

Registration No.

201101007816 (935955-M)

AIA PUBLIC TAKAFUL BHD.
(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2024**

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UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2024

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UNAUDITED CONDENSED INCOME STATEMENT
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2024

	Note	<u>6 months period ended 30.06.2024</u>		<u>6 months period ended 30.06.2023</u>	
		Family takaful fund RM'000	Company RM'000	Family takaful fund RM'000	Company RM'000
Takaful revenue	10	352,057	466,713	340,217	444,995
Takaful service expense	11	(361,604)	(352,854)	(373,557)	(357,313)
Takaful service result before retakaful certificates held		(9,547)	113,859	(33,340)	87,682
Net (expenses) / income from retakaful certificates held		(15,715)	(11,395)	1,426	3,399
Takaful service result		(25,262)	102,464	(31,914)	91,081
Profit income from:					
Financial assets not measured at fair value through profit or loss		4,558	13,861	5,235	12,972
Financial assets measured at fair value through profit or loss		46,308	46,308	38,289	38,289
Other investment income		226,336	229,271	37,622	36,304
Movement in impairment loss on financial assets		(12)	(880)	79	(38)
Net Investment result	12	277,190	288,560	81,225	87,527
Takaful finance expenses for takaful certificates issued	13	(248,174)	(247,221)	(43,469)	(62,206)
Retakaful finance income / (expenses) for retakaful certificates held	13	15,715	827	(1,425)	1,452
Takaful financial result		(232,459)	(246,394)	(44,894)	(60,754)

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UNAUDITED CONDENSED INCOME STATEMENT
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	<u>Note</u>	<u>6 months period ended 30.06.2024</u>		<u>6 months period ended 30.06.2023</u>	
		<u>Family takaful fund</u> RM'000	<u>Company</u> RM'000	<u>Family takaful fund</u> RM'000	<u>Company</u> RM'000
Other operating revenue		-	101	4	116
Other operating expenses		-	(15,750)	-	(8,993)
Profit before zakat and taxation		19,471	128,981	4,421	108,977
Tax expense attributable to participants		(19,471)	(19,471)	(4,421)	(4,421)
Profit before zakat and taxation attributable to shareholders		-	109,510	-	104,556
Zakat		-	-	-	-
Taxation		(19,471)	(45,360)	(4,421)	(29,917)
Tax expense attributable to participants		19,471	19,471	4,421	4,421
Tax expense attributable to shareholders		-	(25,889)	-	(25,496)
Net profit for the period		-	83,621	-	79,060
Profit per share (sen): Basic			18.58		17.57

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

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UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2024

	<u>6 months period ended 30.06.2024</u>		<u>6 months period ended 30.06.2023</u>	
	<u>Family takaful fund</u>	<u>Company</u>	<u>Family takaful fund</u>	<u>Company</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Net profit for the period	-	83,621	-	79,060
Other comprehensive income:				
<u>Items that may be subsequently reclassified to profit or loss</u>				
Fair value through other comprehensive income	-	356	-	10,173
Changes in expected credit losses	-	(140)	-	(42)
Deferred tax	-	(53)	-	(2,847)
Other comprehensive income for the period	-	163	-	7,284
Total comprehensive income for the period	-	83,784	-	86,344

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UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	<u>Note</u>	30.06.2024		31.12.2023	
		Family takaful fund RM'000	Company RM'000	Family takaful fund RM'000	Company RM'000
ASSETS					
Property and equipment		-	391	-	299
Intangible assets		-	14,453	-	14,817
Right-of-use-assets		-	1,725	-	1,912
Financial assets - fair value through other comprehensive income	14	146,536	681,990	157,043	606,719
Financial assets - fair value through profit or loss	14	3,558,387	3,574,254	3,187,054	3,200,371
Takaful certificate assets	15	80,140	22,975	65,327	27,784
Retakaful certificate assets	15	28,909	102,442	19,094	103,035
Other receivables		26,924	34,804	25,616	32,353
Tax recoverables		-	-	-	1,938
Cash and cash equivalents		210,112	248,423	184,567	210,786
Total assets		4,051,008	4,681,457	3,638,701	4,200,014
EQUITY					
Share capital		-	450,000	-	450,000
General reserves		-	(33,333)	-	(33,333)
Retained earnings		-	772,805	-	689,184
Other comprehensive income fair value reserves		-	3,438	-	3,275
Total equity		-	1,192,910	-	1,109,126

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UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024 (CONTINUED)

		30.06.2024		31.12.2023	
	Note	Family takaful fund RM'000	Company RM'000	Family takaful fund RM'000	Company RM'000
LIABILITIES					
Takaful certificates liabilities	15	3,957,124	3,209,175	3,502,895	2,857,648
Retakaful certificates liabilities	15	-	1	-	-
Deferred tax liabilities		18,898	222,674	4,201	193,743
Lease liabilities		-	1,858	-	2,039
Other payables		70,233	51,909	129,565	37,458
Tax payables		4,753	2,930	2,040	-
Total liabilities		4,051,008	3,488,547	3,638,701	3,090,888
Total equity and liabilities		4,051,008	4,681,457	3,638,701	4,200,014

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

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UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2024

	Non-distributable				
	Share capital RM'000	General reserves RM'000	Other comprehensive income RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2023	450,000	(33,333)	(5,719)	534,172	945,120
Total comprehensive Income for the period	-	-	7,284	79,060	86,344
At 30 June 2023	<u>450,000</u>	<u>(33,333)</u>	<u>1,565</u>	<u>613,232</u>	<u>1,031,464</u>
At 1 January 2024	450,000	(33,333)	3,275	689,184	1,109,126
Total comprehensive income for the period	-	-	163	83,621	83,784
At 30 June 2024	<u>450,000</u>	<u>(33,333)</u>	<u>3,438</u>	<u>772,805</u>	<u>1,192,910</u>

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UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2024

	6 months period ended 30.06.2024 RM'000	6 months period ended 30.06.2023 RM'000
Cash flows from operating activities		
Profit before taxation for the financial period	128,981	108,977
Adjustments for:		
Bad and doubtful debts	-	57
Reversal for expected credit loss of other financial assets	(140)	(42)
Depreciation of property and equipment	49	39
Depreciation of right of use assets	187	191
Amortisation of intangible assets	2,607	1,914
Finance cost of leases	41	21
Net amortisation of premium on investments	2,417	1,969
Profit Income	(57,752)	(53,230)
Dividend Income	(16,665)	(15,888)
Realised (gain)/loss	(19,042)	5,746
Fair value gains on fair value through profit or loss (FVTPL) financial assets	(193,381)	(27,413)
Operating (loss)/profit before working capital changes	(152,698)	22,341
(Increase)/decrease in other receivables	(2,451)	12,763
Increase in net takaful certificates liabilities	356,336	214,729
Decrease/(increase) in net retakaful assets	594	(8,497)
Increase in other payables	14,451	5,257
Increase in financial assets	(239,050)	(247,727)
Cash used in operating activities	(22,818)	(1,134)
Finance cost of leases paid	(41)	(21)
Income tax paid	(11,614)	(5,241)
Profit income received	57,752	51,420
Dividend received	16,923	17,456
Net cash generated from operating activities	40,202	62,480

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UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2024 (CONTINUED)

	6 months period ended <u>30.06.2024</u> RM'000	6 months period ended <u>30.06.2023</u> RM'000
Cash flows from investing activities		
Purchase of property and equipment	(141)	(24)
Purchase of intangible assets	(2,243)	(2,638)
Net cash used in investing activities	<u>(2,384)</u>	<u>(2,662)</u>
Cash flows from financing activities		
Repayment of lease liabilities	(181)	(213)
Net cash used in financing activities	<u>(181)</u>	<u>(213)</u>
Net increase in cash and cash equivalents	37,637	59,605
Cash and cash equivalents at 1 January	<u>210,786</u>	<u>293,089</u>
Cash and cash equivalents at 30 June	<u><u>248,423</u></u>	<u><u>352,694</u></u>
Cash and cash equivalents comprise:		
Cash and bank balances	155,099	122,154
Fixed deposit with licensed Islamic Banks	93,324	230,540
	<u><u>248,423</u></u>	<u><u>352,694</u></u>

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2024

1 CORPORATE INFORMATION

The Company is engaged principally in managing Family Takaful business including investment linked business. There has been no significant change in the principal activity during the financial period.

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The address of principal place of business and registered office of the Company are as follows:

Principal place of business

Level 14, Menara AIA
99 Jalan Ampang
50450 Kuala Lumpur

Registered office

Level 29, Menara AIA
99 Jalan Ampang
50450 Kuala Lumpur

The immediate holding company and ultimate holding company of the Company are AIA Bhd., a company incorporated in Malaysia and AIA Group Limited, a company incorporated in Hong Kong and listed on The Stock Exchange of Hong Kong Limited, respectively.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 22 August 2024.

2 BASIS OF PREPARATION

The condensed interim financial statements of the Company are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), *134 Interim Financial Reporting*.

Under the concept of Takaful, individuals make contributions to a pool which is managed by a third party with the overall aim of using the monies to aid fellow participants in times of need. Accordingly, as a takaful operator, the Company manages the Family Takaful fund in line with the principles of Wakalah (agency), which is the main business model adopted by the Company. Under the Wakalah model, the takaful operator is not a participant in the fund but manages the funds (including the relevant assets and liabilities) towards the purpose outlined above.

The Company have adopted the MFRS framework issued by the Malaysian Accounting Standards Board ("MASB") and Policy Document on Financial Reporting for Takaful Operators issued by Bank Negara Malaysia ("BNM").

The unaudited condensed 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 2023.

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2024 (CONTINUED)

3 MATERIAL ACCOUNTING POLICIES

The accounting policies and presentation adopted by the Company for the condensed interim financial statements are consistent with those adopted by the Company's audited financial statements for the financial year ended 31 December 2023, except for the adoption of the following:

- 3.1 Standards, amendments to published standards and interpretations to existing standards that are effective and relevant to the Company's financial period beginning on or after 1 January 2024.

The following accounting standards, amendments and interpretations have been adopted for the first time for the financial period beginning on 1 January 2024:

- Amendments to MFRS 101 "Classification of liabilities as current or non-current" ('2020 amendments') and "Non-current Liabilities with Covenants" ('2022 amendments').
- Amendments to MFRS 16, Lease Liability in a Sale and Leaseback.
- Amendments to MFRS 107 "Statement of Cash Flows" and MFRS 7 "Financial Instruments: Disclosure on supplier finance arrangement.

The adoption of the above accounting standards, amendments and interpretations do not have any significant impact to the financial statements.

