

Company No.

790895	D
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AIA BHD.
(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014**

Company No.

790895	D
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AIA BHD.
(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014**

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AIA BHD.
(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MAY 2014**

	Note	Group			Company		
		31.05.2014 RM'000	30.11.2013 RM'000	1.12.2012 RM'000	31.5.2014 RM'000	30.11.2013 RM'000	1.12.2012 RM'000
Assets							
Property, plant and equipment		286,928	272,666	139,485	285,851	271,306	138,247
Investment properties		339,156	344,131	38,505	339,156	344,131	38,505
Prepaid land lease payments		1,263	1,276	671	1,263	1,276	671
Intangible assets		51,670	38,187	10,007	51,114	37,944	10,007
Investment in subsidiaries		-	-	-	143,000	143,000	104,600
Investment in associate		54,926	22,345	22,795	88	88	88
Available-for-sale financial assets	11	7,314,701	7,058,308	3,174,384	7,252,603	7,003,986	3,111,915
Fair value through profit or loss financial assets	12	30,244,204	29,168,443	16,805,196	30,223,709	29,045,614	16,731,432
Loans and receivables		4,500,436	4,376,811	1,986,618	4,501,753	4,364,013	1,986,607
Reinsurance retakaful assets	13	108,406	100,794	12,048	108,406	100,794	12,048
Insurance/takaful receivables		487,890	364,096	153,502	487,890	364,096	153,502
Cash and cash equivalents		608,728	613,893	384,008	604,366	581,416	319,639
Total assets		43,998,308	42,360,950	22,727,219	43,999,199	42,257,664	22,607,261
Equity and liabilities							
Share capital		767,438	767,438	241,706	767,438	767,438	241,706
Share premium		683,452	683,452	-	683,452	683,452	-
Retained earnings		2,571,992	2,249,981	1,228,525	2,608,744	2,311,588	1,248,787
Available-for-sale fair value reserves		(74,370)	(40,888)	126,974	(74,223)	(42,511)	125,313
Proposed dividend reserves		-	320,000	300,000	-	320,000	300,000
Foreign currency translation reserves		-	-	(941)	-	-	-
Total equity attributable to:							
Owners of the parent		3,948,512	3,979,983	1,896,264	3,985,411	4,039,967	1,915,806
Non-controlling interest		-	-	23,833	-	-	-
Total equity		3,948,512	3,979,983	1,920,097	3,985,411	4,039,967	1,915,806

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

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**UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MAY 2014 (CONTINUED)**

	<u>Note</u>	<u>Group</u>			<u>Company</u>		
		<u>31.5.2014</u> RM'000	<u>30.11.2013</u> RM'000	<u>1.12.2012</u> RM'000	<u>31.5.2014</u> RM'000	<u>30.11.2013</u> RM'000	<u>1.12.2012</u> RM'000
Insurance/takaful contract liabilities	14	33,876,725	33,015,043	16,986,676	33,853,346	32,888,749	16,891,383
Deferred tax liabilities		501,634	454,395	379,539	501,634	454,405	374,034
Insurance/takaful payables		4,503,567	4,353,163	2,910,881	4,503,567	4,352,286	2,910,161
Current tax liabilities		28,359	59,766	13,497	28,556	59,757	13,449
Other payables		1,139,511	498,600	516,529	1,126,685	462,500	502,428
Total liabilities		<u>40,049,796</u>	<u>38,380,967</u>	<u>20,807,122</u>	<u>40,013,788</u>	<u>38,217,697</u>	<u>20,691,455</u>
Total equity and liabilities		<u>43,998,308</u>	<u>42,360,950</u>	<u>22,727,219</u>	<u>43,999,199</u>	<u>42,257,664</u>	<u>22,607,261</u>

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

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**UNAUDITED CONDENSED INCOME STATEMENTS
FOR THE HALF- YEAR ENDED 31 MAY 2014**

	<u>Group</u>		<u>Company</u>	
	<u>31.05.2014</u>	<u>31.05.2013</u>	<u>31.05.2014</u>	<u>31.05.2013</u>
	RM'000	RM'000	RM'000	RM'000
Gross earned premiums/ contributions	3,416,908	1,698,762	3,393,856	1,649,435
Premiums/contributions ceded to reinsurers/ retakaful operators	(107,274)	(55,524)	(106,805)	(54,567)
Net earned premiums/ contributions revenue	3,309,634	1,643,238	3,287,051	1,594,868
Investment income	894,852	500,785	892,003	497,396
Net realised (losses)/gains	(28,571)	12,129	(30,431)	(6,605)
Fair value gains	40,225	496,460	41,097	495,353
Profit due from Family Takaful business transferred	33,333	-	-	-
Other operating (expense)/income	(28,060)	(15,831)	(25,000)	8,270
Total net revenue	4,221,413	2,636,781	4,164,720	2,589,282
Gross benefits and claims paid	(2,152,071)	(1,033,234)	(2,146,888)	(1,027,216)
Claims ceded to reinsurers/ retakaful operators	80,889	21,692	80,889	21,692
Gross change to insurance/ takaful contract liabilities	(937,117)	(961,216)	(928,586)	(934,599)
Change in insurance/takaful contract liabilities ceded to reinsurers/retakaful operators	8,747	1,557	8,834	1,557
Net insurance/takaful benefits and claims	(2,999,552)	(1,971,201)	(2,985,751)	(1,938,566)
Fee and commission expenses	(422,177)	(226,307)	(414,957)	(215,670)
Management expenses	(341,170)	(200,800)	(331,342)	(186,330)
Other expenses	(763,347)	(427,107)	(746,299)	(402,000)

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**UNAUDITED CONDENSED INCOME STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

	Group		Company	
	31.05.2014	31.05.2013	31.05.2014	31.05.2013
	RM'000	RM'000	RM'000	RM'000
Profit before share of profit from associate	458,514	238,473	432,670	248,716
Share of (loss)/profit from associate	(765)	1,098	-	-
Profit before taxation	457,749	239,571	432,670	248,716
Tax expense attributable to policyholders and unitholders	(62,088)	(72,348)	(62,023)	(72,073)
Profit before tax attributable to shareholders	395,661	167,223	370,647	176,643
Tax expense	(135,738)	(103,975)	(135,514)	(109,091)
Tax expense attributable to policyholders and unitholders	62,088	72,348	62,023	72,073
Tax expense attributable to shareholders	(73,650)	(31,627)	(73,491)	(37,018)
Profit for the period	322,011	135,596	297,156	139,625
Profit attributable to:				
Owners of the parent	322,011	136,893	297,156	139,625
Non-controlling interest	-	(1,297)	-	-
	322,011	135,596	297,156	139,625
Basic earnings per share (sen)	42.0	56.1	38.7	57.8

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**UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 MAY 2014**

