

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 2025

Registration No.

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UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025

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UNAUDITED CONDENSED INCOME STATEMENT
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025

	<u>Note</u>	<u>6 months period ended 30.06.2025</u>		<u>6 months period ended 30.06.2024</u>	
		<u>Family takaful fund RM'000</u>	<u>Company RM'000</u>	<u>Family takaful fund RM'000</u>	<u>Company RM'000</u>
Takaful revenue	10	398,822	501,749	352,057	463,793
Takaful service expense	11	(396,766)	(389,951)	(361,604)	(352,854)
Takaful service result before retakaful certificates held		2,056	111,798	(9,547)	110,939
Net expenses from retakaful certificates held		(15,565)	(10,258)	(15,715)	(11,395)
Takaful service result		(13,509)	101,540	(25,262)	99,544
Profit income from:					
Financial assets not measured at fair value through profit or loss		5,060	17,430	4,558	13,861
Financial assets measured at fair value through profit or loss		51,495	51,495	46,308	46,308
Other investment income		(63,606)	(64,006)	226,336	229,271
Movement in impairment loss on financial assets		(144)	(4,330)	(10)	(880)
Net Investment result	12	(7,195)	589	277,192	288,560
Takaful finance income/(expenses) for takaful certificates issued	13	506	7,834	(248,174)	(247,221)
Retakaful finance income for retakaful certificates held	13	15,565	787	15,715	827
Takaful financial result		16,071	8,621	(232,459)	(246,394)

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	<u>Note</u>	<u>6 months period ended 30.06.2025</u>		<u>6 months period ended 30.06.2024</u>	
		<u>Family takaful fund RM'000</u>	<u>Company RM'000</u>	<u>Family takaful fund RM'000</u>	<u>Company RM'000</u>
Other operating revenue		-	-	-	101
Other operating expenses		-	(14,043)	-	(12,830)
(Loss) / Profit before zakat and taxation		(4,633)	96,707	19,471	128,981
Tax expense attributable to participants		4,633	4,633	(19,471)	(19,471)
Profit before zakat and taxation attributable to shareholders		-	101,340	-	109,510
Zakat		-	-	-	-
Taxation		4,633	(18,886)	(19,471)	(45,360)
Tax expense attributable to participants		(4,633)	(4,633)	19,471	19,471
Tax expense attributable to shareholders		-	(23,519)	-	(25,889)
Net profit for the period		-	77,821	-	83,621
Profit per share (sen): Basic			17.29		18.58

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 2025

	<u>6 months period ended 30.06.2025</u>		<u>6 months period ended 30.06.2024</u>	
	<u>Family takaful</u>	<u>Company</u>	<u>Family takaful</u>	<u>Company</u>
	<u>fund</u>		<u>fund</u>	
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Net profit for the period	-	77,821	-	83,621
Other comprehensive income:				
<u>Items that may be subsequently reclassified to profit or loss</u>				
Net fair value gains on financial assets at fair value through other comprehensive income	-	9,506	-	2,830
Net realised losses on financial assets at fair value through other comprehensive income reclassified to profit or loss	-	(1,007)	-	(2,614)
Deferred tax	-	(2,160)	-	(53)
	<u>-</u>	<u>6,339</u>	<u>-</u>	<u>163</u>
Other comprehensive income for the period	-	6,339	-	163
Total comprehensive income for the period	<u>-</u>	<u>84,160</u>	<u>-</u>	<u>83,784</u>

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UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

		30.06.2025		31.12.2024	
	<u>Note</u>	Family takaful fund RM'000	Company RM'000	Family takaful fund RM'000	Company RM'000
ASSETS					
Property and equipment		-	304	-	344
Intangible assets		-	14,782	-	15,301
Right-of-use-assets		-	1,350	-	1,537
Financial assets - fair value through other comprehensive income (FVOCI)	14	131,982	862,479	145,612	726,816
Financial assets - fair value through profit or loss (FVPTL)	14	3,841,643	3,849,987	3,830,715	3,844,358
Takaful certificate assets	15	117,988	39,317	109,856	82,759
Retakaful certificate assets	15	30,384	94,356	26,794	100,055
Other receivables		50,297	59,886	26,054	33,639
Tax recoverables		-	-	-	4,743
Cash and cash equivalents		264,978	314,387	199,448	228,782
Total assets		<u>4,437,272</u>	<u>5,236,848</u>	<u>4,338,479</u>	<u>5,038,334</u>
EQUITY					
Share capital		-	450,000	-	450,000
General reserves		-	(33,333)	-	(33,333)
Retained earnings		-	956,239	-	878,418
Other comprehensive income fair value reserves		-	10,024	-	3,685
Total equity		<u>-</u>	<u>1,382,930</u>	<u>-</u>	<u>1,298,770</u>

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UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025 (CONTINUED)

		<u>30.06.2025</u>		<u>31.12.2024</u>	
	<u>Note</u>	Family takaful fund RM'000	Company RM'000	Family takaful fund RM'000	Company RM'000
LIABILITIES					
Takaful certificates liabilities	15	4,342,316	3,512,238	4,163,130	3,461,804
Deferred tax liabilities		12,909	221,418	19,983	231,261
Lease liabilities		-	1,483	-	1,672
Other payables		81,451	101,618	153,528	44,827
Tax payables		596	17,161	1,838	-
Total liabilities		<u>4,437,272</u>	<u>3,853,918</u>	<u>4,338,479</u>	<u>3,739,564</u>
Total equity and liabilities		<u>4,437,272</u>	<u>5,236,848</u>	<u>4,338,479</u>	<u>5,038,334</u>

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 2025

	Non-distributable				
	Share <u>capital</u> RM'000	General <u>reserves</u> RM'000	Fair value <u>reserve</u> RM'000	Retained <u>earnings</u> RM'000	Total <u>equity</u> RM'000
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>
At 1 January 2025	450,000	(33,333)	3,685	878,418	1,298,770
Total comprehensive income for the period	-	-	6,339	77,821	84,160
At 30 June 2025	<u>450,000</u>	<u>(33,333)</u>	<u>10,024</u>	<u>956,239</u>	<u>1,382,930</u>