3.2 Critical Accounting Estimates and Judgements

The Company makes estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. All estimates are based on management's knowledge of current facts and circumstances, assumptions based on that knowledge and predictions of future events and actions. Actual results may differ from those estimates, possibly significantly.

Items that are considered particularly sensitive to changes in estimates and assumptions, and the relevant accounting policies are those which relate to takaful certificates, classification of financial assets, impairment of financial assets and fair value measurement.

Level of aggregation and recognition of group of takaful certificates

For certificates issued to which the Company does not apply the premium allocation approach (PAA), the judgements exercised in determining whether certificates are onerous on initial recognition or those that have no significant possibility of becoming onerous subsequently are:

- based on the likelihood of changes in assumptions which, if they occurred, would result in the certificates becoming onerous; and
- using information about profitability estimation for the relevant group of products.

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FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2024 (CONTINUED)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Critical Accounting Estimates and Judgements (Continued)

Measurement of takaful certificates not measured under the premium allocation approach

The asset or liability for groups of takaful certificates is measured as the total of fulfilment cash flows and CSM.

The fulfilment cash flows of takaful certificates represent the present value of estimated future cash outflows, less the present value of estimated future cash inflows and adjusted for a provision for the risk adjustment for non-financial risk. The assumptions used and the techniques for estimating fulfilment cash flows and risk adjustments for non-financial risk are based on actual experience and certificate form. The Company exercises significant judgement in making appropriate assumptions and techniques.

CSM represents the unearned profits that the Company will recognise as it provides services under the takaful certificates in a group. The amounts of CSM recognised in profit or loss are determined by identifying the coverage units in the group, allocating the CSM at the end of period equally to each coverage unit provided in the current period and expected to be provided in the future. The number of coverage units in a group is the quantity of the services provided by the certificates in the group, determined by considering for each certificate, the quantity of the services provided under a certificate and its expected coverage period. The Company exercises judgements in determining the quantity of the services provided under a certificate which will affect the amounts recognised in the financial statements as takaful revenue from takaful certificates issued.

The judgements exercised in the valuation of takaful certificates affect the amounts recognised in the financial statements as assets or liabilities of takaful certificates.

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2024 (CONTINUED)**

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Critical Accounting Estimates and Judgements (Continued)

Determination of coverage unit

The CSM of a group of certificates is recognised as takaful revenue in each period based on the number of coverage units provided in the period, which is determined by considering for each certificate, the quantity of the services provided, its expected coverage duration and time value of money.

The quantity of services provided by takaful certificates could include takaful coverage, investment-return service and investment-related service, as applicable. In assessing the services provided by takaful certificates, the terms and benefit features of the certificates are considered.

For certificates providing predominately takaful coverage, the quantity of services is determined for the certificates as a whole based on the expected maximum benefits less investment component. For certificates providing multiple services, the quantity of services is determined based on the benefits provided to certificate holder for each service with the relative weighting considered in the calculation through the use of factors. Relevant elements are considered in determining the quantity of service including among others, benefit payments and contribution. The Company applies judgement in these determinations.

Expected coverage duration is derived based on the likelihood of a covered event occurring to the extent they affect the expected duration of certificates in the group. Determining the expected coverage duration is judgemental since it involves making an expectation of when claims and lapse will occur.

Transition to MFRS 17

The Company applied MFRS 17 for annual reporting period beginning on 1 January 2023. The Company has determined that it was impracticable to apply the full retrospective approach for some groups of takaful certificates because certain historical information was not available or was not available without undue cost and effort that would enable it to be used under this approach. Therefore, the Company applied fair value approaches for these groups of takaful certificates. The Company exercises judgements in determining the transition approaches, applying the transition methods and measuring the transition impacts on the transition date, which will affect the amounts recognised in the financial statements on the transition date.

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2024 (CONTINUED)**

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Critical Accounting Estimates and Judgements (Continued)

Impairment of financial assets

The Company recognises loss allowances for expected credit losses (ECL) on financial assets measured at amortised cost and debt securities measured at fair value through other comprehensive income. Loss allowances are measured at an amount equal to lifetime ECL, except in the following cases, for which the amount recognised is 12-month ECL:

- financial assets that are determined to have low credit risk at reporting date; and
- financial assets (other than other receivables or lease receivables) for which credit risk has not increased significantly since initial recognition.

Loss allowances for other receivables and lease receivables are always measured at an amount equal to lifetime ECL.

Lifetime ECL are the ECL that result from possible default events over the expected life of the financial instrument, whereas 12-month ECL are the portion of ECL that results from default events that are possible within the 12 months after the reporting date. In all cases, the maximum period considered when estimating ECL is the maximum contractual period over which the Company is exposed to credit risk.

ECL are a probability-weighted estimate of credit losses and are measured as follows:

- financial assets that are not credit-impaired at the reporting date: the present value of all cash shortfalls – i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive; and
- other financial assets that are credit-impaired at the reporting date: the difference between the gross carrying amount and the present value of estimated future cash flows.

Loss allowances for ECL of financial assets measured at amortised cost are deducted from the gross carrying amount of the assets, and loss allowance for debt securities measured at fair value through other comprehensive income are recognised in other comprehensive income and do not reduce the carrying amount of the financial assets in the statement of financial position.

The gross carrying amount of financial assets is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
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4 SEASONALITY OR CYCLICALITY

The business operations of the Company were not significantly affected by seasonality or cyclical factors during the current financial period.

5 UNUSUAL ITEMS

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

6 CHANGES IN ESTIMATES

There were no material changes in the basis used for the accounting estimates for the current financial period.

7 ISSUES, REPURCHASES AND REPAYMENTS OF DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase and repayment of debt and equity securities during the current financial period.

8 DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year.

9 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

There were no material events subsequent to the financial period ended 30 June 2024 that have not been reflected in the condensed interim financial statements.

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10 TAKAFUL REVENUE

	Note	30.06.2024		30.06.2023	
		Family Takaful fund	Company	Family Takaful fund	Company
		RM'000	RM'000	RM'000	RM'000
<u>Certificates not measured under PAA</u>					
Amounts relating to the changes in the liability for remaining coverage:					
Expected claims and takaful service expenses					
incurred in the period	a	300,990	257,903	288,392	255,156
Change in the risk adjustment for non-financial risk	b	-	4,526	-	3,587
Amount of CSM recognised in profit or loss		-	111,990	-	96,603
Experience adjustment for contribution variance and others		(13,323)	2,919	(4,400)	(619)
Amounts relating to recovery of takaful					
acquisition cash flows	c	20,755	39,760	28,087	44,955
Takaful revenue - certificates not measured under PAA	15.1.1.1	308,422	417,098	312,079	399,682
Takaful revenue - certificates measured under PAA	15.1.2.1	43,635	49,615	28,138	45,313
Total takaful revenue		<u>352,057</u>	<u>466,713</u>	<u>340,217</u>	<u>444,995</u>

Notes:

- Expected takaful service expenses incurred in the period comprise claims and other expenses which the Family Takaful fund expects to pay on covered events that occurred during the period.
- Change in risk adjustment shows amount of risk which expired during the period.
- Acquisition cash flows are allocated on a straight-line basis over the coverage period of the group of certificates.

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
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11 TAKAFUL SERVICE EXPENSES

	<u>Note</u>	<u>30.06.2024</u> RM'000	<u>30.06.2023</u> RM'000
<u>Family Takaful fund</u>			
Incurring claims and other takaful service expenses		378,359	321,396
Incurring wakalah fees	a,b	22,910	26,668
Amortisation of acquisition cash flows - wakalah fees	c	30,062	35,682
Changes to liabilities for incurred claims		<u>(69,727)</u>	<u>(10,189)</u>
Total takaful service expenses		<u>361,604</u>	<u>373,557</u>
Represented by:			
Certificates not measured under PAA	15.1.1.1	310,915	324,430
Certificates measured under PAA	15.1.2.1	50,689	49,127
		<u>361,604</u>	<u>373,557</u>

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2024 (CONTINUED)

11 TAKAFUL SERVICE EXPENSES (CONTINUED)

<u>Company</u>	<u>Note</u>	<u>30.06.2024</u> RM'000	<u>30.06.2023</u> RM'000
Incurring claims and other takaful service expenses		374,335	325,577
Amortisation of acquisition cash flows	c	45,832	51,832
Losses on onerous certificates and reversal of losses on onerous certificates		2,427	8,347
Changes to liabilities for incurred claims		(69,740)	(28,443)
Total takaful service expenses		<u>352,854</u>	<u>357,313</u>
Represented by:			
Certificates not measured under PAA	15.1.1.1	308,355	316,524
Certificates measured under PAA	15.1.2.1	44,499	40,789
Total		<u>352,854</u>	<u>357,313</u>

Notes:

- a. The wakalah fees paid to the Shareholder's Fund during the period is RM253,101,725 (2023: RM272,937,244). The breakdown of incurred wakalah fees by nature is as follows:

	<u>30.06.2024</u> RM'000	<u>30.06.2023</u> RM'000
Wakalah fees – Commissions	130,250	138,950
Wakalah fees – Management expenses	122,851	133,987
	<u>253,101</u>	<u>272,937</u>

- b. Wakalah fee income paid to Shareholder's fund and commission incurred by Shareholder's fund are as follows:

	<u>2024</u> RM'000	<u>2023</u> RM'000
Wakalah fees	253,101	272,937
Payment of commission	130,250	138,950

- c. Acquisition cash flows are allocated on a straight-line basis over the coverage period of the group of certificates.