	<u>Group</u>		<u>Company</u>	
	<u>31.05.2014</u>	<u>31.05.2013</u>	<u>31.05.2014</u>	<u>31.05.2013</u>
	RM'000	RM'000	RM'000	RM'000
Profit for the period	322,011	135,596	297,156	139,625
Other comprehensive loss:				
Items that may be subsequently reclassified to profit or loss				
Change in available-for-sale fair value reserves:				
Net loss arising during the financial year	(72,757)	(12,394)	(72,675)	(12,588)
Net realised loss/(gain) transferred to Income Statement	28,571	(12,129)	30,431	(12,044)
Deferred taxation	10,690	6,287	10,532	6,315
Foreign currency translation adjustments	-	941	-	-
Share of other comprehensive income from associate	14	-	-	-
	<u>(33,482)</u>	<u>(17,295)</u>	<u>(31,712)</u>	<u>(18,317)</u>
Remeasurements of post employment benefits obligations	-	1,423	-	1,423
Deferred taxation	-	(276)	-	(276)
	<u>-</u>	<u>1,147</u>	<u>-</u>	<u>1,147</u>
Other comprehensive loss - net of tax, for the period	<u>(33,482)</u>	<u>(16,148)</u>	<u>(31,712)</u>	<u>(17,170)</u>
Total comprehensive income for the period	<u><u>288,529</u></u>	<u><u>119,448</u></u>	<u><u>265,444</u></u>	<u><u>122,455</u></u>
Total comprehensive income attributable to:				
Owners of the parent	288,529	120,638	265,444	122,455
Non-controlling interest	-	(1,190)	-	-
	<u>288,529</u>	<u>119,448</u>	<u>265,444</u>	<u>122,455</u>

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

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**UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 MAY 2014**

Group	Attributable to equity holders of the Company						Total RM'000
						Distributable	
	Share capital RM'000	Share premium RM'000	Available-for-sale fair value reserves RM'000	Share-based reserves RM'000	Retained earnings* RM'000	Proposed dividend reserves RM'000	
At 1 December 2013	767,438	683,452	(40,888)	-	2,257,972	320,000	3,987,974
Effect of adoption of MFRS 119	-	-	-	-	(7,991)	-	(7,991)
At 1 December 2013 . as restated	767,438	683,452	(40,888)	-	2,249,981	320,000	3,979,983
Profit for the period	-	-	-	-	322,011	-	322,011
Total other comprehensive loss for the period	-	-	(33,496)	-	-	-	(33,496)
Share of other comprehensive income from associate	-	-	14	-	-	-	14
Total comprehensive (loss)/income for the period	-	-	(33,482)	-	322,011	-	288,529
Share options granted under employee share options scheme	-	-	-	7,710	-	-	7,710
Share options paid during the period	-	-	-	(7,710)	-	-	(7,710)
Dividend paid for the financial year ended 30 November 2013	-	-	-	-	-	(320,000)	(320,000)
At 31 May 2014	767,438	683,452	(74,370)	-	2,571,992	-	3,948,512

*Included in retained earnings is RM2,226 million which comprise surplus from the Life Non-Participating Fund (net of deferred tax). This amount is only distributable to the shareholder upon the actual transfer of surplus from the Life Non-Participating Fund to the Shareholder's Fund as approved by the Appointed Actuary of the Company.

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**UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

Group	Attributable to equity holders of the Company								
						Distributable		Non-controlling interest	Total
	Share capital	Foreign currency translation reserves	Available-for-sale fair value reserves	Share-based reserves	General reserves	Retained earnings*	Proposed dividend reserves		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 December 2012	241,706	(941)	126,974	-	-	1,232,929	300,000	23,833	1,924,501
Effect of adoption of MFRS 119	-	-	-	-	-	(4,404)	-	-	(4,404)
At 1 December 2012 . as restated	241,706	(941)	126,974	-	-	1,228,525	300,000	23,833	1,920,097
Profit for the period	-	-	-	-	-	135,596	-	-	135,596
Total other comprehensive income/(loss) for the period	-	941	(18,343)	-	-	2,444	-	(1,190)	(16,148)
Total comprehensive income/(loss) for the period	-	941	(18,343)	-	-	138,040	-	(1,190)	119,448
Share options granted under employee share options scheme	-	-	-	1,453	-	-	-	-	1,453
Share options paid during the period	-	-	-	(1,453)	-	-	-	-	(1,453)
Dividend paid for the financial year ended 30 November 2012	-	-	-	-	-	-	(300,000)	-	(300,000)
Acquisition of non-controlling interest	-	-	818	-	(23,175)	-	-	(22,643)	(45,000)
At 31 May 2013	241,706	-	109,449	-	(23,175)	1,366,565	-	-	1,694,545

* Included in retained earnings is RM1,092 million which comprise surplus from the Life Non-Participating Fund (net of deferred tax). This amount is only distributable to the shareholder upon the actual transfer of surplus from the Life Non-Participating Fund to the Shareholder's Fund as approved by the Appointed Actuary of the Company.

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**UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

<u>Company</u>	<u>Attributable to equity holders of the Company</u>						
					<u>Distributable</u>		<u>Total</u> <u>RM'000</u>
	<u>Share capital</u> <u>RM'000</u>	<u>Share premium</u> <u>RM'000</u>	<u>Available-for-sale fair value reserves</u> <u>RM'000</u>	<u>Share-based reserves</u> <u>RM'000</u>	<u>Retained earnings*</u> <u>RM'000</u>	<u>Proposed dividend reserves</u> <u>RM'000</u>	
At 1 December 2013	767,438	683,452	(42,511)	-	2,319,579	320,000	4,047,958
Effect of adoption of MFRS 119	-	-	-	-	(7,991)	-	(7,991)
At 1 December 2013 . as restated	767,438	683,452	(42,511)	-	2,311,588	320,000	4,039,967
Profit for the period	-	-	-	-	297,156	-	297,156
Total other comprehensive loss for the period	-	-	(31,712)	-	-	-	(31,712)
Total comprehensive (loss)/income for the period	-	-	(31,712)	-	297,156	-	265,444
Share options granted under employee share options scheme	-	-	-	7,563	-	-	7,563
Share options paid during the period	-	-	-	(7,563)	-	-	(7,563)
Dividend paid for the financial year ended 30 November 2013	-	-	-	-	-	(320,000)	(320,000)
At 31 May 2014	767,438	683,452	(74,223)	-	2,608,744	-	3,985,411

* Included in retained earnings is RM2,226 million which comprise surplus from the Life Non-Participating Fund (net of deferred tax). This amount is only distributable to the shareholder upon the actual transfer of surplus from the Life Non-Participating Fund to the Shareholder's Fund as approved by the Appointed Actuary of the Company.

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**UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

<u>Company</u>	Attributable to equity holders of the Company					<u>Total</u> RM'000
	<u>Share capital</u> RM'000	<u>Available-for-sale fair value reserves</u> RM'000	<u>Share-based reserves</u> RM'000	<u>Retained earnings*</u> RM'000	<u>Distributable</u>	
					<u>Proposed dividend reserves</u> RM'000	
At 1 December 2012	241,706	125,313	-	1,253,191	300,000	1,920,210
Effect of adoption of MFRS 119	-	-	-	(4,404)	-	(4,404)
At 1 December 2012 . as restated	241,706	125,313	-	1,248,787	300,000	1,915,806
Profit for the period	-	-	-	139,625	-	139,625
Total other comprehensive (loss)/income for the period	-	(18,317)	-	1,147	-	(17,170)
Total comprehensive (loss)/income for the period	-	(18,317)	-	140,772	-	122,455
Dividend paid for the financial year ended 30 November 2012	-	-	-	-	(300,000)	(300,000)
Share options granted under employee share options scheme	-	-	1,307	-	-	1,307
Share options paid during the period	-	-	(1,307)	-	-	(1,307)
At 31 May 2013	241,706	106,996	-	1,389,559	-	1,738,261

*Included in retained earnings is RM1,092 million which comprise surplus from the Life Non-Participating Fund (net of deferred tax). This amount is only distributable to the shareholder upon the actual transfer of surplus from the Life Non-Participating Fund to the Shareholder's Fund as approved by the Appointed Actuary of the Company.

