

Unaudited Condensed
Interim Financial Statements
For The Financial Period From
1 January 2021 To 30 June 2021

Company No.

201701045981 (1260157-U)

ZURICH GENERAL TAKAFUL MALAYSIA BERHAD

(Incorporated in Malaysia)

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Company No.

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ZURICH GENERAL TAKAFUL MALAYSIA BERHAD

(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2021

30.06.2021				31.12.2020			
		Takaful Operator	General Takaful Fund	Company	Takaful Operator	General Takaful Fund	Company
ASSETS	Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment		1,361	-	1,361	1,039	-	1,039
Right-of-use assets		2,068	-	2,068	2,684	-	2,684
Intangible assets	12	25,289	-	25,289	26,183	-	26,183
Investments	13	279,709	437,869	717,578	281,784	437,675	719,459
Takaful receivables		-	62,411	62,411	-	38,434	38,434
Retakaful assets	15	-	114,276	114,276	-	114,360	114,360
Other receivables #		20,629	281	3,392	28,399	268	1,043
Current tax assets		-	1,705	1,705	-	1,833	1,833
Deferred tax assets		13,591	1,981	15,572	12,306	728	13,034
Cash and cash equivalents		213,537	399,134	612,671	123,117	305,837	428,954
TOTAL ASSETS		556,184	1,017,657	1,556,323	475,512	899,135	1,347,023

Interfund balances are eliminated at Company level in accordance with MFRS10 Consolidated Financial Statements.

The accompanying notes form an integral part of these condensed interim financial statements.

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UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2021 (CONTINUED)

		30.06.2021			31.12.2020		
		Takaful Operator	General Takaful Fund	Company	Takaful Operator	General Takaful Fund	Company
LIABILITIES	Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Takaful contract liabilities	16	-	921,114	921,114	-	795,505	795,505
Lease liabilities		2,288	-	2,288	2,875	-	2,875
Takaful payables		-	32,339	32,339	-	31,539	31,539
Other payables #		35,560	64,204	82,246	32,870	72,091	77,337
Expense liabilities		44,984	-	44,984	40,035	-	40,035
Current tax liabilities		6,376	-	6,376	4,985	-	4,985
TOTAL LIABILITIES		89,208	1,017,657	1,089,347	80,765	899,135	952,276
SHAREHOLDERS' EQUITY							
Share capital		377,000	-	377,000	317,000	-	317,000
Retained earnings		87,897	-	87,897	73,746	-	73,746
Available-for-sale reserve		2,079	-	2,079	4,001	-	4,001
		466,976	-	466,976	394,747	-	394,747
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		556,184	1,017,657	1,556,323	475,512	899,135	1,347,023

Interfund balances are eliminated at Company level in accordance with MFRS10 Consolidated Financial Statements.
The accompanying notes form an integral part of these condensed interim financial statements.

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ZURICH GENERAL TAKAFUL MALAYSIA BERHAD

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UNAUDITED CONDENSED STATEMENTS OF PROFIT OR LOSS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

	30.06.2021			30.06.2020		
	Takaful Operator RM'000	General Takaful Fund RM'000	Company RM'000	Takaful Operator RM'000	General Takaful Fund RM'000	Company RM'000
Gross earned contributions	-	347,827	347,827	-	294,611	294,611
Contribution ceded to retakaful operators	-	(22,760)	(22,760)	-	(26,689)	(26,689)
Net earned contributions	-	325,067	325,067	-	267,922	267,922
Wakalah fee income	120,850	-	-	86,162	-	-
Investment income	6,607	11,623	18,230	6,407	10,623	17,030
Realised gain	29	42	71	-	-	-
Fee and commission income	-	5,130	5,130	-	4,592	4,592
Other operating income – net	-	190	190	-	863	863
Other income	127,486	16,985	23,621	92,569	16,078	22,485
Total revenue	127,486	342,052	348,688	92,569	284,000	290,407
Gross benefits and claims paid	-	(114,874)	(114,874)	-	(116,094)	(116,094)
Claims ceded to retakaful operators	-	6,406	6,406	-	4,721	4,721
Gross change to contract liabilities	-	(106,606)	(106,606)	-	(74,929)	(74,929)
Change in contract liabilities ceded to retakaful operators	-	(1,351)	(1,351)	-	(4,279)	(4,279)
Net benefits and claims	-	(216,425)	(216,425)	-	(190,581)	(190,581)