AIA PUBLIC TAKAFUL BHD.
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**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025**

	6 months period ended 30.06.2025 RM'000	6 months period ended 30.06.2024 RM'000
Cash flows from operating activities		
Profit before taxation for the financial period	96,707	128,981
Adjustments for:		
Allowance/(Reversal) for expected credit loss of other financial assets	605	(140)
Depreciation of property and equipment	64	49
Depreciation of right of use assets	187	187
Amortisation of intangible assets	2,427	2,607
Finance cost of leases	33	41
Net amortisation of premium on investments	3,062	2,417
Profit Income	(71,987)	(57,752)
Dividend Income	(17,563)	(16,665)
Realised gain	(325)	(19,042)
Fair value losses/(gains) on fair value through profit or loss (FVTPL) financial assets	82,236	(193,381)
Operating profit/(loss) before working capital changes	95,446	(152,698)
Increase in other receivables	(26,246)	(2,451)
Decrease in Takaful certificates assets	43,442	4,809
Decrease in Retakaful assets	5,699	594
Increase in Takaful certificates liabilities	50,434	351,527
Increase in other payables	56,790	14,451
Increase in financial assets	(217,831)	(239,050)
Cash generated from/(used in) operating activities	7,734	(22,818)
Finance cost of leases paid	(33)	(41)
Income tax paid	(8,985)	(11,614)
Profit income received	71,987	57,752
Dividend received	17,023	16,923
Net cash generated from operating activities	87,726	40,202

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**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)**

	6 months period ended <u>30.06.2025</u> RM'000	6 months period ended <u>30.06.2024</u> RM'000
Cash flows from investing activities		
Purchase of property and equipment	(24)	(141)
Purchase of intangible assets	<u>(1,908)</u>	<u>(2,243)</u>
Net cash used in investing activities	<u>(1,932)</u>	<u>(2,384)</u>
Cash flows from financing activities		
Repayment of lease liabilities	<u>(189)</u>	<u>(181)</u>
Net cash used in financing activities	<u>(189)</u>	<u>(181)</u>
Net increase in cash and cash equivalents	85,605	37,637
Cash and cash equivalents at 1 January	<u>228,782</u>	<u>210,786</u>
Cash and cash equivalents at 30 June	<u><u>314,387</u></u>	<u><u>248,423</u></u>
Cash and cash equivalents comprise:		
Cash and bank balances	96,368	155,099
Fixed deposit with licensed Islamic Banks	<u>218,019</u>	<u>93,324</u>
	<u><u>314,387</u></u>	<u><u>248,423</u></u>

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025

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 13 & 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 2025.

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 2024.

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (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 2024, 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 2025.

The following accounting standards, amendments and interpretations are effective for the financial period beginning on or after 1 January 2025:

- Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)

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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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (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 2025 (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.

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (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 certificate 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
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)

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 2025 that have not been reflected in the condensed interim financial statements.

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10 TAKAFUL REVENUE

	<u>Note</u>	30.06.2025		30.06.2024	
		Family Takaful	Company	Family Takaful	Company
		fund		fund	
		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	326,691	287,002	300,990	254,983
Change in the risk adjustment for non-financial risk	b	-	3,926	-	4,526
Amount of CSM recognised in profit or loss		-	120,524	-	111,990
Experience adjustment for contribution variance and others		(6,064)	(8,793)	(13,323)	2,919
Amounts relating to recovery of takaful					
acquisition cash flows	c	27,353	48,248	20,755	39,760
Certificates not measured under PAA	15.1.1.1	347,980	450,907	308,422	414,178
Certificates measured under PAA	15.1.2.1	50,842	50,842	43,635	49,615
Total takaful revenue		398,822	501,749	352,057	463,793

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>30.06.2025</u> RM'000	<u>30.06.2024</u> RM'000
<u>Family Takaful fund</u>			
Incurring claims and other takaful service expenses		357,706	378,359
Incurring wakalah fees	a,b	33,415	22,910
Amortisation of acquisition cash flows - wakalah fees	c	32,145	30,062
Changes to liabilities for incurred claims		<u>(26,500)</u>	<u>(69,727)</u>
Total takaful service expenses		<u>396,766</u>	<u>361,604</u>
Represented by:			
Certificates not measured under PAA	15.1.1.1	341,606	310,915
Certificates measured under PAA	15.1.2.1	55,160	50,689
		<u>396,766</u>	<u>361,604</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)**

11 TAKAFUL SERVICE EXPENSES (CONTINUED)

	<u>Note</u>	<u>30.06.2025</u> RM'000	<u>30.06.2024</u> RM'000
<u>Company</u>			
Incurred claims and other takaful service expenses		352,273	374,335
Amortisation of acquisition cash flows	c	53,274	45,832
Losses on onerous certificates and reversal of losses on onerous certificates		8,308	2,427
Changes to liabilities for incurred claims		(23,904)	(69,740)
Total takaful service expenses		389,951	352,854
Represented by:			
Certificates not measured under PAA	15.1.1.1	342,897	308,355
Certificates measured under PAA	15.1.2.1	47,054	44,499
Total		389,951	352,854

Notes:

- a. The wakalah fees paid to the Shareholder's Fund during the period is RM255,197,666 (2024: RM253,101,725). The breakdown of incurred wakalah fees by nature is as follows:

	<u>30.06.2025</u> RM'000	<u>30.06.2024</u> RM'000
Wakalah fees – Commissions	124,665	130,250
Wakalah fees – Management expenses	130,533	122,852
	255,198	253,102

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

	<u>2025</u> RM'000	<u>2024</u> RM'000
Wakalah fees	255,198	253,102
Payment of commission	124,665	130,250

