



**Family Takaful**

**ETIQA FAMILY TAKAFUL BERHAD**  
**199301011506 (266243-D)**  
**(Incorporated in Malaysia)**

**Unaudited Interim Condensed Financial Statements**  
**for the six months period ended 30 June 2025**

**ETIQA FAMILY TAKAFUL BERHAD**  
**199301011506 (266243-D)**  
**(Incorporated in Malaysia)**

<b>CONTENTS</b>	<b>PAGE</b>
Unaudited Interim Condensed Statements of Financial Position	1
Unaudited Interim Condensed Statements of Income Statements	2
Unaudited Interim Condensed Statements of Comprehensive Income	3
Unaudited Interim Condensed Statements of Changes in Equity	4
Unaudited Interim Condensed Statements of Cash Flows	5 - 6
Notes to the Unaudited Interim Condensed Financial Statements	7 - 81

**ETIQA FAMILY TAKAFUL BERHAD**  
**199301011506 (266243-D)**  
**(Incorporated in Malaysia)**

**UNAUDITED INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2025**

		30.6.2025		31.12.2024	
		Family Takaful Fund RM'000	Company RM'000	Family Takaful Fund RM'000	Company RM'000
Note					
<b><u>Assets</u></b>					
		-	169	-	194
		-	432	-	526
		-	11,140	-	11,810
	12	14,173,300	16,982,733	13,984,528	16,554,223
		-	8,839	-	9,362
	13	337,635	337,635	307,415	307,415
	15	184,916	255,805	214,974	263,903
		3,942	4,034	1	1
		-	35,698	-	56,893
	16	-	41,562	-	43,040
		142,127	152,246	80,095	81,805
		<b>Total Assets</b>		<b>Total Assets</b>	
		14,841,920	17,830,293	14,587,013	17,329,172
<b><u>Equity</u></b>					
		-	100,000	-	100,000
	17	-	2,674,674	-	2,606,758
		<b>Total Equity</b>		<b>Total Equity</b>	
		-	2,774,674	-	2,706,758
<b><u>Liabilities</u></b>					
	14	14,323,619	14,459,352	14,231,949	14,182,242
	13	381	381	-	-
		-	-	605	605
		48,365	-	38,624	-
	18	469,555	532,711	315,835	383,341
		-	63,175	-	56,226
		<b>Total Liabilities</b>		<b>Total Liabilities</b>	
		14,841,920	15,055,619	14,587,013	14,622,414
		<b>Total Equity and Liabilities</b>		<b>Total Equity and Liabilities</b>	
		14,841,920	17,830,293	14,587,013	17,329,172

These unaudited interim condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to the unaudited condensed interim financial statements.

UNAUDITED INTERIM CONDENSED STATEMENTS INCOME STATEMENT  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

		1.1.2025 to 30.6.2025		1.1.2024 to 30.6.2024	
		Family Takaful Fund	Company	Family Takaful Fund	Company
	Note	RM'000	RM'000	RM'000	RM'000
Takaful revenue	19	897,722	964,262	804,011	782,275
Takaful service expenses	20	(853,040)	(694,709)	(946,710)	(757,471)
Net income/(expenses) from retakaful certificates held	21	15,461	15,461	(322)	(322)
<b>Takaful service result</b>		<b>60,143</b>	<b>285,014</b>	<b>(143,021)</b>	<b>24,482</b>
Profit income from financial assets not measured at Fair Value through Profit or Loss ("FVTPL")	22	143,187	181,964	143,367	178,837
Net fair value gains on financial assets measured at FVTPL	23	62,229	73,813	192,010	201,292
Net fair value gains on derecognition of financial assets measured at Fair Value through Other Comprehensive Income ("FVOCI")	24	29,002	32,682	4,852	6,683
Other investment income	25	153,032	169,631	147,435	165,042
Reversal of impairment losses on financial assets	26	223	271	425	687
Net foreign exchange (losses)/gains		(12,962)	(13,528)	1,393	875
<b>Net investment income</b>		<b>374,711</b>	<b>444,833</b>	<b>489,482</b>	<b>553,416</b>
Finance expenses from takaful certificates issued	27	(415,376)	(456,214)	(331,655)	(420,641)
Finance (expenses)/income from retakaful certificates held	28	(15,461)	(15,461)	322	322
<b>Net Takaful financial result</b>		<b>(430,837)</b>	<b>(471,675)</b>	<b>(331,333)</b>	<b>(420,319)</b>
Total net investment income and net Takaful financial results		(56,126)	(26,842)	158,149	133,097
Other expenses, net	29	(167)	(1,837)	(2,821)	(5,032)
<b>Profit before taxation and zakat attributable to participants</b>		<b>3,850</b>	<b>256,335</b>	<b>12,307</b>	<b>152,547</b>
Tax expenses attributable to participants	33	(3,850)	(3,850)	(12,307)	(12,307)
<b>Profit before taxation and zakat</b>		<b>-</b>	<b>252,485</b>	<b>-</b>	<b>140,240</b>
Taxation	34	-	(59,655)	-	(28,762)
Zakat		-	(5,837)	-	(7,790)
<b>Net profit for the financial period</b>		<b>-</b>	<b>186,993</b>	<b>-</b>	<b>103,688</b>
<b>Basic Earnings per share (sen)</b>	35		<b>186.99</b>		<b>103.69</b>

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

UNAUDITED INTERIM CONDENSED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

		1.1.2025 to 30.6.2025		1.1.2024 to 30.6.2024	
	Note	Family Takaful Fund RM'000	Company RM'000	Family Takaful Fund RM'000	Company RM'000
<b>Net profit for the financial period</b>		-	186,993	-	103,688
<b>Other comprehensive income/(loss):</b>					
<b>Items that may be subsequently reclassified to profit or loss:</b>		-	21,197	-	7,919
Net fair value gains on investments in debt securities measured at FVOCI		123,866	155,437	54,024	66,273
Net fair value gains on derecognition of financial assets measured at FVOCI	24	(29,002)	(32,682)	(4,852)	(6,683)
Fair value adjustment on FVOCI financial assets backing participants' funds		(87,953)	(87,953)	(45,601)	(45,601)
Tax effect relating to these items	34	(6,911)	(13,605)	(3,571)	(6,070)
<b>Items that will not be subsequently reclassified to profit or loss:</b>		-	(3,514)	-	2,576
Change in fair value of equity securities at FVOCI		(12,745)	(17,368)	15,220	18,609
Fair value adjustment on FVOCI financial assets backing participants' funds		11,725	11,725	(14,002)	(14,002)
Tax effect relating to these items	34	1,020	2,129	(1,218)	(2,031)
		-	17,683	-	10,495
<b>Other comprehensive income for the financial period, net of tax</b>		-	17,683	-	10,495
<b>Total comprehensive income for the financial period, attributable to equity holders of the Company</b>		-	204,676	-	114,183

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

UNAUDITED INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

Note	<----- Non-distributable ----->			Distributable	
	Share Capital RM'000	FVOCI Reserve RM'000	Takaful Finance Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
<b>At 1 January 2025</b>	100,000	206,913	(188,894)	2,588,739	2,706,758
Net profit for the financial period	-	-	-	186,993	186,993
Other comprehensive income/(loss) for the financial period	-	93,911	(76,228)	-	17,683
Total comprehensive income/(loss)	-	93,911	(76,228)	186,993	204,676
Dividend on ordinary shares	-	-	-	(136,760)	(136,760)
<b>At 30 June 2025</b>	<b>100,000</b>	<b>300,824</b>	<b>(265,122)</b>	<b>2,638,972</b>	<b>2,774,674</b>
<b>At 1 January 2024</b>	100,000	131,997	(127,332)	2,643,470	2,748,135
Net profit for the financial period	-	-	-	103,688	103,688
Other comprehensive income/(loss) for the financial period	-	70,098	(59,603)	-	10,495
Total comprehensive income/(loss)	-	70,098	(59,603)	103,688	114,183
Dividend on ordinary shares	-	-	-	(292,000)	(292,000)
<b>At 30 June 2024</b>	<b>100,000</b>	<b>202,095</b>	<b>(186,935)</b>	<b>2,455,158</b>	<b>2,570,318</b>

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

**ETIQA FAMILY TAKAFUL BERHAD**  
**199301011506 (266243-D)**  
**(Incorporated in Malaysia)**

**UNAUDITED INTERIM CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024**

		<b>Company</b>	
		<b>1.1.2025</b>	<b>1.1.2024</b>
		<b>to</b>	<b>to</b>
		<b>30.6.2025</b>	<b>30.6.2024</b>
<b>Note</b>		<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation and zakat		252,485	140,240
<i>Adjustments for:</i>			
Amortisation of intangible assets	30	859	783
Net amortisation of premiums	25	12,064	11,767
Depreciation of property, plant and equipment	30	25	35
Depreciation of right-of-use assets	30	94	94
Profit on lease liabilities	30	5	9
Fair value gains on investment	23	(79,485)	(172,413)
(Gains)/losses on disposal of investments	23,24	(26,405)	(35,562)
Dividend income	25	(16,078)	(14,044)
Profit income	22,25	(347,581)	(341,603)
(Reversal of)/allowance for impairment losses on:			
- investments	26	(272)	(678)
- other assets	30	6	3
- financing receivables	29	1	(9)
Tax expense attributable to participants	33	3,850	12,307
Losses/(gains) on foreign exchange:			
- realised		13,302	777
- unrealised		226	(1,652)
Operating cash flows before changes in assets and liabilities		(186,904)	(399,946)
Changes in working capital:			
Decrease/(increase) in:			
- fixed and call deposits		74,229	41,218
- financing receivables		522	619
- retakaful certificate assets		(29,839)	(3,015)
- other assets		10,200	(157,660)
Increase in:			
- takaful certificate liabilities		219,731	576,440
- other liabilities		167,763	59,254
Net cash flows generated from operating activities, carried forward		255,702	116,910

**ETIQA FAMILY TAKAFUL BERHAD**  
**199301011506 (266243-D)**  
**(Incorporated in Malaysia)**

**UNAUDITED INTERIM CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024**

	<b>Company</b>	
	<b>1.1.2025</b>	<b>1.1.2024</b>
	<b>to</b>	<b>to</b>
	<b>30.6.2025</b>	<b>30.6.2024</b>
<b>Note</b>	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES (CONTD.)</b>		
Net cash flows generated from operating activities, brought forward	255,702	116,910
Investment income received	342,662	333,505
Dividends received	18,665	14,496
Tax paid	(45,359)	(37,188)
Zakat paid	(12,956)	(8,682)
Surplus transferred to participants' fund	(30,029)	(11,430)
Net cash flows generated from operating activities	<u>528,685</u>	<u>407,611</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of:		
- property, plant and equipment	-	(27)
- intangible assets	(189)	(1,143)
- investment	(1,979,906)	(1,201,061)
Proceed from disposal of:		
- intangible assets	-	163
- investment	1,658,711	1,114,387
Net cash flows used in investing activities	<u>(321,384)</u>	<u>(87,681)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of dividends	(136,760)	(292,000)
Payment of lease liabilities	(99)	(100)
Net cash flows used in financing activities	<u>(136,859)</u>	<u>(292,100)</u>
<b>Net increase in cash and cash equivalents</b>	<b>70,442</b>	<b>27,830</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>81,805</b>	<b>23,681</b>
<b>Cash and cash equivalents at end of the period</b>	<b><u>152,247</u></b>	<b><u>51,511</u></b>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances of:		
Shareholders fund	10,120	1,471
Family Takaful fund	142,127	50,040
	<u>152,247</u>	<u>51,511</u>

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



**ETIQA FAMILY TAKAFUL BERHAD**  
**199301011506 (266243-D)**  
**(Incorporated in Malaysia)**

**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**

**1. CORPORATE INFORMATION**

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at Level 19, Tower C, Dataran Maybank, No. 1, Jalan Maarof, 59000 Kuala Lumpur, Malaysia.

The immediate, penultimate and ultimate holding companies of the Company are Maybank Ageas Holdings Berhad ("MAHB"), Etiqa International Holdings Sdn Bhd ("EIHSB") and Malayan Banking Berhad ("Maybank") respectively, all of which are incorporated in Malaysia. Maybank is a licensed commercial bank listed on the Main Market of Bursa Malaysia Securities Berhad.

The unaudited interim condensed financial statements for the six months ended 30 June 2025 were approved for issue by the Board of Directors on 20 August 2025.

**2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS**

**2.1 Statement of compliance**

The unaudited interim condensed financial statements of the Group and the Company for the financial period ended 30 June 2025 have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting as issued by the Malaysian Accounting Standards Board ("MASB") and International Accounting Standard ("IAS") 34 Interim Financial Reporting as issued by International Accounting Standards Board ("IASB") and Guidelines/Circulars issued by Bank Negara Malaysia ("BNM").

The unaudited interim condensed financial statements of the Company have been prepared on a historical cost basis except for certain financial assets and financial liabilities that are stated at fair value.

The unaudited interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the audited annual consolidated financial statements of the Company for the financial year ended 31 December 2024.

The explanatory notes attached to the unaudited interim condensed financial statements provide an explanation of events and transactions that are significant to gain an understanding of the changes in the financial position and performance of the Company since the financial year ended 31 December 2024.

## **2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS (CONTD.)**

### **2.1 Statement of compliance (contd.)**

The Company has met the minimum capital requirements as prescribed by the Risk-Based Capital Framework for Takaful Operators ("RBCT Framework") issued by BNM as at the reporting date.

### **2.2 Functional and presentation currency**

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

### **2.3 Use of estimates and judgements**

The preparation of unaudited interim condensed financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of income, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Although these estimates and judgements are based on management's best knowledge of current events and actions, actual results may differ.

In preparing these unaudited interim condensed financial statements, the significant judgements made by management in applying the Company accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements for the financial year ended 31 December 2024.

## **3. MATERIAL ACCOUNTING POLICY INFORMATION**

The material accounting policy information and methods of computation adopted in the unaudited condensed interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2024 except for the adoption of the following accounting amendments to MFRS issued by the MASB that are effective for the Company's financial year beginning 1 January 2025:

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

The adoption of the above pronouncements are not expected to have a significant impact on the Company.

## **4. AUDITOR'S REPORT ON PRECEDING AUDITED ANNUAL FINANCIAL STATEMENTS**

The auditor's report on the audited annual financial statements for the financial year ended 31 December 2024 was not qualified.

**5. SEASONALITY OR CYCLICALITY OF OPERATIONS**

The business of the Company was not materially affected by any seasonal or cyclical fluctuations during the interim financial period ended 30 June 2025.

However, as is common for Takaful operator, surplus for Family funds will only be transferred at the financial year end upon approval by the Appointed Actuary.

**6. UNUSUAL ITEMS**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim financial period ended 30 June 2025.

**7. CHANGES IN ESTIMATES**

There were no material changes in estimates for the interim financial period ended 30 June 2025.

**8. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES**

There were no issuance or repayment of debt and equity securities for the interim financial period ended 30 June 2025.

**9. DIVIDENDS PAID**

A final single tier dividend of 136.76 sen per ordinary share on 100,000,000 ordinary shares amounting to RM136,760,000.00 for the financial year ended 31 December 2024 was approved by the shareholder in Annual General Meeting held on 16 April 2025 and paid on 17 April 2025.

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

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

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

There were no changes in the composition of the Company during the interim financial period ended 30 June 2025.

