium deposits	150,587	201,391
Dividend payable to policyholders	67,029	69,638
ROU lease liabilities	69	86
ROU restoration cost	2	2
Amount due to related companies* (Note 30(b)):		
- Ultimate holding company	5,076	4,056
- Immediate holding company	1,437	21
- Penultimate holding company	1	-
- Other related companies	133	23,670
Amount due to stockbrokers	41,627	13,073
Claims pending disbursement	14,564	6,069
Sundry payables and accrued liabilities*	178,598	137,570
Total other liabilities	459,123	455,576

* Amounts due to related companies are non-trade in nature, unsecured, interest free and repayable in the short tem.

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

21. INVESTMENT INCOME

	1.1.2021 to 30.6.2021 RM'000	1.1.2020 to 30.6.2020 RM'000
Financial assets at FVTPL		
(i) Designated upon initial recognition		
Interest income	148,957	145,348
(ii) HFT		
Interest income	12,591	11,466
Dividend income		
- Quoted in Malaysia	25,592	17,286
- Quoted outside Malaysia	224	26
- Unit and property trusts	804	876
Financial assets at FVOCI		
Interest income	19,069	10,088
Dividend income		
- Quoted in Malaysia	1,264	-
Financial assets at AC		
Interest/profit income	10,302	26,746
Interest income from financing receivables and other loans	10,664	8,967
Rental income	32,517	23,104
Rental expense	(11,454)	(12,978)
Amortisation of premiums, net	(3,683)	(1,739)
Investment related expenses	(1,302)	(867)
Total investment income	245,545	228,323

22. OTHER OPERATING INCOME, NET

	1.1.2021 to 30.6.2021 RM'000	1.1.2020 to 30.6.2020 RM'000
Gain/(losses) on foreign exchange:		
- realised	(487)	194
- unrealised	18,173	5,460
Reversal/(impairment) losses on:		
- Investment	(88)	50
- Financing receivables	(2)	(68)
- Insurance receivables (Note 15)	3,908	(120)
- Other assets (Note 16)	86	(964)
Sundry expenditure	(1,166)	(421)
Total other operating income, net	20,424	4,131

23. MANAGEMENT EXPENSES

	1.1.2021 to 30.6.2021 RM'000	1.1.2020 to 30.6.2020 RM'000
Employee benefits expense (Note 23(a))	47,467	46,954
Directors' fee and remuneration (Note 24)	482	452
Auditors' remuneration:		
- statutory audit	261	222
- regulatory related services	26	9
- other services	8	75
Amortisation of intangible assets	3,801	3,538
Amortisation of prepaid land lease payments	13	13
Bank charges	1,795	1,770

23. MANAGEMENT EXPENSES (CONTD.)

	1.1.2021 to 30.6.2021 RM'000	1.1.2020 to 30.6.2020 RM'000
Depreciation of property, plant and equipment	2,978	3,007
ROU expenses		
- Depreciation	17	-
- Lease liability interest	1	-
Other management fees	164	177
Professional fees	(486)	1,112
Assured medical fees	666	500
Rental of offices/premises	2,483	2,376
Electronic data processing expenses	318	294
Information technology outsourcing	3,141	2,885
Postage and stamp duties	278	224
Printing and stationery	201	122
Promotional and marketing cost	12,728	7,112
Training expenses	266	329
Utilities, assessment and maintenance	601	724
Entertainment	40	78
Travelling expenses	163	211
Office facilities expenses	463	411
Legal fees	30	67
Other expenses	3,172	3,315
Total management expenses	81,077	75,977

(a) Employee benefits expense:

Wages, salaries and bonuses	36,628	35,781
Employee Provident Fund ("EPF")	5,421	5,675
Social Security Contribution ("SOCSO")	247	224
Employee's Share Grant Plan ("ESGP")	1,181	953
Other benefits	3,990	4,321
	47,467	46,954

23. MANAGEMENT EXPENSES (CONTD.)

(b) The details of Chief Executive Officer's ("CEO's") remuneration during the period are as follows:

	1.1.2021 to 30.6.2021 RM'000	1.1.2020 to 30.6.2020 RM'000
Salary	372	394
Bonus	248	279
EPF	103	108
Other emoluments	36	14
	759	795

24. DIRECTORS' REMUNERATION

	1.1.2021 to 30.6.2021 RM'000	1.1.2020 to 30.6.2020 RM'000
Executive director:		
Fees	-	10
	-	10
Non-executive directors:		
Fees	400	390
Other emoluments	82	52
	482	442
Total Directors' Remuneration	482	452

24. DIRECTORS' REMUNERATION (CONTD.)

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

	Fees RM'000	Other emoluments RM'000	Total RM'000
Non-executive directors			
Datuk Mohd Najib bin Abdullah (Chairman)	90	14	104
Mr. Philippe Pol Arthur Latour	60	12	72
Dato' Johan bin Ariffin	60	12	72
Mr. Loh Lee Soon	60	14	74
Mr. Frank Johan Gerard Van Kempen	60	14	74
Mr. Wong Pakshong Kat Jeong Colin Stewart	60	14	74
Puan Norazilla binti Md Tahir *(Appointed w.e.f 1 June 2021)*	10	2	12
	400	82	482
Total Directors' Remuneration	400	82	482
1.1.2020 to 30.6.2020			
Executive director			
Datuk Normala binti Abdul Manaf *(Ceased w.e.f 31 January 2020)*	10	-	10
	10	-	10
Non-executive directors			
Datuk Mohd Najib bin Abdullah (Chairman)	90	10	100
Mr. Philippe Pol Arthur Latour	60	8	68
Dato' Johan bin Ariffin	60	8	68
Mr. Loh Lee Soon	60	10	70
Mr. Frank Johan Gerard Van Kempen	60	8	68
Mr. Wong Pakshong Kat Jeong Colin Stewart	60	8	68
	390	52	442
Total Directors' Remuneration	400	52	452

25. FEE AND COMMISSION EXPENSES

	1.1.2021 to 30.6.2021 RM'000	1.1.2020 to 30.6.2020 RM'000
Costs incurred for the acquisition of insurance contracts	(50,183)	(50,619)

26. TAXATION

Major components of income tax expense

The major components of income tax expense for the financial period ended 30 June 2021 and 30 June 2020 are as follows:

	1.1.2021 to 30.6.2021 RM'000	1.1.2020 to 30.6.2020 RM'000
Income Statement:		
Income tax:		
Current financial period	1,990	4,915
Deferred taxation:		
Relating to origination and reversal of temporary differences	23,607	3,682
Income tax expense recognised in income statement	25,597	8,597
Statement of Comprehensive Income:		
Deferred income tax related to other comprehensive income:		
- Fair value changes on financial assets at FVOCI	(4,359)	(1,185)

26. TAXATION (CONTD.)

Reconciliation between tax expense and accounting profit

The reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follows:

	1.1.2021 to 30.6.2021 RM'000	1.1.2020 to 30.6.2020 RM'000
Profit before taxation	88,365	37,563
Taxation at Malaysian statutory tax rate of 24% (2020:24%)	21,208	9,015
Income not subject to tax	(110)	(73)
Expenses not deductible for tax purpose	2,148	1,184
Deficit/(surplus) arising from Annuity Non-Par fund not subject to tax	2,351	(1,529)
Tax expense for the financial period	25,597	8,597

Domestic income tax for shareholder's fund are calculated on the estimated assessable profit for the financial period at Malaysian statutory tax rate of 24%.

Taxation borne by policyholders

	1.1.2021 to 30.6.2021 RM'000	1.1.2020 to 30.6.2020 RM'000
Income tax:		
Current financial period	13,411	(1,805)
Deferred taxation:		
Relating to origination and reversal of temporary differences	(32,266)	8,457
	(18,855)	6,652

The income tax borne by policyholders are calculated based on the statutory rate of 8% (2020: 8%) of the estimated assessable investment income net of allowable deductions for the financial period.