- c. Acquisition cash flows are allocated on a straight-line basis over the coverage period of the group of certificates.
- d. Inclusive in Takaful Service Expenses, there is incurred takaful benefits payable in the form of hibah from the shareholder's fund to the takaful participants and/or the Family Takaful Fund which is supplementary to the main takaful benefits of RM251,000 (2024: RM468,000)

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12 NET INVESTMENT RESULT

	Family Takaful fund RM'000	Company RM'000
<u>30.06.2025</u>		
Profit income of financial assets not measured at FVTPL		
At amortised cost	2,339	2,438
At FVOCI	2,720	14,992
Profit income of financial assets measured at FVTPL		
At FVTPL - designated	44,833	44,833
At FVTPL - mandatory	6,662	6,662
Other investment revenue		
Dividend income	17,401	17,563
Net gains of financial assets not measured at FVTPL		
At FVOCI	538	1,007
Net gains/(losses) of financial assets measured at FVTPL		
Debt securities (designated)	44,493	44,493
Debt securities (mandatory)	4,456	4,456
Equity securities	(124,298)	(125,817)
Derivatives	509	516
Net gains of other financial instruments measured at FVTPL		
Net foreign exchange gains	(6,704)	(6,224)
Movement in impairment loss on financial assets	(144)	(4,330)
Net investment result	<u>(7,195)</u>	<u>589</u>

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12 NET INVESTMENT RESULT (CONTINUED)

	Family Takaful fund RM'000	Company 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	191,402	192,237
Net gains of other financial instruments measured at FVTPL		
Net foreign exchange gains	2,707	2,315
Movement in impairment loss on financial assets	(12)	(880)
Net investment result	<u>277,190</u>	<u>288,560</u>

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13 TAKAFUL FINANCIAL RESULT

	Family Takaful fund RM'000	Company RM'000
<u>30.6.2025</u>		
<u>Takaful finance income/(expenses) from takaful certificates issued</u>		
Changes in fair value of underlying items	12,061	16,518
Profit accreted	(5)	(3,821)
Effect of changes in profit rates and other financial assumptions	(11,550)	(4,634)
Effect of measuring changes in estimates at current rates and adjusting the CSM at the rates on initial recognition	-	(229)
	<u>506</u>	<u>7,834</u>
<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>

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13 TAKAFUL FINANCIAL RESULT (CONTINUED)

	Family Takaful fund RM'000	Company RM'000
<u>30.06.2025</u>		
<u>Retakaful finance income for retakaful certificates held</u>		
Profit accretion	3,560	787
Participant's share of changes in fair value of underlying items	12,005	-
	<u>15,565</u>	<u>787</u>
<u>30.06.2024</u>		
<u>Retakaful finance income/(expenses) for retakaful certificates held</u>		
Profit accretion	3,137	827
Participant's share of changes in fair value of underlying items	12,578	-
	<u>15,715</u>	<u>827</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>30.06.2025</u>		
<u>Financial assets at FVOCI:</u>		
Government investment issues	24,955	214,593
Cagamas	8,556	32,755
Unquoted corporate sukuks	98,471	615,131
	<u>131,982</u>	<u>862,479</u>
<u>Financial assets at FVTPL:</u>		
Government investment issues	696,835	696,835
Cagamas	73,834	73,834
Unquoted corporate sukuks	1,767,455	1,767,455
Quoted shariah approved shares	1,136,292	1,144,636
Unquoted shariah approved equities	10,200	10,200
Warrant	366	366
Shariah approved unit trusts	156,661	156,661
	<u>3,841,643</u>	<u>3,849,987</u>
<u>31.12.2024</u>		
<u>Financial assets at FVOCI:</u>		
Government investment issues	4,631	107,819
Cagamas	18,555	42,642
Unquoted corporate sukuks	122,426	576,355
	<u>145,612</u>	<u>726,816</u>
<u>Financial assets at FVTPL:</u>		
Government investment issues	584,095	584,095
Cagamas	77,952	77,952
Unquoted corporate sukuks	1,769,002	1,769,002
Quoted shariah approved shares	1,245,974	1,259,617
Unquoted shariah approved equities	10,204	10,204
Shariah approved unit trusts	143,488	143,488
	<u>3,830,715</u>	<u>3,844,358</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>30.06.2025</u>		
<u>Current</u>		
FVTPL	1,403,578	1,411,915
FVOCI	15,574	94,932
	<u>1,419,152</u>	<u>1,506,847</u>
<u>Non-current</u>		
FVTPL	2,438,065	2,438,072
FVOCI	116,408	767,547
	<u>2,554,473</u>	<u>3,205,619</u>
 <u>31.12.2024</u>		
<u>Current</u>		
FVTPL	1,450,540	1,464,183
FVOCI	17,997	21,520
	<u>1,468,537</u>	<u>1,485,703</u>
<u>Non-current</u>		
FVTPL	2,380,175	2,380,175
FVOCI	127,615	705,296
	<u>2,507,790</u>	<u>3,085,471</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 2024	157,043	606,719
Purchases	68,401	377,258
Disposals at amortised cost	(79,548)	(255,606)
<u>Fair value losses recorded in:</u>		
Takaful certificates liabilities/		
Other comprehensive income	(89)	(142)
Net amortisation of premiums	(195)	(1,413)
At 1 January 2025	145,612	726,816
Purchases	39,157	237,970
Disposals at amortised cost	(53,511)	(109,315)
<u>Fair value gains recorded in:</u>		
Takaful certificates liabilities/		
Other comprehensive income	833	7,893
Net amortisation of premiums	(109)	(885)
At 30 June 2025	131,982	862,479

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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 2024	3,187,054	3,200,371
Purchases	2,034,945	2,045,375
Disposals at fair value	(1,600,388)	(1,611,793)
<u>Fair value gains recorded in:</u>		
Profit or loss	212,775	214,076
Net amortisation of premiums	(3,671)	(3,671)
At 1 January 2025	3,830,715	3,844,358
Purchases	1,253,997	1,256,387
Disposals at fair value	(1,160,004)	(1,166,346)
<u>Fair value losses recorded in:</u>		
Profit or loss	(80,888)	(82,235)
Net amortisation of premiums	(2,177)	(2,177)
At 30 June 2025	3,841,643	3,849,987