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

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**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 MAY 2014**

	<u>Group</u>		<u>Company</u>	
	<u>31.05.2014</u> RM'000	<u>31.05.2013</u> RM'000	<u>31.05.2014</u> RM'000	<u>31.05.2013</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	395,661	167,223	370,647	176,643
Adjustments:				
Tax expense attributable to policyholders and unitholders	62,088	72,348	62,023	72,073
Investment income	(893,707)	(505,227)	(891,412)	(501,871)
Realised losses/(gains) recorded in Income Statements	28,571	(12,129)	30,431	6,605
Fair value gains recorded in Income Statements	(40,225)	(496,460)	(41,097)	(495,353)
Profit due from Family Takaful business transferred	(33,333)	-	-	-
Realised losses on foreign exchange	-	2,195	-	1,253
Depreciation				
- property, plant and equipment	13,657	8,979	13,368	8,769
- investment properties	4,975	282	4,975	282
Amortisation				
- prepaid land lease payments	13	9	13	9
- intangible assets	2,965	2,108	2,965	2,108
Gain on sale of property, plant and equipment	(121)	-	(121)	-
Net unrealised losses on foreign exchange	(3,664)	10,790	(3,664)	10,790
Reversal of impairment loss on investments	-	-	-	(18,400)
Allowance for impairment losses	1,927	2,249	1,927	2,249
Share of loss/(profit) from associate	765	(1,098)	-	-
Changes in working capital:				
Increase in AFS and FVTPL financial assets	(1,463,404)	(74,682)	(1,466,604)	(42,368)
Increase in reinsurance/ retakaful assets	(7,612)	(1,675)	(7,612)	(1,675)
Increase in insurance/ takaful receivables	(122,082)	(67,739)	(122,082)	(67,739)
Increase in loans and receivables	(209,704)	(34,535)	(201,945)	(32,690)

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**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE HALF- YEAR ENDED 31 MAY 2014 (CONTINUED)**

	Group		Company	
	<u>31.05.2014</u>	<u>31.05.2013</u>	<u>31.05.2014</u>	<u>31.05.2013</u>
	RM'000	RM'000	RM'000	RM'000
Changes in working capital: (continued)				
Increase in insurance/takaful payables	150,404	78,375	151,281	78,054
Increase/(decrease) in obligation on securities sold under repurchase agreements	585,103	(329,056)	585,103	(329,056)
Increase/(decrease) in other payables	55,808	11,056	79,082	(1,023)
Increase in insurance/takaful contract liabilities	973,128	1,011,358	964,597	994,577
Cash used in operating activities	<u>(498,787)</u>	<u>(155,629)</u>	<u>(468,125)</u>	<u>(136,763)</u>
Income taxes paid	(108,773)	(57,854)	(108,954)	(57,704)
Interest income received	813,590	429,629	811,374	429,245
Profit income received	-	2,681	-	-
Dividends received	152,583	71,166	152,583	70,990
Net cash inflows from operating activities	<u>358,613</u>	<u>289,993</u>	<u>386,878</u>	<u>305,768</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of intangible assets	(16,146)	(11,243)	(16,146)	(11,243)
Purchase of property, plant and equipment	(28,386)	(3,979)	(28,063)	(3,468)
Acquisition of minority interest	-	(45,000)	-	(45,000)
Proceed for collective investment scheme	468	-	-	-
Proceeds from disposal of property, plant and equipment	286	-	281	-
Proceed from liquidation of a subsidiary	-	-	-	6,351
Net cash outflows from investing activities	<u>(43,778)</u>	<u>(60,222)</u>	<u>(43,928)</u>	<u>(53,360)</u>

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**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

	<u>Group</u>		<u>Company</u>	
	<u>31.05.2014</u>	<u>31.05.2013</u>	<u>31.05.2014</u>	<u>31.05.2013</u>
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	(320,000)	(300,000)	(320,000)	(300,000)
Net cash outflows from financing activities	<u>(320,000)</u>	<u>(300,000)</u>	<u>(320,000)</u>	<u>(300,000)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(5,165)	(70,229)	22,950	(47,592)
CASH AND CASH EQUIVALENTS AT 1 DECEMBER	<u>613,893</u>	<u>384,008</u>	<u>581,416</u>	<u>319,639</u>
CASH AND CASH EQUIVALENTS AT 31 MAY	<u><u>608,728</u></u>	<u><u>313,779</u></u>	<u><u>604,366</u></u>	<u><u>272,047</u></u>

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

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 MAY 2014

1 CORPORATE INFORMATION

The Company is engaged principally in the underwriting of life insurance business, including investment-linked business, and all classes of general insurance business. The principal activities of the subsidiaries are managing family takaful business including investment-linked business and managing private retirement scheme and asset management business.

There have been no significant changes in these activities during the financial period.

The Company is a public limited liability company, incorporated on 4 October 2007 under the Companies Act 1965 and Financial Services Act, 2013 and domiciled in Malaysia. The registered office and principal place of business of the Company are located at Level 29, Menara AIA, 99 Jalan Ampang, 50450 Kuala Lumpur and Menara AIA, 99 Jalan Ampang, 50450 Kuala Lumpur respectively.

The immediate holding company of the Company is Premium Policy Berhad, whose ultimate holding company is AIA Group Limited, a company incorporated in Hong Kong and listed on The Stock Exchange of Hong Kong Limited.

The interim financial statements are authorised for issue by the Board on 16 July 2014.

2 BASIS OF PREPARATION

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

The Group and the Company have adopted the MFRS framework issued by Malaysian Accounting Standards Board (MASB) and Revised Guidelines on Financial Reporting for Insurers issued by Bank Negara Malaysia (BNM).

The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's audited financial statements for the year ended 30 November 2013.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and presentation adopted by the Group and the Company for the condensed interim financial statements are consistent with those adopted by the Group's consolidated audited financial statements for the financial year ended 30 November 2013, except for the adoption of the following:

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Standards effective for financial year beginning on or after 1 December 2013

- MFRS 10 Consolidated financial statements+
- MFRS 12 Disclosures of interests in other entities+
- MFRS 13 Fair value measurement+
- The revised MFRS 127 Separate financial statements+
- The revised MFRS 128 Investments in associates and joint ventures+
- Amendment to MFRS 119 Employee benefits+
- Amendment to MFRS 7, Financial Instruments: Disclosures+

The adoption of the above revised standards, amendments and interpretations issued by MASB which are effective in the current financial year did not have any significant impact to the interim financial statements of the Group and the Company.

3.2 Effects of adopting amendments to MFRS 119 Employee Benefits

The adoption of the revised MFRS 119 affected the accounting treatment of certain items such as the timing of the recognition of certain gains and losses arising from defined benefits plans and the presentation of changes in defined benefit liability or asset. The key changes to the accounting policy and financial impact to the Group and the Company are as follows:

- Actuarial gains and losses are recognized immediately in other comprehensive income, and are not subsequently recycled to the statement of profit or loss. The corridor approach for accounting for unrecognized actual gains in prior years is discontinued.
- Past service costs, whether unvested or already vested, are recognized immediately in the statement of profit or loss as incurred. Pension costs for a funded benefit plan will include net interest expense or income, calculated by applying the discount rate to the net defined benefit asset or liability. This will replace the interest cost and expected return on plan assets.