**12. INVESTMENTS**

	<b>Family Takaful fund RM'000</b>	<b>Company RM'000</b>
<b>30.6.2025</b>		
Malaysian government papers	631,804	797,670
Equity securities	1,099,049	1,276,456
Debt securities	11,306,281	13,584,062
Unit and property trust funds	193,053	193,805
Deposits with financial institutions	943,113	1,130,740
	<u>14,173,300</u>	<u>16,982,733</u>
<b>31.12.2024</b>		
Malaysian government papers	715,687	960,763
Equity securities	730,128	804,891
Debt securities	11,175,759	13,312,364
Unit and property trust funds	172,235	172,235
Structured products	99,001	99,001
Deposits with financial institutions	1,091,718	1,204,969
	<u>13,984,528</u>	<u>16,554,223</u>

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

<b>30.6.2025</b>		
Fair value through profit and loss ("FVTPL") (Note a)		
- Designated upon initial recognition	6,161,565	6,923,384
- Held for trading ("HFT")	1,443,168	1,587,178
Fair value through other comprehensive income ("FVOCI") (Note b)	5,625,454	7,341,431
Amortised Cost ("AC")(Note c)	943,113	1,130,740
	<u>14,173,300</u>	<u>16,982,733</u>
<b>31.12.2024</b>		
Fair value through profit and loss ("FVTPL") (Note a)		
- Designated upon initial recognition	6,081,444	6,833,480
- Held for trading ("HFT")	994,672	1,030,662
Fair value through other comprehensive income ("FVOCI") (Note b)	5,816,694	7,485,112
Amortised Cost ("AC")(Note c)	1,091,718	1,204,969
	<u>13,984,528</u>	<u>16,554,223</u>

## 12. INVESTMENTS (CONTD.)

Of which, the following investments mature after 12 months:

	Family Takaful fund RM'000	Company RM'000
<b>30.6.2025</b>		
FVTPL		
- Designated upon initial recognition	5,554,745	6,286,338
- Held for trading ("HFT")	270,525	270,525
FVOCI	5,371,847	7,018,508
	<u>11,197,117</u>	<u>13,575,371</u>
<b>31.12.2024</b>		
FVTPL		
- Designated upon initial recognition	5,671,094	6,397,834
- Held for trading ("HFT")	227,952	227,952
FVOCI	5,560,525	7,185,130
	<u>11,459,571</u>	<u>13,810,916</u>
<b>(a) FVTPL</b>		
<b>(i) Designated upon initial recognition</b>		
<b>30.6.2025</b>		
<b><u>At fair value:</u></b>		
Malaysian government papers	376,882	376,882
Debt securities:		
Unquoted in Malaysia	5,734,789	6,496,608
Unquoted outside Malaysia	49,894	49,894
<b>Total financial assets designated as FVTPL upon initial recognition</b>	<u>6,161,565</u>	<u>6,923,384</u>
<b>31.12.2024</b>		
<b><u>At fair value:</u></b>		
Malaysian government papers	323,975	323,975
Debt securities:		
Unquoted in Malaysia	5,623,434	6,375,470
Unquoted outside Malaysia	35,034	35,034
Structured products	99,001	99,001
<b>Total financial assets designated as FVTPL upon initial recognition</b>	<u>6,081,444</u>	<u>6,833,480</u>

12. INVESTMENTS (CONTD.)

	Family Takaful fund RM'000	Company RM'000
(a) FVTPL (contd.)		
(ii) HFT		
<b>30.6.2025</b>		
<b><u>At fair value:</u></b>		
Malaysian government papers	27,902	27,902
Equity securities:		
Quoted in Malaysia	951,194	1,090,481
Quoted outside Malaysia	24,956	28,926
Debt securities:		
Unquoted in Malaysia	246,063	246,063
Unit and property trust funds:		
Quoted in Malaysia	8,249	9,002
Quoted outside Malaysia	184,804	184,804
<b>Total HFT financial assets</b>	<b>1,443,168</b>	<b>1,587,178</b>
<b>31.12.2024</b>		
<b><u>At fair value:</u></b>		
Malaysian government papers	46,004	46,004
Equity securities:		
Quoted in Malaysia	563,118	587,076
Quoted outside Malaysia	31,367	43,399
Debt securities:		
Unquoted in Malaysia	181,948	181,948
Unit and property trust funds:		
Quoted outside Malaysia	172,235	172,235
<b>Total HFT financial assets</b>	<b>994,672</b>	<b>1,030,662</b>

12. INVESTMENTS (CONTD.)

	Family Takaful fund RM'000	Company RM'000
<b>(b) FVOCI</b>		
<b>30.6.2025</b>		
<u>At fair value:</u>		
Malaysian government papers	227,020	392,887
Equity securities:		
Quoted in Malaysia	122,899	157,048
Debt securities:		
Unquoted in Malaysia	5,275,535	6,791,496
<b>Total FVOCI financial assets</b>	<b>5,625,454</b>	<b>7,341,431</b>
<b>31.12.2024</b>		
<u>At fair value:</u>		
Malaysian government papers	345,708	590,784
Equity securities:		
Quoted in Malaysia	135,643	174,416
Debt securities:		
Unquoted in Malaysia	5,335,343	6,719,912
<b>Total FVOCI financial assets</b>	<b>5,816,694</b>	<b>7,485,112</b>

The Company has elected to recognise these equity investments at fair value through other comprehensive income as these investments are held as long term strategic investments that are not expected to be sold in the short term to medium term. Gains or losses on the derecognition of these equity investments are not transferred to profit or loss.

12. INVESTMENTS (CONTD.)

	Family Takaful fund RM'000	Company RM'000
(c) AC		
<b>30.6.2025</b>		
<b>Deposits and placements with financial institutions</b>		
Islamic investment accounts with:		
Licensed financial institutions	484,523	612,635
Other licensed financial institutions	458,590	518,105
<b>Total AC financial assets</b>	<b>943,113</b>	<b>1,130,740</b>
<b>31.12.2024</b>		
<b>Deposits and placements with financial institutions</b>		
Islamic investment accounts with:		
Licensed financial institutions	561,357	670,733
Other licensed financial institutions	530,361	534,236
<b>Total AC financial assets</b>	<b>1,091,718</b>	<b>1,204,969</b>

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



**12. INVESTMENTS (CONTD.)**

Movements in the allowances for impairment losses on financial assets at FVOCI are as follows:

<b>Family Takaful fund</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
	<b>12 months</b>	<b>Lifetime</b>	<b>Lifetime</b>	
	<b>ECL</b>	<b>ECL</b>	<b>ECL</b>	
	<b>RM'000</b>	<b>not credit</b>	<b>credit</b>	<b>Total</b>
		<b>impaired</b>	<b>impaired</b>	<b>RM'000</b>
		<b>RM'000</b>	<b>RM'000</b>	
<b>30.6.2025</b>				
At 1 January 2025	395	1,239	-	1,634
New financial assets originated or purchased	59	-	-	59
Financial assets that have been derecognised	(36)	(176)	-	(212)
ECL Writeback	(15)	(55)	-	(70)
Allowance for/(reversal of) impairment loss (Note 26)	8	(231)	-	(223)
At 30 June 2025	403	1,008	-	1,411
<b>31.12.2024</b>				
At 1 January 2024	849	1,204	-	2,053
New financial assets originated or purchased	83	242	-	325
Financial assets that have been derecognised	(45)	-	-	(45)
ECL Writeback	(492)	(207)	-	(699)
(Reversal of)/allowance for impairment loss	(454)	35	-	(419)
At 31 December 2024	395	1,239	-	1,634

## 12. INVESTMENTS (CONTD.)

Movements in the allowances for impairment losses on financial assets at FVOCI are as follows:  
(contd.)

<b>Company</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
	<b>12 months</b>	<b>Lifetime</b>	<b>Lifetime</b>	
	<b>ECL</b>	<b>ECL</b>	<b>ECL</b>	
	<b>not credit</b>	<b>not credit</b>	<b>credit</b>	
	<b>impaired</b>	<b>impaired</b>	<b>impaired</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>ECL</b>
				<b>RM'000</b>

### 30.6.2025

At 1 January 2025	544	1,533	-	2,077
New financial assets originated or purchased	70	-	-	70
Financial assets that have been derecognised	(44)	(217)	-	-
ECL Writeback	(14)	(67)	-	(81)
Reversal of impairment loss (Note 26)	12	(284)	-	(272)
At 30 June 2025	556	1,249	-	1,805

### 31.12.2024

At 1 January 2024	1,198	1,543	-	2,741
New financial assets originated or purchased	(683)	(293)	-	(976)
Financial assets that have been derecognised	107	283	-	-
ECL Writeback	(78)	-	-	(78)
Allowance for impairment loss	(654)	(10)	-	(664)
At 31 December 2024	544	1,533	-	2,077

### Fair Value of Financial Investments

An analysis of the different fair value measurement bases used in the determination of the fair values of investments are further disclosed in Note 39 to the unaudited interim condensed financial statements.

**ETIQA FAMILY TAKAFUL BERHAD**  
**199301011506 (266243-D)**  
**(Incorporated in Malaysia)**

**13. RETAKAFUL CERTIFICATE ASSETS**

**Composition of Statement of Financial Position**

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

**Family Takaful fund/Company**

	<b>30.6.2025</b>			<b>31.12.2024</b>		
	<b>Asset</b>	<b>Liability</b>	<b>Net</b>	<b>Asset</b>	<b>Liability</b>	<b>Net</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Family retakaful certificates held</u></b>						
Proportional Family Takaful	328,921	-	328,921	301,395	-	301,395
Proportional Takafulink	6,844	-	6,844	3,854	-	3,854
Non-proportional Excess of Loss	1,870	(381)	1,489	2,166	-	2,166
<b>Total retakaful certificates held</b>	<b>337,635</b>	<b>(381)</b>	<b>337,254</b>	<b>307,415</b>	<b>-</b>	<b>307,415</b>
Of which:						
Measured at PAA	1,870	(381)	1,489	2,166	-	2,166
Not measured at PAA	335,765	-	335,765	305,249	-	305,249
	<b>337,635</b>	<b>(381)</b>	<b>337,254</b>	<b>307,415</b>	<b>-</b>	<b>307,415</b>

### 13. RETAKAFUL CERTIFICATE ASSETS (CONTD.)

#### (a) Analysis by remaining coverage and amounts recoverable on incurred claim measured at Premium Allocation Approach ("PAA")

The Company's roll forward of retakaful certificate assets and liabilities showing assets for remaining coverage ("ARC") and amounts recoverable on incurred claims ("AIC") arising from business ceded to retakaful operators is disclosed in the table below:

30.6.2025

			AIC		
		ARC	Present	Risk	
		Excluding	value of	adjustment	
		loss recovery	future	for non-	
		component	cash flows	financial risk	Total
	Note	RM'000	RM'000	RM'000	RM'000
<b>Family Takaful Fund/Company</b>					
Retakaful certificates assets at 1 January		(33,476)	35,246	396	2,166
Net (expense)/income from retakaful certificates held	21	(16,777)	16,699	76	(2)
Effect of changes in non-performance risk of retakaful operators	28	-	1	-	1
<b>Total amount recognised in profit or loss</b>		(16,777)	16,700	76	(1)
<b>Cash flows</b>					
Contributions paid net of ceding commission		830	-	-	830
<b>Total cash flows</b>		830	-	-	830
Other movements	(i)	-	(1,506)	-	(1,506)
<b>Net balance as at end of the period</b>		(49,423)	50,440	472	1,489
<b>Represented by:</b>					
Retakaful certificates assets at 30 June		(49,042)	50,440	472	1,870
Retakaful certificates liabilities at 30 June		(381)	-	-	(381)
<b>Net balance as at 30 June</b>		(49,423)	50,440	472	1,489

### 13. RETAKAFUL CERTIFICATE ASSETS (CONTD.)

#### (a) Analysis by remaining coverage and amounts recoverable on incurred claim measured at Premium Allocation Approach ("PAA") (Contd.)

The Company's roll forward of retakaful certificate assets and liabilities showing assets for remaining coverage ("ARC") and amounts recoverable on incurred claims ("AIC") arising from business ceded to retakaful operators is disclosed in the table below: (contd.)

31.12.2024

	Note	ARC Excluding loss recovery component RM'000	AIC		Total RM'000
			Present value of future cash flows RM'000	Risk adjustment for non- financial risk RM'000	
<b>Family Takaful Fund/Company</b>					
Retakaful certificates assets at 1 January		(7,216)	11,708	419	4,911
Net (expense)/income from retakaful certificates held		(27,761)	27,784	(23)	-
Effect of changes in non-performance risk of retakaful operators		-	1	-	1
<b>Total amount recognised in profit or loss</b>		<b>(27,761)</b>	<b>27,785</b>	<b>(23)</b>	<b>1</b>
<b>Cash flows</b>					
Contributions paid net of ceding commission		1,501	-	-	1,501
<b>Total cash flows</b>		<b>1,501</b>	<b>-</b>	<b>-</b>	<b>1,501</b>
Other movements	(i)	-	(4,247)	-	(4,247)
<b>Net balance as at end of the year</b>		<b>(33,476)</b>	<b>35,246</b>	<b>396</b>	<b>2,166</b>
<b>Represented by:</b>					
Retakaful certificates assets at 31 December		(33,476)	35,246	396	2,166

**Note:**

(i) Other movements relates to movement of retakaful unallocated surplus during the financial period/year.

### 13. RETAKAFUL CERTIFICATE ASSETS (CONTD.)

#### (a) Analysis by remaining coverage and amounts recoverable on incurred claim not measured at Premium Allocation Approach ("PAA")

The Company's roll forward of retakaful certificate assets and liabilities showing assets for remaining coverage ("ARC") and amounts recoverable on incurred claims ("AIC") arising from business ceded to retakaful operators is disclosed in the table below:

30.6.2025

30.6.2025		AIC			
		ARC	Present	Risk	
		Excluding	value of	adjustment	
		loss recovery	future	for non-	
		component	cash flows	financial risk	Total
	Note	RM'000	RM'000	RM'000	RM'000
Family Takaful Fund/Company					
Retakaful certificates assets at 1 January		133,975	169,759	1,515	305,249
Net (expense)/income from retakaful certificates held	21	(42,376)	57,759	80	15,463
Finance expense from retakaful certificates held	28	(15,462)	-	-	(15,462)
<b>Total amount recognised in profit or loss</b>		<b>(57,838)</b>	<b>57,759</b>	<b>80</b>	<b>1</b>
<b>Cash flows</b>					
Contributions paid net of ceding commission		156,548	-	-	156,548
Recoveries from retakaful		-	(99,230)	-	(99,230)
<b>Total cash flows</b>		<b>156,548</b>	<b>(99,230)</b>	<b>-</b>	<b>57,318</b>
Other movements	(i)	-	(26,803)	-	(26,803)
<b>Net balance as at end of the period</b>		<b>232,685</b>	<b>101,485</b>	<b>1,595</b>	<b>335,765</b>
<b>Represented by:</b>					
Retakaful certificates assets at 30 June		232,685	101,485	1,595	335,765

### 13. RETAKAFUL CERTIFICATE ASSETS (CONTD.)

#### (a) Analysis by remaining coverage and amounts recoverable on incurred claim not measured at Premium Allocation Approach ("PAA") (contd.)

The Company's roll forward of retakaful certificate assets and liabilities showing assets for remaining coverage ("ARC") and amounts recoverable on incurred claims ("AIC") arising from business ceded to retakaful operators is disclosed in the table below: (contd.)

31.12.2024

	Note	ARC Excluding loss recovery component RM'000	AIC		Total RM'000
			Present value of cash flows RM'000	Risk adjustment for non- financial risk RM'000	
<b>Family Takaful Fund/Company</b>					
Retakaful certificates assets at 1 January		147,671	125,760	1,430	274,861
Net (expense)/income from retakaful certificates held		(59,951)	57,095	85	(2,771)
Finance income from retakaful certificates held		2,765	-	-	2,765
Effect of changes in non-performance risk of retakaful operators		-	5	-	5
<b>Total amount recognised in profit or loss</b>		<b>(57,186)</b>	<b>57,100</b>	<b>85</b>	<b>(1)</b>
<b>Cash flows</b>					
Contributions paid net of ceding commission		43,490	-	-	43,490
Recoveries from retakaful		-	(27,110)	-	(27,110)
<b>Total cash flows</b>		<b>43,490</b>	<b>(27,110)</b>	<b>-</b>	<b>16,380</b>
Other movements	(i)	-	14,009	-	14,009
<b>Net balance as at end of the year</b>		<b>133,975</b>	<b>169,759</b>	<b>1,515</b>	<b>305,249</b>
<b>Represented by:</b>					
Retakaful certificates assets at 31 December		133,975	169,759	1,515	305,249

**Note:**

(i) Other movements relates to movement of retakaful unallocated surplus during the financial period/year.

