



**ETIQA TAKAFUL BERHAD**

(266243-D)

(Incorporated in Malaysia)

**Unaudited Interim Financial Statements**

**For the six months period ended 30 June 2017**

266243-D

**ETIQA TAKAFUL BERHAD**  
**(Incorporated in Malaysia)**

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**ETIQA TAKAFUL BERHAD**  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2017**

	Note	30.6.2017				31.12.2016			
		Shareholder's fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	Company RM'000	Shareholder's fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	Company RM'000
<b>ASSETS</b>									
Property, plant and equipment		312	-	-	312	470	-	-	470
Intangible assets		5,840	-	-	5,840	5,745	-	-	5,745
Investments	12	2,789,704	1,698,928	9,357,821	13,821,709	2,415,098	1,760,659	9,218,443	13,370,827
Financing receivables		17,081	-	-	17,081	17,371	-	-	17,371
Retakaful assets	13	-	279,134	68,264	347,398	-	242,173	49,675	291,848
Takaful receivables	14	-	84,736	104,142	188,878	-	65,101	84,996	150,097
Other receivables	15	104,452	14,555	99,123	151,053	292,193	15,260	100,923	140,278
Deferred tax assets		7,244	4,248	2,173	13,665	7,492	6,786	-	13,764
Current tax assets		-	3,883	20,182	24,065	-	3,883	20,282	24,165
Cash and bank balances		25,146	59,786	123,382	208,314	12,487	69,694	70,846	153,027
<b>Total assets</b>		<b>2,949,779</b>	<b>2,145,270</b>	<b>9,775,087</b>	<b>14,778,315</b>	<b>2,750,856</b>	<b>2,163,556</b>	<b>9,545,165</b>	<b>14,167,592</b>
<b>EQUITY, LIABILITIES AND PARTICIPANTS' FUNDS</b>									
<b>Equity</b>									
Share capital		400,000	-	-	400,000	400,000	-	-	400,000
Reserves		1,452,293	-	-	1,448,549	1,373,061	-	-	1,370,688
<b>Total equity</b>		<b>1,852,293</b>	<b>-</b>	<b>-</b>	<b>1,848,549</b>	<b>1,773,061</b>	<b>-</b>	<b>-</b>	<b>1,770,688</b>
<b>Liabilities and Participants' Funds</b>									
Participants' funds	16	-	172,242	2,935,984	3,108,226	-	155,321	2,824,275	2,979,596
Takaful certificate liabilities	17	-	1,617,649	6,582,533	8,179,182	-	1,559,724	6,341,039	7,879,763
Subordinated obligation		300,000	-	-	300,000	300,000	-	-	300,000
Expense liabilities	18	556,076	-	-	556,076	526,588	-	-	526,588
Deferred tax liabilities		-	-	-	-	-	-	514	-
Takaful payables	19	7,622	75,382	47,078	130,082	7,762	61,776	38,213	107,751
Other payables		202,265	279,997	209,492	624,677	135,939	386,735	341,124	595,700
Profit payable on subordinated obligation		1,189	-	-	1,189	1,189	-	-	1,189
Current tax liabilities		30,334	-	-	30,334	6,317	-	-	6,317
<b>Total liabilities and participants' funds</b>		<b>1,097,486</b>	<b>2,145,270</b>	<b>9,775,087</b>	<b>12,929,766</b>	<b>977,795</b>	<b>2,163,556</b>	<b>9,545,165</b>	<b>12,396,904</b>
<b>Total equity, liabilities and participants' funds</b>		<b>2,949,779</b>	<b>2,145,270</b>	<b>9,775,087</b>	<b>14,778,315</b>	<b>2,750,856</b>	<b>2,163,556</b>	<b>9,545,165</b>	<b>14,167,592</b>

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

**ETIQA TAKAFUL BERHAD**  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED INCOME STATEMENT**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017**

	6 months period ended 30.6.2017				6 months period ended 30.6.2016				
	Shareholder's fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	Company RM'000	Shareholder's fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	Company RM'000	
<b>Operating revenue</b>	<b>391,844</b>	<b>666,194</b>	<b>877,009</b>	<b>1,598,091</b>	<b>356,678</b>	<b>634,949</b>	<b>811,210</b>	<b>1,492,967</b>	
Gross earned contributions	20	-	612,708	654,739	1,267,358	-	592,288	618,578	1,210,817
Earned contributions ceded to retakaful	20	-	(62,616)	(28,623)	(91,239)	-	(42,571)	(26,255)	(68,826)
<b>Net earned contributions</b>		-	550,092	626,116	1,176,119	-	549,717	592,323	1,141,991
Fee and commission income	21	336,867	11,348	2,766	14,114	309,821	7,881	89	7,970
Investment income	22	54,977	36,846	222,270	314,093	46,857	34,837	192,632	274,326
Net realised gains		17,236	3,077	86,091	106,404	5,088	8,025	32,326	45,439
Net fair value (losses)/gains		-	-	(14,102)	(14,102)	-	(369)	105,809	105,440
Other operating (expenses)/income	23	(1,272)	1,093	(4,209)	(4,388)	(844)	(1,197)	(8,632)	(10,673)
<b>Other revenue</b>		407,808	52,364	292,816	416,121	360,922	49,177	322,224	422,502
Gross benefits and claims paid	24	-	(382,381)	(390,411)	(772,792)	-	(297,786)	(396,002)	(693,788)
Claims ceded to retakaful	24	-	58,234	11,713	69,947	-	14,465	10,472	24,937
Gross change to certificate liabilities	24	-	(41,285)	(241,166)	(481,516)	-	(37,701)	(159,504)	(463,005)
Change in certificate liabilities ceded to retakaful	24	-	27,673	18,589	46,262	-	(13,404)	8,093	(5,311)
<b>Net benefits and claims</b>		-	(337,759)	(601,275)	(1,138,099)	-	(334,426)	(536,941)	(1,137,167)
Management expenses	25	(136,001)	-	(12,867)	(148,779)	(133,791)	(497)	(12,391)	(146,630)
Change in expense liabilities		(29,488)	-	-	(29,488)	(49,289)	-	-	(49,289)
Fee and commission expenses		(121,670)	(190,909)	(147,083)	(122,795)	(114,046)	(177,116)	(135,312)	(116,653)
Profit on subordinated obligation		(6,724)	-	-	(6,724)	(6,712)	-	-	(6,712)
Tax borne by participants		-	362	413	775	-	1,925	(13,798)	(11,873)
<b>Other expenses</b>		(293,883)	(190,547)	(159,537)	(307,011)	(303,838)	(175,688)	(161,501)	(331,157)
<b>Operating profit before surplus transfers</b>		113,925	74,150	158,120	147,130	57,084	88,780	216,105	96,169
Surplus transferred to participants' funds		-	(40,945)	(158,120)	-	-	(49,695)	(216,105)	-
Surplus attributable to shareholders		33,205	(33,205)	-	-	39,085	(39,085)	-	-
<b>Profit/surplus before taxation</b>		147,130	-	-	147,130	96,169	-	-	96,169
Taxation		(63,985)	-	-	(63,985)	(44,479)	-	-	(44,479)
Zakat		(4,825)	-	-	(4,825)	(3,603)	-	-	(3,603)
<b>Net profit for the period</b>		78,320	-	-	78,320	48,087	-	-	48,087
<b>Basic earnings per share (sen)</b>		19.58	-	-	19.58	12.02	-	-	12.02

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

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**ETIQA TAKAFUL BERHAD**  
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**UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017**

	6 months period ended 30.6.2017				6 months period ended 30.6.2016			
	Shareholder's fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	Company RM'000	Shareholder's fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	Company RM'000
<b>Net profit for the period</b>	78,320	-	-	78,320	48,087	-	-	48,087
<b>Other comprehensive income:</b>								
<b>Item that may be subsequently reclassified to income statement</b>								
Net gains/(losses) on Available-for-sale ("AFS") financial assets:								
Gains on fair value changes	18,436	15,157	38,088	70,310	37,285	35,984	23,987	96,714
Realised gains transferred to income statement	(17,236)	(3,077)	(74,256)	(94,569)	(5,088)	(8,025)	(23,965)	(37,078)
Tax effects relating to components of other comprehensive income	(288)	(2,899)	2,175	(1,012)	(8,108)	(7,098)	258	(14,948)
Other comprehensive (loss)/income attributable to participants	-	(9,181)	33,993	24,812	-	(20,861)	(280)	(21,141)
<b>Other comprehensive income/(loss) for the period, net of tax</b>	912	-	-	(459)	24,089	-	-	23,547
<b>Total comprehensive income for the period</b>	<b>79,232</b>	<b>-</b>	<b>-</b>	<b>77,861</b>	<b>72,176</b>	<b>-</b>	<b>-</b>	<b>71,634</b>

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**ETIQA TAKAFUL BERHAD**  
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**UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017**

	<b>Attributable to Equity Holder of the Company</b>			<b>Total Equity RM'000</b>
	<b>Share Capital RM'000</b>	<b>Non-Distributable Available-for-sale Reserve RM'000</b>	<b>Distributable Retained Profits RM'000</b>	
<b>At 1 January 2017</b>	400,000	(22,455)	1,393,143	1,770,688
Net profit after tax for the period	-	-	78,320	78,320
Other comprehensive loss for the period	-	(459)	-	(459)
Total comprehensive income for the period	-	(459)	78,320	77,861
<b>At 30 June 2017</b>	<b>400,000</b>	<b>(22,914)</b>	<b>1,471,463</b>	<b>1,848,549</b>
<b>At 1 January 2016</b>	400,000	(29,676)	1,162,281	1,532,605
Net profit after tax for the period	-	-	48,087	48,087
Other comprehensive income for the period	-	23,547	-	23,547
Total comprehensive income for the period	-	23,547	48,087	71,634
<b>At 30 June 2016</b>	<b>400,000</b>	<b>(6,129)</b>	<b>1,210,368</b>	<b>1,604,239</b>