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12 NET INVESTMENT RESULT

	Family Takaful fund <u>RM'000</u>	<u>Company</u> RM'000
<u>30.06.2024</u>		
Profit income of financial assets not measured at FVTPL		
At amortised cost	1,524	1,697
At FVOCI	3,034	12,164
Profit income of financial assets measured at FVTPL		
At FVTPL - designated	40,520	40,520
At FVTPL - mandatory	5,788	5,788
Other investment revenue		
Dividend income	16,355	16,665
Net gains of financial assets not measured at FVTPL		
At FVOCI	271	2,615
Net gains/(losses) of financial assets measured at FVTPL		
Debt securities (designated)	16,047	16,047
Debt securities (mandatory)	(446)	(608)
Equity securities	191,191	192,026
Net gains of other financial instruments measured at FVTPL		
Net foreign exchange gains	2,918	2,526
Movement in impairment loss on financial assets	(12)	(880)
Net investment result	<u>277,190</u>	<u>288,560</u>

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12 NET INVESTMENT RESULT (CONTINUED)

	Family Takaful fund <u>RM'000</u>	<u>Company</u> RM'000
<u>30.06.2023</u>		
Profit income of financial assets not measured at FVTPL		
At amortised cost	2,481	2,625
At FVOCI	2,754	10,347
Profit income of financial assets measured at FVTPL		
At FVTPL - designated	33,133	33,133
At FVTPL - mandatory	5,156	5,156
Other investment revenue		
Dividend income	15,595	15,888
Net gains of financial assets not measured at FVTPL		
At FVOCI	67	100
Net gains/(losses) of financial assets measured at FVTPL		
Debt securities (designated)	49,599	49,599
Debt securities (mandatory)	4,187	4,187
Equity securities	(35,568)	(35,719)
Net gains of other financial instruments measured at FVTPL		
Net foreign exchange gains	3,742	2,249
Movement in impairment loss on financial assets	79	(38)
Net investment result	<u>81,225</u>	<u>87,527</u>

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13 TAKAFUL FINANCIAL RESULT

	Family Takaful fund	Company
	RM'000	RM'000
<u>30.06.2024</u>		
<u>Takaful finance income/(expenses) from takaful certificates issued</u>		
Changes in fair value of underlying items	(247,689)	(267,020)
Profit accreted	535	(2,780)
Effect of changes in profit rates and other financial assumptions	(1,020)	22,810
Effect of measuring changes in estimates at current rates and adjusting the CSM at the rates on initial recognition	-	(231)
	<u>(248,174)</u>	<u>(247,221)</u>
<u>30.06.2023</u>		
<u>Takaful finance income/(expenses) from takaful certificates issued</u>		
Changes in fair value of underlying items	(42,365)	(69,501)
Profit accreted	57	(3,123)
Effect of changes in profit rates and other financial assumptions	(1,161)	10,542
Effect of measuring changes in estimates at current rates and adjusting the CSM at the rates on initial recognition	-	(124)
	<u>(43,469)</u>	<u>(62,206)</u>

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13 TAKAFUL FINANCIAL RESULT (CONTINUED)

	Family Takaful fund <u>RM'000</u>	<u>Company</u> RM'000
<u>30.06.2024</u>		
<u>Retakaful finance income for retakaful certificates held</u>		
Profit accretion	3,137	827
Participant's share of changes in fair value of underlying items	<u>12,578</u>	<u>-</u>
	<u>15,715</u>	<u>827</u>
 <u>30.06.2023</u>		
<u>Retakaful finance income/(expenses) for retakaful certificates held</u>		
Profit accretion	2,614	1,452
Participant's share of changes in fair value of underlying items	<u>(4,039)</u>	<u>-</u>
	<u>(1,425)</u>	<u>1,452</u>

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14 FINANCIAL ASSETS

(a) The Company's financial assets are as follows:

	Family Takaful fund RM'000	Company RM'000
<u>30.06.2024</u>		
<u>Financial assets at FVOCI:</u>		
Government investment issues	5,336	105,253
Cagamas	18,562	37,670
Unquoted corporate sukuks	122,638	539,067
	<u>146,536</u>	<u>681,990</u>
<u>Financial assets at FVTPL:</u>		
Government investment issues	524,606	524,606
Cagamas	48,072	48,072
Unquoted corporate sukuks	1,642,715	1,642,715
Quoted shariah approved shares	1,174,552	1,182,783
Unquoted shariah approved equities	14,473	22,037
Shariah approved unit trusts	142,696	142,696
REITs	11,273	11,345
	<u>3,558,387</u>	<u>3,574,254</u>

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14 FINANCIAL ASSETS (CONTINUED)

(a) The Company's financial assets are as follows: (continued)

	Family Takaful fund RM'000	Company RM'000
<u>31.12.2023</u>		
<u>Financial assets at FVOCI:</u>		
Government investment issues	40,003	111,133
Cagamas	4,980	16,428
Unquoted corporate sukuks	112,060	479,158
	<u>157,043</u>	<u>606,719</u>
<u>Financial assets at FVTPL:</u>		
Government investment issues	445,995	445,995
Cagamas	33,880	33,880
Unquoted corporate sukuks	1,646,505	1,646,505
Quoted shariah approved shares	945,734	951,366
Unquoted shariah approved equities	14,515	22,130
Shariah approved unit trusts	89,380	89,380
REITs	11,045	11,115
	<u>3,187,054</u>	<u>3,200,371</u>

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14 FINANCIAL ASSETS (CONTINUED)

(b) Movement in carrying values

	Family Takaful fund RM'000	Company RM'000
<u>FVOCI</u>		
At 1 January 2023	137,230	523,170
Purchases	75,906	267,501
Disposals at amortised cost	(58,946)	(196,025)
<u>Fair value gains recorded in:</u>		
Takaful certificates liabilities/ Other comprehensive income	3,011	13,291
Net amortisation of premiums	(158)	(1,218)
At 31 December 2023 /1 January 2024	157,043	606,719
Purchases	62,200	281,662
Disposals at amortised cost	(72,685)	(205,928)
<u>Fair value gains recorded in:</u>		
Takaful certificates liabilities/ Other comprehensive income	69	194
Net amortisation of premiums	(91)	(657)
At 30 June 2024	146,536	681,990

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14 FINANCIAL ASSETS (CONTINUED)

(b) Movement in carrying values (continued)

	Family Takaful fund RM'000	Company RM'000
<u>FVTPL</u>		
At 1 January 2023	2,528,372	2,539,454
Purchases	1,534,671	1,537,854
Disposals at fair value	(976,068)	(977,125)
<u>Fair value gains recorded in:</u>		
Profit or loss	102,806	102,915
Net amortisation of premiums	(2,727)	(2,727)
At 31 December 2023 /1 January 2024	3,187,054	3,200,371
Purchases	1,087,303	1,090,442
Disposals at fair value	(906,927)	(908,342)
<u>Fair value gains recorded in:</u>		
Profit or loss	192,717	193,543
Net amortisation of premiums	(1,760)	(1,760)
At 30 June 2024	<u>3,558,387</u>	<u>3,574,254</u>

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14 FINANCIAL ASSETS (CONTINUED)

Inputs, assumptions, and techniques used for estimating impairment

Significant increase in credit risk

When determining whether the credit risk (i.e. risk of default) on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both qualitative and quantitative information and analysis based on the Company's experience, expert credit assessment and forward-looking information.

The Company primarily identifies whether a significant increase in credit risk has occurred for an exposure by comparing the internal rating as at the reporting date with the internal rating as at the date of initial recognition of the exposure. Where external credit ratings are available, internal ratings are assigned consistent with such ratings in accordance with the Company's credit risk assessment framework. Where external credit ratings are not readily available, an internal rating methodology has been adopted.

The Company monitors changes in credit risk by tracking the change in internal rating of the exposure. The Company also monitors relevant information, including price movements of securities, and assess whether such information signifies a change in credit risk.

The Company has assumed that the credit risk of a financial asset has not increased significantly since initial recognition if the financial asset has low credit risk at the reporting date. The Company considers a financial asset to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment-grade'.

As a backstop, the Company considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the debtor.

Modified financial assets

The contractual terms of a financial asset may be modified for a number of reasons including changing market conditions and other factors not related to a current or potential credit deterioration of the debtor. An existing financial asset whose terms have been modified may be derecognised and the renegotiated asset recognised as a new financial asset at fair value in accordance with the accounting policies.

When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of significant increases in credit risk is assessed based on the change in internal reporting as at the reporting date and the date of initial recognition. The internal rating at reporting date is rated based on the modified contractual terms while the initial rating is rated based on the original contractual terms.

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14 FINANCIAL ASSETS (CONTINUED)

Inputs, assumptions, and techniques used for estimating impairment (continued)

Definition of default

The Company considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to mitigating actions. The criteria of "default" are consistent with those of "credit-impaired".

Incorporation of forward-looking information

The Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since initial recognition and its measurement of ECL. It formulates a 'base case' view of the future direction of relevant economic variables and a representative range of other possible forecast scenarios based on management knowledge and consideration of a variety of external actual and forecast information. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published, supranational organisations, and selected private-sector and academic forecasters.

The base case represents a best estimate and the other scenarios represent more optimistic and more pessimistic outcomes.

The Company has identified and documented key drivers of credit risk and ECL for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationship between macro-economic variables and key drivers of credit risk.

Measurement of ECL

The key inputs into the measurement of ECL are the term structures of probability of default (PD), loss given default (LGD) and exposure at default (EAD).

To determine lifetime and 12-month PDs, the Company leverages on the internal rating and convert it into probability of default based on the level of rating and obligor characteristics like industry type and country. The PDs are adjusted to reflect forward-looking information as described above. Changes in the rating at the reporting date for a counterparty or exposure lead to a change in the estimate of the associated PD.

LGD is the magnitude of the likely loss if there is a default. The Company leverages on recovery statistics to calculate LGD. The LGD models consider a number of factors including among others, the structure, collateral and seniority of the claim, that are integral to the financial asset. LGD estimates are recalibrated for different economic scenarios. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

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14 FINANCIAL ASSETS (CONTINUED)

Inputs, assumptions, and techniques used for estimating impairment (continued)

Measurement of ECL (continued)

EAD represents the expected exposure in the event of a default. The Company derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract, including amortisation and prepayments. The EAD of a financial asset is its gross carrying amount.

As described above, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Company measures ECL considering the risk of default over the maximum contractual period (including any debtor's extension options) over which it is exposed to credit risk.

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics, which include instrument type, credit risk gradings, collateral type, date of initial recognition, remaining term to maturity and industry of debtor.

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous. When ECL are measured using parameters based on collective modelling, a significant input into the measurement of ECL is the external information that the Company uses to derive the default rates of its portfolios.

Credit-impaired financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment regularly. This requires the exercise of significant judgement. The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is credit-impaired. Objective evidence that a financial asset, or a group of assets, is credit-impaired includes observable data that comes to the attention of the Company about the following events:

- significant financial difficulty of the issuer or debtor;
- a breach of contract, such as a default or delinquency in payments;
- the restructuring of an amount due to the Company on terms that the Company would not otherwise consider;
- it becomes probable that the issuer or debtor will enter bankruptcy or other financial reorganisation;
or
- the disappearance of an active market for that financial asset because of financial difficulties.