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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>30.06.2025</u> RM'000	<u>31.12.2024</u> RM'000
<u>FVOCI</u>		
<u>Family Takaful fund</u>		
Valuation techniques – market observable inputs (Level 2)	<u>131,982</u>	<u>145,612</u>
<u>Company</u>		
Valuation techniques – market observable inputs (Level 2)	<u>862,479</u>	<u>726,816</u>
<u>FVTPL</u>		
<u>Family Takaful fund</u>		
Quoted market price (Level 1)	1,293,319	1,389,462
Valuation techniques – market observable inputs (Level 2)	<u>2,548,324</u>	<u>2,441,253</u>
	<u>3,841,643</u>	<u>3,830,715</u>
<u>Company</u>		
Quoted market price (Level 1)	1,301,663	1,403,105
Valuation techniques – market observable inputs (Level 2)	<u>2,548,324</u>	<u>2,441,253</u>
	<u>3,849,987</u>	<u>3,844,358</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 2025 and 31 December 2024:

	<u>30.06.2025</u> RM'000	<u>31.12.2024</u> RM'000
<u>Company</u>		
<u>Investment Funds (1)</u>		
Equity securities at fair value through profit or loss	156,661	143,488

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.

(e) Impairment of financial assets

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.

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14 FINANCIAL ASSETS (CONTINUED)

(e) Impairment of financial assets (continued)

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

Significant increase in credit risk (continued)

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)

(e) Impairment of 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.

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14 FINANCIAL ASSETS (CONTINUED)

(e) Impairment of financial assets (continued)

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

Measurement of ECL (continued)

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.

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.

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14 FINANCIAL ASSETS (CONTINUED)

(e) Impairment of financial assets (continued)

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

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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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:

	30.06.2025		31.12.2024	
	Assets	Liabilities	Assets	Liabilities
	RM'000	RM'000	RM'000	RM'000
<u>Family Takaful fund</u>				
Takaful certificates				
- Certificates not measured under the PAA	117,988	4,331,277	102,597	4,148,146
- Certificates measured under the PAA	-	11,039	7,259	14,984
	<u>117,988</u>	<u>4,342,316</u>	<u>109,856</u>	<u>4,163,130</u>
Retakaful certificates				
- Certificates not measured under the PAA	29,777	-	26,347	-
- Certificates measured under the PAA	607	-	447	-
	<u>30,384</u>	<u>-</u>	<u>26,794</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)

	30.06.2025		31.12.2024	
	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
<u>Company</u>				
- Certificates not measured under the PAA	77,149	3,512,238	82,759	3,431,904
- Certificates measured under the PAA	(37,832)	-	-	29,900
	<u>39,317</u>	<u>3,512,238</u>	<u>82,759</u>	<u>3,461,804</u>
 Retakaful certificates				
- Certificates not measured under the PAA	94,356	-	100,055	-
	<u>94,356</u>	<u>-</u>	<u>100,055</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

15.1.1.1Takaful 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:

Note	30.06.2025				31.12.2024			
	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</u>								
Takaful certificate liabilities as at 1 January	4,029,182	-	118,964	4,148,146	3,299,977	-	188,054	3,488,031
Takaful certificate assets as at 1 January	(79,981)	-	(22,616)	(102,597)	(74,812)	-	9,831	(64,981)
Net family takaful certificate (assets)/liabilities as at 1 January	3,949,201	-	96,348	4,045,549	3,225,165	-	197,885	3,423,050
Takaful revenue	10 (347,980)	-	-	(347,980)	(770,208)	-	-	(770,208)
Takaful service expense	11 27,353	-	314,253	341,606	49,502	-	828,256	877,758
Investment components	(59,463)	-	59,463	-	(188,497)	-	188,497	-
Takaful service result	(380,090)	-	373,716	(6,374)	(909,203)	-	1,016,753	107,550
Takaful finance expenses/(income)	13 12,837	-	(9,025)	3,812	278,621	-	(7,311)	271,310
Total changes in the statement of profit or loss and OCI	(367,253)	-	364,691	(2,562)	(630,582)	-	1,009,442	378,860

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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)

30.06.2025					31.12.2024				
Note	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	829,707	-	-	829,707	1,695,192	-	-	1,695,192
Qard received		18,047	-	-	18,047	20,495	-	-	20,495
Claims and other expenses paid including investment components		-	-	(381,736)	(381,736)	-	-	(1,110,979)	(1,110,979)
Takaful acquisition cash flows paid		(295,716)	-	-	(295,716)	(361,069)	-	-	(361,069)
Total cash flows		552,038	-	(381,736)	170,302	1,354,618	-	(1,110,979)	243,639
Net takaful certificate (assets)/liabilities as at 30 June/31 December		4,133,986	-	79,303	4,213,289	3,949,201	-	96,348	4,045,549
Takaful certificate liabilities as at 30 June/31 December		4,250,168	-	81,109	4,331,277	4,029,182	-	118,964	4,148,146
Takaful certificate assets as at 30 June/31 December		(116,182)	-	(1,806)	(117,988)	(79,981)	-	(22,616)	(102,597)
Net takaful certificate (assets)/liabilities as at 30 June/31 December		4,133,986	-	79,303	4,213,289	3,949,201	-	96,348	4,045,549

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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	30.06.2025					
	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	3,158,508	9,991	256,849	6,556	-	3,431,904
Takaful certificate assets as at 1 January	(24,342)	-	26,558	2,206	(87,181)	(82,759)
Net family takaful certificate (assets)/liabilities as at 1 January	3,134,166	9,991	283,407	8,762	(87,181)	3,349,145
Takaful revenue	10 (450,907)	-	-	-	-	(450,907)
Takaful service expense	11 48,248	7,298	287,356	(5)	-	342,897
Investment components	(57,491)	-	57,491	-	-	-
Takaful service result	(460,150)	7,298	344,847	(5)	-	(108,010)
Takaful finance expenses	13 (8,178)	55	289	-	-	(7,834)
Total changes in the statement of profit or loss and OCI	(468,328)	7,353	345,136	(5)	-	(115,844)