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UNAUDITED CONDENSED STATEMENTS OF PROFIT OR LOSS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021 (CONTINUED)

	30.06.2021			30.06.2020		
	Takaful Operator RM'000	General Takaful Fund RM'000	Company RM'000	Takaful Operator RM'000	General Takaful Fund RM'000	Company RM'000
Wakalah fee expenses		(120,850)	-	-	(86,162)	-
Fee and commission expenses	(45,155)	-	(45,155)	(31,129)	-	(31,129)
Management expenses	(56,791)	-	(56,791)	(47,063)	-	(47,063)
Other operating expenses	(42)	(21)	(63)	(90)	(77)	(167)
Expense liabilities	(4,949)	-	(4,949)	(34)	-	(34)
Other expenses	(106,937)	(120,871)	(106,958)	(78,316)	(86,239)	(78,393)
Total underwriting surplus from operations/profit before zakat and taxation	20,549	4,756	25,305	14,253	7,180	21,433
Zakat	(530)	-	(530)	(367)	-	(367)
Taxation	(5,868)	(4,756)	(10,624)	(4,772)	(7,180)	(11,952)
Net profit for the financial period	14,151	-	14,151	9,114	-	9,114
Basic earning per share (SEN)	0.04			0.03	-	-

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UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

	30.06.2021			30.06.2020		
	Takaful Operator RM'000	General Takaful Fund RM'000	Company RM'000	Takaful Operator RM'000	General Takaful Fund RM'000	Company RM'000
Net profit for the financial period	14,151	-	14,151	9,114	-	9,114
Other comprehensive income:						
<u>Items that may be subsequently reclassified to profit or loss:</u>						
Fair value change on available-for-sale financial assets:						
- Gross fair value change arising during the financial period	(2,500)	-	(2,500)	1,941	-	1,941
- Gross fair value transferred to statement of profit or loss	(29)	-	(29)	-	-	-
- Deferred tax	607	-	607	(466)	-	(466)
Gross fair value changes, net of tax	(1,922)	-	(1,922)	1,475	-	1,475
Total comprehensive income for the financial period	12,229	-	12,229	10,589	-	10,589

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UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

	Issued and fully paid ordinary shares	Non- distributable Available- for-sale reserve	Distributable Retained earnings	Total
	Share capital RM'000	RM'000	RM'000	RM'000
1 January 2021	317,000	4,001	73,746	394,747
Issuance of shares during the financial period	60,000	-	-	60,000
Net profit for the financial period	-	-	14,151	14,151
Other comprehensive income for the financial period	-	(1,922)	-	(1,922)
At 30 June 2021	377,000	2,079	87,897	466,976
1 January 2020	317,000	1,064	39,251	357,315
Net profit for the financial period	-	-	9,114	9,114
Other comprehensive income for the financial period	-	1,475	-	1,475
At 30 June 2020	317,000	2,539	48,365	367,904

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

	6 months ended 30.06.2021 RM'000	6 months ended 30.06.2020 RM'000
OPERATING ACTIVITIES		
Cash generated from/(utilised in) operating activities	114,597	(97,357)
Investment income received	20,460	14,256
Income tax paid	(10,016)	(10,126)
Interest expense on lease liabilities	(42)	-
Net cash inflows/(outflows) from operating activities	<u>124,999</u>	<u>(93,227)</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(536)	(314)
Purchase of intangible assets	(159)	-
Net cash outflows from investing activities	<u>(695)</u>	<u>(314)</u>
FINANCING ACTIVITIES		
Proceeds from issuance of shares	60,000	-
Payment of lease liabilities	(587)	(672)
Net cash inflows/(outflows) from financing activities	<u>59,413</u>	<u>(672)</u>
Net movement in cash and cash equivalents	183,717	(94,213)
Cash and cash equivalents at the beginning of the financial period	<u>428,954</u>	<u>404,194</u>
Cash and cash equivalents at the end of the financial period	<u>612,671</u>	<u>309,981</u>
Cash and cash equivalents comprise:		
Cash and bank balances	140,693	108,764
Fixed deposits with licensed financial institution with maturities less than 3 months	471,978	201,217
	<u>612,671</u>	<u>309,981</u>

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The condensed interim financial statements are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), 134 Interim Financial Reporting. The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2020, which were prepared in accordance with the MFRS and International Financial Reporting Standards ("IFRS").