The revised MFRS 119 has resulted in changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits. This change in accounting policy has been accounted for retrospectively and a summary of financial impact to the Company on initial adoption are as follows:

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Effects of adopting amendments to MFRS 119 Employee Benefits (continued)

Statements of Financial Position

At 1 December 2012

<u>Group</u>	As previously stated RM'000	Adjustment RM'000	As restated RM'000
Other payable	511,064	5,465	516,529
Deferred tax liabilities	380,600	(1,061)	379,539
Retained earnings	1,232,929	(4,404)	1,228,525
<u>Company</u>			
Other payable	496,963	5,465	502,428
Deferred tax liabilities	375,095	(1,061)	374,034
Retained earnings	1,253,191	(4,404)	1,248,787

At 30 November 2013

<u>Group</u>			
Other payable	488,764	9,836	498,600
Deferred tax liabilities	456,240	(1,845)	454,395
Retained earnings	2,257,972	(7,991)	2,249,981
<u>Company</u>			
Other payable	452,664	9,836	462,500
Deferred tax liabilities	456,250	(1,845)	454,405
Retained earnings	2,319,579	(7,991)	2,311,588

Income Statements

31 May 2013

<u>Group</u>			
Management expenses	(200,941)	141	(200,800)
Taxation	(72,321)	(27)	(72,348)
Profit for the period	135,482	114	135,596
<u>Company</u>			
Management expenses	(186,471)	141	(186,330)
Taxation	(72,046)	(27)	(72,073)
Profit for the period	139,511	114	139,625

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Effects of adopting MFRS 119 Employee Benefits (continued)

Statement of Comprehensive Income

31 May 2013

Group

	As previously stated RM'000	Adjustment RM'000	As restated RM'000
Remeasurements of post employment benefits obligations	-	1,423	1,423
Deferred taxation	-	(276)	(276)
Other comprehensive (loss)/income - net of tax, for the period	(17,295)	1,147	(16,148)
Total comprehensive income for the period	118,187	1,261	119,448

Company

Remeasurements of post employment benefits obligations	-	1,423	1,423
Deferred taxation	-	(276)	(276)
Other comprehensive (loss)/income - net of tax, for the period	(18,317)	1,147	(17,170)
Total comprehensive income for the period	121,194	1,261	122,455

4 SEASONALITY OR CYCLICALITY

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

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

5 UNUSUAL ITEMS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current financial period ended 31 May 2014.

6 CHANGES IN ESTIMATES

There were no material changes in the basis used for the accounting estimates for the current financial period ended 31 May 2014.

7 ISSUES, REPURCHASES AND REPAYMENTS OF DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase and repayment of debt and equity securities during the current financial period ended 31 May 2014.

8 DIVIDEND PAID

During the half-year ended 31 May 2014, a final single tier dividend of 41.7% on 767,438,174 ordinary shares in respect of the financial year ended 30 November 2013, amounting to RM320 million was paid on 6 May 2014.

9 CHANGES IN THE COMPOSITION OF THE GROUP

On 1 March 2014, the subsidiary of the Company, AIA AFG Takaful Bhd (%AATB+) has transferred its family takaful business to its related companies, AIA Public Takaful Bhd. (%APTB+) by transferring certain assets and liabilities as a going concern (%business transfer+). In return, APTB has increased its authorised share capital from 100 million ordinary shares of RM1.00 each to 200 million ordinary shares of RM1.00 each and allotted 33,333,333 new ordinary shares of RM1.00 each, at an issue price of RM1.00 per share to AATB as purchase consideration for the business transfer. Arising from the business transfer, the Group have 25% equity interest in APTB and accounted as associate of the Group.

10 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE PERIOD

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

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

11 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group			Company		
	31.05.2014	30.11.2013	1.12.2012	31.05.2014	30.11.2013	1.12.2012
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>At fair value</u>						
Malaysian government						
Securities	1,747,157	2,085,732	896,034	1,741,955	2,075,557	866,588
Cagamas papers	546,321	553,823	468,571	546,321	553,823	468,571
Unquoted corporate						
debt securities	4,817,885	4,227,876	1,749,234	4,767,522	4,184,360	1,716,883
Deposits with						
licensed bank	112,482	110,053	20,229	112,482	110,053	20,229
Seed money	5,830	-	-	-	-	-
Accrued interest	85,026	80,824	40,316	84,323	80,193	39,644
	<u>7,314,701</u>	<u>7,058,308</u>	<u>3,174,384</u>	<u>7,252,603</u>	<u>7,003,986</u>	<u>3,111,915</u>
<u>Carrying values of financial instruments</u>						
At 1 December	7,058,308	3,174,384	3,147,491	7,003,986	3,111,915	3,073,470
Business transfer from						
Premium Policy Berhad	-	3,727,748	-	-	3,727,748	-
Purchases	1,401,668	2,025,276	1,030,111	1,382,002	2,032,331	1,017,959
Maturities	(141,765)	(191,335)	(478,497)	(141,765)	(191,335)	(478,497)
Disposals at						
fair value	(957,664)	(1,471,302)	(526,881)	(947,663)	(1,471,302)	(502,763)
Fair value (losses)/						
gains recorded in:						
Other comprehensive						
income	(44,186)	(226,416)	7,520	(42,244)	(225,416)	7,058
Unrealised foreign						
exchange gain/(loss)	1,586	(6,314)	(300)	1,586	(6,314)	(300)
Movement in						
accrued interest	4,202	40,508	1,351	4,130	40,549	1,322
Amortisation	(7,448)	(14,241)	(6,411)	(7,429)	(14,190)	(6,334)
At 31 May/30 November	<u>7,314,701</u>	<u>7,058,308</u>	<u>3,174,384</u>	<u>7,252,603</u>	<u>7,003,986</u>	<u>3,111,915</u>
Current	227,724	318,763	86,399	221,190	318,131	85,726
Non current	7,086,977	6,739,545	3,087,985	7,031,413	6,685,855	3,026,189
	<u>7,314,701</u>	<u>7,058,308</u>	<u>3,174,384</u>	<u>7,252,603</u>	<u>7,003,986</u>	<u>3,111,915</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

11 AVAILABLE-FOR-SALE FINANCIAL ASSETS (CONTINUED)

Fair value of financial investment

The following tables show financial investments recorded at fair value analysed by the different basis of fair values as follows:

Group

<u>At 31 May 2014</u>	<u>Carrying amount RM'000</u>	<u>Level 1 RM'000</u>	<u>Level 2 RM'000</u>	<u>Level 3 RM'000</u>
Malaysian government securities	1,747,157	-	1,747,157	-
Cagamas papers	546,321	-	546,321	-
Unquoted corporate debt securities	4,817,885	-	4,817,884	-
Deposits with licensed bank	112,482	-	112,482	-
Seed money	5,830	-	5,830	-
Accrued interest	85,026	-	85,027	-
	<u>7,314,701</u>	<u>-</u>	<u>7,314,701</u>	<u>-</u>
	<u>7,314,701</u>	<u>-</u>	<u>7,314,701</u>	<u>-</u>
<u>At 30 November 2013</u>				
Malaysian government securities	2,085,732	-	2,085,732	-
Cagamas papers	553,823	-	553,823	-
Unquoted corporate debt securities	4,227,876	-	4,227,876	-
Deposits with licensed bank	110,053	-	110,053	-
Accrued interest	80,824	-	80,824	-
	<u>7,058,308</u>	<u>-</u>	<u>7,058,308</u>	<u>-</u>
	<u>7,058,308</u>	<u>-</u>	<u>7,058,308</u>	<u>-</u>
<u>At 1 December 2012</u>				
Malaysian government securities	896,034	-	896,034	-
Cagamas papers	468,571	-	468,571	-
Unquoted corporate debt securities	1,749,234	-	1,749,234	-
Deposits with licensed bank	20,229	-	20,229	-
Accrued interest	40,316	-	40,316	-
	<u>3,174,384</u>	<u>-</u>	<u>3,174,384</u>	<u>-</u>
	<u>3,174,384</u>	<u>-</u>	<u>3,174,384</u>	<u>-</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)****11 AVAILABLE-FOR-SALE FINANCIAL ASSETS (CONTINUED)****Fair value of financial investment (continued)****Company**