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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	30.06.2025				
		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
Total						RM'000
<u>Company (continued)</u>						
<i>Cash flows</i>						
Contributions received	a	832,259	-	-	-	832,259
Claims and other expenses paid including investment components		-	-	(430,693)	-	(430,693)
Takaful acquisition cash flows paid		(193,955)	-	-	-	(199,196)
Other amounts received		-	-	1,537	-	1,537
Total cash flows		638,304	-	(429,156)	-	203,907
Non-Cash Operating Expenses		(1,369)	-	(750)	-	(2,119)
Other Non-Cash Items		(2,257)	-	-	-	2,257
Net takaful certificate (assets)/liabilities as at 30 June		3,300,516	17,344	198,637	8,757	(90,165)
						3,435,089

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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	30.06.2025					
	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	3,322,753	9,586	173,254	6,645	-	3,512,238
Takaful certificate assets as at 30 June	(22,237)	7,758	25,383	2,112	(90,165)	(77,149)
Net takaful certificate (assets)/liabilities as at 30 June	3,300,516	17,344	198,637	8,757	(90,165)	3,435,089

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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	31.12.2024					
	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	flows	Total
	RM'000	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	(983,428)	-	-	-	-	(983,428)
Takaful service expense	84,200	(633)	663,354	452	-	747,373
Investment components	(184,740)	-	184,740	-	-	-
Takaful service result	(1,083,968)	(633)	848,094	452	-	(236,055)
Takaful finance expenses	353,416	(195)	528	-	-	353,749
Total changes in the statement of profit or loss and OCI	(730,552)	(828)	848,622	452	-	117,694

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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)

15.1.1.1Takaful 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	31.12.2024				
		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
						Total
						RM'000
<u>Company (continued)</u>						
<i>Cash flows</i>						
Contributions received	a	1,686,058	-	-	-	-
Claims and other expenses paid including investment components		-	-	(850,632)	-	-
Takaful acquisition cash flows paid		(386,105)	-	-	-	(15,863)
Other amounts received		-	-	1,803	-	-
Total cash flows		1,299,953	-	(848,829)	-	(15,863)
Non-Cash Operating Expenses		(3,307)	-	(1,784)	-	-
Other Non-Cash Items		(4,309)	-	-	-	4,309
Net takaful certificate (assets)/liabilities as at 31 December		3,134,166	9,991	283,407	8,762	(87,181)
						3,349,145

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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	31.12.2024					
	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 31 December	3,158,508	9,991	256,849	6,556	-	3,431,904
Takaful certificate assets as at 31 December	(24,342)	-	26,558	2,206	(87,181)	(82,759)
Net takaful certificate (assets)/liabilities as at 31 December	3,134,166	9,991	283,407	8,762	(87,181)	3,349,145

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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>30.06.2025</u>	<u>31.12.2024</u>
	RM'000	RM'000
Opening balance	104,392	86,345
Qard increased during the year/period	-	18,047
Closing balance	<u>104,392</u>	<u>104,392</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>30.06.2025</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	17,870	15,825	56,470	90,165

		<u>31.12.2024</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 31 December	17,489	15,068	54,624	87,181

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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:

	30.06.2025				31.12.2024			
	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	(15,142)	-	41,489	26,347	(12,768)	-	31,729	18,961
Net (expense)/income from retakaful certificates held	(53,507)	-	38,102	(15,405)	(85,361)	-	63,796	(21,565)
Net finance income from retakaful certificates	15,405	-	-	15,405	21,565	-	-	21,565
Total changes in the statement of profit or loss and OCI	(38,102)	-	38,102	-	(63,796)	-	63,796	-

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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)

	30.06.2025				31.12.2024			
	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	30,521	-	-	30,521	61,422	-	-	61,422
Other amounts received	-	-	(27,091)	(27,091)	-	-	(54,036)	(54,036)
Total cash flows	30,521	-	(27,091)	3,430	61,422	-	(54,036)	7,386
Net retakaful certificate assets/(liabilities) as at 30 June/31 December	(22,723)	-	52,500	29,777	(15,142)	-	41,489	26,347

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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)

	30.06.2025					31.12.2024				
	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
<u>Company</u>										
Net retakaful certificate (liabilities)/assets	(16,449)	-	116,504	-	100,055	6,175	-	96,860	-	103,035
Net (expense)/income from retakaful certificates	(48,038)	-	37,940	-	(10,098)	(84,514)	-	72,148	-	(12,366)
Net finance income from retakaful certificates	787	-	-	-	787	1,625	-	-	-	1,625
Total changes in the statement of profit or loss and OCI	(47,251)	-	37,940	-	(9,311)	(82,889)	-	72,148	-	(10,741)

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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)

	30.06.2025					31.12.2024				
	Assets for remaining coverage		Amounts recoverable on incurred claims			Assets for remaining coverage		Amounts recoverable on incurred claims		
			Estimates of the present value of future cash flows					Estimates of the present value of future cash flows		
	Excluding loss component	Loss component		Risk adjustment	Total	Excluding loss component	Loss component		Risk adjustment	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<i>Cash flows</i>										
Contributions paid	30,521	-	-	-	30,521	60,265	-	-	-	60,265
Other amounts received	-	-	(26,916)	-	(26,916)	-	-	(52,522)	-	(52,522)
Total cash flows	30,521	-	(26,916)	-	3,605	60,265	-	(52,522)	-	7,743
Other movements	-	-	7	-	7	-	-	18	-	18
Net retakaful certificate (liabilities)/assets as at 30 June/31 December	(33,179)	-	127,535	-	94,356	(16,449)	-	116,504	-	100,055

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:

		30.06.2025				31.12.2024			
		Liabilities for remaining coverage		Liabilities for incurred claims	Total	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Note	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>									
Takaful certificate liabilities as at 1 January		14,984	-	-	14,984	14,864	-	-	14,864
Takaful certificate assets as at 1 January		(29,023)	-	21,764	(7,259)	(23,415)	-	23,069	(346)
Net takaful certificate (assets)/ liabilities as at 1 January		(14,039)	-	21,764	7,725	(8,551)	-	23,069	14,518
Takaful revenue	10	(50,842)	-	-	(50,842)	(101,064)	-	-	(101,064)
Takaful service expense	11	4,792	-	50,368	55,160	13,460	-	94,439	107,899
Takaful service result		(46,050)	-	50,368	4,318	(87,604)	-	94,439	6,835
Takaful finance expenses	13	(4,318)	-	-	(4,318)	(6,835)	-	-	(6,835)
Total changes in the statement of profit or loss and OCI		(50,368)	-	50,368	-	(94,439)	-	94,439	-

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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)

	30.06.2025				31.12.2024			
	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	57,665	-	-	57,665	100,402	-	-	100,402
Claims and other expenses paid including investment components	-	-	(48,609)	(48,609)	-	-	(95,744)	(95,744)
Acquisition cash flows paid	(5,742)	-	-	(5,742)	(11,451)	-	-	(11,451)
Total cash flows	51,923	-	(48,609)	3,314	88,951	-	(95,744)	(6,793)
Net takaful certificate (assets)/ liabilities as at 30 June/31 December	(12,484)	-	23,523	11,039	(14,039)	-	21,764	7,725

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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)

	30.06.2025				31.12.2024			
	Liabilities for remaining coverage		Liabilities for incurred claims	Total	Liabilities for remaining coverage		Liabilities for incurred claims	Total
Note	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>								
Takaful certificate liabilities as at 30 June/31 December	(12,484)	-	23,523	11,039	14,984	-	-	14,984
Takaful certificate assets as at 30 June/31 December	-	-	-	-	(29,023)	-	21,764	(7,259)
Net takaful certificate (assets)/ liabilities as at 30 June/31 December	(12,484)	-	23,523	11,039	(14,039)	-	21,764	7,725

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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:

		30.06.2025			
		Liabilities for remaining coverage		Liabilities for incurred claims	
		Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment
		RM'000	RM'000	RM'000	RM'000
		Total			
		RM'000			
<u>Company</u>					
Net takaful certificate liabilities as at 1 January		14,961	-	14,371	568
Takaful revenue	10	(50,842)	-	-	-
Takaful service expense	11	5,026	-	42,057	(29)
Takaful service result		(45,816)	-	42,057	(29)
Total changes in the statement of profit or loss and OCI		(45,816)	-	42,057	(29)

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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)

	30.06.2025				
	Liabilities for remaining coverage		Liabilities for incurred claims		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	
<u>Company (continued)</u>					
<i>Cash flows</i>					
Contributions received	58,225	-	-	-	58,225
Claims and other expenses paid including investment components	-	-	(40,555)	-	(40,555)
Takaful acquisition cash flows paid	(5,835)	-	-	-	(5,835)
Total cash flows	52,390	-	(40,555)	-	11,835
Other movements	(71)	-	(44)	-	(115)
Net takaful certificate liabilities as at 30 June	21,464	-	15,829	539	37,832

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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)

	31.12.2024				
	Liabilities for remaining coverage		Liabilities for incurred claims		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	
<u>Note</u>					
<u>Company</u>					
Net takaful certificate liabilities as at 1 January	13,619	-	14,369	595	28,583
Takaful revenue	(100,799)	-	-	-	(100,799)
Takaful service expense	11,442	-	83,134	(27)	94,549
Takaful service result	(89,357)	-	83,134	(27)	(6,250)
Total changes in the statement of profit or loss and OCI	(89,357)	-	83,134	(27)	(6,250)

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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)

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)

		31.12.2024				
		Liabilities for remaining coverage		Liabilities for incurred claims		
	Note	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>						
Contributions received	a	101,951	-	-	-	101,951
Claims and other expenses paid including investment components		-	-	(82,979)	-	(82,979)
Takaful acquisition cash flows paid		(11,009)	-	-	-	(11,009)
Total cash flows		90,942	-	(82,979)	-	7,963
Other movements		(243)	-	(153)	-	(396)
Net takaful certificate liabilities as at 31 December		14,961	-	14,371	568	29,900

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	30.06.2025				31.12.2024			
	Assets for remaining coverage			Amounts recoverable on incurred claims	Assets for remaining coverage			Amounts recoverable on incurred claims
	Excluding loss component	Loss component			Excluding loss component	Loss component		
	RM'000	RM'000	RM'000	Total RM'000	RM'000	RM'000	RM'000	Total RM'000
<u>Family Takaful fund</u>								
Net retakaful certificate assets as at 1 January	447	-	-	447	133	-	-	133
Net expense from retakaful certificates held	(160)	-	-	(160)	(315)	-	-	(315)
Retakaful finance income	160	-	-	160	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)

30.06.2025					31.12.2024				
Note	Assets for remaining coverage				Assets for remaining coverage				
	Excluding loss component	Loss component	Amounts recoverable on incurred claims	Total	Excluding loss component	Loss component	Amounts recoverable on incurred claims	Total	
									RM'000
Family Takaful fund (continued)									
Cash flows									
Contributions paid	160	-	-	160	314	-	-	314	
Total cash flows	160	-	-	160	314	-	-	314	
Net retakaful certificate assets as at 30 June/31 December	607	-	-	607	447	-	-	447	

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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	30.06.2025				31.12.2024			
		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
<i>Company</i>									
Net retakaful certificate assets as at 1 January		-	-	-	-	-	-	-	-
Net expense from retakaful certificates held		(160)	-	-	(160)	(315)	-	(1)	(316)
Total changes in the statement of profit or loss and OCI		(160)	-	-	(160)	(315)	-	(1)	(316)
<i>Cash flows</i>									
Contributions paid		160	-	-	160	315	-	-	315
Total cash flows		160	-	-	160	315	-	-	315
Other movements		-	-	-	-	-	-	1	1
Net retakaful certificate assets as at 30 June/31 December		-	-	-	-	-	-	-	-