13. RETAKAFUL CERTIFICATE ASSETS (CONTD.)

(b) Analysis showing estimates of present value of future cash flows and risk adjustment for retakaful certificates held not measured at PAA

The roll-forward of retakaful certificates assets or liabilities showing estimates of the present value of future cash flows and risk adjustment.

30.6.2025

	Note	Estimate of the present value of future cash flows RM'000	Risk adjustments for non- financial risk RM'000	Total RM'000
<b>Family Takaful Fund/Company</b>				
Retakaful certificates assets at 1 January		303,734	1,515	305,249
<b>Changes that relate to current services</b>				
Experience adjustments		27,969	1,612	29,581
<b>Changes that relate to past services</b>				
Changes in amount recoverable arising from changes in liability for incurred claims		(12,586)	(1,532)	(14,118)
<b>Takaful service results</b>		15,383	80	15,463
Finance expense from retakaful certificates held		(15,462)	-	(15,462)
<b>Total amount recognised in profit or loss</b>		(79)	80	1
<b>Cash flows</b>				
Contributions paid net of ceding commission		156,548	-	156,548
Recoveries from retakaful		(99,230)	-	(99,230)
<b>Total cash flows</b>		57,318	-	57,318
Other movements	(i)	(26,803)	-	(26,803)
<b>Net balance as at end of the period</b>		334,170	1,595	335,765
<b>Represented by:</b>				
Retakaful certificates assets at 30 June		334,170	1,595	335,765



13. RETAKAFUL CERTIFICATE ASSETS (CONTD.)

(b) Analysis showing estimates of present value of future cash flows and risk adjustment for retakaful certificates held not measured at PAA (contd.)

The roll-forward of retakaful certificates assets or liabilities showing estimates of the present value of future cash flows and risk adjustment. (contd.)

31.12.2024

	Note	Estimate of the present value of future cash flows RM'000	Risk adjustments for non- financial risk RM'000	Total RM'000
<b>Family Takaful Fund/Company</b>				
Retakaful certificates assets at 1 January		273,431	1,430	274,861
<b>Changes that relate to current services</b>				
Experience adjustments		9,529	1,532	11,061
<b>Changes that relate to past services</b>				
Changes in amount recoverable arising from changes in liability for incurred claims		(12,385)	(1,447)	(13,832)
<b>Takaful service results</b>		<u>(2,856)</u>	<u>85</u>	<u>(2,771)</u>
Finance income from retakaful certificates held		2,765	-	2,765
Effect of changes in non-performance risk of retakaful operators		5	-	5
<b>Total amount recognised in profit or loss</b>		<u>(86)</u>	<u>85</u>	<u>(1)</u>
<b>Cash flows</b>				
Contributions paid net of ceding commission		43,490	-	43,490
Recoveries from retakaful		<u>(27,110)</u>	<u>-</u>	<u>(27,110)</u>
<b>Total cash flows</b>		<u>16,380</u>	<u>-</u>	<u>16,380</u>
Other movements	(i)	14,009	-	14,009
<b>Net balance as at end of the year</b>		<u>303,734</u>	<u>1,515</u>	<u>305,249</u>
<b>Represented by:</b>				
Retakaful certificates assets at 31 December		<u>303,734</u>	<u>1,515</u>	<u>305,249</u>

**Note:**

(i) Other movements relates to movement of retakaful unallocated surplus during the financial period/year.

ETIQA FAMILY TAKAFUL BERHAD  
199301011506 (266243-D)  
(Incorporated in Malaysia)

### 13. RETAKAFUL CERTIFICATE ASSETS (CONTD.)

#### (c) Impact of certificates recognised in the financial period/year

The components of new business for Family retakaful held portfolios are disclosed in the table below:

	30.6.2025 RM'000	31.12.2024 RM'000
<b>Certificates purchased</b>		
Estimates of the present value of future cash outflows	122,017	(187,742)
Estimates of the present value of future cash inflows	(122,017)	187,742
<b>Cost of retroactive cover on retakaful certificates assets held at 30 June/31 December</b>	<u>-</u>	<u>-</u>

ETIQA FAMILY TAKAFUL BERHAD  
199301011506 (266243-D)  
(Incorporated in Malaysia)

14. TAKAFUL CERTIFICATE LIABILITIES

Composition of Statement of Financial Position

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

	Family Takaful fund			Company		
	Asset	Liability	Net	Asset	Liability	Net
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>30.6.2025</b>						
<b><u>Family Takaful certificates issued</u></b>						
Direct :						
Credit	-	7,296,820	7,296,820	-	7,670,919	7,670,919
Non credit	-	3,159,753	3,159,753	-	2,812,341	2,812,341
Annuity	-	655,019	655,019	-	847,342	847,342
Investment Linked Takaful	-	722,405	722,405	-	661,511	661,511
Group Yearly Renewable Term	-	165,268	165,268	-	142,885	142,885
Unallocated Surplus	-	2,139,699	2,139,699	-	2,139,699	2,139,699
Others	-	184,655	184,655	-	184,654	184,654
<b>Total direct</b>	-	14,323,619	14,323,619	-	14,459,352	14,459,352
Of which:						
Measured at PAA	-	165,268	165,268	-	142,884	142,884
Not measured at PAA	-	14,158,351	14,158,351	-	14,316,468	14,316,468
	-	14,323,619	14,323,619	-	14,459,352	14,459,352

**ETIQA FAMILY TAKAFUL BERHAD**  
**199301011506 (266243-D)**  
**(Incorporated in Malaysia)**

**14. TAKAFUL CERTIFICATE LIABILITIES (CONTD.)**

**Composition of Statement of Financial Position**

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

	Family Takaful fund			Company		
	Asset	Liability	Net	Asset	Liability	Net
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>31.12.2024</b>						
<b><u>Family Takaful certificates issued</u></b>						
Direct :						
Credit	-	7,183,478	7,183,478	-	7,466,254	7,466,254
Non credit	-	3,133,467	3,133,467	-	2,683,383	2,683,383
Annuity	-	655,231	655,231	-	848,928	848,928
Investment Linked Takaful	-	686,696	686,696	-	630,201	630,201
Group Yearly Renewable Term	-	217,456	217,456	-	197,855	197,855
Unallocated Surplus	-	2,248,915	2,248,915	-	2,248,915	2,248,915
Others	-	106,706	106,706	-	106,706	106,706
<b>Total direct</b>	-	<b>14,231,949</b>	<b>14,231,949</b>	-	<b>14,182,242</b>	<b>14,182,242</b>
Of which:						
Measured at PAA	-	217,456	217,456	-	197,854	197,854
Not measured at PAA	-	14,014,493	14,014,493	-	13,984,388	13,984,388
	-	<b>14,231,949</b>	<b>14,231,949</b>	-	<b>14,182,242</b>	<b>14,182,242</b>

14. TAKAFUL CERTIFICATE LIABILITIES (CONTD.)

(a) Analysis by liability for remaining coverage and the liability for incurred claims measured at Premium Allocation Approach ("PAA")

The overview of the movement for net asset or liability for takaful certificates issued, showing the liability for remaining coverage ("LRC") and the liability for incurred claims ("LIC") is presented in the table below:

30.6.2025

	Note	LRC Excluding loss component RM'000	LIC		Total RM'000
			Present value of future cash flows RM'000	Risk adjustments for non- financial risk RM'000	
<b>Family Takaful Fund</b>					
Takaful certificates liabilities at 1 January		6,062	162,420	48,974	217,456
Takaful service revenue	19	(272,513)	-	-	(272,513)
Takaful service expenses	20	36,670	249,568	(13,712)	272,526
<b>Takaful service result</b>		<b>(235,843)</b>	<b>249,568</b>	<b>(13,712)</b>	<b>13</b>
Finance expense from takaful certificates issued	27	-	7,297	792	8,089
<b>Total amount recognised in profit or loss</b>		<b>(235,843)</b>	<b>256,865</b>	<b>(12,920)</b>	<b>8,102</b>
<b>Cash flows</b>					
Contributions received		225,333	-	-	225,333
Claims and other takaful service expenses paid		-	(246,374)	-	(246,374)
Takaful acquisition cash flows		(34,508)	-	-	(34,508)
<b>Total cash flows</b>		<b>190,825</b>	<b>(246,374)</b>	<b>-</b>	<b>(55,549)</b>
Other movements	(i)	-	(4,006)	-	(4,006)
Transfer to other liabilities	(ii)	-	(735)	-	(735)
<b>Net balance as at end of the period</b>		<b>(38,956)</b>	<b>168,170</b>	<b>36,054</b>	<b>165,268</b>
<b>Represented by:</b>					
Takaful certificates liabilities at 30 June		(38,956)	168,170	36,054	165,268

14. TAKAFUL CERTIFICATE LIABILITIES (CONTD.)

(a) Analysis by liability for remaining coverage and the liability for incurred claims measured at Premium Allocation Approach ("PAA") (contd.)

The overview of the movement for net asset or liability for takaful certificates issued, showing the liability for remaining coverage ("LRC") and the liability for incurred claims ("LIC") is presented in the table below (contd.):

30.6.2025

Company	Note	LRC	LIC		Total RM'000
		Excluding loss component RM'000	Present value of future cash flows RM'000	Risk adjustments for non- financial risk RM'000	
Takaful certificates liabilities at 1 January		(13,190)	162,070	48,974	197,854
Takaful service revenue	19	(272,513)	-	-	(272,513)
Takaful service expenses	20	28,134	258,790	(13,712)	273,212
<b>Takaful service result</b>		<b>(244,379)</b>	<b>258,790</b>	<b>(13,712)</b>	<b>699</b>
Finance expense from takaful certificates issued	27	-	7,297	792	8,089
<b>Total amount recognised in profit or loss</b>		<b>(244,379)</b>	<b>266,087</b>	<b>(12,920)</b>	<b>8,788</b>
<b>Cash flows</b>					
Contributions received		225,332	-	-	225,332
Claims and other takaful service expenses paid		-	(246,031)	-	(246,031)
Takaful acquisition cash flows		(38,318)	-	-	(38,318)
<b>Total cash flows</b>		<b>187,014</b>	<b>(246,031)</b>	<b>-</b>	<b>(59,017)</b>
Other movements	(i)	9,278	(13,284)	-	(4,006)
Transfer to other liabilities	(ii)	-	(735)	-	(735)
<b>Net balance as at end of the period</b>		<b>(61,277)</b>	<b>168,107</b>	<b>36,054</b>	<b>142,884</b>
<b>Represented by:</b>					
Takaful certificates liabilities at 30 June		(61,277)	168,107	36,054	142,884

14. TAKAFUL CERTIFICATE LIABILITIES (CONTD.)

(a) Analysis by liability for remaining coverage and the liability for incurred claims measured at Premium Allocation Approach ("PAA") (contd.)

The overview of the movement for net asset or liability for takaful certificates issued, showing the liability for remaining coverage ("LRC") and the liability for incurred claims ("LIC") is presented in the table below (contd.):

31.12.2024

	Note	LRC	LIC		Total RM'000
		Excluding loss component RM'000	Present value of future cash flows RM'000	Risk adjustments for non- financial risk RM'000	
<b>Family Takaful Fund</b>					
Takaful certificates liabilities at 1 January		(8,930)	109,302	44,593	144,965
Takaful service revenue		(474,343)	-	-	(474,343)
Takaful service expenses		61,092	409,842	3,557	474,491
<b>Takaful service result</b>		<b>(413,251)</b>	<b>409,842</b>	<b>3,557</b>	<b>148</b>
Finance expense from takaful certificates issued		-	25,541	824	26,365
<b>Total amount recognised in profit or loss</b>		<b>(413,251)</b>	<b>435,383</b>	<b>4,381</b>	<b>26,513</b>
<b>Cash flows</b>					
Contributions received		495,225	-	-	495,225
Claims and other takaful service expenses paid		-	(398,936)	-	(398,936)
Takaful acquisition cash flows		(66,982)	-	-	(66,982)
<b>Total cash flows</b>		<b>428,243</b>	<b>(398,936)</b>	<b>-</b>	<b>29,307</b>
Other movements	(i)	-	20,014	-	20,014
Transfer to other liabilities	(ii)	-	(3,343)	-	(3,343)
<b>Net balance as at end of the period</b>		<b>6,062</b>	<b>162,420</b>	<b>48,974</b>	<b>217,456</b>
<b>Represented by:</b>					
Takaful certificates liabilities at 31 December		6,062	162,420	48,974	217,456

14. TAKAFUL CERTIFICATE LIABILITIES (CONTD.)

(a) Analysis by liability for remaining coverage and the liability for incurred claims measured at Premium Allocation Approach ("PAA") (contd.)

The overview of the movement for net asset or liability for takaful certificates issued, showing the liability for remaining coverage ("LRC") and the liability for incurred claims ("LIC") is presented in the table below (contd.):

31.12.2024

Company	Note	LRC	LIC		Total RM'000
		Excluding loss component RM'000	Present value of future cash flows RM'000	Risk adjustments for non- financial risk RM'000	
Takaful certificates liabilities at 1 January		(56,183)	109,274	44,593	97,684
Takaful service revenue		(474,241)	-	-	(474,241)
Takaful service expenses		71,321	417,056	3,557	491,934
<b>Takaful service result</b>		<b>(402,920)</b>	<b>417,056</b>	<b>3,557</b>	<b>17,693</b>
Finance expense from takaful certificates issued		-	25,541	824	26,365
<b>Total amount recognised in profit or loss</b>		<b>(402,920)</b>	<b>442,597</b>	<b>4,381</b>	<b>44,058</b>
<b>Cash flows</b>					
Contributions received		495,330	-	-	495,330
Claims and other takaful service expenses paid		-	(409,231)	-	(409,231)
Takaful acquisition cash flows		(46,658)	-	-	(46,658)
<b>Total cash flows</b>		<b>448,672</b>	<b>(409,231)</b>	<b>-</b>	<b>39,441</b>
Other movements	(i)	(2,759)	22,773	-	20,014
Transfer to other liabilities	(ii)	-	(3,343)	-	(3,343)
<b>Net balance as at end of the period</b>		<b>(13,190)</b>	<b>162,070</b>	<b>48,974</b>	<b>197,854</b>
<b>Represented by:</b>					
Takaful certificates liabilities at 31 December		(13,190)	162,070	48,974	197,854



14. TAKAFUL CERTIFICATE LIABILITIES (CONTD.)

(a) Analysis by liability for remaining coverage and the liability for incurred claims not measured at PAA

The overview of the movement for net asset or liability for takaful certificates issued, showing the liability for remaining coverage ("LRC") and the liability for incurred claims ("LIC") is presented in the table below:

30.6.2025

	Note	LIC			Total RM'000
		LRC Excluding loss component RM'000	Present value of future cash flows RM'000	Risk adjustments for non- financial risk RM'000	
<b>Family Takaful Fund</b>					
<b>Takaful certificates liabilities at 1 January</b>		10,289,990	3,714,822	9,681	14,014,493
Takaful service revenue	19	(625,209)	-	-	(625,209)
Takaful service expenses	20	70,051	511,770	(1,307)	580,514
<b>Takaful service result</b>		<b>(555,158)</b>	<b>511,770</b>	<b>(1,307)</b>	<b>(44,695)</b>
Finance expense from takaful certificates issued	27	406,709	564	14	407,287
Investment components		(385,106)	385,106	-	-
<b>Total amount recognised in profit or loss</b>		<b>(533,555)</b>	<b>897,440</b>	<b>(1,293)</b>	<b>362,592</b>
<b>Cash flows</b>					
Contributions received		945,613	-	-	945,613
Qard received	(iii)	891	-	-	891
Claims and other takaful service expenses paid		-	(1,045,088)	-	(1,045,088)
Takaful acquisition cash flows		(162,607)	-	-	(162,607)
<b>Total cash flows</b>		<b>783,897</b>	<b>(1,045,088)</b>	<b>-</b>	<b>(261,191)</b>
Other movements	(i)	422,018	(369,114)	-	52,904
Transfer to other liabilities	(ii)	-	(10,447)	-	(10,447)
<b>Net balance as at end of the period</b>		<b>10,962,350</b>	<b>3,187,613</b>	<b>8,388</b>	<b>14,158,351</b>
<b>Represented by:</b>					
Takaful certificates liabilities at 30 June		10,962,350	3,187,613	8,388	14,158,351

#### 14. TAKAFUL CERTIFICATE LIABILITIES (CONTD.)

##### (a) Analysis by liability for remaining coverage and the liability for incurred claims not measured at PAA (contd.)

