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

Abridged Audited Financial Statements
31 December 2021

ETIQA LIFE INSURANCE BERHAD
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(Incorporated in Malaysia)

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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	2021 RM'000	2020 RM'000
Assets		
Property, plant and equipment	32,875	34,952
Investment properties	971,170	953,610
Prepaid land lease payments	763	789
Right-of-use assets ("ROU")	53	86
Intangible assets	48,730	43,554
Investments	11,513,272	11,093,586
Financing receivables	265,527	250,074
Reinsurance assets	110,404	85,359
Insurance receivables	23,755	22,982
Other assets	149,976	154,097
Derivative assets	-	10,891
Current tax assets	11,555	12,084
Cash and bank balances	47,196	44,703
Total Assets	13,175,276	12,706,767
Equity		
Share capital	100,000	100,000
Reserves	1,473,215	1,338,676
Total Equity	1,573,215	1,438,676
Liabilities		
Insurance contract liabilities	10,768,463	10,444,964
Derivative liabilities	2,192	3,473
Deferred tax liabilities, net	333,944	340,870
Insurance payables	25,312	23,208
Other liabilities	455,668	455,576
Current tax liabilities	16,482	-
Total Liabilities	11,602,061	11,268,091
Total Equity and Liabilities	13,175,276	12,706,767

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INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	2021 RM'000	2020 RM'000
Operating revenue	2,434,400	2,190,392
Gross earned premiums	1,936,388	1,737,786
Earned premiums ceded to reinsurers	(38,999)	(35,041)
Net earned premiums	1,897,389	1,702,745
Fee and commission income	6,486	434
Investment income, net	498,012	452,606
Realised losses, net	(55,938)	(49,647)
Fair value (losses)/gains, net	(335,092)	274,713
Other operating income/(expenses), net	14,627	(19,411)
Other revenue	128,095	658,695
Gross benefits and claims paid	(1,219,749)	(1,079,267)
Claims ceded to reinsurers	17,705	9,865
Gross change in contract liabilities	(319,820)	(879,089)
Change in contract liabilities ceded to reinsurers	25,045	16,649
Net benefits and claims	(1,496,819)	(1,931,842)
Management expenses	(152,638)	(155,161)
Fee and commission expenses	(103,200)	(102,514)
Taxation borne by policyholders	(3,896)	(42,669)
Other expenses	(259,734)	(300,344)
Profit before taxation	268,931	129,254
Taxation	(55,108)	(26,518)
Net profit for the financial year	213,823	102,736
Basic and diluted earnings per share (sen)	213.82	102.74

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STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	2021 RM'000	2020 RM'000
Net profit for the financial year	213,823	102,736
Other comprehensive (loss)/income:		
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	(36,629)	20,922
- Transfer to profit or loss upon disposal	(1,157)	(21,054)
Tax effect relating to financial assets at FVOCI	5,502	1,169
	(32,284)	1,037
Other comprehensive (loss)/income for the financial year, net of tax	(32,284)	1,037
Total comprehensive income for the financial year	181,539	103,773

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STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

		<---------- Non-distributable ---------->		Retained Earnings			
	Share Capital RM'000	FVOCI Reserves RM'000	Revaluation Reserves RM'000	Non-Par Fund Surplus RM'000	Distributable Retained Profits RM'000	Sub-total Retained Earnings 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 for the financial year	-	-	-	184,113	29,710	213,823	213,823
Other comprehensive loss for the financial year	-	(32,284)	-	-	-	-	(32,284)
Total comprehensive (loss)/income for the financial year	-	(32,284)	-	184,113	29,710	213,823	181,539
Transfer from non-Par fund surplus upon recommendation by Appointed Actuary[1]	-	-	-	(110,276)	110,276	-	-
Dividend on ordinary shares	-	-	-	-	(47,000)	(47,000)	(47,000)
At 31 December 2021	100,000	(1,475)	54,465	909,101	511,124	1,420,225	1,573,215
At 1 January 2020	100,000	29,772	54,465	801,285	649,381	1,450,666	1,634,903
Net profit for the financial year	-	-	-	71,067	31,669	102,736	102,736
Other comprehensive income for the financial year	-	1,037	-	-	-	-	1,037
Total comprehensive income for the financial year	-	1,037	-	71,067	31,669	102,736	103,773
Transfer from non-Par fund surplus upon recommendation by Appointed Actuary[1]	-	-	-	(37,088)	37,088	-	-
Dividend on ordinary shares	-	-	-	-	(300,000)	(300,000)	(300,000)
At 31 December 2020	100,000	30,809	54,465	835,264	418,138	1,253,402	1,438,676

[1] In accordance with the Financial Services Act 2013, the unallocated surplus of the Non-Participating ("non-Par") fund is only available for distribution to the shareholder upon approval by the Appointed Actuary. The approved transfer from the non-Par fund unallocated surplus for the financial year ended 31 December 2021 and 31 December 2020 were RM145,100,000 and RM48,800,000 (RM110,276,000 and RM37,088,000, net of tax at 24%) respectively.