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

**ETIQA TAKAFUL BERHAD**  
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**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017**

	<b>6 months period ended 30.6.2017 RM'000</b>	<b>6 months period ended 30.6.2016 RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation and zakat	147,130	96,169
Adjustments for:		
Depreciation of property, plant and equipment	164	220
Amortisation of intangible assets	370	352
Fair value gains on investments	14,102	(105,440)
Realised gains on disposal of investments	(106,404)	(45,439)
Write off of takaful receivables	-	172
Allowance for/(reversal of) impairment losses on:		
Investments	5,217	10,101
Takaful receivables	(597)	638
Other receivables	-	(70)
Financing receivables	(3)	-
Retakaful assets	17	61
Profit income	(305,225)	(274,849)
Profit on subordinated obligation	6,724	6,712
Gross dividend income	(13,176)	(10,505)
Net amortisation of premiums	4,596	10,143
Increase in net contribution liabilities	7,335	568
Surplus transferred from general takaful fund	40,945	49,695
Surplus transferred from family takaful fund	158,120	216,105
Operating cash flows before working capital changes	<u>(40,685)</u>	<u>(45,367)</u>
Changes in working capital:		
Proceeds from sale of investments	2,937,241	3,787,886
Purchase of investments	(3,016,107)	(4,196,623)
Increase in takaful receivables	(38,184)	(34,710)
Increase in other receivables	(11,039)	(28,209)
Increase in other payables	44,384	192,169
Increase in expense liabilities	29,488	49,289
Increase in takaful payables	22,331	15,404
Decrease in financing receivables	293	4,729
Increase in placements of deposits with financial institutions	(313,789)	(19,269)
Increase in retakaful assets	(46,262)	5,312
Increase in takaful certificate liabilities	282,782	201,517
Operating cash flows after working capital changes	<u>(149,547)</u>	<u>(67,872)</u>

**ETIQA TAKAFUL BERHAD**  
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**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS (CONT'D.)**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017**

	<b>6 months period ended 30.6.2017 RM'000</b>	<b>6 months period ended 30.6.2016 RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES (CONT'D.)</b>		
Profit income received	304,933	262,593
Gross dividend income received	13,376	11,473
Zakat paid	(3,461)	(7,594)
Taxation paid	(40,008)	(56,917)
Mudharabah paid to participants	(62,811)	(37,700)
Net cash flows generated from operating activities	<u>62,482</u>	<u>103,983</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Profit paid for subordinated obligation	(6,724)	(6,762)
Net cash flows used in financing activities	<u>(6,724)</u>	<u>(6,762)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of intangible assets	(465)	(73)
Purchase of property, plant and equipment	(6)	(451)
Net cash flows used in investing activities	<u>(471)</u>	<u>(524)</u>
<b>Net increase in cash and cash equivalents</b>	<b>55,287</b>	<b>96,697</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>153,027</b>	<b>126,541</b>
<b>Cash and cash equivalents at end of period</b>	<b><u>208,314</u></b>	<b><u>223,238</u></b>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances of:		
Shareholder's fund	25,146	20,404
General takaful fund	59,786	114,004
Family takaful fund	123,382	88,830
	<u>208,314</u>	<u>223,238</u>

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

**ETIQA TAKAFUL BERHAD**  
**(Incorporated in Malaysia)**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017**

**1. BASIS OF PREPARATION**

The unaudited interim financial statements of the Company for the financial period ended 30 June 2017 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"), Guidelines/Circulars issued by Bank Negara Malaysia and Islamic Financial Services Act 2013.

In accordance with the Islamic Financial Services Act 2013, the assets and liabilities of the takaful funds are segregated from those of the takaful operator: a concept known as segregation of funds. However, in compliance with MFRS 10 *Consolidated Financial Statements*, the assets, liabilities, income and expenses of the takaful funds are consolidated with those of the takaful operator to represent the control possessed by the operator over the respective funds.

The unaudited 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 Company has met the minimum capital requirements as prescribed by Risk-Based Capital Takaful Framework for takaful operators ("the RBCT Framework") issued by Bank Negara Malaysia as at the reporting date.

The unaudited interim 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 2016.

The explanatory notes attached to the unaudited 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 2016.

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

The unaudited interim financial statements were approved for issue by the Board of Directors on 23 August 2017.

**ETIQA TAKAFUL BERHAD**  
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**2. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted in preparing these unaudited interim financial statements are consistent with those of the audited annual financial statements for the financial year ended 31 December 2016 except for the application of the requirements of the Companies Act 2016 and the adoption of the following amendments to Malaysian Financial Reporting Standards ("MFRSs") and annual improvements to MFRSs which are effective for annual periods beginning on or after 1 January 2017:

MFRS 107 *Statement of Cash Flows* - Disclosure Initiative (Amendments to MFRS 107)  
MFRS 112 *Income Taxes* - Recognition of Deferred Tax for Unrealised Losses  
(Amendments to MFRS 112)  
Annual Improvements to MFRSs 2014 - 2016 Cycle

The adoption of the above amendments to MFRSs and annual improvements to MFRSs do not have any significant financial impact to the Company's financial statements, except as disclosed below:

**Companies Act 2016**

The unaudited interim financial statements of the Company are prepared in accordance with the requirements of the Companies Act 2016 ("New Act"), which replaced the Companies Act 1965. Amongst the key changes introduced in the New Act which affected the financial statements of the Company upon the commencement of the New Act on 31 January 2017 are:

- (a) the removal of the authorised share capital; and
- (b) the ordinary shares of the Company will cease to have par or nominal value.

**ETIQA TAKAFUL BERHAD**  
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**3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of unaudited 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 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 2016.

**4. STATUS OF AUDIT QUALIFICATION**

The auditor's report on the audited financial statements for the financial year ended 31 December 2016 did not contain any qualification.

**5. SEASONALITY OR CYCLICALITY OF OPERATIONS**

The business and operations of the Company were not materially affected by any seasonal or cyclical fluctuations during the interim financial period ended 30 June 2017.

However, as is common for other licensed takaful operators, surplus of the family takaful fund will only be transferred at the financial year end upon approval by the Appointed Actuary.

**6. UNUSUAL ITEMS**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim financial period ended 30 June 2017.

**7. CHANGES IN ESTIMATES**

There were no material changes in the estimates for the current interim period ended 30 June 2017.

**ETIQA TAKAFUL BERHAD**  
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**8. ISSUES, REPURCHASES AND 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 2017.

**9. DIVIDENDS PAID**

No dividend has been paid or declared by the Company from the previous audited financial statements.

**10. MATERIAL EVENTS SUBSEQUENT TO END OF REPORTING PERIOD**

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

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

There were no changes in the composition of the Company during the interim financial period.

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**12. INVESTMENTS**

	<b>Shareholder's fund RM'000</b>	<b>General takaful fund RM'000</b>	<b>Family takaful fund RM'000</b>	<b>Company RM'000</b>
<b>30.6.2017</b>				
Malaysian government papers	236,975	332,709	182,622	752,306
Debt securities	2,205,576	1,164,185	7,324,507	10,694,268
Equity securities	154,215	11,392	667,075	832,682
Unit and property trust funds	-	-	11,326	11,326
Investment-linked units	24,744	-	-	-
Negotiable Islamic certificates of deposit ("NICD")	-	-	125,703	125,703
Deposits with financial institutions	168,194	190,642	1,046,588	1,405,424
	<u>2,789,704</u>	<u>1,698,928</u>	<u>9,357,821</u>	<u>13,821,709</u>

**31.12.2016**

Malaysian government papers	306,503	355,813	234,991	897,307
Debt securities	1,834,341	1,021,666	7,368,567	10,224,574
Equity securities	107,597	12,795	869,150	989,542
Unit and property trust funds	3,965	302	40,320	44,587
Investment-linked units	23,373	-	-	-
Negotiable Islamic certificates of deposit ("NICD")	-	-	123,182	123,182
Deposits with financial institutions	139,319	370,083	582,233	1,091,635
	<u>2,415,098</u>	<u>1,760,659</u>	<u>9,218,443</u>	<u>13,370,827</u>

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

	<b>Shareholder's fund RM'000</b>	<b>General takaful fund RM'000</b>	<b>Family takaful fund RM'000</b>	<b>Company RM'000</b>
<b>30.6.2017</b>				
Available-for-sale ("AFS")	2,621,510	1,508,286	2,717,831	6,822,883
Fair value through profit and loss ("FVTPL"):				
- Designated upon initial recognition	-	-	5,563,804	5,563,804
- Held for trading ("HFT")	-	-	29,598	29,598
Loans and receivables ("LAR")	168,194	190,642	1,046,588	1,405,424
	<u>2,789,704</u>	<u>1,698,928</u>	<u>9,357,821</u>	<u>13,821,709</u>

**ETIQA TAKAFUL BERHAD**  
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**12. INVESTMENTS (CONT'D.)**

The Company's financial investments are summarised by categories as follows: (cont'd)