	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
<u>At 31 May 2014</u>				
Malaysian government securities	1,741,955	-	1,741,955	-
Cagamas papers	546,321	-	546,321	-
Unquoted corporate debt securities	4,767,522	-	4,767,522	-
Deposits with licensed bank	112,482	-	112,482	-
Accrued interest	84,323	-	84,323	-
	<u>7,252,603</u>	<u>-</u>	<u>7,252,603</u>	<u>-</u>
<u>At 30 November 2013</u>				
Malaysian government securities	2,075,557	-	2,075,557	-
Cagamas papers	553,823	-	553,823	-
Unquoted corporate debt securities	4,184,360	-	4,184,360	-
Deposits with licensed bank	110,053	-	110,053	-
Accrued interest	80,193	-	80,193	-
	<u>7,003,986</u>	<u>-</u>	<u>7,003,986</u>	<u>-</u>
<u>At 1 December 2012</u>				
Malaysian government securities	866,588	-	866,588	-
Cagamas papers	468,571	-	468,571	-
Unquoted corporate debt securities	1,716,883	-	1,716,883	-
Deposits with licensed bank	20,229	-	20,229	-
Accrued interest	39,644	-	39,644	-
	<u>3,111,915</u>	<u>-</u>	<u>3,111,915</u>	<u>-</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
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11 AVAILABLE-FOR-SALE FINANCIAL ASSETS (CONTINUED)

Fair value of financial investment (continued)

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

Level 1 - Financial instruments measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, secondary market via dealer and broker, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2 - Financial instruments measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions are instruments for which pricing is obtained via pricing services but where prices have not been determined in an active market, instruments with fair values based on broker quotes, investment in unit and property trusts with fair values obtained via fund managers and instruments that are valued using the Group's own models whereby the majority of assumptions are market observable.

Level 3 - Financial instruments measured in whole or in part using a valuation technique based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. The main asset class in this category is unquoted equity securities. Valuation techniques are used to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the instrument at the measurement date. However, the fair value measurement objective remains the same, that is, an exit price from the perspective of the Group. Therefore, unobservable inputs reflect the Group's own assumptions about the assumptions that market participants would use in pricing the instrument (including assumptions about risk). These inputs are developed based on the best information available, which might include the Group's own data.

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
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12 FAIR VALUE THROUGH PROFIT OR LOSS FINANCIAL ASSETS

	Group			Company		
	31.05.2014	30.11.2013	1.12.2012	31.05.2014	30.11.2013	1.12.2012
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>At fair value</u>						
Malaysian government securities	6,347,827	6,347,948	3,177,715	6,347,827	6,322,094	3,156,297
Cagamas papers	1,874,507	1,904,237	1,424,405	1,874,507	1,904,237	1,424,405
Equity securities of corporations						
- Quoted	7,254,183	6,358,633	3,345,227	7,254,183	6,335,540	3,332,770
- Unquoted	144,841	158,830	33	144,841	158,830	33
Quoted real estate investment trust	815,151	760,105	398,480	815,151	759,481	397,376
Unquoted corporate debt securities	12,796,234	12,639,380	7,690,592	12,796,234	12,587,458	7,652,548
Seed capital	20,495	20,405	-	-	-	-
Mutual Funds	682,054	678,840	475,378	682,054	678,840	475,378
Subscription rights	-	51	-	-	51	-
Deposits with licensed bank	72,419	73,526	159,431	72,419	73,526	159,431
Malaysian government guarantee loans	8,000	8,000	-	8,000	8,000	-
Accrued interest	228,493	218,488	133,935	228,493	217,557	133,194
	<u>30,244,204</u>	<u>29,168,443</u>	<u>16,805,196</u>	<u>30,223,709</u>	<u>29,045,614</u>	<u>16,731,432</u>
<u>Carrying values of financial instruments</u>						
At 1 December	29,168,443	16,805,196	14,504,103	29,045,613	16,731,432	14,487,598
Business transfer from Premium Policy Berhad	-	11,455,063	-	-	11,455,063	-
Purchases	2,899,064	7,303,732	6,316,266	2,888,274	7,253,921	6,243,779
Maturities	(413,690)	(404,670)	(445,656)	(413,690)	(404,670)	(445,656)
Disposals at fair value	(1,338,042)	(5,646,722)	(4,076,055)	(1,330,858)	(5,646,722)	(4,059,696)
Fair value gains/ (losses) recorded in Income Statements	40,225	(413,860)	496,890	41,097	(413,020)	496,343
Unrealised foreign exchange gain/(loss)	2,078	10,213	(8,126)	2,078	10,213	(8,126)
Movement in accrued interest	10,005	84,553	27,011	10,936	84,363	26,379
Amortisation	(19,764)	(25,062)	(9,237)	(19,741)	(24,966)	(9,189)
Business transfer to AIA Public Takaful Bhd.	(104,115)	-	-	-	-	-
At 31 May/30 November	<u>30,244,204</u>	<u>29,168,443</u>	<u>16,805,196</u>	<u>30,223,709</u>	<u>29,045,614</u>	<u>16,731,432</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

12 FAIR VALUE THROUGH PROFIT OR LOSS FINANCIAL ASSETS (CONTINUED)

	Group			Company		
	31.05.2014	30.11.2013	1.12.2012	31.05.2014	30.11.2013	1.12.2012
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current	9,318,008	8,498,851	4,486,676	9,318,009	8,497,920	4,485,935
Non current	20,926,196	20,669,592	12,318,520	20,905,700	20,547,694	12,245,497
	<u>30,244,204</u>	<u>29,168,443</u>	<u>16,805,196</u>	<u>30,223,709</u>	<u>29,045,614</u>	<u>16,731,432</u>

Fair value of financial investment

The following tables show financial investments recorded at fair value analysed by the different basis of fair values as follows:

<u>Group</u>	<u>Carrying amount</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>At 31 May 2014</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Malaysian government securities	6,347,827	-	6,347,827	-
Cagamas papers	1,874,507	-	1,874,507	-
Equity securities of corporations				
- Quoted	7,254,183	7,254,183	-	-
- Unquoted	144,841	-	-	144,841
Quoted real estate investment trust	815,151	815,151	-	-
Unquoted corporate debt securities	12,796,234	-	12,796,234	-
Seed Capital	20,495	20,495	-	-
Mutual Funds	682,054	682,054	-	-
Deposits with licensed bank	72,419	-	72,419	-
Malaysian government guarantee loans	8,000	-	8,000	-
Accrued interest	228,493	-	228,493	-
	<u>30,244,204</u>	<u>8,771,883</u>	<u>21,327,480</u>	<u>144,841</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