A financial asset that has been renegotiated due to a deterioration in the debtor's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

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14 FINANCIAL ASSETS (CONTINUED)

(c) Fair value hierarchy

The following table show financial investments recorded at fair value analyzed by the different basis of fair value as follows:

	<u>30.06.2024</u> RM'000	<u>31.12.2023</u> RM'000
<u>FVOCI</u>		
<u>Family Takaful fund</u>		
Valuation techniques – market observable inputs (Level 2)	146,536	157,043
	<u> </u>	<u> </u>
<u>Company</u>		
Valuation techniques – market observable inputs (Level 2)	681,990	606,719
	<u> </u>	<u> </u>
<u>FVTPL</u>		
<u>Family Takaful fund</u>		
Quoted market price (Level 1)	1,328,521	1,046,159
Valuation techniques – market observable inputs (Level 2)	2,229,866	2,140,895
	<u> </u>	<u> </u>
	3,558,387	3,187,054
	<u> </u>	<u> </u>
<u>Company</u>		
Quoted market price (Level 1)	1,336,824	1,051,861
Valuation techniques – market observable inputs (Level 2)	2,237,430	2,148,510
	<u> </u>	<u> </u>
	3,574,254	3,200,371
	<u> </u>	<u> </u>

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14 **FINANCIAL ASSETS (CONTINUED)**

(c) Fair value hierarchy (continued)

A level is assigned to each fair value measurement based on the significance of the input to the fair value measurement in its entity. The three-level hierarchy is defined as follows:

Level 1:

Financial instruments 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 services or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2:

Financial instruments measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions are instruments for which pricing is obtained via pricing services. However, where prices have not been determined in active market, instruments with fair values based on broker quotes, investment in unit and property trusts with fair values obtained via fund managers and instruments that are valued using the Company's own models where majority of assumptions are market observable.

Level 3:

Financial instruments measured 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 class in this category is unquoted equity securities. Valuation techniques 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.

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14 FINANCIAL ASSETS (CONTINUED)

(d) Interests in structured entities

The Company has determined that the investment funds in mutual funds are structured entities.

The following table summarizes the Company's investment in unconsolidated structured entities as at 30 June 2024 and 31 December 2023:

	<u>30.06.2024</u>	<u>31.12.2023</u>
	RM'000	RM'000
<u>Company</u>		
<u>Investment Funds (1)</u>		
Equity securities at fair value through profit or loss	154,041	100,495

Notes:

(1) Balance represents the Company's interests in mutual funds.

The Company's maximum exposure to loss arising from its interests in these unconsolidated structured entities is limited to the carrying amount of the assets. Dividend income and profit income are received during the reporting period from these interests in unconsolidated structured entities.

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15 TAKAFUL AND RETAKAFUL CERTIFICATES

The breakdown of groups of takaful certificates issued and retakaful certificates held, that are in an asset position and those in a liability position is set out in the table below:

	30.06.2024		31.12.2023	
	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
<u>Family Takaful fund</u>				
Takaful certificates				
- Certificates not measured under the PAA	80,140	3,939,662	64,981	3,488,031
- Certificates measured under the PAA	-	17,462	346	14,864
	<u>80,140</u>	<u>3,957,124</u>	<u>65,327</u>	<u>3,502,895</u>
Retakaful certificates				
- Certificates not measured under the PAA	28,462	-	18,961	-
- Certificates measured under the PAA	447	-	133	-
	<u>28,909</u>	<u>-</u>	<u>19,094</u>	<u>-</u>

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

The breakdown of groups of takaful certificates issued and retakaful certificates held, that are in an asset position and those in a liability position is set out in the table below: (continued)

	30.06.2024		31.12.2023	
	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
<u>Company</u>				
- Certificates not measured under the PAA	22,975	3,172,656	27,784	2,829,065
- Certificates measured under the PAA	-	36,519	-	28,583
	<u>22,975</u>	<u>3,209,175</u>	<u>27,784</u>	<u>2,857,648</u>
 Retakaful certificates				
- Certificates not measured under the PAA	102,442	1	103,035	-
	<u>102,442</u>	<u>1</u>	<u>103,035</u>	<u>-</u>

The Family Takaful fund/Company disaggregates information to provide disclosure in respect of family takaful certificates issued and retakaful certificates held separately. This disaggregation has been determined based on how the Family Takaful fund/Company is managed.

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.1 Roll-forward of net asset or liability of takaful certificates issued and retakaful certificates held showing the liability for remaining coverage and the liability for incurred claims - Certificates not measured under PAA

15.1.1.1 Takaful certificates issued

The roll-forward of the net asset or liability for takaful certificates issued for certificates not measured under PAA, showing the liability for remaining coverage and the liability for incurred claims for portfolios included in the family takaful fund, is disclosed in the table below:

	30.06.2024				31.12.2023			
	Liabilities for remaining coverage			Liabilities for incurred claims	Liabilities for remaining coverage			Liabilities for incurred claims
	Excluding loss component	Loss component	Total		Excluding loss component	Loss component	Total	
Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>Family Takaful fund</u>								
Takaful certificate liabilities as at 1 January	3,299,977	-	188,054	3,488,031	2,711,071	-	157,617	2,868,688
Takaful certificate assets as at 1 January	(74,812)	-	9,831	(64,981)	(53,878)	-	9,524	(44,354)
Net family takaful certificate (assets)/liabilities as at 1 January	3,225,165	-	197,885	3,423,050	2,657,193	-	167,141	2,824,334
Takaful revenue	10 (308,422)	-	-	(308,422)	(624,248)	-	-	(624,248)
Takaful service expense	11 (50,745)	-	361,660	310,915	52,269	-	737,913	790,182
Investment components	(151,452)	-	151,452	-	(154,468)	-	154,468	-
Takaful service result	(510,619)	-	513,112	2,493	(726,447)	-	892,381	165,934
Takaful finance expenses/(income)	13 259,821	-	(4,593)	255,228	40,417	-	(3,891)	36,526
Total changes in the statement of profit or loss and OCI	(250,798)	-	508,519	257,721	(686,030)	-	888,490	202,460

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.1 Roll-forward of net asset or liability of takaful certificates issued and retakaful certificates held showing the liability for remaining coverage and the liability for incurred claims - Certificates not measured under PAA (continued)

15.1.1.1 Takaful certificates issued (continued)

The roll-forward of the net asset or liability for takaful certificates issued for certificates not measured under PAA, showing the liability for remaining coverage and the liability for incurred claims for portfolios included in the family takaful fund, is disclosed in the table below: (continued)

	Note	30.06.2024				31.12.2023				
		Liabilities for remaining coverage		Liabilities for incurred claims	Total	Liabilities for remaining coverage		Liabilities for incurred claims	Total	
		Excluding loss component	Loss component			Excluding loss component	Loss component			
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>Family Takaful fund (continued)</u>										
<i>Cash flows</i>										
Contributions received	a	806,925	-	-	806,925	1,660,745	-	-	1,660,745	
Qard received		20,495	-	-	20,495	3,177	-	-	3,177	
Claims and other expenses paid including investment components		-	-	(530,086)	(530,086)	-	-	(857,746)	(857,746)	
Takaful acquisition cash flows paid		(118,583)	-	-	(118,583)	(409,920)	-	-	(409,920)	
Total cash flows		708,837	-	(530,086)	178,751	1,254,002	-	(857,746)	396,256	
Net takaful certificate (assets)/liabilities as at 30 June/31 December		3,683,204	-	176,318	3,859,522	3,225,165	-	197,885	3,423,050	
Takaful certificate liabilities as at 30 June/31 December		3,772,359	-	167,303	3,939,662	3,299,977	-	188,054	3,488,031	
Takaful certificate assets as at 30 June/31 December		(89,155)	-	9,015	(80,140)	(74,812)	-	9,831	(64,981)	
Net takaful certificate (assets)/liabilities as at 30 June/31 December		3,683,204	-	176,318	3,859,522	3,225,165	-	197,885	3,423,050	

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.1 Roll-forward of net asset or liability of takaful certificates issued and retakaful certificates held showing the liability for remaining coverage and the liability for incurred claims - Certificates not measured under PAA (continued)

15.1.1.1 Takaful certificates issued (continued)

The roll-forward of the net asset or liability for takaful certificates issued for certificates not measured under PAA, showing the liability for remaining coverage and the liability for incurred claims for portfolios included in the Company, is disclosed in the table below: (continued)

	<u>Note</u>	30.06.2024					Total
		Liabilities for remaining coverage		Liabilities for incurred claims		Assets for takaful acquisition cash flows	
		Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment		
		RM'000	RM'000	RM'000	RM'000	RM'000	
<u>Company</u>							
Takaful certificate liabilities as at 1 January		2,586,297	6,320	274,423	7,647	(45,622)	2,829,065
Takaful certificate assets as at 1 January		(13,916)	4,499	10,975	663	(30,005)	(27,784)
Net family takaful certificate (assets)/liabilities as at 1 January		2,572,381	10,819	285,398	8,310	(75,627)	2,801,281
Takaful revenue	10	(417,098)	-	-	-	-	(417,098)
Takaful service expense	11	39,760	1,874	266,361	360	-	308,355
Investment components		(48,183)	-	48,183	-	-	-
Takaful service result		(425,521)	1,874	314,544	360	-	(108,743)
Takaful finance expenses	13	247,235	(278)	264	-	-	247,221
Total changes in the statement of profit or loss and OCI		(178,286)	1,596	314,808	360	-	138,478

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.1 Roll-forward of net asset or liability of takaful certificates issued and retakaful certificates held showing the liability for remaining coverage and the liability for incurred claims - Certificates not measured under PAA (continued)

15.1.1.1 Takaful certificates issued (continued)

The roll-forward of the net asset or liability for takaful certificates issued for certificates not measured under PAA, showing the liability for remaining coverage and the liability for incurred claims for portfolios included in the Company, is disclosed in the table below: (continued)

	Note	30.06.2024					Total RM'000
		Liabilities for remaining coverage		Liabilities for incurred claims		Assets for takaful acquisition cash flows RM'000	
		Excluding loss component RM'000	Loss component RM'000	Estimates of the present value of future cash flows RM'000	Risk adjustment RM'000		
<u>Company (continued)</u>							
<i>Cash flows</i>							
Contributions received	a	808,443	-	-	-	-	808,443
Claims and other expenses paid including investment components		-	-	(384,088)	-	-	(384,088)
Takaful acquisition cash flows paid		(205,448)	-	-	-	(7,617)	(213,065)
Other amounts received		-	-	886	-	-	886
Total cash flows		602,995	-	(383,202)	-	(7,617)	212,176
Non-Cash Operating Expenses		(1,417)	-	(837)	-	-	(2,254)
Other Non-Cash Items		(2,175)	-	-	-	2,175	-
Net takaful certificate (assets)/liabilities as at 30 June		2,993,498	12,415	216,167	8,670	(81,069)	3,149,681

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.1 Roll-forward of net asset or liability of takaful certificates issued and retakaful certificates held showing the liability for remaining coverage and the liability for incurred claims - Certificates not measured under PAA (continued)

15.1.1.1 Takaful certificates issued (continued)

The roll-forward of the net asset or liability for takaful certificates issued for certificates not measured under PAA, showing the liability for remaining coverage and the liability for incurred claims for portfolios included in the Company, is disclosed in the table below: (continued)