The Islamic Financial Services Act ("IFSA") 2013 requires the assets and liabilities of the takaful funds are clearly segregated from those of the takaful operator. However, in preparing the Company-level financial statements, the balances and transactions of the takaful operator fund are consolidated with those of the takaful fund to represent the control possessed by the takaful operator over the respective funds.

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 change in the financial position and performance of the Company since the financial year ended 31 December 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and presentation adopted by the Company for the unaudited condensed interim financial statements are consistent with those adopted in the Company's audited financial statements for the financial year ended 31 December 2020, except for the adoption of the following:

<u>MFRSs / Interpretations / Amendments</u>	<u>Effective date</u>
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 Interest Rate Benchmark Reform	1 January 2021
Amendments to MFRS 16 - Covid 19 - Related Rent Concessions beyond 30 June 2021	1 April 2021

MFRS 9 "Financial Instruments" replaces the guidance in MFRS 139 Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and financial liabilities and on hedge accounting, effective for annual periods beginning on or after 1 January 2018.

The Company has applied the temporary exemption under Amendments to MFRS 4 – Applying MFRS 9, Financial Instruments with MFRS 4, Insurance Contract which enables eligible entities to defer the implementation date of MFRS 9 to annual periods beginning before 1 January 2023 at the latest. Hence, the Company has not adopted MFRS 9 for the financial year beginning on or after 1 January 2018.

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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amendments to MFRS 4 - Applying MFRS 9 "Financial Instruments" with MFRS 4 "Insurance Contracts"

The amendments allow entities to avoid temporary volatility in profit or loss that might result from adopting MFRS 9 before the forthcoming new insurance contracts standard. This is because certain financial assets have to be measured at fair value through profit or loss under MFRS 9; whereas, under MFRS 4, the related liabilities from insurance contracts are often measured on amortised cost basis.

The amendments provide 2 different approaches for entities:

- a temporary exemption from MFRS 9 for entities that meet specific requirements; and
- the overlay approach.

Both approaches are optional.

The temporary exemption enables eligible entities to defer the implementation date of MFRS 9 for annual periods beginning before 1 January 2023 at the latest. An entity may apply the temporary exemption from MFRS 9 if its activities are predominantly connected with takaful whilst the overlay approach allows an entity to adjust profit or loss for eligible financial assets by removing any accounting volatility to other comprehensive income that may arise from applying MFRS 9.

Based on the analysis performed, the Company was eligible to apply the temporary exemption as the predominance ratio reflecting the share of liabilities connected to insurance to total liabilities exceeded 90 percent. No reassessment of eligibility was required during subsequent annual periods up to and including 2019 as there is no significant change in the activities performed by the Company. Due to the strong interaction between underlying assets held and the measurement of insurance contracts, the Company decided to use the option to defer the full implementation of MFRS 9 until MFRS 17 "Insurance Contracts" becomes effective on 1 January 2023.

For further information on the effects from MFRS 9, Note 18 shows the fair value and carrying value of financial assets separately between financial assets with contractual cash flows that are solely payments of principal and profit ("SPPI") and other financial assets. Other financial assets consist of assets with contractual cash flows that are not SPPI and assets measured at fair value through profit or loss under MFRS 139.

The adoption of the above mentioned standards, amendments and interpretations issued by Malaysian Accounting Standards Board ("MASB") in the current financial year did not have any material impact to the unaudited condensed interim financial statements of the Company.

3. CHANGES IN ACCOUNTING POLICIES

There were no changes in accounting policies for the financial period ended 30 June 2021.