12 FAIR VALUE THROUGH PROFIT OR LOSS FINANCIAL ASSETS (CONTINUED)

Fair value of financial investment (continued)

Group (continued)

<u>At 30 November 2013</u>	<u>Carrying amount RM'000</u>	<u>Level 1 RM'000</u>	<u>Level 2 RM'000</u>	<u>Level 3 RM'000</u>
Malaysian government securities	6,347,948	-	6,347,948	-
Cagamas papers	1,904,237	-	1,904,237	-
Equity securities of corporations				
- Quoted	6,358,633	6,358,633	-	-
- Unquoted	158,830	-	-	158,830
Quoted real estate investment trust	760,105	760,105	-	-
Unquoted corporate debt securities	12,639,380	-	12,639,380	-
Seed Capital	20,405	20,405	-	-
Mutual Funds	678,840	678,840	-	-
Subscription Rights	51	-	-	51
Deposits with licensed bank	73,526	-	73,526	-
Malaysia government guaranteed Loans	8,000	-	8,000	-
Accrued interest	218,488	-	218,488	-
	<u>29,168,443</u>	<u>7,817,983</u>	<u>21,191,579</u>	<u>158,881</u>
 <u>At 1 December 2012</u>				
Malaysian government securities	3,177,715	-	3,177,715	-
Cagamas papers	1,424,405	-	1,424,405	-
Equity securities of corporations				
- Quoted	3,345,227	3,345,227	-	-
- Unquoted	33	-	-	33
Quoted real estate investment trust	398,480	398,480	-	-
Unquoted corporate debt securities	7,690,592	-	7,690,592	-
Mutual Funds	475,378	475,378	-	-
Deposits with licensed bank	159,431	-	159,431	-
Accrued interest	133,935	-	133,935	-
	<u>16,805,196</u>	<u>4,219,085</u>	<u>12,586,078</u>	<u>33</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

12 FAIR VALUE THROUGH PROFIT OR LOSS FINANCIAL ASSETS (CONTINUED)

Fair value of financial investment (continued)

Company

<u>At 31 May 2014</u>	<u>Carrying amount RM'000</u>	<u>Level 1 RM'000</u>	<u>Level 2 RM'000</u>	<u>Level 3 RM'000</u>
Malaysian government securities	6,347,827	-	6,347,827	-
Cagamas papers	1,874,507	-	1,874,507	-
Equity securities of corporations				
- Quoted	7,254,183	7,254,183	-	-
- Unquoted	144,841	-	-	144,841
Quoted real estate investment trust	815,151	815,151	-	-
Unquoted corporate debt securities	12,796,234	-	12,796,234	-
Mutual Funds	682,054	682,054	-	-
Subscription rights	-	-	-	-
Deposits with licensed bank	72,419	-	72,419	-
Malaysian government guarantee loans	8,000	-	8,000	-
Accrued interest	228,493	-	228,493	-
	<u>30,223,709</u>	<u>8,751,388</u>	<u>21,327,480</u>	<u>144,841</u>
<u>At 30 November 2013</u>				
Malaysian government securities	6,322,094	-	6,322,094	-
Cagamas papers	1,904,237	-	1,904,237	-
Equity securities of corporations				
- Quoted	6,335,540	6,335,540	-	-
- Unquoted	158,830	-	-	158,830
Quoted real estate investment trust	759,481	759,481	-	-
Unquoted corporate debt securities	12,587,458	-	12,587,458	-
Mutual Funds	678,840	678,840	-	-
Subscription rights	51	-	-	51
Deposits with licensed bank	73,526	-	73,526	-
Malaysian government guarantee Loans	8,000	-	8,000	-
Accrued interest	217,557	-	217,557	-
	<u>29,045,614</u>	<u>7,773,861</u>	<u>21,112,872</u>	<u>158,881</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

12 FAIR VALUE THROUGH PROFIT OR LOSS FINANCIAL ASSETS (CONTINUED)

Fair value of financial investment (continued)

Company (continued)

	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
<u>At 1 December 2012</u>				
Malaysian government securities	3,156,297	-	3,156,297	-
Cagamas papers	1,424,405	-	1,424,405	-
Equity securities of corporations				
- Quoted	3,332,770	3,332,770	-	-
- Unquoted	33	-	-	33
Quoted real estate investment trust	397,376	397,376	-	-
Unquoted corporate debt securities	7,652,548	-	7,652,548	-
Mutual Funds	475,378	475,378	-	-
Deposits with licensed bank	159,431	-	159,431	-
Accrued interest	133,194	-	133,194	-
	<u>16,731,432</u>	<u>4,205,524</u>	<u>12,525,875</u>	<u>33</u>

The tables below set out a summary of changes in the Level 3 financial assets for the financial year ended 31 May 2014.

Level 3 financial assets

Group and Company

	Equity securities RM'000	Subscription right RM'000
At 1 December 2012	33	-
Acquisition during the year	158,797	51
At 30 November 2013	158,830	51
Purchases	2,667	-
Disposals at amortised cost	(20,368)	(51)
Fair value gain recorded in Income Statement	2,977	-
Unrealised foreign exchange gain	735	-
At 31 May 2014	<u>144,841</u>	<u>-</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
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13 REINSURANCE/RETAKAFUL ASSETS

	Group			Company		
	31.05.2014	30.11.2013	1.12.2012	31.05.2014	30.11.2013	1.12.2012
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Reinsurance of insurance contracts	108,406	100,794	12,048	108,406	100,794	12,048
Receivables within 12 months	108,406	100,794	12,048	108,406	100,794	12,048

14 INSURANCE/TAKAFUL CONTRACT LIABILITIES

Group	Gross	Reinsurance	Net
	RM'000	RM'000	RM'000
<u>At 31 May 2014</u>			
Life insurance/family takaful (Note A)	33,230,939	(88,135)	33,142,804
General insurance (Note B)	645,786	(20,271)	625,515
	<u>33,876,725</u>	<u>(108,406)</u>	<u>33,768,319</u>
<u>At 30 November 2013</u>			
Life insurance/family takaful (Note A)	32,437,646	(78,470)	32,359,176
General insurance (Note B)	577,397	(22,324)	555,073
	<u>33,015,043</u>	<u>(100,794)</u>	<u>32,914,249</u>
<u>At 1 December 2012</u>			
Life insurance/family takaful (Note A)	16,490,641	(4,249)	16,486,392
General insurance (Note B)	496,035	(7,799)	488,236
	<u>16,986,676</u>	<u>(12,048)</u>	<u>16,974,628</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

14 INSURANCE/TAKAFUL CONTRACT LIABILITIES (CONTINUED)

<u>Company</u>	<u>Gross</u> RM'000	<u>Reinsurance</u> RM'000	<u>Net</u> RM'000			
<u>At 31 May 2014</u>						
Life insurance/family takaful (Note A)	33,207,560	(88,135)	33,119,425			
General insurance (Note B)	645,786	(20,271)	625,515			
	<u>33,853,346</u>	<u>(108,406)</u>	<u>33,744,940</u>			
<u>At 30 November 2013</u>						
Life insurance/family takaful (Note A)	32,311,352	(78,470)	32,232,882			
General insurance (Note B)	577,397	(22,324)	555,073			
	<u>32,888,749</u>	<u>(100,794)</u>	<u>32,787,955</u>			
<u>At 1 December 2012</u>						
Life insurance/family takaful (Note A)	16,395,348	(4,249)	16,391,099			
General insurance (Note B)	496,035	(7,799)	488,236			
	<u>16,891,383</u>	<u>(12,048)</u>	<u>16,879,335</u>			
	<u>Group</u>		<u>Company</u>			
	<u>31.05.2014</u>	<u>30.11.2013</u>	<u>1.12.2012</u>	<u>31.05.2014</u>	<u>30.11.2013</u>	<u>1.12.2012</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current	1,260,350	629,368	671,543	1,260,350	629,368	669,457
Non current	32,616,375	32,385,675	16,315,133	32,592,996	32,259,381	16,221,926
	<u>33,876,725</u>	<u>33,015,043</u>	<u>16,986,676</u>	<u>33,853,346</u>	<u>32,888,749</u>	<u>16,891,383</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