The overview of the movement for net asset or liability for takaful certificates issued, showing the liability for remaining coverage ("LRC") and the liability for incurred claims ("LIC") is presented in the table below (contd.):

30.6.2025

Company	Note	LRC		LIC		Total RM'000
		Excluding loss component RM'000	Loss component RM'000	Present value of future cash flows RM'000	Risk adjustments for non- financial risk RM'000	
<b>Takaful certificates liabilities at 1 January</b>		10,254,467	5,302	3,714,938	9,681	13,984,388
Takaful service revenue	19	(691,749)	-	-	-	(691,749)
Takaful service expenses	20	46,397	2,807	373,600	(1,307)	421,497
<b>Takaful service result</b>		<b>(645,352)</b>	<b>2,807</b>	<b>373,600</b>	<b>(1,307)</b>	<b>(270,252)</b>
Finance expense from takaful certificates issued	27	447,547	-	564	14	448,125
Investment components		(385,106)	-	385,106	-	-
<b>Total amount recognised in profit or loss</b>		<b>(582,911)</b>	<b>2,807</b>	<b>759,270</b>	<b>(1,293)</b>	<b>177,873</b>
<b>Cash flows</b>						
Contributions received		1,165,459	-	-	-	1,165,459
Claims and other takaful service expenses paid		-	-	(769,997)	-	(769,997)
Takaful acquisition cash flows		(283,712)	-	-	-	(283,712)
<b>Total cash flows</b>		<b>881,747</b>	<b>-</b>	<b>(769,997)</b>	<b>-</b>	<b>111,750</b>
Other movements	(i)	558,029	-	(505,125)	-	52,904
Transfer to other liabilities	(ii)	-	-	(10,447)	-	(10,447)
<b>Net balance as at end of the period</b>		<b>11,111,332</b>	<b>8,109</b>	<b>3,188,639</b>	<b>8,388</b>	<b>14,316,468</b>
<b>Represented by:</b>						
Takaful certificates liabilities at 30 June		11,111,332	8,109	3,188,639	8,388	14,316,468

14. TAKAFUL CERTIFICATE LIABILITIES (CONTD.)

(a) Analysis by liability for remaining coverage and the liability for incurred claims not measured at PAA (contd.)

The overview of the movement for net asset or liability for takaful certificates issued, showing the liability for remaining coverage ("LRC") and the liability for incurred claims ("LIC") is presented in the table below (contd.):

31.12.2024

	Note	LRC Excluding loss component RM'000	LIC		Total RM'000
			Present value of future cash flows RM'000	Risk adjustments for non- financial risk RM'000	
<b>Family Takaful Fund</b>					
<b>Takaful certificates liabilities at 1 January</b>		9,932,250	3,263,123	8,054	13,203,427
Takaful service revenue		(1,175,169)	-	-	(1,175,169)
Takaful service expenses		124,084	1,468,560	1,639	1,594,283
<b>Takaful service result</b>		(1,051,085)	1,468,560	1,639	419,114
Finance expenses/(income) from takaful certificates issued		328,697	642	(12)	329,327
Investment components		(797,700)	797,700	-	-
<b>Total amount recognised in profit or loss</b>		(1,520,088)	2,266,902	1,627	748,441
<b>Cash flows</b>					
Contributions received		2,007,787	-	-	2,007,787
Claims and other takaful service expenses paid		-	(1,621,224)	-	(1,621,224)
Takaful acquisition cash flows		(359,457)	-	-	(359,457)
<b>Total cash flows</b>		1,648,330	(1,621,224)	-	27,106
Other movements	(i)	229,498	(176,459)	-	53,039
Transfer to other liabilities	(ii)	-	(17,520)	-	(17,520)
<b>Net balance as at end of the period</b>		10,289,990	3,714,822	9,681	14,014,493
<b>Represented by:</b>					
Takaful certificates liabilities at 31 December		10,289,990	3,714,822	9,681	14,014,493

#### 14. TAKAFUL CERTIFICATE LIABILITIES (CONTD.)

##### (a) Analysis by liability for remaining coverage and the liability for incurred claims not measured at PAA (contd.)

The overview of the movement for net asset or liability for takaful certificates issued, showing the liability for remaining coverage ("LRC") and the liability for incurred claims ("LIC") is presented in the table below (contd.):

31.12.2024

Company	Note	LRC		LIC		Total RM'000
		Excluding loss component RM'000	Loss component RM'000	Present value of future cash flows RM'000	Risk adjustments for non- financial risk RM'000	
<b>Takaful certificates liabilities at 1 January</b>		9,821,658	6,128	3,263,512	8,054	13,099,352
Takaful service revenue		(1,220,754)	-	-	-	(1,220,754)
Takaful service expenses		81,304	(826)	1,122,103	1,639	1,204,220
<b>Takaful service result</b>		<b>(1,139,450)</b>	<b>(826)</b>	<b>1,122,103</b>	<b>1,639</b>	<b>(16,534)</b>
Finance expenses/(income) from takaful certificates issued		494,206	-	640	(12)	494,834
Investment components		(797,700)	-	797,700	-	-
<b>Total amount recognised in profit or loss</b>		<b>(1,442,944)</b>	<b>(826)</b>	<b>1,920,443</b>	<b>1,627</b>	<b>478,300</b>
<b>Cash flows</b>						
Contributions received		2,491,162	-	-	-	2,491,162
Claims and other takaful service expenses paid		-	-	(1,494,590)	-	(1,494,590)
Takaful acquisition cash flows		(625,355)	-	-	-	(625,355)
<b>Total cash flows</b>		<b>1,865,807</b>	<b>-</b>	<b>(1,494,590)</b>	<b>-</b>	<b>371,217</b>
Other movements	(i)	9,946	-	43,093	-	53,039
Transfer to other liabilities	(ii)	-	-	(17,520)	-	(17,520)
<b>Net balance as at end of the period</b>		<b>10,254,467</b>	<b>5,302</b>	<b>3,714,938</b>	<b>9,681</b>	<b>13,984,388</b>
<b>Represented by:</b>						
Takaful certificates liabilities at 31 December		10,254,467	5,302	3,714,938	9,681	13,984,388

**14. TAKAFUL CERTIFICATE LIABILITIES (CONTD.)**

**(a) Analysis by liability for remaining coverage and the liability for incurred claims not measured at PAA (contd.)**

The overview of the movement for net asset or liability for takaful certificates issued, showing the liability for remaining coverage ("LRC") and the liability for incurred claims ("LIC") is presented in the table below (contd.):

- (i) Other movements comprises of FVOCI reserve and unallocated surplus movement during the financial period/year.
- (ii) Included within the 'Transfer to other liabilities' are the amounts that are classified as deemed settlement. Deemed settlement includes payables to intermediaries on commission of contribution in the course of collection and withholding tax on amount payables.
- (iii) 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 BNM Takaful Operating Framework ("TOF"). Consistent with those requirements, the amount does not bear profit. The amount is repayable, and if 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:

	<b>Family Takaful Fund</b>	
	<b>30.6.2025</b>	<b>31.12.2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Nominal amount		
At 1 January	-	-
Qard advanced during the financial period/year	891	-
At 30 June	891	-

The current outstanding Qard balance is due to a deficit in Annuity fund and will be converted into hibah at the end of the financial year.

14. TAKAFUL CERTIFICATE LIABILITIES (CONTD.)

(b) Analysis by measurement component of takaful certificate not measured at PAA

The table below presents a roll-forward of the net asset or liability showing estimates of the present value of future cash flows and risk adjustment for Family Takaful certificates issued.

30.6.2025

	Note	Estimate of the present value of future cash flows RM'000	Risk adjustments for non- financial risk RM'000	Total RM'000
<b>Family Takaful Fund</b>				
<b>Takaful certificates liabilities at 1 January</b>		14,004,812	9,681	14,014,493
<b>Changes that relate to current services</b>				
Experience adjustments		90,318	8,630	98,948
<b>Changes that relate to past services</b>				
Adjustment to liabilities for incurred claims	20	(133,706)	(9,937)	(143,643)
<b>Takaful service results</b>		<u>(43,388)</u>	<u>(1,307)</u>	<u>(44,695)</u>
Finance expenses from takaful certificates issued		407,273	14	407,287
<b>Total amount recognised in profit or loss</b>		<u>363,885</u>	<u>(1,293)</u>	<u>362,592</u>
<b>Cash flows</b>				
Contributions received		945,613	-	945,613
Qard received		891	-	891
Claims and other takaful service expenses paid		(1,045,088)	-	(1,045,088)
Takaful acquisition cash flows		<u>(162,607)</u>	<u>-</u>	<u>(162,607)</u>
<b>Total cash flows</b>		<u>(261,191)</u>	<u>-</u>	<u>(261,191)</u>
Other movements	(i)	52,904	-	52,904
Transfer to other liabilities	(ii)	<u>(10,447)</u>	<u>-</u>	<u>(10,447)</u>
<b>Net balance as at end of the period</b>		<u>14,149,963</u>	<u>8,388</u>	<u>14,158,351</u>
<b>Represented by:</b>				
Takaful certificates liabilities at 30 June		<u>14,149,963</u>	<u>8,388</u>	<u>14,158,351</u>

14. TAKAFUL CERTIFICATE LIABILITIES (CONTD.)

(b) Analysis by measurement component of takaful certificate not measured at PAA (contd.)

The table below presents a roll-forward of the net asset or liability showing estimates of the present value of future cash flows, risk adjustment, CSM and the impact on the current period of the transition approaches adopted to establishing CSMs for Family Takaful certificate issued. (contd.)

30.6.2025

Company	Note	Estimate of the present value of future cash flows RM'000	Risk adjustments for non-financial risk RM'000	Total CSM RM'000	CSM			Total RM'000
					New certificates and certificates measured under the full retrospective approach at transition RM'000	Certificates measured under the modified retrospective approach at transition RM'000	Certificates measured under the fair value approach at transition RM'000	
<b>Takaful certificates liabilities at 1 January</b>		12,000,714	583,248	1,400,426	677,862	484,680	237,884	13,984,388
<b>Changes that relate to current services</b>								
CSM recognised for services provided	19	-	-	(70,149)	(33,757)	(21,233)	(15,159)	(70,149)
Change in the risk adjustment for non-financial risks	19	-	(27,411)	-	-	-	-	(27,411)
Experience adjustments		(37,679)	8,630	-	-	-	-	(29,049)
<b>Changes that relate to future services</b>								
Certificates initially recognised in the period		(178,242)	79,829	98,413	98,379	-	34	-
Changes in estimates that adjust the CSM		123,914	(15,165)	(108,749)	(20,685)	(19,113)	(68,951)	-
<b>Changes that relate to past services</b>								
Adjustment to liabilities for incurred claims	20	(133,706)	(9,937)	-	-	-	-	(143,643)
<b>Takaful service results</b>		(225,713)	35,946	(80,485)	43,937	(40,346)	(84,076)	(270,252)
Finance expenses from takaful certificates issued	27	448,111	14	-	-	-	-	448,125
<b>Total amount recognised in profit or loss</b>		222,398	35,960	(80,485)	43,937	(40,346)	(84,076)	177,873
<b>Cash flows</b>								
Contributions received		1,165,459	-	-	-	-	-	1,165,459
Claims and other takaful service expenses paid		(769,997)	-	-	-	-	-	(769,997)
Takaful acquisition cash flows		(283,712)	-	-	-	-	-	(283,712)
<b>Total cash flows</b>		111,750	-	-	-	-	-	111,750
Other movements	(i)	52,904	-	-	-	-	-	52,904
Transfer to other liabilities	(ii)	(10,447)	-	-	-	-	-	(10,447)
<b>Net balance as at end of the period</b>		12,377,319	619,208	1,319,941	721,799	444,334	153,808	14,316,468
<b>Represented by:</b>								
Takaful certificates liabilities at 30 June		12,377,319	619,208	1,319,941	721,799	444,334	153,808	14,316,468

14. TAKAFUL CERTIFICATE LIABILITIES (CONTD.)

(b) Analysis by measurement component of takaful certificate not measured at PAA (contd.)

The table below presents a roll-forward of the net asset or liability showing estimates of the present value of future cash flows and risk adjustment for Family Takaful certificates issued. (contd.)

31.12.2024

	Note	Estimate of the present value of future cash flows RM'000	Risk adjustments for non- financial risk RM'000	Total RM'000
<b>Family Takaful Fund</b>				
<b>Takaful certificates liabilities at 1 January</b>		13,195,373	8,054	13,203,427
<b>Changes that relate to current services</b>				
Experience adjustments		614,130	9,923	624,053
<b>Changes that relate to past services</b>				
Adjustments to liabilities for incurred claims		(196,655)	(8,284)	(204,939)
<b>Takaful service results</b>		417,475	1,639	419,114
Finance expenses/(income) from takaful certificates issued		329,339	(12)	329,327
<b>Total amount recognised in profit or loss</b>		746,814	1,627	748,441
<b>Cash flows</b>				
Contributions received		2,007,787	-	2,007,787
Claims and other takaful service expenses paid		(1,621,224)	-	(1,621,224)
Takaful acquisition cash flows		(359,457)	-	(359,457)
<b>Total cash flows</b>		27,106	-	27,106
Other movements	(i)	53,039	-	53,039
Transfer to other liabilities	(ii)	(17,520)	-	(17,520)
<b>Net balance as at end of the year</b>		14,004,812	9,681	14,014,493
<b>Represented by:</b>				
Takaful certificates liabilities at 31 December		14,004,812	9,681	14,014,493



14. TAKAFUL CERTIFICATE LIABILITIES (CONTD.)

(b) Analysis by measurement component of takaful certificate not measured at PAA (contd.)

The table below presents a roll-forward of the net asset or liability showing estimates of the present value of future cash flows, risk adjustment, CSM and the impact on the current year of the transition approaches adopted to establishing CSMs for Family Takaful certificate issued. (contd.)

31.12.2024

Company	Note	Estimate of the present value of future cash flows RM'000	Risk adjustments for non- financial risk RM'000	Total CSM RM'000	CSM			Total RM'000
					New certificates and certificates measured under the full retrospective approach at transition RM'000	Certificates measured under the modified retrospective approach at transition RM'000	Certificates measured under the fair value approach at transition RM'000	
<b>Takaful certificates liabilities at 1 January</b>		11,180,285	574,521	1,344,546	444,248	597,904	302,394	13,099,352
<b>Changes that relate to current services</b>								
CSM recognised for services provided		-	-	(140,302)	(53,341)	(47,510)	(39,451)	(140,302)
Change in the risk adjustment for non-financial risks		-	(56,157)	-	-	-	-	(56,157)
Experience adjustments		374,941	9,923	-	-	-	-	384,864
<b>Changes that relate to future services</b>								
Certificates initially recognised in the year		(388,280)	166,914	221,366	221,627	-	(261)	-
Changes in estimates that adjust the CSM		128,841	(103,657)	(25,184)	65,328	(65,714)	(24,798)	-
<b>Changes that relate to past services</b>								
Adjustments to liabilities for incurred claims		(196,655)	(8,284)	-	-	-	-	(204,939)
<b>Takaful service results</b>		(81,153)	8,739	55,880	233,614	(113,224)	(64,510)	(16,534)
Finance expenses/(income) from takaful certificates issued		494,846	(12)	-	-	-	-	494,834
<b>Total amount recognised in profit or loss</b>		413,693	8,727	55,880	233,614	(113,224)	(64,510)	478,300
<b>Cash flows</b>								
Contributions received		2,491,162	-	-	-	-	-	2,491,162
Claims and other takaful service expenses paid		(1,494,590)	-	-	-	-	-	(1,494,590)
Takaful acquisition cash flows		(625,355)	-	-	-	-	-	(625,355)
<b>Total cash flows</b>		371,217	-	-	-	-	-	371,217
Other movements	(i)	53,039	-	-	-	-	-	53,039
Transfer to other liabilities	(ii)	(17,520)	-	-	-	-	-	(17,520)
<b>Net balance as at end of the year</b>		12,000,714	583,248	1,400,426	677,862	484,680	237,884	13,984,388
<b>Represented by:</b>								
Takaful certificates liabilities at 31 December		12,000,714	583,248	1,400,426	677,862	484,680	237,884	13,984,388

#### 14. TAKAFUL CERTIFICATE LIABILITIES (CONTD.)

##### (b) Analysis by measurement component of takaful certificate not measured at PAA (contd.)

Notes:

- (i) Other movements comprises of FVOCI reserve and unallocated surplus movement during the financial period/year.
- (ii) Included within the 'Transfer to other liabilities' are the amounts that are classified as deemed settlement. Deemed settlement includes payables to intermediaries on commission of contribution in the course of collection and withholding tax on amount payables.