	<b>Shareholder's fund RM'000</b>	<b>General takaful fund RM'000</b>	<b>Family takaful fund RM'000</b>	<b>Company RM'000</b>
<b>31.12.2016</b>				
Available-for-sale ("AFS")	2,275,779	1,390,576	2,931,491	6,574,473
Fair value through profit and loss ("FVTPL"):				
- Designated upon initial recognition	-	-	5,676,652	5,676,652
- Held for trading ("HFT")	-	-	28,067	28,067
Loans and receivables ("LAR")	139,319	370,083	582,233	1,091,635
	<u>2,415,098</u>	<u>1,760,659</u>	<u>9,218,443</u>	<u>13,370,827</u>

The following investments will mature after 12 months:

	<b>Shareholder's fund RM'000</b>	<b>General takaful fund RM'000</b>	<b>Family takaful fund RM'000</b>	<b>Company RM'000</b>
<b>30.6.2017</b>				
AFS	2,206,932	1,357,378	2,022,272	5,586,582
FVTPL				
- Designated upon initial recognition	-	-	5,317,255	5,317,255
- HFT	-	-	17,071	17,071
	<u>2,206,932</u>	<u>1,357,378</u>	<u>7,356,598</u>	<u>10,920,908</u>
<b>31.12.2016</b>				
AFS	2,140,844	1,312,109	2,022,846	5,475,799
FVTPL				
- Designated upon initial recognition	-	-	5,508,429	5,508,429
- HFT	-	-	17,863	17,863
	<u>2,140,844</u>	<u>1,312,109</u>	<u>7,549,138</u>	<u>11,002,091</u>

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**12. INVESTMENTS (CONT'D.)**

**(i) AFS**

	Shareholder's fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	Company RM'000
<b>30.6.2017</b>				
<u>At fair value:</u>				
Malaysian government papers	236,975	332,709	57,466	627,150
Unquoted debt securities in Malaysia	2,205,576	1,164,185	1,975,150	5,344,911
Quoted equity securities in Malaysia	154,215	11,392	654,885	820,492
Quoted unit and property trust funds in Malaysia	-	-	10,989	10,989
Investment-linked units	24,744	-	-	-
NICD	-	-	19,341	19,341
	<u>2,621,510</u>	<u>1,508,286</u>	<u>2,717,831</u>	<u>6,822,883</u>
<b>31.12.2016</b>				
<u>At fair value:</u>				
Malaysian government papers	306,503	355,813	48,537	710,853
Unquoted debt securities in Malaysia	1,834,341	1,021,666	1,964,734	4,820,741
Quoted equity securities in Malaysia	107,597	12,795	859,172	979,564
Quoted unit and property trust funds in Malaysia	3,965	302	40,094	44,361
Investment-linked units	23,373	-	-	-
NICD	-	-	18,954	18,954
	<u>2,275,779</u>	<u>1,390,576</u>	<u>2,931,491</u>	<u>6,574,473</u>

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**12. INVESTMENTS (CONT'D.)**

**(ii) FVTPL**

	Shareholder's fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	Company RM'000
<b>- Designated upon initial recognition</b>				
<b>30.6.2017</b>				
<u>At fair value:</u>				
Malaysian government papers	-	-	121,141	121,141
Unquoted debt securities in Malaysia	-	-	5,336,301	5,336,301
NICD	-	-	106,362	106,362
	<u>-</u>	<u>-</u>	<u>5,563,804</u>	<u>5,563,804</u>
<b>31.12.2016</b>				
<u>At fair value:</u>				
Malaysian government papers	-	-	179,283	179,283
Unquoted debt securities in Malaysia	-	-	5,393,141	5,393,141
NICD	-	-	104,228	104,228
	<u>-</u>	<u>-</u>	<u>5,676,652</u>	<u>5,676,652</u>
<b>- HFT</b>				
<b>30.6.2017</b>				
<u>At fair value:</u>				
Malaysian government papers	-	-	4,015	4,015
Unquoted debt securities in Malaysia	-	-	13,056	13,056
Quoted equity securities in Malaysia	-	-	12,190	12,190
Quoted unit and property trust funds outside Malaysia	-	-	337	337
	<u>-</u>	<u>-</u>	<u>29,598</u>	<u>29,598</u>

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**12. INVESTMENTS (CONT'D.)**

**(ii) FVTPL (CONT'D)**

	Shareholder's fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	Company RM'000
- HFT				
<b>31.12.2016</b>				
<u>At fair value:</u>				
Malaysian government papers	-	-	7,171	7,171
Unquoted debt securities in Malaysia	-	-	10,692	10,692
Quoted equity securities in Malaysia	-	-	9,978	9,978
Quoted unit and property trust funds outside Malaysia	-	-	226	226
	<u>-</u>	<u>-</u>	<u>28,067</u>	<u>28,067</u>

**(iii) LAR**

**30.6.2017**

**Deposits and placements with  
financial institutions**

Islamic investment accounts with:

Licensed financial institution:	117,092	150,635	677,821	945,548
Others	51,102	40,007	368,767	459,876
	<u>168,194</u>	<u>190,642</u>	<u>1,046,588</u>	<u>1,405,424</u>

**31.12.2016**

**Deposits and placements with  
financial institutions**

Islamic investment accounts with:

Licensed financial institution:	98,616	349,612	494,201	942,429
Others	40,703	20,471	88,032	149,206
	<u>139,319</u>	<u>370,083</u>	<u>582,233</u>	<u>1,091,635</u>

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

Included in LAR are assets pledged to obtain an Islamic bank guarantee facility from Maybank Islamic Berhad of RM3,000,000 (31.12.2016: RM3,000,000).

An analysis of the different fair value measurement bases used in the determination of the fair values of investments are further disclosed in Note 33.

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**13. RETAKAFUL ASSETS**

	<b>Company</b>	
	<b>30.6.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Retakaful operators' share of:		
General takaful certificate liabilities (Note 17)	279,151	242,173
Family takaful certificate liabilities (Note 17)	68,264	49,675
Allowance for impairment losses in relation to general takaful certificate liabilities	(17)	-
	<u>347,398</u>	<u>291,848</u>

**14. TAKAFUL RECEIVABLES**

	<b>General takaful fund</b>	<b>Family takaful fund</b>	<b>Company</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>30.6.2017</b>			
Due contributions including agents/ brokers and co-takaful balances	76,934	98,739	175,673
Due from retakaful operators	13,804	7,961	21,765
	<u>90,738</u>	<u>106,700</u>	<u>197,438</u>
Allowance for impairment losses	(6,002)	(2,558)	(8,560)
	<u>84,736</u>	<u>104,142</u>	<u>188,878</u>
<b>31.12.2016</b>			
Due contributions including agents/ brokers and co-takaful balances	59,738	78,248	137,986
Due from retakaful operators	12,440	8,828	21,268
	<u>72,178</u>	<u>87,076</u>	<u>159,254</u>
Allowance for impairment losses	(7,077)	(2,080)	(9,157)
	<u>65,101</u>	<u>84,996</u>	<u>150,097</u>

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

Included in due contributions including agents/brokers and co-takaful balances are balances due from related parties amounting to RM184,350 (2016: RM409,847) as disclosed in Note 32. The amounts receivable are subject to settlement terms stipulated in the takaful contracts.

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**15. OTHER RECEIVABLES**

	Shareholder's fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	Company RM'000
<b>30.6.2017</b>				
Sundry receivables, deposits and prepayments	7,496	221	660	8,377
Allowance for impairment losses	(2,285)	-	(510)	(2,795)
	<u>5,211</u>	<u>221</u>	<u>150</u>	<u>5,582</u>
Investment profit and dividend receivable	24,720	14,334	95,898	134,952
Amounts due from:				
General takaful fund*	60,771	-	497	-
Family takaful fund*	5,809	-	-	-
Amounts due from stockbrokers	7,734	-	2,578	10,312
Goods and service tax recoverable	207	-	-	207
	<u>104,452</u>	<u>14,555</u>	<u>99,123</u>	<u>151,053</u>
<b>31.12.2016</b>				
Sundry receivables, deposits and prepayments	3,134	389	702	4,225
Allowance for impairment losses	(1,237)	-	(510)	(1,747)
	<u>1,897</u>	<u>389</u>	<u>192</u>	<u>2,478</u>
Investment profit and dividend receivable	25,627	14,871	94,366	134,864
Amounts due from:				
General takaful fund*	132,194	-	6,365	-
Family takaful fund*	129,539	-	-	-
Goods and service tax recoverable	2,936	-	-	2,936
	<u>292,193</u>	<u>15,260</u>	<u>100,923</u>	<u>140,278</u>

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

\* The amounts due from the general takaful and family takaful funds in the respective funds are non-trade in nature, unsecured, not subject to any profit elements and are repayable upon demand.