14 INSURANCE/TAKAFUL CONTRACT LIABILITIES (CONTINUED)

(A) Life Insurance/Family Takaful

The life insurance/family takaful contract liabilities and its movements are further analysed as follows:

(i) Life insurance/family takaful contract liabilities

<u>Group</u>	<u>Gross</u> <u>RM'000</u>	<u>Reinsurance</u> <u>RM'000</u>	<u>Net</u> <u>RM'000</u>
<u>At 31 May 2014</u>			
Claims liabilities	245,118	(29,059)	216,059
Actuarial liabilities	26,547,167	(59,076)	26,488,091
Unallocated surplus	2,413,985	-	2,413,985
Net asset value attributable to unitholders	4,024,669	-	4,024,669
	<u>33,230,939</u>	<u>(88,135)</u>	<u>33,142,804</u>
<u>At 30 November 2013</u>			
Claims liabilities	235,849	(23,462)	212,387
Actuarial liabilities	26,001,764	(55,008)	25,946,756
Unallocated surplus	2,335,692	-	2,335,692
Net asset value attributable to unitholders/participants	3,864,341	-	3,864,341
	<u>32,437,646</u>	<u>(78,470)</u>	<u>32,359,176</u>
<u>At 1 December 2012</u>			
Claims liabilities	72,189	(3,965)	68,224
Actuarial liabilities	12,115,887	(284)	12,115,603
Unallocated surplus	1,876,778	-	1,876,778
Net asset value attributable to unitholders/participants	2,425,787	-	2,425,787
	<u>16,490,641</u>	<u>(4,249)</u>	<u>16,486,392</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
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14 INSURANCE/TAKAFUL CONTRACT LIABILITIES (CONTINUED)

(A) Life Insurance/Family Takaful (continued)

(i) Life insurance/family takaful contract liabilities (continued)

<u>Company</u>	<u>Gross</u> <u>RM'000</u>	<u>Reinsurance</u> <u>RM'000</u>	<u>Net</u> <u>RM'000</u>
<u>At 31 May 2014</u>			
Claims liabilities	245,118	(29,059)	216,059
Actuarial liabilities	26,547,167	(59,076)	26,488,091
Unallocated surplus	2,390,606	-	2,390,606
Net asset value attributable to unitholders	4,024,669	-	4,024,669
	<u>33,207,560</u>	<u>(88,135)</u>	<u>33,119,425</u>
<u>At 30 November 2013</u>			
Claims liabilities	233,649	(23,462)	210,187
Actuarial liabilities	25,995,028	(55,008)	25,940,020
Unallocated surplus	2,310,043	-	2,310,043
Net asset value attributable to unitholders	3,772,632	-	3,772,632
	<u>32,311,352</u>	<u>(78,470)</u>	<u>32,232,882</u>
<u>At 1 December 2012</u>			
Claims liabilities	71,801	(3,965)	67,836
Actuarial liabilities	12,108,852	(284)	12,108,568
Unallocated surplus	1,854,078	-	1,854,078
Net asset value attributable to unitholders	2,360,617	-	2,360,617
	<u>16,395,348</u>	<u>(4,249)</u>	<u>16,391,099</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
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14 INSURANCE/TAKAFUL CONTRACT LIABILITIES (CONTINUED)

(A) Life Insurance/Family Takaful (continued)

(ii) Movements of life insurance/family takaful contract liabilities

<u>Group</u>	With DPF RM'000	Gross without DPF RM'000	Total RM'000
At 1 December 2013	24,892,622	7,545,024	32,437,646
Policy movement	535,133	197,331	732,464
Movement in claim liabilities	(1,753)	14,258	12,505
Model refinement	97,764	852	98,616
Others	-	(71,100)	(71,100)
Adjustments due to changes in assumptions:			
Discount rate	(179,238)	(27,672)	(206,910)
Change in asset value attributable to unitholders/participants	2,168	254,898	257,066
Unallocated surplus	82,098	-	82,098
Business transfer to AIA Public Takaful Bhd.	(89,273)	(22,173)	(111,446)
At 31 May 2014	<u>25,339,521</u>	<u>7,891,418</u>	<u>33,230,939</u>

<u>Group</u>	With DPF RM'000	Reinsurance without DPF RM'000	Total RM'000
At 1 December 2013	(16,097)	(62,373)	(78,470)
Policy movement	(1,424)	(2,556)	(3,980)
Movement in claim liabilities	(3,901)	(1,697)	(5,598)
Business transfer to AIA Public Takaful Bhd.	(87)	-	(87)
At 31 May 2014	<u>(21,509)</u>	<u>(66,626)</u>	<u>(88,135)</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

14 INSURANCE/TAKAFUL CONTRACT LIABILITIES (CONTINUED)

(A) Life Insurance/Family Takaful (continued)

(ii) Movements of life insurance/family takaful contract liabilities

<u>Group</u>	With DPF RM'000	Gross without DPF RM'000	Total RM'000
At 1 December 2012	12,771,568	3,719,073	16,490,641
Business transfer from Premium Policy Berhad	11,851,385	3,295,661	15,147,046
Policy movement	934,768	152,113	1,086,881
Movement in claim liabilities	2,601	33,143	35,744
Alignment in methodology	60,613	50,036	110,649
Model refinement	(12,246)	(37,731)	(49,977)
Others	65,603	91,013	156,616
Adjustments due to changes in assumptions:			
Mortality/ morbidity	(15,091)	22	(15,069)
Lapse and surrender rates	(9,332)	(98)	(9,430)
Expenses	(167,634)	(236)	(167,870)
Discount rate	(152,067)	(297,489)	(449,556)
Change in asset value attributable to unitholders/participants	16,886	539,517	556,403
Change in bonus	(573,121)	-	(573,121)
Unallocated surplus	118,689	-	118,689
	<u>24,892,622</u>	<u>7,545,024</u>	<u>32,437,646</u>

<u>Group</u>	With DPF RM'000	Reinsurance without DPF RM'000	Total RM'000
At 1 December 2012	(243)	(4,006)	(4,249)
Business transfer from Premium Policy Berhad	(17,358)	(62,929)	(80,287)
Policy movement	196	1,202	1,398
Movement in claim liabilities	1,308	3,360	4,668
	<u>(16,097)</u>	<u>(62,373)</u>	<u>(78,470)</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

14 INSURANCE/TAKAFUL CONTRACT LIABILITIES (CONTINUED)

(A) Life Insurance/Family Takaful (continued)

(ii) Movements of life insurance/family takaful contract liabilities (continued)