32. EARNINGS PER SHARE

Basic and dilluted earnings per share are calculated by dividing the profit for the financial period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period.

	1.1.2021 to 30.6.2021 RM'000	1.1.2020 to 30.6.2020 RM'000
Profit attributable to ordinary equity holders	62,768	28,966

	30.6.2021 '000	30.6.2020 '000
Weighted average number of ordinary shares in issue	100,000	100,000

	1.1.2021 to 30.6.2021 sen	1.1.2020 to 30.6.2020 sen
Basic and dilluted earnings per share	62.77	28.97

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

28. OPERATING LEASE COMMITMENTS

The Company as lessor

The Company has entered into operating lease agreements on its portfolio of investment properties. The leases have remaining lease terms of between 1 and 5 years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

The future minimum lease payments receivable under non-cancellable operating leases contracted for as at the balance sheet date but not recognised as receivables, are as follows:

	30.6.2021 RM'000	31.12.2020 RM'000
Not later than one year	58,279	43,388
Between one and five years	91,623	81,158
	149,902	124,546

Rental income on investment properties recognised in the income statement during the financial period is disclosed in Note 21.

29. OTHER COMMITMENTS AND CONTINGENCIES

	30.6.2021 RM'000	31.12.2020 RM'000
Approved and contracted for:		
Property, plant and equipment	25	1,075
Intangible assets	2,107	5,106
	2,132	6,181
Approved but not contracted for:		
Property, plant and equipment	20,778	24,154

30. SIGNIFICANT RELATED PARTY DISCLOSURES

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

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

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

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

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

	1.1.2021 to 30.6.2021 RM'000	1.1.2020 to 30.6.2020 RM'000
Income/(expenses):		
Ultimate holding company:		
Commission and fee expenses	(36,327)	(37,584)
Dividend income	1,029	1,000
Interest income	17	1,122
Rental income	1,885	1,330
Custodian fee	(1,264)	-
Hedging fee income	54	-
Other expenses	(76)	(972)
ESGP	(1,214)	(1,988)
Immediate holding company:		
Rental income	318	257
Shared service costs	(17,541)	(3,771)
Remuneration of a seconded employee	(73)	(48)
Dividend paid	(47,000)	(300,000)
Penultimate holding company:		
Rental income	-	139
Other income	45	-

30. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)

(a) Significant transactions of the Company with related parties during the financial period were as follows: (Contd.)

Income/(expenses): (Contd.)

	1.1.2021 to 30.6.2021 RM'000	1.1.2020 to 30.6.2020 RM'000
Fellow subsidiaries within the MAHB Group:		
Rental income	3,310	2,906
Rental expenses	(1,113)	(1,068)
Other expenses	(438)	-
Shared service income	18,171	45,157
Fellow subsidiaries within the EIHSB Group:		
Rental income	577	384
Consultation fees	654	-
Other related companies within the Maybank Group:		
Profit income	5,306	8,994
Rental income	2,354	2,336
Other investment expenses	(94)	(94)
Information technology outsourcing	(3,141)	(2,885)
Companies with significant influence over the Maybank Group:		
Gross insurance premium income	(34)	761
Claims paid	-	(2,085)

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

	Note	30.6.2021 RM'000	31.12.2020 RM'000
Ultimate holding company:			
Fixed and call deposits		778	64,202
Quoted shares		-	22,242
Derivatives		4	3,389
Bank balances		90,609	41,795
Income due and accrued		8	1
Amount due to ultimate holding company	20	(5,076)	(4,056)
Sundry receivables, deposits and prepayments		170	373
Sundry payables and accrued liabilities		(199)	(211)
Immediate holding company:			
Amount due to immediate holding company	20	(1,437)	(21)

30. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)