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**16. PARTICIPANTS' FUND**

	<b>30.6.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Takaful funds and Company</b>		
General takaful fund (Note (a))	172,242	155,321
Family takaful fund (Note (b))	2,935,984	2,824,275
	<u>3,108,226</u>	<u>2,979,596</u>
	<b>30.6.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(a) General takaful fund</b>		
Accumulated surplus (Note (i))	183,133	175,393
AFS reserves (Note (ii))	(10,891)	(20,072)
	<u>172,242</u>	<u>155,321</u>
	<b>30.6.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(i) Accumulated surplus</b>		
At 1 January 2017/2016	175,393	146,002
Surplus arising during the period/year	40,945	137,240
Hibah paid to participants during the period/year	(33,205)	(107,849)
At 30 June 2017/31 December 2016	<u>183,133</u>	<u>175,393</u>
	<b>30.6.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(ii) AFS reserves</b>		
At 1 January 2017/2016	(20,072)	(29,109)
Net gain on fair value changes	15,157	25,829
Realised gain transferred to income statement	(3,077)	(13,427)
Deferred tax on fair value changes	(2,899)	(3,365)
At 30 June 2017/31 December 2016	<u>(10,891)</u>	<u>(20,072)</u>

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**16. PARTICIPANTS' FUND (CONT'D.)**

	<b>30.6.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(b) Family takaful fund</b>		
Accumulated surplus (Note (i))	2,884,586	2,738,884
Surplus attributable to participants (Note (ii))	75,582	75,582
AFS reserves (Note (iii))	(24,184)	9,809
	<u>2,935,984</u>	<u>2,824,275</u>
	<b>30.6.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(i) Accumulated surplus</b>		
At 1 January 2017/2016	2,738,884	2,451,312
Surplus arising during the period/year	158,120	333,322
Surplus attributable to participants during the period/year	-	(25,844)
Hibah paid to participants during the period/year	(12,418)	(19,906)
At 30 June 2017/31 December 2016	<u>2,884,586</u>	<u>2,738,884</u>
	<b>30.6.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(ii) Surplus attributable to participants</b>		
At 1 January 2017/2016	75,582	49,738
Surplus attributable to participants during the period/year	-	25,844
At 30 June 2017/31 December 2016	<u>75,582</u>	<u>75,582</u>
	<b>30.6.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(iii) AFS reserves</b>		
At 1 January 2017/2016	9,809	20,709
Net gain on fair value changes	38,088	12,265
Realised gain transferred to income statement	(74,256)	(24,086)
Deferred tax on fair value changes	2,175	921
At 30 June 2017/31 December 2016	<u>(24,184)</u>	<u>9,809</u>

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**17. TAKAFUL CERTIFICATE LIABILITIES**

	<b>Gross RM'000</b>	<b>Retakaful RM'000</b>	<b>Net RM'000</b>
<b>Takaful funds</b>			
<b>30.6.2017</b>			
General takaful fund (Note (a))	1,617,649	(279,151)	1,338,498
Family takaful fund (Note (b))	6,582,533	(68,264)	6,514,269
	<u>8,200,182</u>	<u>(347,415)</u>	<u>7,852,767</u>
Less: Seed money elimination	(21,000)	-	(21,000)
	<u>8,179,182</u>	<u>(347,415)</u>	<u>7,831,767</u>
<b>31.12.2016</b>			
General takaful fund (Note (a))	1,559,724	(242,173)	1,317,551
Family takaful fund (Note (b))	6,341,039	(49,675)	6,291,364
	<u>7,900,763</u>	<u>(291,848)</u>	<u>7,608,915</u>
Less: Seed money elimination	(21,000)	-	(21,000)
	<u>7,879,763</u>	<u>(291,848)</u>	<u>7,587,915</u>

(a) General takaful fund

	<b>Gross RM'000</b>	<b>Retakaful RM'000</b>	<b>Net RM'000</b>
<b>30.6.2017</b>			
Claims liabilities (Note (i))	1,019,494	(243,187)	776,307
Contribution liabilities (Note (ii))	598,155	(35,964)	562,191
	<u>1,617,649</u>	<u>(279,151)</u>	<u>1,338,498</u>
<b>31.12.2016</b>			
Claims liabilities (Note (i))	978,209	(215,514)	762,695
Contribution liabilities (Note (ii))	581,515	(26,659)	554,856
	<u>1,559,724</u>	<u>(242,173)</u>	<u>1,317,551</u>

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**17. TAKAFUL CERTIFICATE LIABILITIES (CONT'D.)**

(a) General takaful fund (cont'd.)

(i) Claims liabilities

	<b>Gross RM'000</b>	<b>Retakaful RM'000</b>	<b>Net RM'000</b>
<b>30.6.2017</b>			
At 1 January 2017	978,209	(215,514)	762,695
Claims incurred in the current accident period	368,418	(9,843)	358,575
Movement in claims incurred in prior accident period	66,442	(85,107)	(18,665)
Claims paid during the period	(382,381)	58,234	(324,147)
Movements in PRAD	(11,194)	9,043	(2,151)
At 30 June 2017	<u>1,019,494</u>	<u>(243,187)</u>	<u>776,307</u>
<b>31.12.2016</b>			
At 1 January 2016	925,935	(185,579)	740,356
Claims incurred in the current accident year	772,249	(75,243)	697,006
Movement in claims incurred in prior accident years	(29,723)	4,821	(24,902)
Claims paid during the year	(610,410)	29,524	(580,886)
Movements in PRAD	(79,842)	10,963	(68,879)
At 31 December 2016	<u>978,209</u>	<u>(215,514)</u>	<u>762,695</u>

(ii) Contribution liabilities

	<b>Gross RM'000</b>	<b>Retakaful RM'000</b>	<b>Net RM'000</b>
<b>30.6.2017</b>			
At 1 January 2017	581,515	(26,659)	554,856
Contributions written during the period	629,348	(71,921)	557,427
Contributions earned during the period	(612,708)	62,616	(550,092)
At 30 June 2017	<u>598,155</u>	<u>(35,964)</u>	<u>562,191</u>

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**17. TAKAFUL CERTIFICATE LIABILITIES (CONT'D.)**

(a) General takaful fund (cont'd.)

(ii) Contribution liabilities (cont'd)

	<b>Gross RM'000</b>	<b>Retakaful RM'000</b>	<b>Net RM'000</b>
<b>31.12.2016</b>			
At 1 January 2016	579,968	(17,821)	562,147
Contributions written during the year	1,181,642	(103,743)	1,077,899
Contributions earned during the year	(1,180,095)	94,905	(1,085,190)
At 31 December 2016	<u>581,515</u>	<u>(26,659)</u>	<u>554,856</u>

(b) Family takaful fund

(i) The family takaful certificate liabilities and its movements are further analysed as follows:

	<b>Gross RM'000</b>	<b>Retakaful RM'000</b>	<b>Net RM'000</b>
<b>30.6.2017</b>			
Claims liabilities (Note (ii))	162,755	(10,115)	152,640
Actuarial liabilities (Note (ii))	6,384,884	(58,149)	6,326,735
NAV attributable to unitholders (Note (ii))	34,894	-	34,894
	<u>6,582,533</u>	<u>(68,264)</u>	<u>6,514,269</u>
<b>31.12.2016</b>			
Claims liabilities (Note (ii))	152,003	(9,356)	142,647
Actuarial liabilities (Note (ii))	6,158,453	(40,319)	6,118,134
NAV attributable to unitholders (Note (ii))	30,583	-	30,583
	<u>6,341,039</u>	<u>(49,675)</u>	<u>6,291,364</u>

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**17. TAKAFUL CERTIFICATE LIABILITIES (CONT'D.)**

(b) Family takaful fund (Cont'd.)

(ii) The movements of the family takaful certificate liabilities are as follows:

	Claims Liabilities RM'000	Actuarial Liabilities RM'000	NAV Attributable to Unitholders RM'000	Gross Liabilities RM'000	Retakaful Assets RM'000	Net Liabilities RM'000
<b>30.6.2017</b>						
At 1 January 2017	152,003	6,158,453	30,583	6,341,039	(49,675)	6,291,364
Net earned contribution	-	-	7,056	7,056	(28,623)	(21,567)
Other revenue	-	-	2,356	2,356	-	2,356
Experience/benefit variation	328	-	-	328	16,910	17,238
Claims intimated during the period	396,107	(396,107)	-	-	(759)	(759)
Claims paid during the period	(385,683)	-	(4,728)	(390,411)	11,713	(378,698)
Other expenses	-	-	(197)	(197)	-	(197)
Taxation	-	-	(176)	(176)	-	(176)
Increase in certificate reserves	-	622,538	-	622,538	(17,830)	604,708
At 30 June 2017	<u>162,755</u>	<u>6,384,884</u>	<u>34,894</u>	<u>6,582,533</u>	<u>(68,264)</u>	<u>6,514,269</u>
<b>31.12.2016</b>						
At 1 January 2016	121,506	5,987,224	26,351	6,135,081	(36,129)	6,098,952
Net earned contribution	-	-	10,421	10,421	(52,658)	(42,237)
Other revenue	-	-	1,799	1,799	-	1,799
Experience/benefit variation	2,805	-	-	2,805	28,064	30,869
Claims intimated during the year	754,737	(754,737)	-	-	532	532
Claims paid during the year	(727,045)	-	(7,533)	(734,578)	24,595	(709,983)
Other expenses	-	-	(352)	(352)	-	(352)
Taxation	-	-	(103)	(103)	-	(103)
Increase in certificate reserves	-	925,966	-	925,966	(14,079)	911,887
At 31 December 2016	<u>152,003</u>	<u>6,158,453</u>	<u>30,583</u>	<u>6,341,039</u>	<u>(49,675)</u>	<u>6,291,364</u>

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**18. EXPENSE LIABILITIES**

	<b>30.6.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Shareholder's fund/Company</b>		
Unearned wakalah fees ("UWF") of general takaful fund	143,479	135,813
Unexpired expense risk reserves ("UER") of family takaful fund	412,597	390,775
	<u>556,076</u>	<u>526,588</u>