Note	30.06.2024					
	Liabilities for remaining coverage		Liabilities for incurred claims		Assets for takaful acquisition cash flows	Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Company (continued)</u>						
Takaful certificate liabilities as at 30 June	3,006,385	3,415	205,627	8,039	(50,810)	3,172,656
Takaful certificate assets as at 30 June	(12,887)	9,000	10,540	631	(30,259)	(22,975)
Net takaful certificate (assets)/liabilities as at 30 June	2,993,498	12,415	216,167	8,670	(81,069)	3,149,681

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.1 Roll-forward of net asset or liability of takaful certificates issued and retakaful certificates held showing the liability for remaining coverage and the liability for incurred claims - Certificates not measured under PAA (continued)

15.1.1.1 Takaful certificates issued (continued)

The roll-forward of the net asset or liability for takaful certificates issued for certificates not measured under PAA, showing the liability for remaining coverage and the liability for incurred claims for portfolios included in the Company, is disclosed in the table below: (continued)

Note	31.12.2023					
	Liabilities for remaining coverage		Liabilities for incurred claims		Assets for takaful acquisition cash flows	Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>Company</u>						
Takaful certificate liabilities as at 1 January	2,147,881	775	212,355	9,489	(37,354)	2,333,146
Takaful certificate assets as at 1 January	(15,044)	1,521	16,878	1,035	(28,024)	(23,634)
Net family takaful certificate (assets)/liabilities as at 1 January	2,132,837	2,296	229,233	10,524	(65,378)	2,309,512
Takaful revenue	(868,561)	-	-	-	-	(868,561)
Takaful service expense	86,448	7,861	613,853	(2,214)	-	705,948
Investment components	(159,933)	-	159,933	-	-	-
Takaful service result	(942,046)	7,861	773,786	(2,214)	-	(162,613)
Takaful finance expenses	164,349	662	531	-	-	165,542
Total changes in the statement of profit or loss and OCI	(777,697)	8,523	774,317	(2,214)	-	2,929

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.1 Roll-forward of net asset or liability of takaful certificates issued and retakaful certificates held showing the liability for remaining coverage and the liability for incurred claims - Certificates not measured under PAA (continued)

15.1.1.1 Takaful certificates issued (continued)

The roll-forward of the net asset or liability for takaful certificates issued for certificates not measured under PAA, showing the liability for remaining coverage and the liability for incurred claims for portfolios included in the Company, is disclosed in the table below: (continued)

	Note	31.12.2023					Total RM'000
		Liabilities for remaining coverage		Liabilities for incurred claims		Assets for takaful acquisition cash flows RM'000	
		Excluding loss component RM'000	Loss component RM'000	Estimates of the present value of future cash flows RM'000	Risk adjustment RM'000		
<u>Company (continued)</u>							
<i>Cash flows</i>							
Contributions received	a	1,661,413	-	-	-	-	1,661,413
Claims and other expenses paid including investment components		-	-	(717,926)	-	-	(717,926)
Takaful acquisition cash flows paid		(438,694)	-	-	-	(13,356)	(452,050)
Other amounts received		-	-	1,186	-	-	1,186
Total cash flows		1,222,719	-	(716,740)	-	(13,356)	492,623
Non-Cash Operating Expenses		(2,371)	-	(1,412)	-	-	(3,783)
Other Non-Cash Items		(3,107)	-	-	-	3,107	-
Net takaful certificate (assets)/liabilities as at 31 December		2,572,381	10,819	285,398	8,310	(75,627)	2,801,281

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.1 Roll-forward of net asset or liability of takaful certificates issued and retakaful certificates held showing the liability for remaining coverage and the liability for incurred claims - Certificates not measured under PAA (continued)

15.1.1.1 Takaful certificates issued (continued)

The roll-forward of the net asset or liability for takaful certificates issued for certificates not measured under PAA, showing the liability for remaining coverage and the liability for incurred claims for portfolios included in the Company, is disclosed in the table below: (continued)

Note	31.12.2023					
	Liabilities for remaining coverage		Liabilities for incurred claims		Assets for takaful acquisition cash flows	Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>Company (continued)</u>						
Takaful certificate liabilities as at 31 December	2,586,297	6,320	274,423	7,647	(45,622)	2,829,065
Takaful certificate assets as at 31 December	(13,916)	4,499	10,975	663	(30,005)	(27,784)
Net takaful certificate (assets)/liabilities as at 31 December	2,572,381	10,819	285,398	8,310	(75,627)	2,801,281

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.1 Roll-forward of net asset or liability of takaful certificates issued and retakaful certificates held showing the liability for remaining coverage and the liability for incurred claims - Certificates not measured under PAA (continued)

15.1.1.1 Takaful certificates issued (continued)

Notes:

- a. The refunds of contributions have been included in this line.
- b. The balance and reconciliations of fulfillment cash flows include obligations to repay Qard advanced by the Shareholder's Fund to the Family Takaful fund. Qard was advanced by the Shareholder's fund in compliance with the requirements set out in paragraph 19 of the Bank Negara Malaysia (BNM) Takaful Operational Framework (TOF). Consistent with those requirements, the amount does not bear interest. The amount is repayable, and to the extent, the Family Takaful fund has available resources. In accordance with Paragraph 19.4 of the BNM TOF, the Shareholder's fund has determined a time period during which the Qard shall be repaid and consequently the period beyond which any unpaid Qard will be deemed irrecoverable and the outstanding amount forgiven. The table below reconciles the nominal value of the Qard included in fulfillment cash flows:

<u>Nominal amount</u>	Family Takaful fund	
	<u>30.06.2024</u>	<u>31.12.2023</u>
	RM'000	RM'000
Opening balance	86,345	65,850
Qard increased during the period/year	-	20,495
Closing balance	<u>86,345</u>	<u>86,345</u>

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.1 Roll-forward of net asset or liability of takaful certificates issued and retakaful certificates held showing the liability for remaining coverage and the liability for incurred claims - Certificates not measured under PAA (continued)

15.1.1.1 Takaful certificates issued (continued)

Notes (continued):

c. The following table illustrates the expected timing of when assets for takaful acquisition cash flows will be de-recognised and included in the measurement of the group of takaful certificates to which they are allocated.

	<u>30.06.2024</u>			
	RM'000			
	5 Year or Less	5-10 Years	After 10 years	Total
<u>Company</u>				
Expected timing of derecognition of assets balance as at 30 June	16,107	13,811	51,152	81,070

	<u>31.12.2023</u>			
	RM'000			
	5 Year or Less	5-10 Years	After 10 years	Total
<u>Company</u>				
Expected timing of derecognition of assets balance as at 31 December	14,977	12,963	47,687	75,627

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.1 Roll-forward of net asset or liability of takaful certificates issued and retakaful certificates held showing the liability for remaining coverage and the liability for incurred claims - Certificates not measured under PAA (continued)

15.1.1.2 Retakaful certificates held

The roll-forward of the net asset or liability for retakaful certificates held for certificates not measured under PAA, showing assets for remaining coverage and amounts recoverable on incurred claims arising from business ceded to retakaful operators in the family takaful fund, is disclosed in the table below:

	30.06.2024				31.12.2023			
	Assets for remaining coverage		Amounts recoverable on incurred claims	Total	Assets for remaining coverage		Amounts recoverable on incurred claims	Total
	Excluding loss component	Loss component			Excluding loss component	Loss component		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Family takaful fund</u>								
Net retakaful certificate assets / (liabilities) as at 1 January	(12,768)	-	31,729	18,961	31,737	-	(25,769)	5,968
Net (expense)/income from retakaful certificates held	(41,598)	-	8,808	(32,790)	(73,963)	-	74,979	1,016
Net finance income/(expense) from retakaful certificates	32,790	-	-	32,790	(1,016)	-	-	(1,016)
Total changes in the statement of profit or loss and OCI	(8,808)	-	8,808	-	(74,979)	-	74,979	-

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.1 Roll-forward of net asset or liability of takaful certificates issued and retakaful certificates held showing the liability for remaining coverage and the liability for incurred claims - Certificates not measured under PAA (continued)

15.1.1.2 Retakaful certificates held (continued)

The roll-forward of the net asset or liability for retakaful certificates held for certificates not measured under PAA, showing assets for remaining coverage and amounts recoverable on incurred claims arising from business ceded to retakaful operators in the family takaful fund, is disclosed in the table below: (continued)

	30.06.2024				31.12.2023			
	Assets for remaining coverage		Amounts recoverable on incurred claims	Total	Assets for remaining coverage		Amounts recoverable on incurred claims	Total
	Excluding loss component	Loss component			Excluding loss component	Loss component		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Family takaful fund (continued)</u>								
<i>Cash flows</i>								
Contributions paid	29,909	-	-	29,909	30,474	-	-	30,474
Other amounts received	-	-	(20,408)	(20,408)	-	-	(17,481)	(17,481)
Total cash flows	29,909	-	(20,408)	9,501	30,474	-	(17,481)	12,993
Net retakaful certificate assets/(liabilities) as at 30 June/31 December	8,333	-	20,129	28,462	(12,768)	-	31,729	18,961

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.1 Roll-forward of net asset or liability of takaful certificates issued and retakaful certificates held showing the liability for remaining coverage and the liability for incurred claims - Certificates not measured under PAA (continued)

15.1.1.2 Retakaful certificates held (continued)

The roll-forward of the net asset or liability for retakaful certificates held for certificates not measured under PAA, showing assets for remaining coverage and amounts recoverable on incurred claims arising from business ceded to retakaful operators in the Company, is disclosed in the table below: (continued)

	30.06.2024					31.12.2023				
	Assets for remaining coverage		Amounts recoverable on incurred claims			Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Company</u>										
Net retakaful certificate assets/(liabilities)	6,175	-	96,860	-	103,035	41,482	-	39,304	-	80,786
Net (expense)/income from retakaful certificates	(37,110)	-	26,030	-	(11,080)	(68,033)	-	74,663	-	6,630
Net finance income from retakaful certificates	827	-	-	-	827	2,252	-	-	-	2,252
Total changes in the statement of profit or loss and OCI	(36,283)	-	26,030	-	(10,253)	(65,781)	-	74,663	-	8,882

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.1 Roll-forward of net asset or liability of takaful certificates issued and retakaful certificates held showing the liability for remaining coverage and the liability for incurred claims - Certificates not measured under PAA (continued)

15.1.1.2 Retakaful certificates held (continued)

The roll-forward of the net asset or liability for retakaful certificates held for certificates not measured under PAA, showing assets for remaining coverage and amounts recoverable on incurred claims arising from business ceded to retakaful operators in the Company, is disclosed in the table below: (continued)

	30.06.2024					31.12.2023				
	Assets for remaining coverage		Amounts recoverable on incurred claims			Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<i>Company (continued)</i>										
<i>Cash flows</i>										
Contributions paid	29,909	-	-	-	29,909	30,474	-	-	-	30,474
Other amounts received	-	-	(20,256)	-	(20,256)	-	-	(17,119)	-	(17,119)
Total cash flows	29,909	-	(20,256)	-	9,653	30,474	-	(17,119)	-	13,355
Other movements	-	-	7	-	7	-	-	12	-	12
Net retakaful certificate assets/(liabilities) as at 30 June/31 December	(199)	-	102,641	-	102,442	6,175	-	96,860	-	103,035

Notes:

The Company applies a consistent accounting policy to retakaful certificates held and recognizes net takaful finance expense in profit or loss only.