4. AUDITOR'S REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

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

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

5. SEASONAL OR CYCLICAL FACTORS

The Company's business operations are not significantly affected by any unusual seasonal or cyclical factors.

6. UNUSUAL ITEMS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current financial period under review.

7. CHANGE IN ESTIMATES

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

8. DIVIDEND PAYMENT

There was no dividend paid during the current financial period under review.

9. CHANGES IN COMPOSITION OF THE COMPANY

There were no changes in composition of the Company during the current financial period under review.

10. SIGNIFICANT AND SUBSEQUENT EVENT

Significant event during the financial period is disclosed in Note 19. There is no material event subsequent to the end of the period under review that has not been reported in the interim financial statements for the current financial period to date.

11. CONTINGENT LIABILITIES

There are no contingent liabilities as at the date of this report since the date of the last annual statement of financial position.

12. INTANGIBLE ASSETS

The self-developed software costs are in relation to internal development expenditure incurred for the software systems controlled by the Company that do not form an integral part of the hardware. These systems will generate economic benefits exceeding costs beyond one year.

Other intangible assets relate to the exclusive bancatakaful agreement with Alliance Islamic Bank Berhad and direct customer relationship acquired through the acquisition of general takaful portfolio from a third party. These assets are measured at cost less any accumulated amortisation and any impairment losses. Both assets are amortised over its useful life of 15 years using straight-line method.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

13. INVESTMENTS

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

		Takaful Operator RM'000	General Takaful Fund RM'000	Company RM'000
<u>At 30 June 2021</u>				
Financing receivables	(a)	-	3,124	3,124
Available-for-sale ("AFS") financial assets	(b)	279,709	434,745	714,454
		<u>279,709</u>	<u>437,869</u>	<u>717,578</u>
The following investments mature after 12 months:				
AFS financial assets		<u>224,431</u>	<u>348,672</u>	<u>573,103</u>
<u>At 31 December 2020</u>				
Financing receivables	(a)	-	3,124	3,124
Available-for-sale ("AFS") financial assets	(b)	281,784	434,551	716,335
		<u>281,784</u>	<u>437,675</u>	<u>719,459</u>
The following investments mature after 12 months:				
AFS financial assets		<u>241,920</u>	<u>367,332</u>	<u>609,252</u>

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

13. INVESTMENTS (CONTINUED)

(a) Financing receivables

	Takaful Operator RM'000	General Takaful Fund RM'000	Company RM'000
<u>At 30 June 2021</u>			
Amortised cost:			
Fixed deposit with licensed financial institutions	-	3,124	3,124
	<u>-</u>	<u>3,124</u>	<u>3,124</u>
<u>At 31 December 2020</u>			
Amortised cost:			
Fixed deposit with licensed financial institutions	-	3,124	3,124
	<u>-</u>	<u>3,124</u>	<u>3,124</u>

(b) AFS financial assets

	Takaful Operator RM'000	General Takaful Fund RM'000	Company RM'000
<u>At 30 June 2021</u>			
Fair value:	-	-	-
Islamic debt securities, unquoted	279,709	434,745	714,454
	<u>279,709</u>	<u>434,745</u>	<u>714,454</u>
<u>At 31 December 2020</u>			
Fair value:			
Islamic debt securities, unquoted	281,784	434,551	716,335
	<u>281,784</u>	<u>434,551</u>	<u>716,335</u>

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

14. FAIR VALUE MEASUREMENTS

(a) Determination of fair value and fair value hierarchy

The Company classifies fair value measurement using a fair value hierarchy that reflects the significant of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – Quoted market price

Included in the quoted price category are financial instruments that are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, secondary market via dealer and broker, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2 – Valuation Techniques – Market observable input

Financial instruments in this category are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. It includes financial instruments for which pricing is obtained via pricing services, but where prices have not been determined in an active market, instruments with fair values based on broker quotes and discounted cash flows, the price of the most recent transactions may be used provided that there has not been a significant change in economic circumstances since the time of the transaction, or if the conditions have changed, that price should be adjusted to reflect the change in conditions by reference to current prices for similar financial instruments and investment in unit and property trusts with fair values obtained via investment bankers and/or fund managers.