##### (c) Impact of certificates recognised in the financial period/year

The components of new business for Family takaful certificates issued is disclosed in the table below:

	<b>Certificates issued Non-onerous / Total</b>	
	<b>Family Takaful Fund RM'000</b>	<b>Company RM'000</b>
<b>30.6.2025</b>		
<b>Takaful certificate liabilities</b>		
Estimates of the present value of future cash outflows	(1,440,467)	(976,835)
Estimates of the present value of future cash inflows	1,440,467	798,593
Benefits payable and other expenses	1,279,361	688,651
Takaful acquisition cash flows	161,107	109,943
Risk adjustment for non-financial risks	-	79,829
CSM	-	98,413
<b>Losses on onerous certificates at initial recognition</b>	<b>-</b>	<b>-</b>
<b>31.12.2024</b>		
<b>Takaful certificate liabilities</b>		
Estimates of the present value of future cash outflows	(3,350,833)	(2,229,207)
Estimates of the present value of future cash inflows	3,350,833	1,840,927
Benefits payable and other expenses	2,993,904	1,592,675
Takaful acquisition cash flows	356,929	245,252
Risk adjustment for non-financial risks	-	166,914
CSM	-	221,366
<b>Losses on onerous certificates at initial recognition</b>	<b>-</b>	<b>-</b>

14. TAKAFUL CERTIFICATE LIABILITIES (CONTD.)

(d) Expected release of CSM

The disclosure of when the CSM is expected to be released to profit or loss in future years is presented below:

	Less than one year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	5 - 10 years RM'000	More than 10 years RM'000	Total RM'000
<b>30.6.2025</b>								
Takaful certificates issued	124,428	113,163	102,425	92,653	83,778	318,532	484,962	1,319,941
<b>31.12.2024</b>								
Takaful certificates issued	135,052	122,731	110,750	99,849	89,884	336,413	505,747	1,400,426

**15. OTHER ASSETS**

	<b>Family Takaful fund RM'000</b>	<b>Company RM'000</b>
<b>30.6.2025</b>		
Sundry receivables, deposits and prepayments	24,640	41,626
Allowance for impairment losses	(507)	(2,996)
	<u>24,133</u>	<u>38,630</u>
Income and profits due and accrued*	152,443	183,426
Amount due from other related companies**	-	54
Amount due from stockbrokers	8,340	33,695
	<u>160,783</u>	<u>217,175</u>
<b>Total other assets</b>	<u>184,916</u>	<u>255,805</u>
<b>31.12.2024</b>		
Sundry receivables, deposits and prepayments	13,943	32,623
Allowance for impairment losses (Note 38)	(507)	(2,990)
	<u>13,436</u>	<u>29,633</u>
Income and profits due and accrued*	155,455	185,760
Amount due from other related companies**	-	1,195
Amounts due from stockbrokers	46,083	47,315
	<u>201,538</u>	<u>234,270</u>
<b>Total other assets</b>	<u>214,974</u>	<u>263,903</u>

\* Included in the income and profits due and accrued are mainly consist of profit, rental and dividend receivables.

\*\* Amount due from other related companies are non-trade in nature, unsecured, profit-free and repayable in the short-term.

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

**16. CURRENT TAX ASSETS**

<b>Company</b>	<b>RM'000</b>
<b>30.6.2025</b>	
At 1 January 2025	43,040
Reversal during the year :	
YA 2015	(1,478)
At 30 June 2025	<u>41,562</u>
<b>31.12.2024</b>	
At 1 January 2024	79,295
Reversal during the year :	
YA 2011	(8,886)
YA 2012	(16,338)
YA 2013	(11,031)
At 31 December 2024	<u>43,040</u>

The Inland Revenue Board of Malaysia ("IRBM") had in previous financial years, raised additional assessments to the Company for Years of Assessment ("YA") 2008 to 2015, totalling RM79,294,509.

The Company has made full settlement of the additional assessments raised by the IRBM as and when they arose, and subsequently, submitted Notices of Appeal by filing the required Forms Q with the Special Commissioner of Income Tax ("SCIT"). The Company had decided to pursue these appeals after obtaining the relevant opinions from its legal counsel, which was premised on the fact that the bases used to raise the additional assessments are not equitable.

The specific issues raised and corresponding additional tax assessments issued are as summarised below:

- (a) For YA2008 to YA2013, the additional assessments, amounting to RM75,695,975, mainly related to the deductibility of commission expenses incurred by the Shareholder's fund ("SHF") in connection with the business of the then General Takaful fund ("GTF").

In respect to the Company's appeal, both the SCIT and the High Court rejected the Company's appeal on 19 February 2021 and 14 September 2022, respectively. Following these unfavorable judgments, Etiqa filed an appeal with the Court of Appeal. After a hearing on 24 July 2024, the Court of Appeal, on 28 November 2024, deliberated that the Inland Revenue Board of Malaysia (IRBM) did not have the merit to impose an additional assessment on Etiqa for the Years of Assessment (YA) 2008, 2009, and 2014. However, for YA2011, YA2012, and YA2013, the court ruled in favor of the IRBM, and Etiqa's appeal was disallowed, resulting in a total reversal of RM36,254,504 in the current year for YA2011, YA2012 and YA2013. The court has also deliberated that the penalty imposed by IRBM is incorrect hence the additional penalty imposed is to be refunded to Etiqa.

## **16. CURRENT TAX ASSETS (CONTD.)**

The specific issues raised and corresponding additional tax assessments issued are as summarised below (contd.):

- (b) For YA2014 to YA2015, the additional assessments, amounting to RM3,598,534, mainly related to deeming surplus earned on retakaful ceded and processing fee income for the Family Takaful fund's business as incidental income of the Company under Section 60AA(13) of the Income Tax Act, 1967.

Based on the Ministry of Finance ("MOF")'s letter dated 25 February 2022, the MOF has agreed that the retakaful discount/experience refund is an amount received directly in relation to the retakaful ceded under the Family Takaful Fund. In view of the above, the retakaful discount/experience refund should not be regarded as other income under Section 60AA(13) of the ITA and hence is not subject to tax. The MOF has deemed that these issues have been resolved. The same letter was copied to Malaysian Takaful Association ("MTA"). On the 26 May 2025, IRBM issued a Notice of Reduced Assessment ("JR") amounting RM 1,478,321 tax discharged for YA2015 in relation to the retakaful discount/ experience refund however IRBM have not credited the refund to EFTB.

Based on legal advice, the Company is of the view that it has strong justifications for the appeals and continues to treat the additional assessments paid as current tax assets in the financial statements. The current tax assets reflects the current position after the Form JR issued by IRBM dated 26 May 2025.

## **17. RESERVES**

<b>Company</b>		<b>30.6.2025</b>	<b>31.12.2024</b>
	<b>Note</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Non-distributable</b>			
FVOCI Reserve	(i)	35,702	18,019
<b>Retained profits:</b>			
Distributable	(ii)	2,638,972	2,588,739
<b>Total reserves</b>		<b>2,674,674</b>	<b>2,606,758</b>

- (i) The FVOCI reserve arose from changes in the fair values of the financial assets which are measured at fair value through other comprehensive income.

- (ii) The entire distributable profits of the Company may be distributed to the shareholders under the single-tier system.

**18. OTHER LIABILITIES**

	<b>Family Takaful fund RM'000</b>	<b>Company RM'000</b>
<b>30.6.2025</b>		
Proposal deposits	4,130	4,130
Lease liabilities	-	415
Provision for restoration/dismantling costs	-	76
Amounts due to Shareholder's fund*	19,819	-
Unclaimed monies	184,722	184,744
Service tax payable	22,937	22,899
Amount due to related companies* (Note 37)		
- ultimate holding company*	-	6,081
- immediate and penultimate holding companies*	-	5,713
- other related companies*	9	1,773
Amount due to stockbrokers	35,132	40,229
Zakat payable	-	9,638
Provisions for expenses	-	31,764
Sundry payables and accrued liabilities	124,232	146,675
Other components of takaful certificate liabilities	78,574	78,574
<b>Total Other Liabilities</b>	<b>469,555</b>	<b>532,711</b>
<b>31.12.2024</b>		
Proposal deposits	5,243	5,243
Lease liabilities	-	510
Provision for restoration/dismantling costs	-	76
Amounts due to Shareholder's fund	22,719	-
Unclaimed monies	106,285	106,307
Service tax payable	13,548	13,548
Amount due to related companies* (Note 37)		
- ultimate holding company*	-	10,016
- immediate and penultimate holding companies*	-	5,174
- other related companies*	247	1,524
Amount due to stockbrokers	13,322	13,322
Zakat payable	-	16,613
Provisions for expenses	-	24,665
Sundry payables and accrued liabilities	87,079	118,951
Other components of takaful certificate liabilities	67,392	67,392
<b>Total Other Liabilities</b>	<b>315,835</b>	<b>383,341</b>

\* Amount due to ultimate holding company, immediate holding company, other related companies and amount due to shareholder's fund are non-trade in nature, unsecured, not subject to any profit elements and are repayable in the short-term.

## 19. TAKAFUL REVENUE

The table below presents an analysis of the total takaful revenue recognised in the financial period:

		1.1.2025 to 30.6.2025		1.1.2024 to 30.6.2024	
		Family		Family	
	Note	Takaful Fund	Company	Takaful Fund	Company
		RM'000	RM'000	RM'000	RM'000
Certificates not measured under the PAA					
Amounts relating to changes in liabilities for remaining coverage					
- Expected claims and takaful service expenses incurred in the period	(i)	555,158	460,910	518,000	418,661
- Change in risk adjustment for non financial risk	(ii)	-	27,411	-	29,114
- Amount of CSM recognised in profit or loss	(iii)	-	70,149	-	71,348
Amounts relating to recovery of takaful acquisition cash flows	(iv)	70,051	46,204	59,131	38,595
Experience adjustments		-	87,075	-	(2,222)
Takaful revenue from certificates not measured under the PAA		625,209	691,749	577,131	555,496
Takaful revenue from certificates measured under the PAA		272,513	272,513	226,880	226,779
Total Takaful Revenue		897,722	964,262	804,011	782,275

- (i) Expected takaful service expenses incurred in the period comprise of claims and other expenses which the Company expects to pay on insured events that occurred during the period.
- (ii) Change in risk adjustment shows amount of risk which expired during the period.
- (iii) The CSM is recognised in profit or loss over the coverage period of the corresponding group of certificates based on the established coverage units.
- (iv) Acquisition cash flows are allocated on a straight-line basis over the coverage period of the group of certificates.



## 20. TAKAFUL SERVICE EXPENSES

The table below presents an analysis of the total takaful service expenses recognised in the financial period:

	Note	PAA		Non-PAA		Total	
		Family	Company	Family	Company	Family	Company
		Takaful Fund	Company	Takaful Fund	Company	Takaful Fund	Company
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>1.1.2025 to 30.6.2025</b>							
Incurring claims and other directly attributable expenses		253,147	262,367	417,394	473,873	670,541	736,240
Incurring wakalah fees	(i)	-	-	54,217	-	54,217	-
Incurring surplus to Shareholder's Fund	(ii)	-	-	140,432	-	140,432	-
Incurring surplus to participants	(ii)	-	-	120,401	120,401	120,401	120,401
Incurring unallocated surplus		(1,869)	(1,869)	(78,338)	(78,338)	(80,207)	(80,207)
Changes that relate to the past service - adjustment to the LIC		(15,420)	(15,420)	(143,643)	(143,643)	(159,063)	(159,063)
Losses on onerous certificates and reversal of those losses		-	-	-	3,000	-	3,000
Amortisation of takaful acquisition cash flows		36,668	28,134	70,051	46,204	106,719	74,338
<b>Total takaful service expenses</b>		<b>272,526</b>	<b>273,212</b>	<b>580,514</b>	<b>421,497</b>	<b>853,040</b>	<b>694,709</b>
<b>1.1.2024 to 30.6.2024</b>							
Incurring claims and other directly attributable expenses*		239,607	251,229	395,281	445,955	634,888	697,184
Incurring wakalah fees	(i)	-	-	45,482	-	45,482	-
Incurring surplus to Shareholder's Fund	(ii)	546	-	186,895	-	187,441	-
Incurring surplus to participants	(ii)	542	542	174,446	174,446	174,988	174,988
Incurring unallocated surplus		(16,698)	(16,698)	59,132	59,132	42,434	42,434
Changes that relate to the past service - adjustment to the LIC*		(25,709)	(25,709)	(200,444)	(200,443)	(226,153)	(226,152)
Losses on onerous certificates and reversal of those losses		-	-	-	(957)	-	(957)
Amortisation of takaful acquisition cash flows		28,499	31,379	59,131	38,595	87,630	69,974
<b>Total takaful service expenses</b>		<b>226,787</b>	<b>240,743</b>	<b>719,923</b>	<b>516,728</b>	<b>946,710</b>	<b>757,471</b>

\* Certain amounts have been reclassified between the line items to conform with the current period's presentation and disclosure requirements.

### Notes:

- (i) The wakalah fees paid to the Shareholder's Fund during the financial period is RM88,725,000 (1.1.2024 to 30.6.2024 : RM77,592,000 ).
- (ii) The surplus paid to the Shareholder's fund and certificates holder during the financial period were RM370,855,000 (1.1.2024 to 30.6.2024: RM289,385,000) and RM387,887,000 (1.1.2024 to 30.6.2024: RM214,613,000) respectively.

## 21. NET EXPENSES FROM RETAKAFUL CERTIFICATES HELD

The Company has voluntarily disclosed an analysis of the net expenses from retakaful certificates held recognised in the financial period, showed in the table below:

	Note	1.1.2025 to 30.6.2025			1.1.2024 to 30.6.2024		
		PAA	Non-PAA	Total	PAA	Non-PAA	Total
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b><u>Family Takaful fund/Company</u></b>							
<b>Amounts relating to the changes in the assets for remaining coverage</b>							
Expected recovery for takaful service expenses in the financial period	(i)	-	(42,375)	(42,375)	-	(26,938)	(26,938)
Net cost recognised in profit or loss	(ii)	(16,777)	-	(16,777)	(17,457)	-	(17,457)
<b>Allocation of retakaful contributions</b>		<u>(16,777)</u>	<u>(42,375)</u>	<u>(59,152)</u>	<u>(17,457)</u>	<u>(26,938)</u>	<u>(44,395)</u>
<b>Amounts recoverable for incurred claims and other expenses</b>							
Amounts recoverable for claims and other expenses incurred in the financial period*		18,868	45,153	64,021	16,688	41,739	58,427
Incurred unallocated surplus		1,506	26,803	28,309	5,021	(2,249)	2,772
Changes that relate to past services - adjustment to AIC*		<u>(3,599)</u>	<u>(14,118)</u>	<u>(17,717)</u>	<u>(4,253)</u>	<u>(12,873)</u>	<u>(17,126)</u>
<b>Amounts recoverable from retakaful operators</b>		<u>16,775</u>	<u>57,838</u>	<u>74,613</u>	<u>17,456</u>	<u>26,617</u>	<u>44,073</u>
<b>Total net expense from retakaful certificates held</b>		<u>(2)</u>	<u>15,463</u>	<u>15,461</u>	<u>(1)</u>	<u>(321)</u>	<u>(322)</u>

\* Certain amounts have been reclassified between the line items to conform with the current period's presentation and disclosure requirements.