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

		30.6.2021 RM'000	31.12.2020 RM'000
Penultimate holding company:			
Amount due from penultimate holding company	16	-	35
Amount due to penultimate holding company	20	(1)	-
Fellow subsidiaries within the MAHB Group:			
Amount due from other related companies	16	2,654	438
Amount due to other related companies	20	(112)	(23,617)
Fellow subsidiaries within the EIHSB Group:			
Amount due from other related companies	16	294	-
Amount due to other related companies	20	-	(37)
Other related companies within the Maybank Group:			
Fixed and call deposits		641,845	554,903
Income due and accrued		882	1,011
Sundry receivables, deposits and prepayments		-	11
Amount due from other related companies	16	4	84
Amount due to other related companies	20	(21)	(16)
Companies with significant influence over the Maybank Group:			
Outstanding premium		704	19
Claims payable		(728)	-

(c) Key management personnel compensation

(i) The remuneration of key management personnel compensation during the year was as follows:

	1.1.2021 to 30.6.2021 RM'000	1.1.2020 to 30.6.2020 RM'000
Short-term employee benefits		
- Fees	772	400
- Salaries, allowances and bonuses	330	725
- EPF and pension scheme	103	108
- Other emoluments and benefits-in-kind	36	14
	1,241	1,247

30. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES DISCLOSURES (CONTD.)

(c) Key management personnel compensation (Contd.)

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

	30.6.2021 '000	31.12.2020 '000
At 1 January	236	236
Awarded	-	-
At 30 June/31 December	236	236

31. FAIR VALUE MEASUREMENTS

(a) Valuation principle

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

The levels of the fair value hierarchy as defined by MFRS are an indication of the observability of prices or valuation input. It can be classified into the following hierarchies/levels:

- Level 1 : Active Market – quoted price

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

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

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

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

- Level 3 : No Active Market – valuation techniques using
  Refers to financial instruments where fair values are measured using unobservable market inputs. The valuation technique is consistent with Level 2. The chosen valuation technique incorporates management's assumptions and data.

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

31. FAIR VALUE MEASUREMENTS (CONTD.)

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

	Valuation technique using:			
	Level 1	**Level 2**	**Level 3**	
	Quoted market prices RM'000	**Observable inputs RM'000**	**Significant unobservable inputs RM'000**	**Total RM'000**
30.6.2021				
Assets				
Investment Properties	-	-	953,876	953,876
Financial assets at FVTPL				
(i) Designated upon initial recognition				
Malaysian government papers	-	528,933	-	528,933
Debt securities, structured products and NCDs	-	6,023,569	-	6,023,569
(ii) HFT				
Equity securities	1,396,166	-	67,101	1,463,267
Malaysian government papers	-	82,338	-	82,338
Debt securities and structured products	-	500,121	-	500,121
Unit and property trust funds	29,502	336,850	-	366,352
Financial assets at FVOCI				
Equity securities	13,461	-	-	13,461
Malaysian government papers	-	277,614	-	277,614
Debt securities and structured products	-	888,190	-	888,190
Derivative assets	-	238	-	238
Total Assets	1,439,129	8,637,853	1,020,977	11,097,959
Liabilities				
Derivative liabilities	-	4,759	-	4,759
Total Liabilities	-	4,759	-	4,759

31. FAIR VALUE MEASUREMENTS (CONTD.)

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

	Valuation technique using:			
	Level 1	**Level 2**	**Level 3**	
	Quoted market prices RM'000	**observable inputs RM'000**	**Significant unobservable inputs RM'000**	**Total RM'000**
31.12.2020				
Assets				
Investment Properties	-	-	953,610	953,610
Financial assets at FVTPL				
(i) Designated upon initial recognition				
Malaysian government papers	-	450,977	-	450,977
Debt securities, structured products and NCDs	-	6,272,985	-	6,272,985
(ii) HFT				
Equity securities	1,414,093	-	67,101	1,481,194
Malaysian government papers	-	140,294	-	140,294
Debt securities and structured products	-	394,890	-	394,890
Unit and property trust funds	36,541	148,902	-	185,443
Financial assets at FVOCI				
Malaysian government papers	-	175,292	-	175,292
Debt securities and structured products	-	489,541	-	489,541
Derivative assets	-	10,891	-	10,891
Total Assets	1,450,634	8,083,772	1,020,711	10,555,117
Liabilities				
Derivative liabilities	-	3,473	-	3,473
Total liabilities	-	3,473	-	3,473

31. FAIR VALUE MEASUREMENTS (CONTD.)

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

Assets and liabilities of the Company are recognised in the financial statements on a recurring basis. The Company determines whether transfers have occurred between fair value hierarchy levels by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There were no transfers between Level 1 and Level 2 for the Company during the financial period ended 30 June 2021.