Level 3 – Valuation Techniques – Unobservable input

Non-market observable inputs mean that fair values are determined in whole or in part using a valuation technique based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. The main asset classes in this category are unquoted equity securities, un-rated securities and debt securities from organisations in default. Valuation techniques of these portfolios are used to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the instrument at the measurement date. However, the fair value measurement objective remains the same, that is, an exit price from the perspective of the Company. Therefore, unobservable inputs reflect the Company's own assumptions about the assumptions that market participants would use in pricing the instrument (including assumptions about risk). These inputs are developed based on the best information available, which might include the Company's own data and judgements.

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14. FAIR VALUE MEASUREMENTS (CONTINUED)

(b) Financial instruments and non-financial assets carried at fair value

The following tables show the Company's financial instruments and non-financial assets which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
30 June 2021				
AFS financial assets:				
- Corporate debt securities	-	714,454	-	714,454
	-	714,454	-	714,454
31 December 2020				
AFS financial assets:				
- Corporate debt securities	-	716,335	-	716,335
	-	716,335	-	716,335

15. RETAKAFUL ASSETS

	General Takaful Fund RM'000	Company RM'000
At 30 June 2021		
Retakaful of takaful contracts		
Claims liabilities (Note 16(i))	99,653	99,653
Unearned contribution reserves (Note 16(ii))	14,623	14,623
	114,276	114,276
At 31 December 2020		
Retakaful of takaful contracts		
Claims liabilities (Note 16(i))	101,062	101,062
Unearned contribution reserves (Note 16(ii))	13,298	13,298
	114,360	114,360

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

16. TAKAFUL CONTRACT LIABILITIES

The Takaful contract liabilities and movements are further analysed as follows:

	30.06.2021			31.12.2020		
	Gross	Re-takaful	Net	Gross	Re-takaful	Net
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Provision for claims	354,303	(74,413)	279,890	325,174	(78,987)	246,187
Provision for incurred but not reported claims ("IBNR")	185,768	(14,428)	171,340	129,483	(11,291)	118,192
Provision for adverse deviation ("PRAD")	44,710	(10,812)	33,898	38,594	(10,784)	27,810
Claim liabilities (i)	584,781	(99,653)	485,128	493,251	(101,062)	392,189
Unearned contribution reserves (ii)	259,028	(14,623)	244,405	236,736	(13,298)	223,438
AFS fair value adjustment (iii)	5,430	-	5,430	8,663	-	8,663
Unallocated surplus (iv)	71,875	-	71,875	56,855	-	56,855
	921,114	(114,276)	806,838	795,505	(114,360)	681,145

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16. TAKAFUL CONTRACT LIABILITIES (CONTINUED)

The Takaful contract liabilities and movements are further analysed as follows:

	30.06.2021			31.12.2020		
	Gross	Re-takaful	Net	Gross	Re-takaful	Net
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>(i) Claims liabilities</u>						
At 1 January	493,251	(101,062)	392,189	404,482	(114,079)	290,403
Claims incurred in the current period/year	200,344	(5,027)	195,317	345,587	(5,291)	340,296
Claims paid during the financial period/year	(114,874)	6,406	(108,468)	(262,090)	17,526	(244,564)
Movement in PRAD	6,060	30	6,090	5,272	782	6,054
At 30 June/31 December	584,781	(99,653)	485,128	493,251	(101,062)	392,189
<u>(ii) Unearned contribution reserves</u>						
At 1 January	236,736	(13,298)	223,438	202,876	(13,231)	189,645
Contribution written in the financial period/year	370,119	(24,085)	346,034	636,842	(47,303)	589,539
Contribution earned during the financial period/year	(347,827)	22,760	(325,067)	(602,982)	47,236	(555,746)
At 30 June/31 December	259,028	(14,623)	244,405	236,736	(13,298)	223,438

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16. TAKAFUL CONTRACT LIABILITIES (CONTINUED)

The Takaful contract liabilities and movements are further analysed as follows:

	30.06.2021			31.12.2020		
	Gross	Deferred tax	Net	Gross	Deferred tax	Net
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>(iii) AFS reserve</u>						
At 1 January	11,399	(2,736)	8,663	5,754	(1,381)	4,373
Fair value movements arising from AFS financial assets	(4,254)	1,021	(3,233)	5,645	(1,355)	4,290
At 30 June/31 December	<u>7,145</u>	<u>(1,715)</u>	<u>5,430</u>	<u>11,399</u>	<u>(2,736)</u>	<u>8,663</u>
	30.06.2021			31.12.2020		
	Gross	Re-takaful	Net	Gross	Re-takaful	Net
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>(iv) Unallocated surplus</u>						
At 1 January	56,855	-	56,855	47,845	-	47,845
Surplus during the financial period/year	15,020	-	15,020	29,010	-	29,010
Surplus distributed during the year	-	-	-	(20,000)	-	(20,000)
At 30 June/31 December	<u>71,875</u>	<u>-</u>	<u>71,875</u>	<u>56,855</u>	<u>-</u>	<u>56,855</u>

Any surplus arising during the financial period/year will only be distributed at year end as recommended by the appointed actuary.

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17. TOTAL CAPITAL AVAILABLE

The regulated capital of the Company as at 30 June 2021 comprised of Available Capital of RM503,707,000 (31 December 2020: RM421,231,000).

The capital structure of the Company as at 30 June 2021, as prescribed under the RBCT Framework, is shown below:

	30.06.2021	31.12.2020
	RM'000	RM'000
<u>Tier 1 Capital</u>		
Paid-up share capital	377,000	317,000
Reserve including retained earnings	159,772	130,601
	<u>536,772</u>	<u>447,601</u>
<u>Tier 2 Capital</u>		
Available-for-sale reserve	7,508	12,664
Less:		
Other intangible asset	(25,000)	(26,000)
Deferred tax assets	(15,573)	(13,034)
Total Capital Available	<u>503,707</u>	<u>421,231</u>

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18 ADDITIONAL DISCLOSURE UNDER AMENDMENTS TO “MFRS 4 INSURANCE CONTRACT LIABILITIES”

The Company has applied the temporary exemption from the adoption of MFRS 9 “Financial Instruments” from 1 January 2018 to no later than 1 January 2023 (see Note 2).

In order to compare with entities applying MFRS 9, the amendments require deferring entities to disclose additional information including contractual cash flows characteristics and credit exposure of the financial assets. The following table presents the Company’s financial assets by their contractual cash flows characteristics, which indicate if they are solely payments of principal and interest on the principal outstanding (“SPPI”).

(a) The following table shows the carrying amount under MFRS 139 for financial assets with SPPI cash flow analysed by credit quality:

	Government Guaranteed	AAA to AA	A1 to A3	Total
	RM’000	RM’000	RM’000	RM’000
30 June 2021				
AFS investments:				
Islamic debt securities, unquoted	60,873	626,989	26,592	714,454
Cash and bank balances	-	405,944	66,034	471,978
	<u>60,873</u>	<u>1,032,933</u>	<u>92,626</u>	<u>1,186,432</u>

(b) Fair value / carrying amount:

	Financial assets with SPPI cash flows	Other financial assets	Total
	RM’000	RM’000	RM’000
Fair value at 30 June 2021	1,189,556	306,130	1,495,686
Fair value changes during the financial period			
Financial assets that do not have low credit risk:			
- Fair value/carrying amount at 30 June 2021 under MFRS 139	-	NA	NA

N/A – not applicable

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19 SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

On 26 January 2021, the Board of Directors has approved the allotment of 60,000,000 new shares of the Company for a total consideration of RM60 million to Zurich Holdings Malaysia Berhad.

The ordinary shares were issued and fully paid by cash as follows:

Date	Number of shares	Price per share	Share capital
		RM	RM'000
26 February 2021	60,000,000	1.00	60,000
	60,000,000		60,000

Zurich General Takaful Malaysia Berhad

Registration No. 201701045981 (1260157-U)

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