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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

	30.06.2025			31.12.2024		
	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</u>						
Takaful certificate liabilities as at 1 January	4,148,146	-	4,148,146	3,488,031	-	3,488,031
Takaful certificate assets as at 1 January	(102,597)	-	(102,597)	(64,981)	-	(64,981)
Net family takaful certificate (assets)/liabilities as at 1 January	4,045,549	-	4,045,549	3,423,050	-	3,423,050
Changes that relate to current services						
Experience adjustments	18,942	-	18,942	174,165	-	174,165
Changes that relate to past services						
Adjustments to liabilities for incurred claims	(25,316)	-	(25,316)	(66,615)	-	(66,615)
Takaful service result	(6,374)	-	(6,374)	107,550	-	107,550
Takaful finance expenses	3,812	-	3,812	271,310	-	271,310
Total changes in the statement of profit or loss and OCI	(2,562)	-	(2,562)	378,860	-	378,860

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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)

	30.06.2025			31.12.2024		
	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
<u>Family Takaful fund (continued)</u>						
<i>Cash flow</i>						
Contributions received	829,707	-	829,707	1,695,192	-	1,695,192
Qard received	18,047	-	18,047	20,495	-	20,495
Claims and other expenses paid including investment components	(381,736)	-	(381,736)	(1,110,980)	-	(1,110,980)
Acquisition cash flows paid	(295,716)	-	(295,716)	(361,068)	-	(361,068)
Total cash flows	170,302	-	170,302	243,639	-	243,639
Net takaful certificate liabilities as at 30 June/31 December	4,213,289	-	4,213,289	4,045,549	-	4,045,549
Takaful certificate liabilities as at 30 June/31 December	4,331,277	-	4,331,277	4,148,146	-	4,148,146
Takaful certificate assets as at 30 June/31 December	(117,988)	-	(117,988)	(102,597)	-	(102,597)
Net takaful certificate liabilities as at 30 June/31 December	4,213,289	-	4,213,289	4,045,549	-	4,045,549

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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)

	30.06.2025				31.12.2024			
	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
	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	2,001,171	85,755	1,344,978	3,431,904	1,541,032	105,266	1,182,767	2,829,065
Takaful certificate assets as at 1 January	(137,605)	2,913	51,933	(82,759)	(38,391)	1,174	9,433	(27,784)
Net family takaful certificate (assets)/liabilities as at 1 January	1,863,566	88,668	1,396,911	3,349,145	1,502,641	106,440	1,192,200	2,801,281
Changes that relate to current services								
CSM recognised for services provided	-	-	(120,524)	(120,524)	-	-	(233,513)	(233,513)
Risk adjustment for the risk expired	-	2,488	-	2,488	-	(2,607)	-	(2,607)
Experience adjustments	39,931	-	-	39,931	82,215	-	-	82,215
Revenue recognised for incurred certificate holder tax expenses	(3,938)	-	-	(3,938)	(6,174)	-	-	(6,174)
Changes that relate to future services								
Certificates initially recognised in the period	(174,454)	5,796	168,658	-	(353,406)	17,094	336,476	164
Changes in estimates that adjust the CSM	5,460	987	(6,447)	-	(71,500)	(26,472)	97,972	-
Changes in estimates that result in losses and reversal of losses on onerous certificates	6,756	1,552	-	8,308	(880)	955	-	75
Changes that relate to past services								
Adjustments to liabilities for incurred claims	(27,719)	(6,556)	-	(34,275)	(69,473)	(6,742)	-	(76,215)
Takaful service result	(153,964)	4,267	41,687	(108,010)	(419,218)	(17,772)	200,935	(236,055)
Takaful finance expenses	(6,707)	-	(1,127)	(7,834)	349,973	-	3,776	353,749
Total changes in the statement of profit or loss and OCI	(160,671)	4,267	40,560	(115,844)	(69,245)	(17,772)	204,711	117,694

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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)

	30.06.2025				31.12.2024			
	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
Company (continued)	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<i>Cash flow</i>								
Contributions received	832,259	-	-	832,259	1,686,058	-	-	1,686,058
Claims and other expenses paid including investment components	(430,693)	-	-	(430,693)	(850,632)	-	-	(850,632)
Acquisition cash flows paid	(199,196)	-	-	(199,196)	(401,968)	-	-	(401,968)
Other amounts received	1,537	-	-	1,537	1,803	-	-	1,803
Total cash flows	203,907	-	-	203,907	435,261	-	-	435,261
Non Cash Operating Expenses	(2,119)	-	-	(2,119)	(5,091)	-	-	(5,091)
Net takaful certificate liabilities as at 30 June/31 December	1,904,683	92,935	1,437,471	3,435,089	1,863,566	88,668	1,396,911	3,349,145
Takaful certificate liabilities as at 30 June/31 December	2,004,812	89,749	1,417,677	3,512,238	2,001,171	85,755	1,344,978	3,431,904
Takaful certificate assets as at 30 June/31 December	(100,129)	3,186	19,794	(77,149)	(137,605)	2,913	51,933	(82,759)
Net takaful certificate liabilities as at 30 June/31 December	1,904,683	92,935	1,437,471	3,435,089	1,863,566	88,668	1,396,911	3,349,145

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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

	30.06.2025			31.12.2024		
	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</u>						
Net retakaful certificate assets as at 1 January	26,347	-	26,347	18,961	-	18,961
Changes that relate to current services						
Experience adjustments	(25,507)	-	(25,507)	(27,472)	-	(27,472)
Changes that relate to past services						
Adjustments to liabilities for incurred claims	10,102	-	10,102	5,908	-	5,908
Takaful service result	(15,405)	-	(15,405)	(21,564)	-	(21,564)
Retakaful finance income	15,405	-	15,405	21,564	-	21,564
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)