(d) Movements of Level 3 financial instruments and non-financial assets

	Assets and financial investments measured at fair value		
	Investment properties RM'000	**Designated at FVTPL RM'000**	**Total RM'000**
30.6.2021			
At 1 January 2021	953,610	67,101	1,020,711
Recognised in the income statement:			
Realised gain	-	-	-
Fair value gain	-	-	-
Addition, at cost	266	-	266
Disposal	-	-	-
At 30 June 2021	953,876	67,101	1,020,977
Total gains recognised in income income statement for assets and financial instruments measured at fair value at the end of the reporting period	-	-	-
31.12.2020			
At 1 January 2020	933,970	61,841	995,811
Recognised in the income statement:			
Realised gain	-	2,450	2,450
Fair value gain	18,270	5,750	24,020
Addition, at cost	1,370	-	1,370
Disposal	-	(2,940)	(2,940)
At 31 December 2020	953,610	67,101	1,020,711
Total gains recognised in income income statement for assets and financial instruments measured at fair value at the end of the reporting year	18,270	8,200	26,470

31. FAIR VALUE MEASUREMENTS (CONTD.)

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

The Company's exposure to financial investments measured with valuation techniques using significant unobservable inputs comprised a small number of financial investments which constitute an insignificant component of the Company's portfolio of financial investments. Hence, changing one or more of the inputs to reasonable alternative assumptions would not change the value significantly for the financial assets in Level 3 of the fair value hierarchy.

(i) Investment properties

Recent sale transactions transacted in the real estate market would result in a significant change of estimated fair value for investment properties.

All investment properties of the Company carried at fair values were classified under Level 3. The valuation of investment properties were performed by an accredited independent valuer using a variety of approaches such as the comparison method and the income capitalisation approach.

	Valuation method	Significant unobservable inputs	Range
30.6.2021			
Building	Income capitalisation	Rental per square foot	RM3.50 to RM10.25
Shop lots	Comparison	Sales price per square foot for similar properties	RM57.80 to RM1,128.30
31.12.2020			
Building	Income capitalisation	Rental per square foot	RM3.50 to RM10.25
Shop lots	Comparison	Sales price per square foot for similar properties	RM57.80 to RM1,128.30

Under the comparison method, fair value is estimated by considering the selling price per square foot ("psf") of comparable investment properties sold, adjusted for location, quality and finishes of the building, design and size of the building, title conditions, market trends and time factor. The income capitalisation approach considers the capitalisation of net income of the investment properties such as the gross rental less current maintenance expenses and outgoings. This process also considers the relationships including yield and discount rates. Recent transactions transacted in the market resulting in an increase in these inputs, would result in a significant increase in the estimated fair values of the investment properties.

31. FAIR VALUE MEASUREMENTS (CONTD.)

(e) Sensitivity of fair value measurements to changes in unobservable input assumptions (Contd.)

(i) Investment properties (Contd.)

A significant increase or decrease in the unobservable inputs used in the valuation would result in a correspondingly higher or lower fair value of the investment properties.

(ii) Unquoted equity instruments

All unquoted equity instruments of the Company at fair values were classified under Level 3. The fair value of investments in unquoted equity instruments that do not have quoted market prices in an active market, are measured based on the adjusted net asset method by referencing to the annual financial statements of the entities that the Company invested in.

Net asset value	Changes in variables	Impact to investments RM'000 Increase/ (decrease)	Impact on profit before tax RM'000 Increase/ (decrease)	Impact on equity* RM'000 Increase/ (decrease)
30.6.2021	+5%	3,355	3,166	2,406
	-5%	(3,355)	(3,166)	(2,406)
31.12.2020	+5%	3,355	3,166	2,406
	-5%	(3,355)	(3,166)	(2,406)

* Impact on equity is computed after tax at the statutory tax rate.