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.2 Roll-forward of net asset or liability of takaful certificates issued and retakaful certificates held showing the liability for remaining coverage and the liability for incurred claims – Certificates measured under PAA

15.1.2.1 Takaful certificates issued

The roll-forward of the net asset or liability for takaful certificates issued for certificates measured under PAA, showing the liability for remaining coverage and the liability for incurred claims for portfolios included in the family takaful fund, is disclosed in the table below:

	Note	30.06.2024				31.12.2023			
		Liabilities for remaining coverage			Liabilities for incurred claims	Liabilities for remaining coverage			Liabilities for incurred claims
		Excluding loss component	Loss component	Total		Excluding loss component	Loss component	Total	
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>Family Takaful fund</u>									
Takaful certificate liabilities as at 1 January		14,864	-	-	14,864	(2,650)	-	22,702	20,052
Takaful certificate assets as at 1 January		(23,415)	-	23,069	(346)	-	-	-	-
Net takaful certificate (assets)/ liabilities as at 1 January		(8,551)	-	23,069	14,518	(2,650)	-	22,702	20,052
Takaful revenue	10	(43,635)	-	-	(43,635)	(90,699)	-	-	(90,699)
Takaful service expense	11	9,307	-	41,382	50,689	19,864	-	83,376	103,240
Takaful service result		(34,328)	-	41,382	7,054	(70,835)	-	83,376	12,541
Takaful finance (income)/expenses	13	(7,054)	-	-	(7,054)	(12,541)	-	-	(12,541)
Total changes in the statement of profit or loss and OCI		(41,382)	-	41,382	-	(83,376)	-	83,376	-

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.2 Roll-forward of net asset or liability of takaful certificates issued and retakaful certificates held showing the liability for remaining coverage and the liability for incurred claims - Certificates measured under PAA (continued)

15.1.2.1 Takaful certificates issued (continued)

The roll-forward of the net asset or liability for takaful certificates issued for certificates measured under PAA, showing the liability for remaining coverage and the liability for incurred claims for portfolios included in the family takaful fund, is disclosed in the table below: (continued)

	30.06.2024				31.12.2023			
	Liabilities for remaining coverage		Liabilities for incurred claims	Total	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component			Excluding loss component	Loss component		
Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Family Takaful fund (continued)</u>								
<i>Cash flows</i>								
Contributions received	55,327	-	-	55,327	98,174	-	-	98,174
Claims and other expenses paid including investment components	-	-	(41,040)	(41,040)	-	-	(83,009)	(83,009)
Acquisition cash flows paid	(11,343)	-	-	(11,343)	(20,699)	-	-	(20,699)
Total cash flows	43,984	-	(41,040)	2,944	77,475	-	(83,009)	(5,534)
Net takaful certificate (assets)/ liabilities as at 30 June/31 December	(5,949)	-	23,411	17,462	(8,551)	-	23,069	14,518

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.2 Roll-forward of net asset or liability of takaful certificates issued and retakaful certificates held showing the liability for remaining coverage and the liability for incurred claims - Certificates measured under PAA (continued)

15.1.2.1 Takaful certificates issued (continued)

The roll-forward of the net asset or liability for takaful certificates issued for certificates measured under PAA, showing the liability for remaining coverage and the liability for incurred claims for portfolios included in the family takaful fund, is disclosed in the table below: (continued)

Note	30.06.2024				31.12.2023			
	Liabilities for remaining coverage			Liabilities for incurred claims	Liabilities for remaining coverage			Liabilities for incurred claims
	Excluding loss component	Loss component	Total		Excluding loss component	Loss component	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>Family Takaful fund (continued)</u>								
Takaful certificate liabilities as at 30 June/31 December	(5,949)	-	23,411	17,642	14,864	-	-	14,864
Takaful certificate assets as at 30 June/31 December	-	-	-	-	(23,415)	-	23,069	(346)
Net takaful certificate (assets)/ liabilities as at 30 June/31 December	(5,949)	-	23,411	17,642	(8,551)	-	23,069	14,518

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.2 Roll-forward of net asset or liability of takaful certificates issued and retakaful certificates held showing the liability for remaining coverage and the liability for incurred claims - Certificates measured under PAA (continued)

15.1.2.1 Takaful certificates issued (continued)

The roll-forward of the net asset or liability for takaful certificates issued for certificates measured under PAA, showing the liability for remaining coverage and the liability for incurred claims for portfolios included in the Company, is disclosed in the table below:

		30.06.2024				
		Liabilities for remaining coverage		Liabilities for incurred claims		
		Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
<u>Note</u>	<u>Company</u>	RM'000	RM'000	RM'000	RM'000	RM'000
	Net takaful certificate liabilities as at 1 January	13,618	-	14,370	595	28,583
	Takaful revenue	(49,615)	-	-	-	(49,615)
	Takaful service expense	6,073	-	38,381	45	44,499
	Takaful service result	(43,542)	-	38,381	45	(5,116)
	Total changes in the statement of profit or loss and OCI	(43,542)	-	38,381	45	(5,116)

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.2 Roll-forward of net asset or liability of takaful certificates issued and retakaful certificates held showing the liability for remaining coverage and the liability for incurred claims – Certificates measured under PAA (continued)

15.1.2.1 Takaful certificates issued (continued)

The roll-forward of the net asset or liability for takaful certificates issued for certificates measured under PAA, showing the liability for remaining coverage and the liability for incurred claims for portfolios included in the Company, is disclosed in the table below: (continued)

		30.06.2024				
		Liabilities for remaining coverage		Liabilities for incurred claims		
	Note	Excluding loss component RM'000	Loss component RM'000	Estimates of the present value of future cash flows RM'000	Risk adjustment RM'000	Total RM'000
<u>Company (continued)</u>						
<i>Cash flows</i>						
Contributions received		56,684	-	-	-	56,684
Claims and other expenses paid including investment components		-	-	(37,408)	-	(37,408)
Takaful acquisition cash flows paid		(6,048)	-	-	-	(6,048)
Total cash flows		50,636	-	(37,408)	-	13,228
Other movements		(114)	-	(62)	-	(176)
Net takaful certificate liabilities as at 30 June		20,598	-	15,281	640	36,519

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.2 Roll-forward of net asset or liability of takaful certificates issued and retakaful certificates held showing the liability for remaining coverage and the liability for incurred claims - Certificates measured under PAA (continued)

15.1.2.1 Takaful certificates issued (continued)

The roll-forward of the net asset or liability for takaful certificates issued for certificates measured under PAA, showing the liability for remaining coverage and the liability for incurred claims for portfolios included in the Company, is disclosed in the table below: (continued)

		31.12.2023			
		Liabilities for remaining coverage		Liabilities for incurred claims	
<u>Note</u>	Excluding loss component RM'000	Loss component RM'000	Estimates of the present value of future cash flows RM'000	Risk adjustment RM'000	Total RM'000
<u>Company</u>					
	10,770	-	18,658	467	29,895
	(93,702)	-	-	-	(93,702)
	10,962	-	77,090	128	88,180
	(82,740)	-	77,090	128	(5,522)
	(82,740)	-	77,090	128	(5,522)

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.2 Roll-forward of net asset or liability of takaful certificates issued and retakaful certificates held showing the liability for remaining coverage and the liability for incurred claims - Certificates measured under PAA (continued)

15.1.2.1 Takaful certificates issued (continued)

The roll-forward of the net asset or liability for takaful certificates issued for certificates measured under PAA, showing the liability for remaining coverage and the liability for incurred claims for portfolios included in the Company, is disclosed in the table below: (continued)

		31.12.2023				
		Liabilities for remaining coverage		Liabilities for incurred claims		
		Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
		RM'000	RM'000	RM'000	RM'000	RM'000
<u>Company (continued)</u>						
<i>Cash flows</i>						
	a	98,100	-	-	-	98,100
		-	-	(81,269)	-	(81,269)
		(12,321)	-	-	-	(12,321)
		85,779	-	(81,269)	-	4,510
		(191)	-	(109)	-	(300)
		13,618	-	14,370	595	28,583
Net takaful certificate liabilities as at 31 December						

Notes:

a. The refunds of contributions have been included in this line.

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.2 Roll-forward of net asset or liability of takaful certificates issued and retakaful certificates held showing the liability for remaining coverage and the liability for incurred claims - Certificates measured under PAA (continued)

15.1.2.2 Retakaful certificates held

The roll-forward of the net asset or liability for retakaful certificates held for certificates measured under PAA, showing assets for remaining coverage and amounts recoverable on incurred claims arising from business ceded to retakaful operators in the family takaful fund, is disclosed in the table below:

Note	30.06.2024				31.12.2023			
	Assets for remaining coverage			Amounts recoverable on incurred claims	Assets for remaining coverage			Amounts recoverable on incurred claims
	Excluding loss component	Loss component	Total		Excluding loss component	Loss component	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>Family Takaful fund</u>								
Net retakaful certificate assets as at 1 January	133	-	-	133	133	-	-	133
Net expense from retakaful certificates held	(315)	-	-	(315)	-	-	-	-
Retakaful finance income	315	-	-	315	-	-	-	-
Total changes in the statement of profit or loss and OCI	-	-	-	-	-	-	-	-

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.2 Roll-forward of net asset or liability of takaful certificates issued and retakaful certificates held showing the liability for remaining coverage and the liability for incurred claims - Certificates measured under PAA (continued)

15.1.2.2 Retakaful certificates held (continued)

The roll-forward of the net asset or liability for retakaful certificates held for certificates measured under PAA, showing assets for remaining coverage and amounts recoverable on incurred claims arising from business ceded to retakaful operators in the family takaful fund, is disclosed in the table below:
(continued)