	30.06.2025			31.12.2024		
	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	30,521	-	30,521	61,422	-	61,422
Cash flow received during the period (claim and expenses recovery from retakaful operator)	(27,091)	-	(27,091)	(54,036)	-	(54,036)
Total cash flows	3,430	-	3,430	7,386	-	7,386
Net retakaful certificate assets as at 30 June/31 December	29,777	-	29,777	26,347	-	26,347

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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)

	30.06.2025				31.12.2024			
	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
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Company</u>								
Net retakaful certificate assets/(liabilities) as at 1 January	264,902	-	(164,847)	100,055	238,310	-	(135,275)	103,035
Changes that relate to current services								
Contractual service margin recognised for services provided	-	-	5,542	5,542	-	-	9,681	9,681
Experience adjustments	(25,743)	-	-	(25,743)	(27,955)	-	-	(27,955)
Changes that relate to future services								
Changes in estimates that adjust the CSM	13,997	-	(13,997)	-	34,252	-	(34,252)	-
Changes that relate to past services								
Adjustments to liabilities for incurred claims	10,103	-	-	10,103	5,908	-	-	5,908
Takaful service result	(1,643)	-	(8,455)	(10,098)	12,205	-	(24,571)	(12,366)
Retakaful finance income/(expenses)	3,590	-	(2,803)	787	6,625	-	(5,001)	1,624
Total changes in the statement of profit or loss and OCI	1,947	-	(11,258)	(9,311)	18,830	-	(29,572)	(10,742)

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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)

	30.06.2025				31.12.2024			
	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	30,521	-	-	30,521	60,265	-	-	60,265
Cash flow received during the period (claim and expenses recovery from retakaful operator)	(26,915)	-	-	(26,915)	(52,521)	-	-	(52,521)
Other amounts received	6	-	-	6	18	-	-	18
Total cash flows	3,612	-	-	3,612	7,762	-	-	7,762
Net retakaful certificate assets/(liabilities) as at 30 June/31 December	270,461	-	(176,105)	94,356	264,902	-	(164,847)	100,055

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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

	30.06.2025					31.12.2024				
	<u>Certificates issued</u>		<u>Certificates acquired</u>		<u>Total</u>	<u>Certificates issued</u>		<u>Certificates acquired</u>		<u>Total</u>
	Non- onerous	Onerous	Non- onerous	Onerous		Non- onerous	Onerous	Non- onerous	Onerous	
	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	382,437	-	-	-	382,437	1,356,218	6,892	-	-	1,363,110
Estimates of takaful acquisition cash flows	154,394	41	-	-	154,435	532,152	1,294	-	-	533,446
Estimates of present value of future cash outflows	536,831	41	-	-	536,872	1,888,370	8,186	-	-	1,896,556
Estimates of present value of future cash inflows	(536,831)	(41)	-	-	(536,872)	(1,888,370)	(8,186)	-	-	(1,896,556)
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)

	30.06.2025					31.12.2024				
	<u>Certificates issued</u>		<u>Certificates acquired</u>		Total	<u>Certificates issued</u>		<u>Certificates acquired</u>		Total
	Non- onerous	Onerous	Non- onerous	Onerous		Non- onerous	Onerous	Non- onerous	Onerous	
<u>Company</u>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Takaful certificate liabilities										
Estimate of present value of future cash outflows, excluding takaful acquisition cash flows	457,975	235	-	-	458,210	1,032,101	4,858	-	-	1,036,959
Estimates of takaful acquisition cash flows	148,819	81	-	-	148,900	320,696	1,243	-	-	321,939
Estimates of present value of future cash outflows	606,794	316	-	-	607,110	1,352,797	6,101	-	-	1,358,898
Estimates of present value of future cash inflows	(781,246)	(318)	-	-	(781,564)	(1,706,288)	(6,017)	-	-	(1,712,305)
Risk adjustment	5,794	2	-	-	5,796	17,015	80	-	-	17,095
Contractual service margin	168,658	-	-	-	168,658	336,476	-	-	-	336,476
Amount included in takaful certificate liabilities for the period	-	-	-	-	-	-	164	-	-	164

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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>30.06.2025</u>					
	RM'000					
	5 Year or Less	5-10 Years	10-15 Years	15 – 20 Years	20 Years	Total
Takaful certificates issued	710,391	376,705	191,332	91,418	67,625	1,437,471
Retakaful certificates held	(36,559)	(34,094)	(31,329)	(29,040)	(45,083)	(176,105)

	<u>31.12.2024</u>					
	RM'000					
	5 Year or Less	5-10 Years	10-15 Years	15 – 20 Years	20 Years	Total
Takaful certificates issued	693,125	362,737	186,794	89,388	64,867	1,396,911
Retakaful certificates held	(18,346)	(33,922)	(31,799)	(30,226)	(50,553)	(164,846)

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
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16 REGULATORY CAPITAL REQUIREMENTS

The capital structure of the Company as at 30 June 2025 and 31 December 2024, as prescribed under Risk-Based Capital Framework for Takaful Operators ("RBCT Framework") are as follows:

<u>Shareholder's fund</u>	<u>30.06.2025</u> RM'000	<u>31.12.2024</u> RM'000
<u>Eligible Tier 1 Capital</u>		
Share capital	450,000	450,000
Retained earnings/(Accumulated losses)	256,867	212,161
Valuation surplus maintained in the Family Takaful funds	406,122	321,693
	<u>1,112,989</u>	<u>983,854</u>
<u>Tier 2 Capital</u>		
General reserves	(33,333)	(33,333)
Available for sale reserves	10,517	5,114
Qard	104,392	104,392
	<u>81,576</u>	<u>76,173</u>
Amount deducted from capital in accordance with paragraph 9.9 of RBCT Framework	(18,154)	(21,100)
Total Capital Available	<u>1,184,107</u>	<u>1,039,085</u>