32. REGULATORY CAPITAL REQUIREMENT

The capital structure of the Company as at 30 June 2021 and 31 December 2020, as prescribed under the RBC Framework is provided below:

	30.6.2021 RM'000	31.12.2020 RM'000
Eligible Tier 1 Capital		
Paid up share capital	100,000	100,000
Reserves, including retained earnings	3,111,873	3,082,119
	3,211,873	3,182,119
Tier 2 Capital		
Revaluation reserve	90,362	90,362
FVOCI reserve	8,143	30,809
	98,505	121,171
Amount deducted from Capital	(47,688)	(43,650)
Total Capital Available	3,262,690	3,259,640

33. INSURANCE FUNDS

UNAUDITED INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION BY FUNDS

	Total		Shareholder's Fund		Life Fund	
	30.6.2021	31.12.2020	30.6.2021	31.12.2020	30.6.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets:						
Property, plant and equipment	34,267	34,952	-	-	34,267	34,952
Investment properties	953,876	953,610	-	-	953,876	953,610
Prepaid land lease payments	776	789	-	-	776	789
Right-of-use assets	70	86	-	-	70	86
Intangible assets	44,271	43,554	-	-	44,271	43,554
Investments	10,987,409	11,093,586	500,194	501,168	10,487,215	10,592,418
Financing receivables	258,410	250,074	20,955	18,213	237,455	231,861
Reinsurance assets	91,747	85,359	-	-	91,747	85,359
Insurance receivables	29,708	22,982	-	-	29,708	22,982
Other assets	171,758	154,097	3,973	3,803	167,785	150,294
Derivative assets	238	10,891	-	-	238	10,891
Current tax assets	16,599	12,084	(2,567)	(15,652)	19,166	27,736
Cash and bank balances	92,095	44,703	228	499	91,867	44,204
Total Assets	12,681,224	12,706,767	522,783	508,031	12,158,441	12,198,736

33. INSURANCE FUNDS (CONTD.)

UNAUDITED INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION BY FUNDS (CONTD.)

	Total		Shareholder's Fund		Life Fund	
	30.6.2021 RM'000	31.12.2020 RM'000	30.6.2021 RM'000	31.12.2020 RM'000	30.6.2021 RM'000	31.12.2020 RM'000
Equity and liabilities:						
Share capital	100,000	100,000	100,000	100,000	-	-
Reserves	1,325,426	1,338,676	1,325,426	1,338,676	-	-
Total Equity	1,425,426	1,438,676	1,425,426	1,438,676	-	-
Insurance contract liabilities	10,394,802	10,444,964	-	-	10,394,802	10,444,964
Derivative liabilities	4,759	3,473	-	-	4,759	3,473
Deferred tax liabilities, net	328,440	340,870	275,838	256,567	52,602	84,303
Insurance payables	21,674	23,208	-	-	21,674	23,208
Other liabilities [@]	459,123	455,576	(1,225,481)	(1,187,212)	1,684,604	1,642,788
Dividend payable	47,000	-	47,000	-	-	-
Total Liabilities	11,255,798	11,268,091	(902,643)	(930,645)	12,158,441	12,198,736
Total equity and liabilities	12,681,224	12,706,767	522,783	508,031	12,158,441	12,198,736
Inter fund balances	-	-	(1,229,552)	(1,190,488)	1,229,552	1,190,488

[@]- Included in other liabilities is the amounts due to life and investment-linked funds which are unsecured, not subject to any interest elements and repayable in the short-term.