	<b>General takaful fund RM'000</b>	<b>Family takaful fund RM'000</b>	<b>Total RM'000</b>
<b>30.6.2017</b>			
At 1 January	135,813	390,775	526,588
Wakalah fee received during the year (Note 21)	190,909	-	190,909
Wakalah fee earned during the year	(183,243)	-	(183,243)
Movement in UWF	7,666	-	7,666
Movement in UER	-	21,822	21,822
At 30 June 2017	<u>143,479</u>	<u>412,597</u>	<u>556,076</u>

<b>31.12.2016</b>			
At 1 January	116,199	354,332	470,531
Wakalah fee received during the year	351,836	-	351,836
Wakalah fee earned during the year	(332,222)	-	(332,222)
Movement in UWF	19,614	-	19,614
Movement in UER	-	36,443	36,443
At 31 December 2016	<u>135,813</u>	<u>390,775</u>	<u>526,588</u>

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**19. TAKAFUL PAYABLES**

	Shareholder's fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	Company RM'000
<b>30.6.2017</b>				
Amounts due to agents and brokers	7,622	26,771	25,143	59,536
Amounts due to retakaful operators	-	48,611	21,935	70,546
	<u>7,622</u>	<u>75,382</u>	<u>47,078</u>	<u>130,082</u>
<b>31.12.2016</b>				
Amounts due to agents and brokers	7,762	25,356	21,390	54,508
Amounts due to retakaful operators	-	36,420	16,823	53,243
	<u>7,762</u>	<u>61,776</u>	<u>38,213</u>	<u>107,751</u>

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

Included in due contributions including agents, brokers and co-takaful balances are balances due to related parties amounting to RM859,201 (31.12.2016) as disclosed in Note 32. The amounts payable are subject to settlement terms stipulated in the takaful contracts.

**20. NET EARNED CONTRIBUTION**

	General takaful fund RM'000	Family takaful fund RM'000	Company RM'000
<b>1.1.2017 to 30.6.2017</b>			
(a) Gross contribution	629,348	654,739	1,283,998
Change in unearned contribution reserves	<u>(16,640)</u>	<u>-</u>	<u>(16,640)</u>
	<u>612,708</u>	<u>654,739</u>	<u>1,267,358</u>
(b) Contributions ceded to retakaful operators	(71,921)	(28,623)	(100,544)
Change in unearned contribution reserves	<u>9,305</u>	<u>-</u>	<u>9,305</u>
	<u>(62,616)</u>	<u>(28,623)</u>	<u>(91,239)</u>
Net earned contributions	<u>550,092</u>	<u>626,116</u>	<u>1,176,119</u>

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**20. NET EARNED CONTRIBUTION (CONT'D.)**

	<b>General takaful fund RM'000</b>	<b>Family takaful fund RM'000</b>	<b>Company RM'000</b>
<b>1.1.2016 to 30.6.2016</b>			
(a) Gross contribution	600,112	618,578	1,218,641
Change in unearned contribution reserves	<u>(7,824)</u>	<u>-</u>	<u>(7,824)</u>
	<u>592,288</u>	<u>618,578</u>	<u>1,210,817</u>
(b) Contributions ceded to retakaful operators	(49,827)	(26,255)	(76,082)
Change in unearned contribution reserves	<u>7,256</u>	<u>-</u>	<u>7,256</u>
	<u>(42,571)</u>	<u>(26,255)</u>	<u>(68,826)</u>
Net earned contributions	<u>549,717</u>	<u>592,323</u>	<u>1,141,991</u>

**21. FEE AND COMMISSION INCOME**

	<b>Shareholder's fund RM'000</b>	<b>General takaful fund RM'000</b>	<b>Family takaful fund RM'000</b>	<b>Company RM'000</b>
<b>1.1.2017 to 30.6.2017</b>				
Wakalah fee income from:				
General takaful fund	190,909	-	-	-
Family takaful fund	145,958	-	-	-
Profit commission	-	-	2,676	2,676
Retakaful commission income	-	11,165	-	11,165
Others	-	183	90	273
	<u>336,867</u>	<u>11,348</u>	<u>2,766</u>	<u>14,114</u>
<b>1.1.2016 to 30.6.2016</b>				
Wakalah fee income from:				
General takaful fund	177,116	-	-	-
Family takaful fund	132,705	-	-	-
Profit commission	-	-	-	-
Retakaful commission income	-	7,722	-	7,722
Others	-	159	89	248
	<u>309,821</u>	<u>7,881</u>	<u>89</u>	<u>7,970</u>

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**22. INVESTMENT INCOME**

	Shareholder's fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	Company RM'000
<b>1.1.2017 to 30.6.2017</b>				
<b>AFS financial assets:</b>				
Profit income	51,108	32,310	57,908	141,326
Dividend/distribution income:				
Quoted equity securities in Malaysia	1,354	157	10,891	12,402
Quoted unit and property trusts funds in Malaysia	78	4	537	619
<b>Financial assets at FVTPL:</b>				
<b>- Designated upon initial recognition</b>				
Profit income	-	-	140,656	140,656
<b>- HFT</b>				
Profit income	-	-	372	372
Dividend income:				
Quoted equity securities in Malaysia	-	-	155	155
<b>- LAR:</b>				
Profit income	3,699	5,045	13,749	22,493
Profit income from financing receivables	254	-	-	254
Net amortisation of premiums	(1,350)	(637)	(2,609)	(4,596)
Other investment income	35	90	1,498	1,623
Investment related expenses	(201)	(123)	(887)	(1,211)
	<u>54,977</u>	<u>36,846</u>	<u>222,270</u>	<u>314,093</u>

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**22. INVESTMENT INCOME (CONT'D.)**

	Shareholder's fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	Company RM'000
<b>1.1.2016 to 30.6.2016</b>				
<b>AFS financial assets:</b>				
Profit income	42,681	31,681	47,374	121,736
Dividend/distribution income:				
Quoted equity securities in Malaysia	818	113	8,490	9,421
Quoted unit and property trusts funds in Malaysia	78	7	898	983
<b>Financial assets at FVTPL:</b>				
<b>- Designated upon initial recognition</b>				
Profit income	-	-	122,646	122,646
<b>- HFT</b>				
Profit income	-	-	347	347
Dividend income:				
Quoted equity securities in Malaysia	-	-	100	100
<b>- LAR:</b>				
Profit income	4,907	3,739	19,535	28,181
Profit income from financing receivables	295	-	-	295
Net amortisation of premiums	(1,810)	(606)	(7,727)	(10,143)
Other investment income	16	28	1,618	1,662
Investment related expenses	(128)	(125)	(649)	(902)
	<u>46,857</u>	<u>34,837</u>	<u>192,632</u>	<u>274,326</u>

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**23. OTHER OPERATING (EXPENSES)/INCOME, NET**

	Shareholder's fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	Company RM'000
<b>1.1.2017 to 30.6.2017</b>				
<b>Other income</b>				
Surrender charges	17	-	-	17
Reversal of impairment losses on:				
- Financing receivables	3	-	-	3
- Takaful receivables	-	1,075	-	1,075
Processing fee income	24	-	-	24
Gain on foreign exchange:				
- realised	2	-	12	14
Sundry income	829	119	332	1,280
	<u>875</u>	<u>1,194</u>	<u>344</u>	<u>2,413</u>
<b>Other expenses</b>				
Allowance for impairment losses on:				
- Investments	(1,099)	(84)	(4,034)	(5,217)
- Takaful receivables	-	-	(478)	(478)
- Retakaful assets	-	(17)	-	(17)
- Other receivables	(1,048)	-	-	(1,048)
Loss on foreign exchange				
- unrealised	-	-	(26)	(26)
Sundry expenditure	-	-	(15)	(15)
	<u>(2,147)</u>	<u>(101)</u>	<u>(4,553)</u>	<u>(6,801)</u>
	<u>(1,272)</u>	<u>1,093</u>	<u>(4,209)</u>	<u>(4,388)</u>
<b>1.1.2016 to 30.6.2016</b>				
<b>Other income</b>				
Surrender charges	16	-	-	16
Reversal of impairment losses on:				
- Financing receivables	-	-	1	1
- Takaful receivables	-	-	44	44
- Other receivables	38	32	-	70
Processing fee income	18	-	-	18
Gain on foreign exchange:				
- realised	-	-	7	7
Sundry income	549	147	1	697
	<u>621</u>	<u>179</u>	<u>53</u>	<u>853</u>

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**23. OTHER OPERATING (EXPENSES)/INCOME, NET (CONT'D.)**

	Shareholder's fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	Company RM'000
<b>1.1.2016 to 30.6.2016</b>				
<b>Other expenses</b>				
Allowance for impairment losses on:				
- Investments	(1,396)	(40)	(8,667)	(10,103)
- Takaful receivables	-	(954)	-	(954)
- Retakaful assets	-	(133)	-	(133)
Loss on foreign exchange				
- realised	-	(10)	-	(10)
- unrealised	-	-	(18)	(18)
Sundry expenditure	(69)	(239)	-	(308)
	<u>(1,465)</u>	<u>(1,376)</u>	<u>(8,685)</u>	<u>(11,526)</u>
	<u>(844)</u>	<u>(1,197)</u>	<u>(8,632)</u>	<u>(10,673)</u>