### Notes:

- (i) Expected recovery for takaful service expenses incurred in the financial period comprise recovery for claims and other expenses which the Family Takaful Fund/Company expects to receive from retakaful operators on covered events occurred during the financial period.
- (ii) Net cost recognised in profit or loss during the coverage financial period of the corresponding groups of retakaful certificates held based on established coverage units.

**22. PROFIT INCOME FROM FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")**

	Family Takaful Fund RM'000	Company RM'000
<b>1.1.2025 to 30.6.2025</b>		
Profit income		
(i) Financial Assets at FVOCI		
- Malaysian government papers	5,249	9,225
- Debt securities	119,089	150,962
(ii) Financial Assets at AC		
- Deposits with financial institutions	18,849	21,706
(iii) Financing receivables	-	71
<b>Total profit revenue from financial assets not measured at FVTPL</b>	<b>143,187</b>	<b>181,964</b>
<b>1.1.2024 to 30.6.2024</b>		
Profit income		
(i) Financial Assets at FVOCI		
- Malaysian government papers	6,562	9,438
- Debt securities	115,859	146,679
(ii) Financial Assets at AC		
- Deposits with financial institutions	20,946	22,622
(iii) Financing receivables	-	98
<b>Total profit revenue from financial assets not measured at FVTPL</b>	<b>143,367</b>	<b>178,837</b>

**23. NET FAIR VALUE GAINS ON FINANCIAL ASSETS MEASURED AT FVTPL**

	<b>Family Takaful Fund RM'000</b>	<b>Company RM'000</b>
<b>1.1.2025 to 30.6.2025</b>		
Realised losses on disposal on financial assets, net	(4,063)	(6,277)
Fair value gains/(losses) on investments:		
- Malaysian government papers	10,997	10,997
- Equity securities	(54,609)	(51,532)
- Debt securities	99,077	109,706
- Unit and property trust funds	5,282	5,282
- Structured products	999	999
- Derivative	4,546	4,638
Total net fair value gains on investments	66,292	80,090
<b>Total net fair value gains on financial assets measured at FVTPL</b>	<b>62,229</b>	<b>73,813</b>
<b>1.1.2024 to 30.6.2024</b>		
Realised gains on disposal on financial assets, net	28,779	28,879
Fair value gains/(losses) on investments:		
- Malaysian government papers	(1,505)	(1,505)
- Equity securities	99,317	104,372
- Debt securities	45,223	49,305
- Unit and property trust funds	19,354	19,354
- Structured products	719	719
- Derivative	123	168
Total net fair value gains on investments	163,231	172,413
<b>Total net fair value gains on financial assets measured at FVTPL</b>	<b>192,010</b>	<b>201,292</b>

**24. NET FAIR VALUE GAINS ON DERECOGNITION OF FINANCIAL ASSETS MEASURED AT FVOCI**

	<b>Family Takaful Fund RM'000</b>	<b>Company RM'000</b>
<b>1.1.2025 to 30.6.2025</b>		
Financial Assets at FVOCI		
- Malaysian government papers	3,421	4,510
- Debt securities	25,581	28,172
<b>Total net fair value gains on derecognition of financial assets measured at FVOCI</b>	<b>29,002</b>	<b>32,682</b>
<b>1.1.2024 to 30.6.2024</b>		
Financial Assets at FVOCI		
- Malaysian government papers	4,685	4,873
- Debt securities	167	1,810
<b>Total net fair value gains on derecognition of financial assets measured at FVOCI</b>	<b>4,852</b>	<b>6,683</b>

**25. OTHER INVESTMENT INCOME**

	<b>Family Takaful Fund RM'000</b>	<b>Company RM'000</b>
<b>1.1.2025 to 30.6.2025</b>		
Dividend/distribution income:		
Equity securities	13,934	16,078
Profit income from financial assets measured at FVTPL	149,559	168,173
Rental income	-	30
Net amortisation of premiums	(9,171)	(12,064)
Investment related expenses, net	(1,290)	(2,586)
<b>Total other investment income</b>	<b>153,032</b>	<b>169,631</b>

**25. OTHER INVESTMENT INCOME (CONTD.)**

	<b>Family Takaful Fund RM'000</b>	<b>Company RM'000</b>
<b>1.1.2024 to 30.6.2024</b>		
Dividend/distribution income:		
Equity securities	12,385	14,044
Profit income from financial assets measured at FVTPL:	145,241	164,829
Rental income, net	-	30
Net amortisation of premiums	(8,986)	(11,767)
Investment related expenses, net	(1,205)	(2,093)
Obligations on financial assets sold under repurchase agreements	-	(1)
<b>Total other investment income</b>	<b>147,435</b>	<b>165,042</b>

**26. REVERSAL OF IMPAIRMENT LOSS ON FINANCIAL ASSETS**

	<b>Family Takaful Fund RM'000</b>	<b>Company RM'000</b>
<b>1.1.2025 to 30.6.2025</b>		
Reversal of impairment losses on:		
- investments	223	272
Impairment losses on:		
- financing receivables	-	(1)
<b>Total net reversal of impairment losses on financial assets</b>	<b>223</b>	<b>271</b>

<b>1.1.2024 to 30.6.2024</b>		
Reversal of impairment losses on:		
- investments	425	678
- financing receivables	-	9
<b>Total reversal of impairment losses on financial assets</b>	<b>425</b>	<b>687</b>

27. FINANCE EXPENSES FROM TAKAFUL CERTIFICATES ISSUED

	PAA		Non-PAA		Total	
	Family		Family		Family	
	Takaful Fund	Company	Takaful Fund	Company	Takaful Fund	Company
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>1.1.2025 to 30.6.2025</b>						
<b>Takaful finance expenses from takaful certificates issued</b>						
Changes in fair value of underlying assets of Family takaful fund	(5,876)	(5,876)	(223,246)	(264,084)	(229,122)	(269,960)
Profit accreted to takaful certificates using current financial assumptions	(2,131)	(2,131)	(183,790)	(183,790)	(185,921)	(185,921)
Effect of changes in profit rates and other financial assumptions	(82)	(82)	(251)	(251)	(333)	(333)
<b>Total takaful finance expenses from takaful certificates issued</b>	<b>(8,089)</b>	<b>(8,089)</b>	<b>(407,287)</b>	<b>(448,125)</b>	<b>(415,376)</b>	<b>(456,214)</b>
<b>Represented by:</b>						
Amount recognised in profit or loss	(8,089)	(8,089)	(407,287)	(448,125)	(415,376)	(456,214)
<b>1.1.2024 to 30.6.2024</b>						
<b>Takaful finance expenses from takaful certificates issued</b>						
Changes in fair value of underlying assets of Family takaful fund	-	-	(129,038)	(218,024)	(129,038)	(218,024)
Profit accreted to takaful certificates using current financial assumptions	(673)	(673)	(183,651)	(183,651)	(184,324)	(184,324)
Effect of changes in profit rates and other financial assumptions	(18,274)	(18,274)	(19)	(19)	(18,293)	(18,293)
<b>Total takaful finance expenses from takaful certificates issued</b>	<b>(18,947)</b>	<b>(18,947)</b>	<b>(312,708)</b>	<b>(401,694)</b>	<b>(331,655)</b>	<b>(420,641)</b>
<b>Represented by:</b>						
Amount recognised in profit or loss	(18,947)	(18,947)	(312,708)	(401,694)	(331,655)	(420,641)

28. FINANCE INCOME FROM RETAKAFUL CERTIFICATES HELD

1.1.2025 to 30.6.2025				1.1.2024 to 30.6.2024			
		PAA	Non-PAA	Company	PAA	Non-PAA	Company
	Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b><u>Family Takaful fund/Company</u></b>							
<b>Takaful finance (expenses)/income from retakaful certificates held</b>							
Effect of changes in profit rates and other financial assumptions		-	(15,462)	(15,462)	-	321	321
Changes in risk non-performance risk of retakaful operators		1	-	1	1	-	1
<b>Total takaful finance (expenses)/income from retakaful certificates held</b>		<b>1</b>	<b>(15,462)</b>	<b>(15,461)</b>	<b>1</b>	<b>321</b>	<b>322</b>
<b>Represented by:</b>							
Amount recognised in profit or loss		1	(15,462)	(15,461)	1	321	322
		<b>PAA</b>		<b>Non-PAA</b>		<b>Total</b>	
		<b>Family</b>	<b>Company</b>	<b>Family</b>	<b>Company</b>	<b>Family</b>	<b>Company</b>
		<b>Takaful Fund</b>	<b>Company</b>	<b>Takaful Fund</b>	<b>Company</b>	<b>Takaful Fund</b>	<b>Company</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>1.1.2025 to 30.6.2025</b>							
<b><u>Net investment result and net finance expenses:</u></b>							
<b>Represented by:</b>							
Amount recognised in profit or loss:							
Net investment income		(8,089)	(8,089)	(362,772)	(362,772)	(370,861)	(370,861)
Finance expense from Takaful certificates issued		-	-	(44,515)	(85,353)	(44,515)	(85,353)
Finance income/(expense) from Retakaful certificates held		1	1	(15,462)	(15,462)	(15,461)	(15,461)
		<b>(8,088)</b>	<b>(8,088)</b>	<b>(422,749)</b>	<b>(463,587)</b>	<b>(430,837)</b>	<b>(471,675)</b>
<b>1.1.2024 to 30.6.2024</b>							
<b><u>Net investment result and net finance (expenses)/income:</u></b>							
<b>Represented by:</b>							
Amount recognised in profit or loss:							
Net investment income		(18,947)	(18,947)	(458,229)	(458,229)	(477,176)	(477,176)
Finance income from Takaful certificates issued		-	-	145,521	56,535	145,521	56,535
Finance income from Retakaful certificates held		1	1	321	321	322	322
		<b>(18,946)</b>	<b>(18,946)</b>	<b>(312,387)</b>	<b>(401,373)</b>	<b>(331,333)</b>	<b>(420,319)</b>



**29. OTHER INCOME**

	<b>Family Takaful Fund RM'000</b>	<b>Company RM'000</b>
<b>1.1.2025 to 30.6.2025</b>		
<b>(A) Other income</b>		
Sundry income	180	530
<b>Total other income</b>	<u>180</u>	<u>530</u>
<b>(B) Total other expenses (Note 30)</b>	<u>(347)</u>	<u>(2,367)</u>
<b>Total other expenses, net</b>	<u>(167)</u>	<u>(1,837)</u>
<b>1.1.2024 to 30.6.2024</b>		
<b>(A) Other income</b>		
Sundry income	75	277
<b>Total other income</b>	<u>75</u>	<u>277</u>
<b>(B) Total other expenses (Note 30)</b>	<u>(2,896)</u>	<u>(5,309)</u>
<b>Total other expenses, net</b>	<u>(2,821)</u>	<u>(5,032)</u>

### 30. OTHER EXPENSES

An analysis of the expenses incurred by the Family Takaful Fund in the reporting period is included in the table below:

#### Family Takaful Fund

	1.1.2025 to 30.6.2025				1.1.2024 to 30.6.2024			
	<i>Takaful service expenses*</i>				<i>Takaful service expenses*</i>			
	Expenses attributed to Takaful acquisition cash flows RM'000	Other directly attributable expenses RM'000	Other expenses RM'000	Total RM'000	Expenses attributed to Takaful acquisition cash flows RM'000	Other directly attributable expenses RM'000	Other expenses RM'000	Total RM'000
<b>Commission expenses (A)</b>	-	-	-	-	-	-	-	-
<b>Other expenses</b>								
Employee benefits expense (a)	-	8,903	-	8,903	-	9,960	-	9,960
Auditors' remuneration:								
- statutory audits	-	48	-	48	-	88	-	88
- regulatory related services	-	30	-	30	-	48	-	48
- other services	-	108	-	108	-	118	-	118
Other finance cost	-	33	-	33	-	9	-	9
Other management fees	-	39	-	39	-	(1)	-	(1)
Outside Services & Others	-	54	-	54	-	74	-	74
Professional fees	-	85	-	85	-	34	-	34
Short term leases	-	493	-	493	-	508	-	508
Small value assets	-	-	-	-	-	1	-	1
Office facilities expenses	-	39	-	39	-	52	-	52
Electronic data processing expenses	-	871	-	871	-	944	-	944
Information technology outsourcing	-	373	-	373	-	1,177	-	1,177
Postage and stamp duties	-	25	-	25	-	172	-	172
Printing and stationery	-	74	-	74	-	151	-	151
Promotional and marketing cost	-	14	-	14	-	(9)	-	(9)
<b>Total other expenses (B)</b>	-	11,189	-	11,189	-	13,326	-	13,326

ETIQA FAMILY TAKAFUL BERHAD  
199301011506 (266243-D)  
(Incorporated in Malaysia)

### 30. OTHER EXPENSES (CONTD.)

An analysis of the expenses incurred by the Family Takaful Fund in the reporting period is included in the table below: (contd.)

#### Family Takaful Fund (contd.)

	1.1.2025 to 30.6.2025				1.1.2024 to 30.6.2024			
	<i>Takaful service expenses*</i>				<i>Takaful service expenses*</i>			
	Expenses attributed to Takaful acquisition cash flows RM'000	Other directly attributable expenses RM'000	Other expenses RM'000	Total RM'000	Expenses attributed to Takaful acquisition cash flows RM'000	Other directly attributable expenses RM'000	Other expenses RM'000	Total RM'000
Brought forward	-	11,189	-	11,189	-	13,326	-	13,326
Training expenses	-	(68)	-	(68)	-	25	-	25
Utilities, assessment and maintenance	-	105	-	105	-	140	-	140
Travelling expenses	-	19	-	19	-	22	-	22
Legal fees	-	1	-	1	-	-	-	-
Licence, subscription and levies	-	67	-	67	-	50	-	50
Contract staff services	-	62	-	62	-	105	-	105
Certificate related expenses	-	58	-	58	-	11	-	11
Others	-	220	-	220	-	197	-	197
<b>Total other expenses (B)</b>	<b>-</b>	<b>11,653</b>	<b>-</b>	<b>11,653</b>	<b>-</b>	<b>13,876</b>	<b>-</b>	<b>13,876</b>
<b>Other operating expenses</b>								
Sundry expenditure	-	541	347	888	-	443	2,896	3,339
<b>Total other operating expenses (C)</b>	<b>-</b>	<b>541</b>	<b>347</b>	<b>888</b>	<b>-</b>	<b>443</b>	<b>2,896</b>	<b>3,339</b>
<b>Total other expenses (A) + (B) + (C)</b>	<b>-</b>	<b>12,194</b>	<b>347</b>	<b>12,541</b>	<b>-</b>	<b>14,319</b>	<b>2,896</b>	<b>17,215</b>
							<b>1.1.2025 to 30.6.2025 RM'000</b>	<b>1.1.2024 to 30.6.2024 RM'000</b>
<b>Represented by:</b>								
Takaful service expenses							12,194	14,319
Other expenses							347	2,896
							<b>12,541</b>	<b>17,215</b>

30. OTHER EXPENSES (CONTD.)

An analysis of the expenses incurred by the Company in the reporting period is included in the table below:

Company

	1.1.2025 to 30.6.2025				1.1.2024 to 30.6.2024			
	<i>Takaful service expenses*</i>				<i>Takaful service expenses*</i>			
	Expenses attributed to Takaful acquisition cash flows RM'000	Other directly attributable expenses RM'000	Other expenses RM'000	Total RM'000	Expenses attributed to Takaful acquisition cash flows RM'000	Other directly attributable expenses RM'000	Other expenses RM'000	Total RM'000
<b>Commission expenses (A)</b>	<b>83,993</b>	<b>25,538</b>	<b>-</b>	<b>109,531</b>	<b>86,490</b>	<b>21,479</b>	<b>-</b>	<b>107,969</b>
<b>Other expenses</b>								
Employee benefits expense (a)	27,806	37,129	1,466	66,401	28,061	35,976	1,783	65,820
Directors' remuneration (Note 31)	-	-	492	492	-	-	412	412
Shariah Committee's remuneration (Note 32)	-	152	-	152	-	118	-	118
Auditors' remuneration:								
- statutory audits	-	243	-	243	-	370	-	370
- regulatory related services	-	188	-	188	-	220	-	220
- other services	-	657	-	657	-	540	-	540
Amortisation of intangible assets	-	859	-	859	-	783	-	783
Assured medical fees	914	-	-	914	1,545	-	-	1,545
Other finance cost	-	4,281	-	4,281	-	3,937	1	3,938
Depreciation of property, plant and equipment	-	25	-	25	-	35	-	35
Right-of-use expenses:								
- depreciation	-	94	-	94	-	94	-	94
- profit on lease liabilities	-	5	-	5	-	9	-	9
Other management fees	17	98	5	120	50	(5)	-	45
Outside Services & Others	-	232	-	232	-	370	-	370
Professional fees	-	551	-	551	-	205	-	205
Short term leases	1,270	1,760	23	3,053	1,486	1,737	25	3,248
Small value assets	-	2	-	2	-	2	-	2
Office facilities expenses	-	244	-	244	-	234	-	234
Electronic data processing expenses	2,836	5,822	-	8,658	833	5,697	-	6,530
<b>Total other expenses (B)</b>	<b>32,843</b>	<b>52,342</b>	<b>1,986</b>	<b>87,171</b>	<b>31,975</b>	<b>50,322</b>	<b>2,221</b>	<b>84,518</b>

ETIQA FAMILY TAKAFUL BERHAD  
199301011506 (266243-D)  
(Incorporated in Malaysia)

### 30. OTHER EXPENSES (CONTD.)

An analysis of the expenses incurred by the Company in the reporting period is included in the table below: (contd.)