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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	2021 RM'000	2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation:	268,931	129,254
Adjustments for:		
Taxation borne by policyholders	3,896	42,669
Depreciation of property, plant and equipment	6,091	6,078
Amortisation of intangible assets	7,830	7,150
Depreciation of right-of-use assets	33	14
Lease liabilities interest	2	1
Fair value losses/(gains) on financial assets at Fair Value through Profit or Loss ("FVTPL")	352,322	(256,443)
Fair value gains on investment properties	(17,230)	(18,270)
Amortisation of prepaid land lease payments	26	26
Amortisation of premium on investments	6,587	4,199
Loss on disposal of intangible assets	82	-
Net (gain)/loss on foreign exchange	(15,614)	10,035
(Reversal of)/allowance for impairment losses on insurance receivables	(3,936)	3,348
Allowance for/(reversal of) impairment losses on other assets	117	(844)
(Reversal of)/allowance for impairment losses on financing receivables	(184)	562
(Reversal of)/allowance for impairment losses on investments	(1)	68
Insurance receivables written-off	6	-
Losses on disposal of investments	55,856	49,647
Interest income	(414,389)	(401,571)
Gross dividend income	(51,981)	(33,841)
Rental income	(62,514)	(47,132)
Operating cash flows before working capital changes	135,930	(505,050)
Changes in working capital:		
Increase in reinsurance assets	(25,045)	(16,649)
Decrease/(increase) in insurance receivables	3,157	(613)
Decrease/(increase) in other assets	12,020	(1,199)
Increase in financing receivables	(15,269)	(23,788)
(Increase)/decrease in amounts due from related parties	(15,866)	38,522
Carried forward	94,927	(508,777)

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STATEMENT OF CASH FLOWS (CONTD.)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	2021 RM'000	2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONTD.)		
Brought forward	94,927	(508,777)
Increase in other liabilities	12,971	7,805
Increase in insurance contract liabilities	319,820	879,089
Increase in insurance payables	2,104	7,877
Decrease/(increase) in placement of deposits with financial institutions	599,560	(137,894)
Interest income received	415,907	418,247
Dividends received	53,501	31,883
Rental income received	59,301	43,053
Cash flows generated from operations	1,558,091	741,283
Tax paid	(43,817)	(92,975)
Net cash flows generated from operating activities	1,514,274	648,308
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of investments	4,599,598	7,021,241
Purchase of investments	(6,046,911)	(7,306,393)
Proceeds from sale of property, plant and equipment	-	184
Proceeds from disposal of intangible assets	15	231
Additions to investment properties	(330)	(1,370)
Purchase of property, plant and equipment	(4,345)	(12,700)
Purchase of intangible assets	(12,772)	(7,613)
Net cash flows used in investing activities	(1,464,745)	(306,420)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(47,000)	(300,000)
Payment of lease liabilities	(36)	(13)
Net cash used in financing activities	(47,036)	(300,013)
Net increase in cash and cash equivalents	2,493	41,875
Cash and cash equivalents at beginning of financial year	44,703	2,828
Cash and cash equivalents at end of financial year	47,196	44,703
Cash and cash equivalents comprise:		
Cash and bank balances of:		
Shareholder's fund	158	499
Life Insurance funds	47,038	44,204
	47,196	44,703

Notes:

1 The full set of these financial statements are available on the Company's website, http://www.etiqa.com.my

2 A copy of the audited annual financial statements is available at every branch of the Company in Malaysia.

Independent auditors' report to the member of Etiqa Life Insurance Berhad 201701025113 (1239279-P) (Incorporated in Malaysia)

Report on the abridged financial statements

Opinion

The abridged financial statements, which comprise the summary statement of financial position as at 31 December 2021 and the summary income statement, summary statement of comprehensive income, summary statement of changes in equity and summary statement of cash flows for the financial year then ended, are derived from the audited financial statements of Etiqa Life Insurance Berhad for the financial year ended 31 December 2021.

In our opinion, the accompanying abridged financial statements are consistent, in all material respects, with the audited financial statements, in accordance with the presentation and disclosure requirements as prescribed by Bank Negara Malaysia.

Abridged financial statements

The abridged financial statements do not contain all the disclosures required by the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. Reading the abridged financial statements and the auditors' report thereon, therefore, is not a substitute for reading the audited financial statements of Etiqa Life Insurance Berhad and the auditors' report thereon.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 22 February 2022.

Directors' responsibility for the abridged financial statements

The directors are responsible for the preparation of the abridged financial statements in accordance with the presentation and disclosure requirements as prescribed by Bank Negara Malaysia.

Auditors' responsibility

Our responsibility is to express an opinion on whether the abridged financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with Malaysian Approved Standard on Auditing, ISA 810 (Revised), "Engagements to Report on Summary Financial Statements".

Independent auditors' report to the member of
Etiqa Life Insurance Berhad
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Restriction on use

Our report on the abridged financial statements of Etiqa Life Insurance Berhad for the financial year ended 31 year ended 31 December 2021 is issued in compliance with Bank Negara Malaysia Guidelines and for no other and for no other purpose.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Brandon Bruce Sta Maria
No. 02937/09/2023 J
Chartered Accountant

Kuala Lumpur, Malaysia
22 February 2022