**24. NET BENEFITS AND CLAIMS**

	General takaful fund RM'000	Family takaful fund RM'000	Company RM'000
<b>1.1.2017 to 30.6.2017</b>			
Gross benefits and claims paid	(382,381)	(390,411)	(772,792)
Claims ceded to retakaful operators	58,234	11,713	69,947
Gross change in certificate liabilities	(41,285)	(241,166)	(481,516)
Change in certificate liabilities ceded to retakaful operators	27,673	18,589	46,262
	<u>(337,759)</u>	<u>(601,275)</u>	<u>(1,138,099)</u>
<b>1.1.2016 to 30.6.2016</b>			
Gross benefits and claims paid	(297,786)	(396,002)	(693,788)
Claims ceded to retakaful operators	14,465	10,472	24,937
Gross change in certificate liabilities	(37,701)	(159,504)	(463,005)
Change in certificate liabilities ceded to retakaful operators	(13,404)	8,093	(5,311)
	<u>(334,426)</u>	<u>(536,941)</u>	<u>(1,137,167)</u>

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**25. MANAGEMENT EXPENSES**

	Shareholder's fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	Company RM'000
<b>1.1.2017 to 30.6.2017</b>				
Employee benefits expenses (Note (a))	69,429	-	9,357	78,786
Directors' remuneration (Note 26)	543	-	-	543
Shariah Committee remuneration (Note 27)	112	-	-	112
Auditors' remuneration:				
- statutory audits	237	-	86	323
- other services	153	-	10	163
Depreciation of property, plant and equipment	164	-	-	164
Amortisation of intangible assets	370	-	-	370
Auto assist service	4,563	-	-	4,563
Assured medical fees	1,082	-	-	1,082
Bank and financing charges	5,993	-	977	6,970
Electronic data processing expenses	3,625	-	200	3,825
Entertainment expenses	184	-	7	191
Goods and services tax	1,740	-	209	1,949
Interest expenses	17	-	-	17
Legal fees	238	-	12	250
Maybank shared services - IT expenses	4,060	-	551	4,611
Office facilities expenses	828	-	74	813
Other management fees	15	-	12	27
Postage and stamp duties	1,684	-	7	1,691
Printing and stationery	1,095	-	18	1,113
Professional fees	422	-	1	423
Promotional and marketing costs	13,643	-	-	13,643
Rental of offices/premises	5,008	-	615	5,623
Training expenses	1,831	-	187	2,018
Travelling expenses	716	-	25	741
Utilities, assessment and maintenance	764	-	57	821
Other expenses	17,485	-	462	17,947
	<u>136,001</u>	<u>-</u>	<u>12,867</u>	<u>148,779</u>

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**25. MANAGEMENT EXPENSES (CONT'D.)**

	Shareholder's fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	Company RM'000
<b>1.1.2016 to 30.6.2016</b>				
Employee benefits expenses (Note (a))	72,201	367	11,079	83,647
Directors' remuneration (Note 26)	515	-	-	515
Shariah Committee remuneration (Note 27)	110	-	-	110
Auditors' remuneration:				
- statutory audits	160	1	68	229
- other services	126	1	26	153
Depreciation of property, plant and equipment	220	-	-	220
Amortisation of intangible assets	352	-	-	352
Auto assist service	2,261	-	-	2,261
Assured medical fees	922	-	-	922
Bank and financing charges	8,675	-	954	9,629
Electronic data processing expenses	4,032	28	551	4,611
Entertainment expenses	181	1	7	189
Goods and services tax	1,344	5	165	1,514
Legal fees	354	-	11	365
Maybank shared services - IT expenses	3,818	32	614	4,464
Office facilities expenses	241	-	-	192
Other management fees	73	1	11	85
Postage and stamp duties	1,469	-	8	1,477
Printing and stationery	2,411	-	64	2,475
Professional fees	763	-	9	772
Promotional and marketing costs	14,701	17	6	14,724
Rental of offices/premises	5,037	24	739	5,800
Training expenses	776	4	51	831
Travelling expenses	729	3	33	765
Utilities, assessment and maintenance	664	3	43	710
Other expenses	11,656	10	(2,048)	9,618
	<u>133,791</u>	<u>497</u>	<u>12,391</u>	<u>146,630</u>

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**25. MANAGEMENT EXPENSES (CONT'D.)**

(a) Employee benefits expenses

	Shareholder's fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	Company RM'000
<b>1.1.2017 to 30.6.2017</b>				
Wages, salaries and bonus	51,571	-	7,075	58,646
EPF	8,123	-	1,017	9,140
SOCSSO	379	-	44	423
Share based compensation	277	-	34	311
Other benefits expenses	9,079	-	1,187	10,266
	<u>69,429</u>	<u>-</u>	<u>9,357</u>	<u>78,786</u>
<b>1.1.2016 to 30.6.2016</b>				
Wages, salaries and bonus	51,331	255	8,223	59,809
EPF	8,293	41	1,271	9,605
SOCSSO	300	1	39	340
Share based compensation	767	6	102	875
Other benefits expenses	11,510	64	1,444	13,018
	<u>72,201</u>	<u>367</u>	<u>11,079</u>	<u>83,647</u>

(b) Included in employee benefits expenses is remuneration paid to the Chief Executive Office of the Company amounting to RM 363,000 (30.6.2016) detailed as follows:

	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000
Salaries	-	231
Bonus	-	38
EPF	-	47
Other emoluments	-	47
	<u>-</u>	<u>363</u>

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**26. DIRECTORS' FEES AND REMUNERATION**

	<b>Shareholder's fund RM'000</b>	<b>Company RM'000</b>
<b>1.1.2017 to 30.6.2017</b>		
Non executive directors:		
Fees	505	505
Other emoluments	38	38
	<u>543</u>	<u>543</u>
<b>1.1.2016 to 30.6.2016</b>		
Non executive directors:		
Fees	472	472
Other emoluments	43	43
	<u>515</u>	<u>515</u>

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

	<b>Salary RM'000</b>	<b>Fees RM'000</b>	<b>Other emoluments RM'000</b>	<b>Total RM'000</b>
<b>1.1.2017 to 30.6.2017</b>				
Non-executive directors:				
Datuk R. Karunakaran (Chairman)	-	79	4	83
Philippe Pol Arthur Latour (Vice Chairman)	-	58	3	61
Loh Lee Soon	-	58	4	62
Frank J.G. Van Kempen	-	65	7	72
Koh Heng Kong	-	64	7	71
Zainal Abidin Jamal	-	65	6	71
Dato' Mohamed Rafique Merican Bin Mohd Wahiduddin Merican	-	58	3	61
Dr Ismail Mohd @ Abu Hassan	-	58	4	62
	<u>-</u>	<u>505</u>	<u>38</u>	<u>543</u>

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**26. DIRECTORS' FEES AND REMUNERATION (CONT'D.)**

	Salary RM'000	Fees RM'000	Other emoluments RM'000	Total RM'000
<b>1.1.2016 to 30.6.2016</b>				
Non-executive directors:				
Datuk R. Karunakaran (Chairman)	-	53	4	57
Loh Lee Soon	-	57	5	62
Frank J.G. Van Kempen	-	64	7	71
Koh Heng Kong	-	64	8	72
Zainal Abidin Jamal	-	65	7	72
Dato' Mohamed Rafique Merican Bin Mohd Wahiduddin Merican	-	10	1	11
Dr Ismail Mohd @ Abu Hassan	-	57	5	62
Dato' Mohd Salleh Hj Harun	-	26	1	27
Gary Lee Crist	-	57	4	61
Dato' Johan Ariffin	-	19	1	20
	-	472	43	515

**27. SHARIAH COMMITTEE'S REMUNERATION**

	Shareholder's fund RM'000	Company RM'000
<b>1.1.2017 to 30.6.2017</b>		
Fees	84	84
Other emoluments	28	28
	112	112
<b>1.1.2016 to 30.6.2016</b>		
Fees	85	85
Other emoluments	25	25
	110	110

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**27. SHARIAH COMMITTEE'S REMUNERATION (CONT'D.)**

The total remuneration of the Shariah Committee of the Company are as follows:

	<b>Fees</b>	<b>Other</b>	<b>Total</b>
	<b>RM'000</b>	<b>emoluments</b>	<b>RM'000</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>1.1.2017 to 30.6.2017</b>			
Shariah committee:			
Dr. Ahcene Lahsasna	18	6	24
Dr. Ismail Bin Mohd @ Abu Hassan	18	6	24
Dr. Mohammad Deen Bin Mohd Napiah	18	6	24
Dr. Sarip Bin Adul	18	6	24
Dr. Rusni Hassan	6	2	8
Prof Abdul Rahim Abdul Rahman	6	2	8
	<u>84</u>	<u>28</u>	<u>112</u>
<b>1.1.2016 to 30.6.2016</b>			
Shariah committee:			
Dr. Ahcene Lahsasna	17	5	22
Dr. Ismail Bin Mohd @ Abu Hassan	17	5	22
Dr. Mohammad Deen Bin Mohd Napiah	17	5	22
Dr. Sarip Bin Adul	17	5	22
Ahmad Jailani Bin Abdul Ghani	17	5	22
	<u>85</u>	<u>25</u>	<u>110</u>

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**28. MOVEMENT IN ALLOWANCE FOR IMPAIRMENT LOSSES**

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

**Shareholder's fund**

	<b>Financing receivables RM'000</b>	<b>Other receivables (Note 15) RM'000</b>	<b>Total RM'000</b>
<b>30.6.2017</b>			
<u>Individual allowance</u>			
At 1 January	781	1,237	2,018
(Reversal of)/allowance for impairment losses during the period	(3)	1,048	1,045
At 30 June	<u>778</u>	<u>2,285</u>	<u>3,063</u>
<u>Collective allowance</u>			
At 1 January/30 June	<u>-</u>	<u>-</u>	<u>-</u>
<b>31.12.2016</b>			
<u>Individual allowance</u>			
At 1 January	784	1,294	2,078
Reversal of impairment losses during the year	(3)	(57)	(60)
At 31 December	<u>781</u>	<u>1,237</u>	<u>2,018</u>
<u>Collective allowance</u>			
At 1 January/31 December	<u>-</u>	<u>-</u>	<u>-</u>