33. INSURANCE FUNDS (CONTD.)

UNAUDITED INTERIM CONDENSED INCOME STATEMENT/ REVENUE ACCOUNTS BY FUNDS

	Total		Shareholder's Fund		Life Fund	
	1.1.2021 to 30.6.2021 RM'000	1.1.2020 to 30.6.2020 RM'000	1.1.2021 to 30.6.2021 RM'000	1.1.2020 to 30.6.2020 RM'000	1.1.2021 to 30.6.2021 RM'000	1.1.2020 to 30.6.2020 RM'000
Operating revenue	1,166,573	1,046,960	7,836	7,973	1,158,737	1,038,987
Gross earned premiums	921,028	818,637	-	-	921,028	818,637
Earned premiums ceded to reinsurers	(15,739)	(17,069)	-	-	(15,739)	(17,069)
Net earned premiums	905,289	801,568	-	-	905,289	801,568
Fee and commission income	4,436	434	-	-	4,436	434
Investment income	245,545	228,323	7,836	7,973	237,709	220,350
Realised losses	(2,908)	(190,224)	1,191	14,012	(4,099)	(204,236)
Fair value (losses)/gains	(456,784)	114,393	(1,389)	346	(455,395)	114,047
Other operating income, net	20,424	4,131	58	77	20,366	4,054
Other revenue	(189,287)	157,057	7,696	22,408	(196,983)	134,649
Gross benefits and claims paid	(584,106)	(478,904)	-	-	(584,106)	(478,904)
Claims ceded to reinsurers	5,924	5,271	-	-	5,924	5,271
Gross change to contract liabilities	56,562	(322,614)	-	-	56,562	(322,614)
Change in contract liabilities ceded to reinsurers	6,388	8,433	-	-	6,388	8,433
Net benefits and claims	(515,232)	(787,814)	-	-	(515,232)	(787,814)

33. INSURANCE FUNDS (CONTD.)

UNAUDITED INTERIM CONDENSED INCOME STATEMENT/ REVENUE ACCOUNTS BY FUNDS (CONTD.)

	Total		Shareholder's Fund		Life Fund	
	1.1.2021 to 30.6.2021 RM'000	1.1.2020 to 30.6.2020 RM'000	1.1.2021 to 30.6.2021 RM'000	1.1.2020 to 30.6.2020 RM'000	1.1.2021 to 30.6.2021 RM'000	1.1.2020 to 30.6.2020 RM'000
Management expenses	(81,077)	(75,977)	(9,863)	(5,372)	(71,214)	(70,605)
Fee and commission expenses	(50,183)	(50,619)	-	-	(50,183)	(50,619)
Taxation borned by policyholders	18,855	(6,652)	-	-	18,855	(6,652)
Other expenses	(112,405)	(133,248)	(9,863)	(5,372)	(102,542)	(127,876)
	88,365	37,563	(2,167)	17,036	90,532	20,527
Surplus from/(to):						
- Life Non-Par Funds	-	-	90,532	20,527	(90,532)	(20,527)
Profit before tax	88,365	37,563	88,365	37,563	-	-
Taxation	(25,597)	(8,597)	(25,597)	(8,597)	-	-
Net profit for the financial period	62,768	28,966	62,768	28,966	-	-

33. INSURANCE FUNDS (CONTD.)

UNAUDITED INTERIM CONDENSED STATEMENT OF CASH FLOWS BY FUNDS

	Total		Shareholder's Fund		Life Fund	
	1.1.2021 to 30.6.2021 RM'000	1.1.2020 to 30.6.2020 RM'000	1.1.2021 to 30.6.2020 RM'000	1.1.2020 to 30.6.2020 RM'000	1.1.2021 to 30.6.2021 RM'000	1.1.2020 to 30.6.2020 RM'000
Cash flows from:						
Operating activities	1,073,109	319,695	10,015	224,396	1,063,094	95,299
Investing activities	(1,025,700)	42,315	(10,286)	75,829	(1,015,414)	(33,514)
Financing activities	(17)	(300,000)	-	(300,000)	(17)	-
Net increase/(decrease) in cash and cash equivalents	47,392	62,010	(271)	225	47,663	61,785
Cash and cash equivalents:						
Cash and cash equivalents at beginning of period	44,703	2,828	499	-	44,204	2,828
Cash and cash equivalents at end of period	92,095	64,838	228	225	91,867	64,613