	30.06.2024				31.12.2023				
	<u>Assets for remaining coverage</u>				<u>Assets for remaining coverage</u>				
	<u>Note</u>	<u>Excluding loss component</u>	<u>Loss component</u>	<u>Amounts recoverable on incurred claims</u>	<u>Total</u>	<u>Excluding loss component</u>	<u>Loss component</u>	<u>Amounts recoverable on incurred claims</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Family Takaful fund (continued)</u>									
<i>Cash flows</i>									
Contributions paid	314	-	-	314	-	-	-	-	-
Total cash flows	314	-	-	314	-	-	-	-	-
Net retakaful certificate assets as at 30 June/31 December	447	-	-	447	133	-	-	-	133

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.2 Roll-forward of net asset or liability of takaful certificates issued and retakaful certificates held showing the liability for remaining coverage and the liability for incurred claims - Certificates measured under PAA (continued)

15.1.2.2 Retakaful certificates held (continued)

The roll-forward of the net asset or liability for retakaful certificates held for certificates measured under PAA, showing assets for remaining coverage and amounts recoverable on incurred claims arising from business ceded to retakaful operators in the Company, is disclosed in the table below: (continued)

Note	30.06.2024				31.12.2023					
	Assets for remaining coverage			Amounts recoverable on incurred claims	Total	Assets for remaining coverage			Amounts recoverable on incurred claims	Total
	Excluding loss component	Loss component				Excluding loss component	Loss component			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>Company</u>										
Net retakaful certificate assets as at 1 January	-	-	-	-	-	-	-	-	-	
Net expense from retakaful certificates held	(315)	-	(1)	(316)	-	-	-	-	-	
Total changes in the statement of profit or loss and OCI	(315)	-	(1)	(316)	-	-	-	-	-	
<i>Cash flows</i>										
Contributions paid	315	-	-	315	-	-	-	-	-	
Total cash flows	315			315	-	-	-	-	-	
Net retakaful certificate assets as at 30 June/31 December	-	-	(1)	(1)	-	-	-	-	-	

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.3 Analysis by measurement component of takaful certificates - Certificates not measured under the PAA

15.1.3.1 Takaful certificates issued

	30.06.2024			31.12.2023		
	Estimates of present value of future cash flows RM'000	Risk adjustment RM'000	Total RM'000	Estimates of present value of future cash flows RM'000	Risk adjustment RM'000	Total RM'000
<u>Family Takaful fund</u>						
Takaful certificate liabilities as at 1 January	3,488,031	-	3,488,031	2,868,688	-	2,868,688
Takaful certificate assets as at 1 January	(64,981)	-	(64,981)	(44,354)	-	(44,354)
Net family takaful certificate (assets)/liabilities as at 1 January	3,423,050	-	3,423,050	2,824,334	-	2,824,334
Changes that relate to current services						
Experience adjustments	267,114	-	267,114	188,848	-	188,848
Changes that relate to past services						
Adjustments to liabilities for incurred claims	(264,621)	-	(264,621)	(22,914)	-	(22,914)
Takaful service result	2,493	-	2,493	165,934	-	165,934
Takaful finance expenses	255,228	-	255,228	36,526	-	36,526
Total changes in the statement of profit or loss and OCI	257,721	-	257,721	202,460	-	202,460

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.3 Analysis by measurement component of takaful certificates - Certificates not measured under the PAA (continued)

15.1.3.1 Takaful certificates issued (continued)

	30.06.2024			31.12.2023		
	Estimates of present value of future cash flows	Risk adjustment	Total	Estimates of present value of future cash flows	Risk adjustment	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Family Takaful fund (continued)</u>						
<i>Cash flow</i>						
Contributions received	806,925	-	806,925	1,660,745	-	1,660,745
Qard received	20,495	-	20,495	3,177	-	3,177
Claims and other expenses paid including investment components	(530,086)	-	(530,086)	(857,746)	-	(857,746)
Acquisition cash flows paid	(118,583)	-	(118,583)	(409,920)	-	(409,920)
Total cash flows	178,751	-	178,751	396,256	-	396,256
Net takaful certificate liabilities as at 30 June/31 December	3,859,522	-	3,859,522	3,423,050	-	3,423,050
Takaful certificate liabilities as at 30 June/31 December	3,939,662	-	3,939,662	3,488,031	-	3,488,031
Takaful certificate assets as at 30 June/31 December	(80,140)	-	(80,140)	(64,981)	-	(64,981)
Net takaful certificate liabilities as at 30 June/31 December	3,859,522	-	3,859,522	3,423,050	-	3,423,050

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.3 Analysis by measurement component of takaful certificates - Certificates not measured under the PAA (continued)

15.1.3.1 Takaful certificates issued (continued)

	30.06.2024				31.12.2023			
	Estimates of present value of future cash flows RM'000	Risk adjustment RM'000	Contractual Services Margin RM'000	Total RM'000	Estimates of present value of future cash flows RM'000	Risk adjustment RM'000	Contractual Services Margin RM'000	Total RM'000
<u>Company</u>								
Takaful certificate liabilities as at 1 January	1,541,033	105,266	1,182,766	2,829,065	1,341,482	102,738	888,925	2,333,145
Takaful certificate assets as at 1 January	(38,391)	1,174	9,433	(27,784)	(33,059)	1,486	7,940	(23,633)
Net family takaful certificate (assets)/liabilities as at 1 January	1,502,642	106,440	1,192,199	2,801,281	1,308,423	104,224	896,865	2,309,512
Changes that relate to current services								
CSM recognised for services provided	-	-	(111,990)	(111,990)	-	-	(194,432)	(194,432)
Risk adjustment for the risk expired	-	2,157	-	2,157	-	(1,700)	-	(1,700)
Experience adjustments	75,917	-	-	75,917	62,483	-	-	62,483
Revenue recognised for incurred certificate holder tax expenses	(161)	-	-	(161)	(9,550)	-	-	(9,550)
Changes that relate to future services								
Certificates initially recognised in the period	(162,133)	7,543	154,658	68	(312,035)	22,066	340,397	50,428
Changes in estimates that adjust the CSM	17,576	2,421	(19,997)	-	(136,462)	(10,576)	147,038	-
Changes in estimates that result in losses and reversal of losses on onerous certificates	3,140	(781)	-	2,359	(39,656)	1,114	-	(38,542)
Changes that relate to past services								
Adjustments to liabilities for incurred claims	(70,761)	(6,330)	-	(77,091)	(22,613)	(8,688)	-	(31,301)
Takaful service result	(136,422)	5,010	22,671	(108,741)	(457,833)	2,216	293,003	(162,614)
Takaful finance expenses	245,200	-	2,021	247,221	163,211	-	2,331	165,542
Total changes in the statement of profit or loss and OCI	108,778	5,010	24,692	138,480	(294,622)	2,216	295,334	2,928

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.3 Analysis by measurement component of takaful certificates - Certificates not measured under the PAA (continued)

15.1.3.1 Takaful certificates issued (continued)

Company (continued)	30.06.2024				31.12.2023			
	Estimates of present value of future cash flows RM'000	Risk adjustment RM'000	Contractual Services Margin RM'000	Total RM'000	Estimates of present value of future cash flows RM'000	Risk adjustment RM'000	Contractual Services Margin RM'000	Total RM'000
<i>Cash flow</i>								
Contributions received	808,443	-	-	808,443	1,661,413	-	-	1,661,413
Claims and other expenses paid including investment components	(384,088)	-	-	(384,088)	(717,926)	-	-	(717,926)
Acquisition cash flows paid	(213,065)	-	-	(213,065)	(452,049)	-	-	(452,049)
Other amounts received	885	-	-	885	1,186	-	-	1,186
Total cash flows	212,175	-	-	212,175	492,624	-	-	492,624
Non Cash Operating Expenses	(2,255)	-	-	(2,255)	(3,783)	-	-	(3,783)
Net takaful certificate liabilities as at 30 June/31 December	1,821,340	111,450	1,216,891	3,149,681	1,502,642	106,440	1,192,199	2,801,281
Takaful certificate liabilities as at 30 June/31 December	1,853,944	110,395	1,208,317	3,172,656	1,541,033	105,266	1,182,766	2,829,065
Takaful certificate assets as at 30 June/31 December	(32,604)	1,055	8,574	(22,975)	(38,391)	1,174	9,433	(27,784)
Net takaful certificate liabilities as at 30 June/31 December	1,821,340	111,450	1,216,891	3,149,681	1,502,642	106,440	1,192,199	2,801,281

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.3 Analysis by measurement component of takaful certificates - Certificates not measured under the PAA (continued)

15.1.3.2 Retakaful certificates held

	30.06.2024			31.12.2023		
	Estimates of present value of future cash flows RM'000	Risk adjustment RM'000	Total RM'000	Estimates of present value of future cash flows RM'000	Risk adjustment RM'000	Total RM'000
<u>Family Takaful fund</u>						
Net retakaful certificate assets as at 1 January	18,961	-	18,961	5,968	-	5,968
Changes that relate to current services						
Experience adjustments	(35,761)	-	(35,761)	(7,911)	-	(7,911)
Changes that relate to past services						
Adjustments to liabilities for incurred claims	2,971	-	2,971	8,927	-	8,927
Takaful service result	(32,790)	-	(32,790)	1,016	-	1,016
Retakaful finance (expense)/income	32,790	-	32,790	(1,016)	-	(1,016)
Total changes in the statement of profit or loss and OCI	-	-	-	-	-	-

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.3 Analysis by measurement component of takaful certificates - Certificates not measured under the PAA (continued)

15.1.3.2 Retakaful certificates held (continued)

	30.06.2024			31.12.2023		
	Estimates of present value of future cash flows	Risk adjustment	Total	Estimates of present value of future cash flows	Risk adjustment	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Family Takaful fund (continued)</u>						
<i>Cash flow</i>						
Contributions paid	29,909	-	29,909	30,474	-	30,474
Cash flow received during the period (claim and expenses recovery from retakaful operator)	(20,408)	-	(20,408)	(17,481)	-	(17,481)
Total cash flows	9,501	-	9,501	12,993	-	12,993
Net retakaful certificate assets as at 30 June/31 December	28,462	-	28,462	18,961	-	18,961

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.3 Analysis by measurement component of takaful certificates - Certificates not measured under the PAA (continued)

15.1.3.2 Retakaful certificates held (continued)

	30.06.2024				31.12.2023			
	Estimates of present value of future cash flows RM'000	Risk adjustment RM'000	Contractual Services Margin RM'000	Total RM'000	Estimates of present value of future cash flows RM'000	Risk adjustment RM'000	Contractual Services Margin RM'000	Total RM'000
<u>Company</u>								
Net retakaful certificate assets/(liabilities) as at 1 January	238,310	-	(135,275)	103,035	151,226	-	(70,439)	80,787
Changes that relate to current services								
Contractual service margin recognised for services provided	-	-	4,580	4,580	-	-	6,144	6,144
Experience adjustments	(18,630)	-	-	(18,630)	(8,442)	-	-	(8,442)
Changes that relate to future services								
Changes in estimates that adjust the CSM	18,120	-	(18,120)	-	67,733	-	(67,733)	-
Changes that relate to past services								
Adjustments to liabilities for incurred claims	2,971	-	-	2,971	8,927	-	-	8,927
Takaful service result	2,461	-	(13,540)	(11,079)	68,218	-	(61,589)	6,629
Retakaful finance income/(expenses)	3,214	-	(2,387)	827	5,499	-	(3,247)	2,252
Total changes in the statement of profit or loss and OCI	5,675	-	(15,927)	(10,252)	73,717	-	(64,836)	8,881