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**28. MOVEMENT IN ALLOWANCE FOR IMPAIRMENT LOSSES (CONT'D.)**

The movements in allowance for impairment losses for financial assets are as follows:

**General takaful fund**

	Financing receivables RM'000	Retakaful assets RM'000	Takaful receivables (Note 14) RM'000	Other receivables (Note 15) RM'000	Total RM'000
<b>30.6.2017</b>					
<u>Individual allowance</u>					
At 1 January	3,331	-	5,654	-	8,985
Allowance for/(reversal ) of impairment losses during the period	-	17	(1,361)	-	(1,344)
At 30 June	<u>3,331</u>	<u>17</u>	<u>4,293</u>	<u>-</u>	<u>7,641</u>
<u>Collective allowance</u>					
At 1 January	-	-	1,423	-	1,423
Allowance for impairment losses during the period	-	-	286	-	286
At 30 June	<u>-</u>	<u>-</u>	<u>1,709</u>	<u>-</u>	<u>1,709</u>
<b>31.12.2016</b>					
<u>Individual allowance</u>					
At 1 January	3,331	2,540	7,098	32	13,001
(Reversal of)/allowance for impairment losses during the year	-	(2,540)	3,840	(32)	1,268
Written off during the year	-	-	(5,284)	-	(5,284)
At 31 December	<u>3,331</u>	<u>-</u>	<u>5,654</u>	<u>-</u>	<u>8,985</u>
<u>Collective allowance</u>					
At 1 January	-	-	13,416	-	13,416
Reversal of impairment losses during the year	-	-	(11,993)	-	(11,993)
At 31 December	<u>-</u>	<u>-</u>	<u>1,423</u>	<u>-</u>	<u>1,423</u>

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**28. MOVEMENT IN ALLOWANCE FOR IMPAIRMENT LOSSES (CONT'D.)**

The movements in allowance for impairment losses for financial assets are as follows:

**Family takaful fund**

	<b>Financing receivables RM'000</b>	<b>Takaful receivables (Note 14) RM'000</b>	<b>Other receivables (Note 15) RM'000</b>	<b>Total RM'000</b>
<b>30.6.2017</b>				
<u>Individual allowance</u>				
At 1 January	11	1,643	510	2,164
Allowance for impairment losses during the period	-	454	-	454
At 30 June	<u>11</u>	<u>2,097</u>	<u>510</u>	<u>2,618</u>
<u>Collective allowance</u>				
At 1 January	-	437	-	437
Allowance for impairment losses during the period	-	24	-	24
At 30 June	<u>-</u>	<u>461</u>	<u>-</u>	<u>461</u>
<b>31.12.2016</b>				
<u>Individual allowance</u>				
At 1 January	3,212	2,653	510	6,375
Reversal of impairment losses during the year	(1)	(58)	-	(59)
Written off during the year	(3,200)	(952)	-	(4,152)
At 31 December	<u>11</u>	<u>1,643</u>	<u>510</u>	<u>2,164</u>
<u>Collective allowance</u>				
At 1 January	-	1,510	-	1,510
Reversal of impairment losses during the year	-	(1,073)	-	(1,073)
At 31 December	<u>-</u>	<u>437</u>	<u>-</u>	<u>437</u>

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**29. OPERATING LEASE COMMITMENTS**

As at the reporting date, the Company leases office premises under lease agreements that are not cancellable within a year. The leases contain renewable options.

Future minimum lease payments for leases with initial or remaining terms of one year or more are as follows:

	<b>30.6.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Within 1 year	10,420	11,003
After 1 year but not more than 5 years	38,378	38,924
	<u>48,798</u>	<u>49,927</u>

**30. CAPITAL COMMITMENTS**

	<b>30.6.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Shareholder's fund</b>		
Approved and contracted for:		
Intangible assets	<u>1,570</u>	<u>-</u>

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**31. REGULATORY CAPITAL REQUIREMENT**

The capital structure of the Company as at 30 June 2017, as prescribed under the RBC Framework, is provided below:

<b>Company</b>	<b>30.6.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Eligible Tier 1 Capital</b>		
Paid up share capital	400,000	400,000
Valuation surplus in takaful funds	3,067,721	2,914,229
Retained earnings	1,471,463	1,393,143
	<u>4,939,184</u>	<u>4,707,372</u>
<b>Tier 2 Capital</b>		
Available-for-sale reserves	(54,243)	(29,609)
Subordinated obligation	300,000	300,000
	<u>245,757</u>	<u>270,391</u>
Amount deducted from capital	<u>(23,141)</u>	<u>(25,133)</u>
Total Capital Available	<u>5,161,800</u>	<u>4,952,630</u>

**32. SIGNIFICANT RELATED PARTY DISCLOSURES**

For the purpose of these unaudited interim 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 the Directors and Chief Executive Officer of the Company.

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**32. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D.)**

The Company has related party relationships with its shareholders, subsidiaries, associates and key management personnel.

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

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

	Shareholder's fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	Company RM'000
<b>Income/(expenses):</b>				
<b>1.1.2017 to 30.6.2017</b>				
Ultimate holding company:				
Gross takaful contribution income	-	-	6,365	6,365
Commission and fee expenses	(28,895)	(115)	(847)	(29,857)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Penultimate holding company:				
Gross takaful contribution income	-	-	2	2
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Holding company:				
Gross takaful contribution income	-	41	20	61
Shared service costs	(4,945)	-	-	(4,945)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

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**32. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D.)**

- (i) Significant transactions of the Company with related parties during the interim financial period were as follows (cont'd):

	<b>Shareholder's fund RM'000</b>	<b>General takaful fund RM'000</b>	<b>Family takaful fund RM'000</b>	<b>Company RM'000</b>
<b>Income/(expenses):</b>				
<b>1.1.2017 to 30.6.2017</b>				
Fellow subsidiaries within the Maybank Ageas Holding Berhad ("MAHB") Group:				
Gross takaful contribution income	-	-	509	509
Rental expense	(4,058)	-	(613)	(4,671)
Shared service costs	(30,356)	-	-	(30,356)
Investment advisory fee	(10)	(1)	(83)	(94)
Other related companies within the Malayan Banking Berhad ("MBB") Group:				
Profit income on deposits	1,130	2,236	5,506	8,872
Gross takaful contribution income	-	961	1,768	2,729
Maybank shared service IT expenses	(4,060)	-	(551)	(4,611)
Commission and fee income	22	-	-	22
Other expenses	(51)	-	-	(51)

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**32. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D.)**

(i) Significant transactions of the Company with related parties during the interim financial period were as follows (cont'd):

	Shareholder's fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	Company RM'000
<b>Income/(expenses):</b>				
<b>1.1.2016 to 30.6.2016</b>				
Ultimate holding company:				
Gross takaful contribution income	-	-	6,183	6,183
Commission and fee expenses	(28,006)	(117)	(727)	(28,850)
Holding company:				
Gross takaful contribution income	-	-	4	4
Shared service costs	(1,996)	-	-	(1,996)
Fellow subsidiaries within the MAHB Group:				
Gross takaful contribution income	-	-	612	612
Rental expense	(4,209)	(24)	(732)	(4,965)
Shared service costs	(25,478)	-	-	(25,478)
Other related companies within the MBB Group:				
Profit income on deposits	1,173	2,222	6,901	10,296
Gross takaful contribution income	-	708	1,788	2,496
Maybank shared service IT expenses	(3,818)	(32)	(614)	(4,464)
Commission and fee expenses	22	-	-	22
Other expenses	(54)	-	-	(54)

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**32. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D.)**

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

<b>30.6.2017</b>	<b>Shareholder's fund RM'000</b>	<b>General takaful fund RM'000</b>	<b>Family takaful fund RM'000</b>	<b>Company RM'000</b>
Ultimate holding company:				
Bank balances	25,086	53,604	103,704	182,394
Takaful receivables	-	-	184	184
Other payables	(16,237)	-	(7)	(16,244)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Holding company:				
Other payables	(571)	-	-	(571)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Fellow subsidiaries within the MAHB Group:				
Other receivables	5,222	-	-	5,222
Other payables	(11,194)	-	-	(11,194)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Other related companies within the MBB Group:				
Income and profit due and accrued	87	24	72	183
Islamic investment accounts	26,838	67,881	281,478	376,197
Other receivables	3,517	-	-	3,517
Other payables	(69)	-	-	(69)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

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**32. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D.)**

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

<b>31.12.2016</b>	<b>Shareholder's fund RM'000</b>	<b>General takaful fund RM'000</b>	<b>Family takaful fund RM'000</b>	<b>Company RM'000</b>
Ultimate holding company:				
Bank balances	12,427	55,367	50,324	118,118
Takaful payables	-	(15)	(241)	(256)
Other payables	(10,600)	(24)	(169)	(10,793)
Holding company:				
Other payables	(1,860)	-	-	(1,860)
Fellow subsidiaries within the MAHB Group:				
Takaful receivables	-	-	44	44
Takaful payables	-	-	(2)	(2)
Other receivables	6,051	-	-	6,051
Other payables	(11,739)	-	-	(11,739)
Other related companies within the MBB Group:				
Income and profit due and accrued	351	982	695	2,028
Islamic investment accounts	73,616	252,531	457,201	783,348
Islamic debt securities	-	39,874	19,937	59,811
Takaful receivables	-	70	223	293
Takaful payables	-	-	(4)	(4)
Other receivables	3,452	-	-	3,452
Other payables	(2,624)	-	-	(2,624)
Companies related to a company with significant influence over the MBB Group:				
Takaful receivables	-	38	34	72
Takaful payables	-	(585)	(13)	(598)
Subordinated obligation	(80,317)	-	-	(80,317)

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**32. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D.)**

(iii) Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly. The key management personnel of the Company comprise the Executive Director, Non Executive Directors and the Chief Executive Officer.