#### Company (contd.)

	1.1.2025 to 30.6.2025				1.1.2024 to 30.6.2024			
	<i>Takaful service expenses*</i>				<i>Takaful service expenses*</i>			
	Expenses attributed to Takaful acquisition cash flows RM'000	Other directly attributable expenses RM'000	Other expenses RM'000	Total RM'000	Expenses attributed to Takaful acquisition cash flows RM'000	Other directly attributable expenses RM'000	Other expenses RM'000	Total RM'000
Brought forward	32,843	52,342	1,986	87,171	31,975	50,322	2,221	84,518
Information technology outsourcing	2,878	2,878	-	5,756	2,367	7,101	-	9,468
Postage and stamp duties	205	418	19	642	226	761	8	995
Printing and stationery	-	279	-	279	-	669	-	669
Promotional and marketing cost	24,050	15	330	24,395	28,552	(9)	222	28,765
Training expenses	112	(321)	2	(207)	189	546	1	736
Utilities, assessment and maintenance	-	598	2	600	-	603	2	605
Entertainment	-	-	154	154	-	-	137	137
Travelling expenses	589	143	3	735	469	106	26	601
Tax services expense	-	-	-	-	-	-	-	-
Legal fees	-	92	-	92	-	125	-	125
Licence, subscription and levies	-	1,010	-	1,010	-	683	-	683
Contract staff services	317	788	-	1,105	545	650	-	1,195
Certificate related expenses	11,588	4,082	90	15,760	15,498	4,052	172	19,722
Others	-	285	13	298	-	52	120	172
<b>Total other expenses (B)</b>	<b>72,582</b>	<b>62,609</b>	<b>2,599</b>	<b>137,790</b>	<b>79,821</b>	<b>65,661</b>	<b>2,909</b>	<b>148,391</b>
<b>Other operating expenses</b>								
Impairment losses on other assets	-	-	6	6	-	-	3	3
Sundry expenditure	-	3,528	(238)	3,290	162	2,400	2,397	4,959
<b>Total other operating expenses (C)</b>	<b>-</b>	<b>3,528</b>	<b>(232)</b>	<b>3,296</b>	<b>162</b>	<b>2,400</b>	<b>2,400</b>	<b>4,962</b>
<b>Total other expenses (A) + (B) + (C)</b>	<b>156,575</b>	<b>91,675</b>	<b>2,367</b>	<b>250,617</b>	<b>166,473</b>	<b>89,540</b>	<b>5,309</b>	<b>261,322</b>

ETIQA FAMILY TAKAFUL BERHAD  
199301011506 (266243-D)  
(Incorporated in Malaysia)

30. OTHER EXPENSES (CONTD.)

Company (contd.)

	1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000
Represented by:		
Takaful service expenses	248,250	256,013
Other expenses	2,367	5,309
	<u>250,617</u>	<u>261,322</u>

\* Takaful service expenses include acquisition and maintenance expenses which are directly attributable to group of Takaful certificates. Takaful acquisition cash flow is subjected to amortisation.

30. OTHER EXPENSES (CONTD.)

	Family Takaful Fund RM'000	Company RM'000
<b>(a) <u>Employee Benefits Expense:</u></b>		
<b>1.1.2025 to 30.6.2025</b>		
Wages, salaries and bonuses	6,688	48,837
Employees Provident Fund ("EPF")	1,071	7,816
Social Security Contributions ("SOCSO")	44	398
Employees' Share Grant Plan ("ESGP")	174	1,156
Other benefits	926	8,194
	<u>8,903</u>	<u>66,401</u>
<b>1.1.2024 to 30.6.2024</b>		
Wages, salaries and bonuses	7,954	50,999
EPF	1,213	7,750
SOC SO	41	344
ESGP	170	1,052
Other benefits	582	5,675
	<u>9,960</u>	<u>65,820</u>

Included in employee benefits expense above are remuneration of CEO of the Company amounting to RM1,575,000 (2024: RM1,258,000) further disclosed in Note 30(b) below.

**(b) The details of remuneration of CEO in the Company during the financial period are as follows:**

	1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000
Salary	497	474
Bonus	560	450
EPF and Pension Scheme	173	152
ESGP	297	140
Other emoluments	48	42
	<u>1,575</u>	<u>1,258</u>

### 31. DIRECTORS' FEES AND REMUNERATION

	1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000
<b>Family Takaful Fund/Company</b>		
Non-executive directors:		
Fees	379	330
Other emoluments	113	82
<b>Total directors' fee and remuneration</b>	<b>492</b>	<b>412</b>

	Fees RM'000	Other emoluments RM'000	Total RM'000
<b>1.1.2025 to 30.6.2025</b>			
Non-executive directors:			
Dato' Majid Bin Mohamad (Chairman)	95	36	131
Mr. Ajay Kumar Garg*	65	11	76
Mr. Wong Pakshong Kat Jeong			
Colin Stewart	95	13	108
Prof. Dr. Azman Bin Mohd Noor (Resigned w.e.f 14 June 2025)	59	26	85
En. Mohd Din Bin Merican	65	27	92
<b>Total remuneration of the directors of the Company</b>	<b>379</b>	<b>113</b>	<b>492</b>

<b>1.1.2024 to 30.6.2024</b>			
Non-executive directors:			
Dato' Majid Bin Mohamad (Chairman)	90	23	113
Mr. Ajay Kumar Garg*	60	8	68
Mr. Wong Pakshong Kat Jeong			
Colin Stewart	60	12	72
Prof. Dr. Azman Bin Mohd Noor	60	15	75
En. Mohd Din Bin Merican	60	24	84
<b>Total remuneration of the directors of the Company</b>	<b>330</b>	<b>82</b>	<b>412</b>

\* The directors' fees and other emoluments for nominees of Ageas Insurance International N.V. ("Ageas") are remitted directly to Ageas.



**32. SHARIAH COMMITTEE'S REMUNERATION**

	<b>1.1.2025 to 30.6.2025 RM'000</b>	<b>1.1.2024 to 30.6.2024 RM'000</b>
<b>Family Takaful Fund/Company</b>		
Fees	86	68
Other emoluments	66	50
	<b>152</b>	<b>118</b>

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

	<b>Fees RM'000</b>	<b>Other emoluments RM'000</b>	<b>Total RM'000</b>
<b>1.1.2025 to 30.6.2025</b>			
<b>Shariah committee:</b>			
Dr Muhammad Najib Bin Abdullah (Chairman w.e.f 15 June 2025)	17	14	31
Prof. Emeritus Dato' Dr. Mohd Azmi bin Omar	17	13	30
Prof. Dr. Sharifah Faigah Binti Syed Alwi	17	13	30
Prof Dato' Dr Ahmad Hidayat Bin Buang	17	13	30
Prof. Dr. Azman Mohd Noor (Chairman) (Retired w.e.f 14 June 2025)	18	13	31
	<b>86</b>	<b>66</b>	<b>152</b>
<b>1.1.2024 to 30.6.2024</b>			
<b>Shariah committee:</b>			
Prof. Dr. Azman Mohd Noor (Chairman)	17	11	28
Prof. Dr. Aznan bin Hasan (Retired w.e.f 31 May 2024)	11	9	20
Prof. Datin Dr. Rusni binti Hassan (Resigned w.e.f 29 February 2024)	5	4	9
Prof. Dr. Abdul Rahim bin Abdul Rahman	13	7	20
Prof. Emeritus Dato' Dr. Mohd Azmi bin Omar	13	11	24
Dr Muhammad Najib Bin Abdullah (Member w.e.f 4 April 2024)	7	6	13
Prof. Dr. Sharifah Faigah Binti Syed Alwi (Member w.e.f 1 June 2024)	2	2	4
	<b>68</b>	<b>50</b>	<b>118</b>

### 33. TAX EXPENSE ATTRIBUTABLE TO PARTICIPANTS

	1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000
<b>Family Takaful fund/Company</b>		
Deferred taxation:		
Relating to origination and reversal of temporary differences	3,850	12,307
	<u>3,850</u>	<u>12,307</u>

#### **Taxation of family takaful business**

The income tax for Family Takaful fund is calculated based on the statutory rate of 8% (2024: 8%) of the estimated assessable investment income net of allowable deductions for the financial period for the Malaysian operations.

### 34. TAXATION

The major components of income tax expense for the financial period ended 30 June 2025 and 30 June 2024 are as follows:

	1.1.2025 to 30.6.2025 RM'000	1.1.2024 to 30.6.2024 RM'000
<b><u>Income Statement</u></b>		
<u>Income tax:</u>		
Tax expense for the financial period	53,786	49,819
<u>Deferred taxation:</u>		
Relating to origination and reversal of temporary differences	5,869	(21,057)
	<u>59,655</u>	<u>28,762</u>

### **34. TAXATION (CONTD.)**

The major components of income tax expense for the financial period ended 30 June 2025 and 30 June 2024 are as follows (contd.):

	<b>1.1.2025 to 30.6.2025 RM'000</b>	<b>1.1.2024 to 30.6.2024 RM'000</b>
--	---	---

#### **Statement of Comprehensive Income:**

##### **Family Takaful fund**

Deferred income tax related to other comprehensive income:

- Fair value changes on debt securities at FVOCI	6,911	3,571
- Fair value changes on equities securities at FVOCI	(1,020)	1,218
	<u>5,891</u>	<u>4,789</u>

##### **Company**

Deferred income tax related to other comprehensive income:

- Fair value changes on debt securities at FVOCI	13,605	6,070
- Fair value changes on equities securities at FVOCI	(2,129)	2,031
	<u>11,476</u>	<u>8,101</u>

#### **Reconciliation between tax expense and accounting profit**

The reconciliation of income tax expense applicable to profit before taxation and zakat at the statutory income tax rate to income tax expense at the effective income tax rate of the Company are as follows:

	<b>1.1.2025 to 30.6.2025 RM'000</b>	<b>1.1.2024 to 30.6.2024 RM'000</b>
Profit before taxation and zakat	<u>252,485</u>	<u>140,240</u>
Taxation at Malaysian statutory tax rate of 24%	60,596	33,658
Income not subject to tax	(2,261)	(5,899)
Expenses not deductible for tax purposes	1,320	1,003
Tax expense for the financial period	<u>59,655</u>	<u>28,762</u>

### 35. EARNINGS PER SHARE

Basic and diluted earnings per share ("EPS") are calculated by dividing the profit for the financial period attributable to ordinary equity holder of the Company by the weighted average number of ordinary shares in issue during the financial period.

	<b>1.1.2025 to 30.6.2025</b>	<b>1.1.2024 to 30.6.2024</b>
Profit attributable to ordinary shareholder (RM'000)	<u>186,993</u>	<u>103,688</u>
Weighted average number of ordinary shares in issue (units '000)	<u>100,000</u>	<u>100,000</u>
Basic and diluted earnings per share (sen)	<u>186.99</u>	<u>103.69</u>

There were no potential dilutive effects on the ordinary shares during and at the end of financial period. There have been no other transactions involving ordinary shares between the reporting date and the authorisation date of the financial statements.

### 36. OTHER COMMITMENTS AND CONTINGENCIES

	<b>1.1.2025 to 30.6.2025 RM'000</b>	<b>1.1.2024 to 30.6.2024 RM'000</b>
<b>Family Takaful Fund</b>		
<b>Derivative financial instruments:</b>		
Foreign exchange related contracts:		
Less than a year	<u>3,593</u>	<u>122</u>
	<u>3,593</u>	<u>122</u>
<b>Company</b>		
<b>Derivative financial instruments:</b>		
Foreign exchange related contracts:		
Less than a year	<u>3,685</u>	<u>168</u>
	<u>3,685</u>	<u>168</u>

### **37. SIGNIFICANT RELATED PARTY DISCLOSURES**

For the purpose of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel includes all the directors and the Chief Executive Officer of the Company.

The Company has related party relationships with its holding companies, fellow subsidiary companies, key management personnel and the subsidiaries and associates of a company with significant influence over its shareholders.