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.3 Analysis by measurement component of takaful certificates - Certificates not measured under the PAA (continued)

15.1.3.2 Retakaful certificates held (continued)

	30.06.2024				31.12.2023			
	Estimates of present value of future cash flows	Risk adjustment	Contractual Services Margin	Total	Estimates of present value of future cash flows	Risk adjustment	Contractual Services Margin	Total
<u>Company (continued)</u>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<i>Cash flow</i>								
Contributions paid	29,909	-	-	29,909	30,474	-	-	30,474
Cash flow received during the period (claim and expenses recovery from retakaful operator)	(20,257)	-	-	(20,257)	(17,119)	-	-	(17,119)
Other amounts received	7	-	-	7	12	-	-	12
Total cash flows	9,659	-	-	9,659	13,367	-	-	13,367
Net retakaful certificate assets/(liabilities) as at 30 June/31 December	253,644	-	(151,202)	102,442	238,310	-	(135,275)	103,035

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.4 The impacts on the current period of transition approaches adopted to establishing CSM

15.1.4.1 Takaful certificates issued

	30.06.2024				31.12.2023			
	Certificates using the modified retrospective approach	Certificates using the fair value approach	New certificates and certificates using the FRA at transition	Total	Certificates using the modified retrospective approach	Certificates using the fair value approach	New certificates and certificates using the FRA at transition	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Company</u>								
Takaful certificate liabilities as at 1 January	-	473,824	708,942	1,182,766	-	454,903	434,021	888,925
Takaful certificate assets as at 1 January	-	118	9,315	9,433	-	231	7,710	7,940
Net family takaful certificate liabilities as at 1 January	-	473,942	718,257	1,192,199	-	455,134	441,731	896,865
Changes that relate to current services								
CSM recognised for services provided	-	(33,061)	(78,929)	(111,990)	-	(80,167)	(114,265)	(194,432)
Changes that relate to future services								
Certificates initially recognised in the period	-	-	154,659	154,659	-	-	340,397	340,397
Changes in estimates that adjust the CSM	-	98,779	(118,776)	(19,997)	-	98,787	48,250	147,037
Changes that relate to past services								
Adjustments to liabilities for incurred claims	-	-	-	-	-	-	-	-
Takaful service result	-	65,718	(43,046)	22,672	-	18,620	274,382	293,002
Takaful finance expenses	-	96	1,925	2,021	-	188	2,144	2,332
Total changes in the statement of profit or loss and OCI	-	65,814	(41,121)	24,693	-	18,808	276,526	295,334
Net takaful certificate (assets)/liabilities as at 30 June/31 December	-	539,756	677,136	1,216,892	-	473,942	718,257	1,192,199

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.4 The impacts on the current period of transition approaches adopted to establishing CSM (continued)

15.1.4.1 Takaful certificates issued (continued)

	30.06.2024				31.12.2023			
	Certificates using the modified retrospective approach	Certificates using the fair value approach	New certificates and certificates using the FRA at transition	Total	Certificates using the modified retrospective approach	Certificates using the fair value approach	New certificates and certificates using the FRA at transition	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Company (continued)</u>								
Takaful certificate liabilities as at 30 June/31 December	-	539,645	668,672	1,208,317	-	473,824	708,942	1,182,766
Takaful certificate assets as at 30 June/31 December	-	111	8,464	8,575	-	118	9,315	9,433
Net takaful certificate (assets)/liabilities as at 30 June/31 December	-	539,756	677,136	1,216,892	-	473,942	718,257	1,192,199

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.4 The impacts on the current period of transition approaches adopted to establishing CSM (continued)

15.1.4.2 Retakaful certificates held (continued)

	30.06.2024				31.12.2023			
	Certificates using the modified retrospective approach	Certificates using the fair value approach	New certificate and certificate using the FRA at transition	Total	Certificates using the modified retrospective approach	Certificates using the fair value approach	New certificate and certificate using the FRA at transition	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Company</u>								
Retakaful certificate assets as at 1 January	-	(135,275)	-	(135,275)	-	(70,439)	-	(70,439)
Retakaful certificate liabilities as at 1 January	-	-	-	-	-	-	-	-
Net retakaful certificate assets as at 1 January	-	(135,275)	-	(135,275)	-	(70,439)	-	(70,439)
Changes that relate to current services								
Experience adjustments	-	4,580	-	4,580	-	6,144	-	6,144
Changes that relate to future services								
Changes in estimates that adjust the CSM	-	(18,120)	-	(18,120)	-	(67,733)	-	(67,733)
Changes that relate to past services								
Adjustments to liabilities for incurred claims	-	-	-	-	-	-	-	-
Takaful service result	-	(13,540)	-	(13,540)	-	(61,589)	-	(61,589)
Retakaful finance income	-	(2,386)	-	(2,386)	-	(3,247)	-	(3,247)
Total changes in the statement of profit or loss	-	(15,926)	-	(15,926)	-	(64,836)	-	(64,836)
Other movements	-	-	-	-	-	-	-	-
Net retakaful (assets)/liabilities as at 30 June/31 December	-	(151,201)	-	(151,201)	-	(135,275)	-	(135,275)

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.4 The impacts on the current period of transition approaches adopted to establishing CSM (continued)

15.1.4.2 Retakaful certificates held (continued)

	30.06.2024				31.12.2023			
	Certificates using the modified retrospective approach	Certificates using the fair value approach	New certificates and certificates using the FRA at transition	Total	Certificates using the modified retrospective approach	Certificates using the fair value approach	New certificates and certificates using the FRA at transition	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Company (continued)</u>								
Retakaful certificate assets as at 30 June/31 December	-	(151,201)	-	(151,201)	-	(135,275)	-	(135,275)
Retakaful certificate liabilities as at 30 June/31 December	-	-	-	-	-	-	-	-
Net takaful certificate (assets)/liabilities as at 30 June/31 December	-	(151,201)	-	(151,201)	-	(135,275)	-	(135,275)

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.5 The components of new business

15.1.5.1 Takaful certificates issued

	30.06.2024					31.12.2023				
	Certificates issued		Certificates acquired			Certificates issued		Certificates acquired		
	Non- onerous	Onerous	Non- onerous	Onerous	Total	Non- onerous	Onerous	Non- onerous	Onerous	Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Family Takaful Fund</u>										
Takaful certificate liabilities										
Estimate of present value of future cash outflows, excluding takaful acquisition cash flows	546,634	1,024	-	-	547,658	1,684,253	84,543	-	-	1,768,796
Estimates of takaful acquisition cash flows	225,770	135	-	-	225,905	532,384	40,276	-	-	572,660
Estimates of present value of future cash outflows	772,404	1,159	-	-	773,563	2,216,637	124,819	-	-	2,341,456
Estimates of present value of future cash inflows	(772,404)	(1,159)	-	-	(773,563)	(2,216,637)	(124,819)	-	-	(2,341,456)
Amount included in takaful certificate liabilities for the period	-	-	-	-	-	-	-	-	-	-

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.5 The components of new business (continued)

15.1.5.1 Family takaful certificates issued (continued)

	30.06.2024					31.12.2023				
	<u>Certificates issued</u>		<u>Certificates acquired</u>			<u>Certificates issued</u>		<u>Certificates acquired</u>		
	Non- onerous	Onerous	Non- onerous	Onerous	Total	Non- onerous	Onerous	Non- onerous	Onerous	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Company</u>										
Takaful certificate liabilities										
Estimate of present value of future cash outflows, excluding takaful acquisition cash flows	458,403	866	-	-	459,269	1,374,284	148,696	-	-	1,522,980
Estimates of takaful acquisition cash flows	143,031	191	-	-	143,222	417,928	24,045	-	-	441,973
Estimates of present value of future cash outflows	601,434	1,057	-	-	602,491	1,792,212	172,741	-	-	1,964,953
Estimates of present value of future cash inflows	(763,623)	(1,003)	-	-	(764,626)	(2,152,883)	(124,105)	-	-	(2,276,988)
Risk adjustment	7,530	14	-	-	7,544	20,274	1,792	-	-	22,066
Contractual service margin	154,659	-	-	-	154,659	340,397	-	-	-	340,397
Amount included in takaful certificate liabilities for the period	-	68	-	-	68	-	50,428	-	-	50,428

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15 TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

15.1.6 CSM recognition in profit or loss

The disclosure of when the CSM is expected to be in income in future years is presented below:

	<u>30.06.2024</u>					
	RM'000					
	5 Year or Less	5-10 Years	10-15 Years	15 – 20 Years	20 Years	Total
Takaful certificates issued	613,591	316,754	161,595	73,707	51,244	1,216,891
Retakaful certificates held	(29,502)	(27,355)	(26,009)	(24,996)	(43,339)	(151,201)

	<u>31.12.2023</u>					
	RM'000					
	5 Year or Less	5-10 Years	10-15 Years	15 – 20 Years	20 Years	Total
Takaful certificates issued	587,487	306,266	164,011	78,544	55,891	1,192,199
Retakaful certificates held	(25,367)	(24,027)	(23,621)	(22,755)	(39,504)	(135,274)

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16 REGULATORY CAPITAL REQUIREMENTS

The capital structure of the Company as at 30 June 2024 and 31 December 2023, as prescribed under Risk-Based Capital Framework for Takaful Operators ("RBCT Framework") are as follows:

<u>Shareholder's fund</u>	<u>30.06.2024</u>	<u>31.12.2023</u>
	RM'000	RM'000
<u>Eligible Tier 1 Capital</u>		
Share capital	450,000	450,000
Retained earnings/(Accumulated losses)	94,094	71,855
Valuation surplus maintained in the Family Takaful funds	421,068	335,565
	<u>965,162</u>	<u>857,420</u>
<u>Tier 2 Capital</u>		
General reserves	(33,333)	(33,333)
Available for sale reserves	5,868	4,665
Qard	86,345	86,345
	<u>58,880</u>	<u>57,677</u>
Amount deducted from capital in accordance with paragraph 9.9 of RBCT Framework	(20,268)	(21,257)
Total Capital Available	<u>1,012,712</u>	<u>894,222</u>