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

	<b>30.6.2017</b>	<b>30.6.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Short-term employee benefits</b>		
Fees	505	472
Salaries and bonuses	-	269
EPF	-	47
Other emoluments	38	90
	<u>543</u>	<u>878</u>

(b) The movement in share options of key management personnel is as follows:

	<b>30.6.2017</b>	<b>30.6.2016</b>
At 1 January	-	190,000
Granted	-	15,000
Expired	-	(20,000)
At 30 June	<u>-</u>	<u>185,000</u>

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**33. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS**

**(a) Fair value hierarchy**

The Company classifies its financial instruments measured at fair value according to the Fair Value hierarchy.

The levels of the Fair Value hierarchy as defined by the accounting standards 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 represent actual and regularly occurring market transactions on an arm's length basis. Such financial instruments include actively traded government securities, listed derivatives and cash products traded on an exchange.

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

Refers to inputs other than quoted prices 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 other government bonds, less liquid equities and OTC derivatives.

- Level 3 : No Active Market – Valuation techniques using unobservable input

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 instruments include corporate bonds in illiquid markets and private equity investments.

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**33. FAIR VALUES OF FINANCIAL ASSETS**

**(a) Fair value measurements and classification within the fair value hierarchy**

**Shareholder's Fund**

	Valuation techniques using:		Total RM'000
	Level 1 Quoted market prices RM'000	Level 2 Using Observable inputs RM'000	
<b>30.6.2017</b>			
<u>Assets</u>			
<b>AFS financial investments</b>			
Malaysian government papers	-	236,975	236,975
Unquoted debt securities in Malaysia	-	2,205,576	2,205,576
Quoted equity securities in Malaysia	154,215	-	154,215
Investment-linked units	24,744	-	24,744
<b>Total assets</b>	<b>178,959</b>	<b>2,442,551</b>	<b>2,621,510</b>
<b>31.12.2016</b>			
<u>Assets</u>			
<b>AFS financial investments</b>			
Malaysian government papers	-	306,503	306,503
Unquoted debt securities in Malaysia	-	1,834,341	1,834,341
Quoted equity securities in Malaysia	107,597	-	107,597
Quoted unit and property trust funds in Malaysia	3,965	-	3,965
Investment-linked units	23,373	-	23,373
<b>Total assets</b>	<b>134,935</b>	<b>2,140,844</b>	<b>2,275,779</b>

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**33. FAIR VALUES OF FINANCIAL ASSETS (CONT'D.)**

**(a) Fair value measurements and classification within the fair value hierarchy (cont'd.)**

**General takaful fund**

	Valuation techniques using:			Total RM'000
	Level 1 Quoted market prices RM'000	Level 2 Using Observable inputs RM'000	Level 3 Using Significant Observable inputs RM'000	
<b>30.6.2017</b>				
<u>Assets</u>				
<b>AFS financial investments</b>				
Malaysian government papers	-	332,709	-	332,709
Unquoted debt securities in Malaysia	-	1,164,185	-	1,164,185
Quoted equity securities in Malaysia	11,392	-	-	11,392
<b>Total assets</b>	<b>11,392</b>	<b>1,496,894</b>	<b>-</b>	<b>1,508,286</b>
<b>31.12.2016</b>				
<u>Assets</u>				
<b>AFS financial investments</b>				
Malaysian government papers	-	355,813	-	355,813
Unquoted debt securities in Malaysia	-	1,017,376	4,290	1,021,666
Quoted equity securities in Malaysia	12,795	-	-	12,795
Quoted unit and property trust funds in Malaysia	302	-	-	302
<b>Total assets</b>	<b>13,097</b>	<b>1,373,189</b>	<b>4,290</b>	<b>1,390,576</b>

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**33. FAIR VALUES OF FINANCIAL ASSETS (CONT'D.)**

**(a) Fair value measurements and classification within the fair value hierarchy (cont'd.)**

**Family takaful fund**

	Valuation techniques using:			Total RM'000
	Level 1 Quoted market prices RM'000	Level 2 Using Observable inputs RM'000	Level 3 Using Significant Observable inputs RM'000	
<b>30.6.2017</b>				
<u>Assets</u>				
<b>AFS financial investments</b>				
Malaysian government papers	-	57,466	-	57,466
Unquoted debt securities in Malaysia	-	1,975,150	-	1,975,150
Quoted equity securities in Malaysia	654,885	-	-	654,885
Quoted unit and property trust funds in Malaysia	10,989	-	-	10,989
NICD	-	19,341	-	19,341
<b>Financial investments at FVTPL</b>				
<b>- Designated upon initial recognition</b>				
Malaysian government papers	-	121,141	-	121,141
Unquoted debt securities in Malaysia	-	5,336,301	-	5,336,301
Structured products	-	-	-	-
NICD	-	106,362	-	106,362
<b>- HFT</b>				
Malaysian government papers	-	4,015	-	4,015
Unquoted debt securities in Malaysia	-	13,056	-	13,056
Quoted equity securities in Malaysia	12,190	-	-	12,190
Quoted unit and property trust funds outside Malaysia	337	-	-	337
	678,401	7,632,832	-	8,311,233

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**33. FAIR VALUES OF FINANCIAL ASSETS (CONT'D.)**

**(a) Fair value measurements and classification within the fair value hierarchy (cont'd.)**

**Family takaful fund**

	Valuation techniques using:			Total RM'000
	Level 1 Quoted market prices RM'000	Level 2 Using Observable inputs RM'000	Level 3 Using Significant Observable inputs RM'000	
<b>31.12.2016</b>				
<u>Assets</u>				
<b>AFS financial investments</b>				
Malaysian government papers	-	48,537	-	48,537
Unquoted debt securities in Malaysia	-	1,932,922	31,812	1,964,734
Quoted equity securities in Malaysia	859,172	-	-	859,172
Quoted unit and property trust funds in Malaysia	40,094	-	-	40,094
NICD	-	18,954	-	18,954
				-
<b>Financial investments at FVTPL</b>				
<b>- Designated upon initial recognition</b>				
Malaysian government papers	-	179,283	-	179,283
Unquoted debt securities in Malaysia	-	5,374,228	18,913	5,393,141
NICD	-	104,228	-	104,228
<b>- HFT</b>				
Malaysian government papers	-	7,171	-	7,171
Unquoted debt securities in Malaysia	-	10,692	-	10,692
Quoted equity securities in Malaysia	9,978	-	-	9,978
Quoted unit and property trust funds outside Malaysia	226	-	-	226
	<u>909,470</u>	<u>7,676,015</u>	<u>50,725</u>	<u>8,636,210</u>

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**33. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (CONT'D.)**

**(b) 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 2017.

**(c) Movements of Level 3 instruments**

	<u>General Takaful Fund</u>	<u>Family Takaful Fund</u>	
	<u>Financial instruments</u>	<u>Financial instruments</u>	
	<u>measured at fair value</u>	<u>measured at fair value</u>	
	AFS	AFS	Designated
	RM'000	RM'000	at FVTPL
			RM'000
As at 1 January 2017	4,290	31,812	18,913
Recognised in income statement:			
Realised loss	187	1,387	825
Fair value gain/(loss)	-		(5,091)
Recognised in other comprehensive income			
as fair value loss:	(1,155)	(8,563)	
Purchases			
Disposals	(3,322)	(24,636)	(14,647)
As at 30 June 2017	<u>-</u>	<u>-</u>	<u>-</u>
Total gains or losses recognised in			
income statement for financial instruments			
measured at fair value at the end of the	<u>187</u>	<u>1,387</u>	<u>(4,266)</u>
reporting period			
Total gains or losses recognised in other			
comprehensive income for financial instruments			
measured at fair value at the end of the	<u>(1,155)</u>	<u>(8,563)</u>	<u>-</u>
reporting period			

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**33. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (CONT'D.)**

**(c) Movements of Level 3 instruments (cont'd.)**

	<u>General Takaful Fund</u>	<u>Family Takaful Fund</u>	
	<u>Financial instruments measured at fair value</u>	<u>Financial instruments measured at fair value</u>	
	AFS RM'000	AFS RM'000	Designated at FVTPL RM'000
As at 1 January 2016	4,323	32,064	19,063
Recognised in income statement:			
Realised gain	20	147	87
Fair value gain	-	-	100
Recognised in other comprehensive income as fair value gain:			
Disposals	23	167	-
As at 31 December 2016	<u>4,290</u>	<u>31,812</u>	<u>18,913</u>
 Total gains or losses recognised in income statement for financial instruments measured at fair value at the end of the reporting period	<u>20</u>	<u>147</u>	<u>187</u>
 Total gains or losses recognised in other comprehensive income for financial instruments measured at fair value at the end of the reporting period	<u>23</u>	<u>167</u>	<u>-</u>