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

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

<b>Income/(expenses):</b>	<b>Family Takaful fund RM'000</b>	<b>Company RM'000</b>
<b>1.1.2025 to 30.6.2025</b>		
Ultimate holding company:		
Gross contribution income	9,706	9,706
Commission and fee expenses	-	(3,602)
Other income	-	301
Bank charges	(5)	(171)
ESGP	-	(587)
Claims paid	(7,588)	(7,588)
Immediate and penultimate holding companies:		
Gross contribution income	1,125	1,125
Shared services costs	-	(30,144)
Claims paid	(163)	(163)
Remuneration of a seconded employee	-	(54)
Dividend paid	-	(136,760)

**37. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)**

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

<b>Income/(expenses):</b>	<b>Family Takaful fund RM'000</b>	<b>Company RM'000</b>
<b>1.1.2025 to 30.6.2025</b>		
Fellow subsidiaries within the MAHB Group:		
Gross contribution income	628	628
Rental income	-	30
Rental expenses	-	(2,783)
Shared services costs	-	(4,120)
	<hr/>	<hr/>
Fellow subsidiaries within the EIHSB Group:		
Gross contribution income	47	47
	<hr/>	<hr/>
Other related companies within the Maybank Group:		
Claims paid	(223)	(223)
Gross contribution income	6,718	6,718
Commission and fee expenses	-	(45,402)
Profit income	6,030	8,351
Other income	-	15
Information technology outsourcing	(373)	(5,757)
Investment expenses	(1,290)	(1,577)
	<hr/>	<hr/>
Companies related to a company with significant influence over the MBB Group:		
Claims paid	(1,003)	(1,003)
Gross contribution income	14,620	14,620
	<hr/>	<hr/>
<b>1.1.2024 to 30.6.2024</b>		
Ultimate holding company:		
Gross contribution income	11,549	11,549
Commission and fee expenses	-	(127)
Other income	-	151
Bank charges	(8)	(211)
ESGP	-	(657)
Claims paid	(4,436)	(4,436)
	<hr/>	<hr/>

**37. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)**

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

<b>Income/(expenses):</b>	<b>Family Takaful fund RM'000</b>	<b>Company RM'000</b>
<b>1.1.2024 to 30.6.2024</b>		
Immediate and penultimate holding companies:		
Gross contribution income	391	391
Shared services costs	-	(9,679)
Claims paid	(432)	(432)
Other expenses	-	(448)
Dividend paid	-	(292,000)
	<hr/>	<hr/>
Fellow subsidiaries within the MAHB Group:		
Gross contribution income	973	973
Rental income	-	30
Rental expenses	-	(2,649)
Shared services costs	-	(10,724)
	<hr/>	<hr/>
Fellow subsidiaries within the EIHSB Group:		
Gross contribution income	39	39
	<hr/>	<hr/>
Other related companies within the Maybank Group:		
Claims paid	(2,520)	(2,520)
Gross contribution income	6,799	6,799
Commission and fee expenses	-	(1,680)
Profit income	6,015	7,152
Other income	-	7
Information technology outsourcing	(1,177)	(9,468)
Investment expenses	(1,204)	(1,465)
	<hr/>	<hr/>
Companies with significant influence over the Maybank Group:		
Gross contribution income	14,919	14,919
	<hr/>	<hr/>

**37. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)**

- (ii) Included in the statement of financial position of the Company are investments placed with and amounts due from/(to) related companies as follows:

	<b>Family Takaful fund RM'000</b>	<b>Company RM'000</b>
<b>30.6.2025</b>		
Ultimate holding company:		
Bank balances	97,937	108,057
Outstanding contributions	3,102	3,102
Claim liabilities	(2,047)	(2,047)
Sundry payables and accrued liabilities	-	8,813
Amount due to ultimate holding company (Note 18)	-	(6,081)
	<hr/>	<hr/>
Immediate and penultimate holding companies:		
Amount due to penultimate holding company (Note 18)	-	(5,713)
	<hr/>	<hr/>
Fellow subsidiaries within the MAHB Group:		
Outstanding contributions	15	15
Amount due from other related companies (Note 15)	-	45
Amount due to other related companies (Note 18)	-	(1,764)
	<hr/>	<hr/>
Fellow subsidiaries within the EIHSB Group:		
Amount due from other related companies (Note 15)	-	9
	<hr/>	<hr/>



**37. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)**

- (ii) Included in the statement of financial position of the Company are investments placed with and amounts due from/(to) related companies as follows (contd.):

	<b>Family Takaful fund RM'000</b>	<b>Company RM'000</b>
<b>30.6.2025</b>		
Other related companies within the Maybank Group:		
Income due and accrued	744	1,140
Fixed and call deposits	367,319	485,366
Outstanding contributions	3,107	3,107
Derivatives	3,031	3,055
Sundry receivables, deposits and prepayments	-	414
Sundry payables and accrued liabilities	-	(2,965)
Amount due to other related companies (Note 18)	<u>(9)</u>	<u>(9)</u>
Companies with significant influence over the Maybank Group:		
Outstanding contributions	13,479	13,479
Claims liabilities	<u>(1,041)</u>	<u>(1,041)</u>
<b>31.12.2024</b>		
Ultimate holding company:		
Bank balances	51,770	53,480
Outstanding contributions	(3)	(3)
Claim liabilities	(4,198)	(4,198)
Sundry payables and accrued liabilities	-	12,353
Amount due to ultimate holding company (Note 18)	<u>-</u>	<u>(10,016)</u>
Immediate holding company:		
Amount due to immediate holding company (Note 18)	<u>-</u>	<u>(5,174)</u>
Fellow subsidiaries within the MAHB Group:		
Amount due from other related companies (Note 15)	-	1,195
Amount due to other related companies (Note 18)	<u>-</u>	<u>(1,093)</u>

**37. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)**

- (ii) Included in the statement of financial position of the Company are investments placed with and amounts due from/(to) related companies as follows (contd.):

	<b>Family Takaful fund RM'000</b>	<b>Company RM'000</b>
<b>31.12.2024</b>		
Fellow subsidiaries within the EIHSB Group:		
Amount due to other related companies (Note 18)	-	(129)
Other related companies within the Maybank Group:		
Income due and accrued	1,308	1,535
Fixed and call deposits	422,668	532,045
Outstanding contributions	104	104
Claim liabilities	(80)	(80)
Derivatives	(391)	(391)
Sundry receivables, deposits and prepayments	-	(912)
Amount due to other related companies (Note 18)	(247)	(302)
Companies with significant influence over the Maybank Group:		
Outstanding contributions	13,911	13,911

Trade and investments related balances with related companies are subject to normal trade terms. The terms for non-trade balances with related companies are as disclosed in Notes 15 and 18.

**37. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)**

(iii) The remuneration of key management personnel during the period was as follows:

	<b>1.1.2025 to 30.6.2025 RM'000</b>	<b>1.1.2024 to 30.6.2024 RM'000</b>
<b>Short-term employee benefits</b>		
Fees	379	330
Salaries, allowances and bonuses	1,057	957
Contribution to EPF and pension scheme	173	151
Share option granted under ESGP	297	140
Other emoluments	161	92
	<u>2,067</u>	<u>1,670</u>

(iv) The number of shares awarded for ESGP to key management personnel were as follows:

	<b>30.6.2025 Units '000</b>	<b>31.12.2024 Units '000</b>
<b>Award date</b>		
<b>At 1 January</b>	609	564
Awarded	45	45
Vested	(29)	-
Forfeited	1	-
<b>At 30 June/31 December</b>	<u>626</u>	<u>609</u>

### 38. OTHER FINANCIAL ASSETS - RECONCILIATION OF ALLOWANCE ACCOUNT

The Company applied the Simplified Approach where the ECL is measured at initial recognition financial assets using a provision matrix based on historical data or also known as the roll rate approach. Estimation of credit losses will use a provision matrix where takaful and retakaful receivables are grouped based on different sales channels and different retakaful arrangements respectively with forward-looking elements being applied to it.

Movements in gross carrying value and allowances for impairment losses recognised for not credit-impaired and credit impaired assets of the Company are as follows:

#### Family Takaful Fund

	<- Not credit-impaired->		<---- Credit-impaired---->		<----- Total ----->	
	Retakaful certificate assets*	Other assets**	Retakaful certificate assets*	Other assets**	Retakaful certificate assets*	Other assets**
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
						(Note 15)
<b><u>Gross carrying amount</u></b>						
At 1 January 2024	2,844	172,338	729	507	3,573	172,845
Increase	5,996	42,636	48	-	6,044	42,636
At 31 December 2024	8,840	214,974	777	507	9,617	215,481
Increase/(decrease)	2,974	(30,058)	1	-	2,975	(30,058)
At 30 June 2025	11,814	184,916	778	507	12,592	185,423
<b><u>Lifetime ECL</u></b>						
At 1 January 2024	2	-	123	507	125	507
(Decrease)/Increase	(2)	-	10	-	8	-
At 31 December 2024/30 June 2025	-	-	133	507	133	507

**ETIQA FAMILY TAKAFUL BERHAD**  
**199301011506 (266243-D)**  
**(Incorporated in Malaysia)**

**38. OTHER FINANCIAL ASSETS - RECONCILIATION OF ALLOWANCE ACCOUNT (CONTD.)**

Movements in gross carrying value and allowances for impairment losses recognised for not credit-impaired and credit impaired assets of the Company are as follows: (contd.)

**Company**

	<----- Not credit-impaired----->			<----- Credit-impaired----->			<----- Total ----->		
	Financing	Retakaful	Other	Financing	Retakaful	Other	Financing	Retakaful	Other
	receivables	certificate	assets**	receivables	certificate	assets**	receivables	certificate	assets**
	RM'000	assets* RM'000	RM'000	RM'000	assets* RM'000	RM'000	RM'000	assets* RM'000	RM'000
									(Note 15)
<b>Gross carrying amount</b>									
At 1 January 2024	10,210	2,844	213,629	1,843	729	2,692	12,053	3,573	216,321
Increase/(decrease)	(840)	5,996	49,423	2	48	585	(838)	6,044	50,008
At 31 December 2024	9,370	8,840	263,052	1,845	777	3,277	11,215	9,617	266,329
Increase/(decrease)	(521)	2,974	(10,695)	-	1	61	(521)	2,975	(10,634)
At 30 June 2025	8,849	11,814	252,357	1,845	778	3,338	10,694	12,592	255,695
<b>Lifetime ECL</b>									
At 1 January 2024	17	2	1	1,843	123	2,986	1,860	125	2,987
Increase/(decrease)	(8)	(2)	-	1	10	3	(7)	8	3
At 31 December 2024	9	-	1	1,844	133	2,989	1,853	133	2,990
Increase/(decrease)	1	-	-	-	-	6	1	-	6
At 30 June 2025	10	-	1	1,844	133	2,995	1,854	133	2,996

\* Comprise of receivable from retakaful, net of impairment.

\*\* Excluding non-financial assets such as prepayments and deposits.

### **39. FAIR VALUES MEASUREMENTS**

#### **(a) Valuation principle**

The levels of the Fair Value hierarchy as defined by MFRS Accounting Standards are an indication of the observability of prices or valuation input. It can be classified into the following hierarchies/levels:

- Level 1 : Active Market – Quoted price

Refers to financial instruments which are regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. Such financial instruments include listed derivatives, quoted equities and unit and property trust funds traded on an exchange.

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

Refers to inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

Examples of level 2 financial instruments include corporate and government bonds, structured products, NCDs/NICDs, and over-the-counter ("OTC") derivatives.

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

Refers to inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

Examples of level 2 financial instruments include corporate and government bonds, structured products and over-the-counter ("OTC") derivatives.

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

Refers to financial instruments where fair values are measured using unobservable market inputs. The valuation technique is consistent with Level 2. The chosen valuation technique incorporates management's assumptions and data.

Examples of Level 3 instruments include corporate bonds in illiquid markets and private equity investments.

39. FAIR VALUES MEASUREMENTS (CONTD.)

(b) Fair value measurements and classification within the fair value hierarchy

Family Takaful Fund	Valuation technique using :		Total RM'000
	Level 1	Level 2	
	Quoted market prices RM'000	Using observable inputs RM'000	
<b>30.6.2025</b>			
<b>Financial investments at FVTPL</b>			
<b>(i) Designated upon initial recognition</b>			
Malaysian government papers	-	376,882	376,882
Debt securities	-	5,784,683	5,784,683
<b>(ii) Held-for-trading ("HFT")</b>			
Malaysian government papers	-	27,902	27,902
Equity securities	976,150	-	976,150
Debt securities	-	246,063	246,063
Unit and property trust funds	8,249	184,804	193,053
<b>Financial investments at FVOCI</b>			
Malaysian government papers	-	227,020	227,020
Equity securities	122,899	-	122,899
Debt securities	-	5,275,535	5,275,535
Derivative assets	-	3,942	3,942
<b>Total assets</b>	<b>1,107,298</b>	<b>12,126,831</b>	<b>13,234,129</b>

39. FAIR VALUES MEASUREMENTS (CONTD.)

(b) Fair value measurements and classification within the fair value hierarchy (contd.)

Family Takaful Fund	Valuation technique using :		Total RM'000
	Level 1	Level 2	
	Quoted market prices RM'000	Using observable inputs RM'000	
<b>31.12.2024</b>			
<b>Financial investments at FVTPL</b>			
<b>(i) Designated upon initial recognition</b>			
Malaysian government papers	-	323,975	323,975
Debt securities	-	5,658,468	5,658,468
Structured products	-	99,001	99,001
<b>(ii) HFT</b>			
Malaysian government papers	-	46,004	46,004
Equity securities	594,485	-	594,485
Debt securities	-	181,948	181,948
Unit and property trust funds	-	172,235	172,235
<b>Financial investments at FVOCI</b>			
Malaysian government papers	-	345,708	345,708
Equity securities	135,643	-	135,643
Debt securities	-	5,335,343	5,335,343
Derivative assets	-	1	1
<b>Total assets</b>	<b>730,128</b>	<b>12,162,683</b>	<b>12,892,811</b>



39. FAIR VALUES MEASUREMENTS (CONTD.)

(b) Fair value measurements and classification within the fair value hierarchy (contd.)

Company	Valuation technique using :		Total RM'000
	Level 1	Level 2	
	Quoted market prices RM'000	Using observable inputs RM'000	
<b>30.6.2025</b>			
<b>Financial investments at FVTPL</b>			
<b>(i) Designated upon initial recognition</b>			
Malaysian government papers	-	376,882	376,882
Debt securities	-	6,546,502	6,546,502
<b>(ii) Held-for-trading ("HFT")</b>			
Malaysian government papers	-	27,902	27,902
Equity securities	1,119,407	-	1,119,407
Debt securities	-	246,063	246,063
Unit and property trust funds	9,002	184,804	193,806
<b>Financial investments at FVOCI</b>			
Malaysian government papers	-	392,887	392,887
Debt securities	-	6,791,496	6,791,496
Equity securities	157,048	-	157,048
Derivative assets	-	4,034	4,034
<b>Total assets</b>	<b>1,285,457</b>	<b>14,570,570</b>	<b>15,856,027</b>

39. FAIR VALUES MEASUREMENTS (CONTD.)

(b) Fair value measurements and classification within the fair value hierarchy (contd.)

Company	Valuation technique using :		Total RM'000
	Level 1	Level 2	
	Quoted market prices RM'000	Using observable inputs RM'000	
<b>31.12.2024</b>			
<b>Financial investments at FVTPL</b>			
<b>(i) Designated upon initial recognition</b>			
Malaysian government papers	-	323,975	323,975
Debt securities	-	6,410,504	6,410,504
Structured products	-	99,001	99,001
<b>(ii) HFT</b>			
Malaysian government papers	-	46,004	46,004
Equity securities	630,475	-	630,475
Debt securities	-	181,948	181,948
Unit and property trust funds	-	172,235	172,235
<b>Financial investments at FVOCI</b>			
Malaysian government papers	-	590,784	590,784
Equity securities	174,416	-	174,416
Debt securities	-	6,719,912	6,719,912
Derivative assets	-	1	1
<b>Total assets</b>	<b>804,891</b>	<b>14,544,364</b>	<b>15,349,255</b>

### **39. FAIR VALUES MEASUREMENTS (CONTD.)**

#### **(c) Transfer between Level 1 and Level 2 in the fair value hierarchy**

Assets and liabilities of the Company are recognised in the financial statements on a recurring basis. The Company determine whether transfers have occurred between fair value hierarchy levels by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There were no transfers between Level 1 and Level 2 for the Company during the financial period ended 30 June 2025 and financial year ended 31 December 2024.

#### **(d) Sensitivity of fair value measurements to changes in unobservable input assumptions**

The Company's exposure to financial investments measured with valuation techniques using significant unobservable inputs comprised a small number of financial investments which constitute an insignificant component of the Group's portfolio of financial investments. Hence, changing one or more of the inputs to reasonable alternative assumptions would not change the value significantly for the financial assets in Level 3 of the fair value hierarchy.

### **40. REGULATORY CAPITAL REQUIREMENT**

The capital structure of the Company as at 30 June 2025 and 31 December 2024, as prescribed under the RBCT Framework, is provided below:

	<b>30.6.2025</b>	<b>31.12.2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Eligible Tier 1 Capital</b>		
Paid up share capital	100,000	100,000
Valuation surplus in takaful funds	2,279,862	2,161,646
Retained earnings	2,447,865	2,596,647
	<u>4,827,727</u>	<u>4,858,293</u>
<b>Tier 2 Capital</b>		
FVOCI reserve	291,664	197,753
Qard from shareholders' fund	891	-
	<u>291,664</u>	<u>197,753</u>
Amount deducted from capital	<u>(114,099)</u>	<u>(106,732)</u>
<b>Total Capital Available</b>	<u>5,006,183</u>	<u>4,949,314</u>