<u>Company</u>	With DPF RM'000	Gross without DPF RM'000	Total RM'000
At 1 December 2013	24,785,639	7,525,713	32,311,352
Policy movement	534,200	197,331	731,531
Movement in claim liabilities	(2,788)	14,258	11,470
Model refinement	97,764	852	98,616
Others	-	(71,100)	(71,100)
Adjustments due to changes in assumptions:			
Discount rate	(179,238)	(27,671)	(206,909)
Change in asset value attributable to unitholders	-	252,037	252,037
Unallocated surplus	80,563	-	80,563
At 31 May 2014	<u>25,316,140</u>	<u>7,891,420</u>	<u>33,207,560</u>

<u>Company</u>	With DPF RM'000	Reinsurance without DPF RM'000	Total RM'000
At 1 December 2013	(16,097)	(62,373)	(78,470)
Policy movement	(1,511)	(2,556)	(4,067)
Movement in claim liabilities	(3,901)	(1,697)	(5,598)
At 31 May 2014	<u>(21,509)</u>	<u>(66,626)</u>	<u>(88,135)</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

14 INSURANCE/TAKAFUL CONTRACT LIABILITIES (CONTINUED)

(A) Life Insurance/Family Takaful (continued)

(ii) Movements of life insurance/family takaful contract liabilities (continued)

<u>Company</u>	With DPF RM'000	Gross without DPF RM'000	Total RM'000
At 1 December 2012	12,685,935	3,709,413	16,395,348
Business transfer from Premium Policy Berhad	11,851,385	3,295,661	15,147,046
Policy movement	935,059	152,113	1,087,172
Movement in claim liabilities	790	33,143	33,933
Alignment in methodology	60,613	50,036	110,649
Model refinement	(12,246)	(37,731)	(49,977)
Others	65,603	91,013	156,616
Adjustments due to changes in assumptions:			
Mortality/ morbidity	(15,091)	22	(15,069)
Lapse and surrender rates	(9,332)	(98)	(9,430)
Expenses	(167,634)	(236)	(167,870)
Discount rate	(152,067)	(297,489)	(449,556)
Change in asset value attributable to unitholders	-	529,866	529,866
Change in bonus	(573,121)	-	(573,121)
Unallocated surplus	115,745	-	115,745
	<u>24,785,639</u>	<u>7,525,713</u>	<u>32,311,352</u>

<u>Company</u>	With DPF RM'000	Reinsurance without DPF RM'000	Total RM'000
At 1 December 2012	(243)	(4,006)	(4,249)
Business transfer from Premium Policy Berhad	(17,358)	(62,929)	(80,287)
Policy movement	196	1,202	1,398
Movement in claim liabilities	1,308	3,360	4,668
	<u>(16,097)</u>	<u>(62,373)</u>	<u>(78,470)</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

14 INSURANCE/TAKAFUL CONTRACT LIABILITIES (CONTINUED)

(B) General Insurance

Group and Company

	<u>Gross</u> RM'000	<u>Reinsurance</u> RM'000	<u>Net</u> RM'000
<u>At 31 May 2014</u>			
Provision for claims reported by policyholders	144,035	(24,668)	119,367
Provision for incurred but not reported claims ("IBNR")	118,290	10,049	128,339
	<hr/>	<hr/>	<hr/>
Claim liabilities (i)	262,325	(14,619)	247,706
Premium liabilities (ii)	383,461	(5,652)	377,809
	<hr/>	<hr/>	<hr/>
	645,786	(20,271)	625,515
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>At 30 November 2013</u>			
Provision for claims reported by policyholders	115,194	(13,205)	101,989
Provision for incurred but not reported claims ("IBNR")	114,753	(2,245)	112,508
	<hr/>	<hr/>	<hr/>
Claim liabilities (i)	229,947	(15,450)	214,497
Premium liabilities (ii)	347,450	(6,874)	340,576
	<hr/>	<hr/>	<hr/>
	577,397	(22,324)	555,073
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>At 1 December 2012</u>			
Provision for claims reported by policyholders	89,192	(2,727)	86,465
Provision for incurred but not reported claims ("IBNR")	76,821	(1,622)	75,199
	<hr/>	<hr/>	<hr/>
Claim liabilities (i)	166,013	(4,349)	161,664
Premium liabilities (ii)	330,022	(3,450)	326,572
	<hr/>	<hr/>	<hr/>
	496,035	(7,799)	488,236
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

14 INSURANCE/TAKAFUL CONTRACT LIABILITIES (CONTINUED)

(B) General Insurance (continued)

(i) Claim liabilities

Group and Company

	Gross RM'000	Reinsurance RM'000	Net RM'000
At 1 December 2013	229,947	(15,450)	214,497
Claims incurred in the current accident year	149,708	(9,971)	139,737
Movement in claims incurred in prior accident years	18,029	(6,221)	11,808
Claims paid during the period	(129,611)	8,458	(121,153)
Others	8,634	-	8,634
Change in expense liabilities and risk margin	(14,382)	8,565	(5,817)
At 31 May 2014	<u>262,325</u>	<u>(14,619)</u>	<u>247,706</u>
At 1 December 2012	166,013	(4,349)	161,664
Business transfer from Premium Policy Berhad	72,958	(23,995)	48,963
Claims incurred in the current accident year	324,927	(14,497)	310,430
Movement in claims incurred in prior accident years	(67,216)	18,276	(48,940)
Claims paid during the period	(255,271)	12,595	(242,676)
Others	19,132	-	19,132
Change in expense liabilities and risk margin	(32,820)	(2,093)	(34,913)
Model change	2,224	(1,387)	837
At 30 November 2013	<u>229,947</u>	<u>(15,450)</u>	<u>214,497</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
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14 INSURANCE/TAKAFUL CONTRACT LIABILITIES (CONTINUED)

(B) General Insurance (continued)

(ii) Premium liabilities

Group and Company

	Gross RM'000	Reinsurance RM'000	Net RM'000
At 1 December 2013	347,450	(6,874)	340,576
Premiums written in the period	297,024	(23,353)	273,671
Premium earned during period	(258,438)	21,908	(236,530)
Change in expense liabilities, risk margin and loss ratio	(3,741)	2,667	(1,074)
Others	1,166	-	1,166
	<u>383,461</u>	<u>(5,652)</u>	<u>377,809</u>
At 31 May 2014	<u>383,461</u>	<u>(5,652)</u>	<u>377,809</u>
At 1 December 2012	330,022	(3,450)	326,572
Business transfer from Premium Policy Berhad	35,137	(5,458)	29,679
Premiums written in the period	514,702	(25,335)	489,367
Premium earned during the period	(531,690)	26,146	(505,544)
Change in expense liabilities, risk margin and loss ratio	1,446	2,214	3,660
Others	1,910	-	1,910
Model change	(4,077)	(991)	(5,068)
	<u>347,450</u>	<u>(6,874)</u>	<u>340,576</u>
At 30 November 2013	<u>347,450</u>	<u>(6,874)</u>	<u>340,576</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
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15 CAPITAL COMMITMENTS

	<u>Group and Company</u>	
	<u>31.05.2014</u>	<u>30.11.2013</u>
	RM'000	RM'000
Capital expenditure		
Approved and contracted for:		
Property and equipment	39,851	54,807
Intangible assets	21,879	2,966
Investments	104,024	97,110
	<u>165,754</u>	<u>154,883</u>
Approved but not contracted for:		
Property and equipment	6,710	32,746
Intangible assets	6,047	30,074
	<u>12,757</u>	<u>62,820</u>
	<u>178,511</u>	<u>217,703</u>

16 REGULATORY CAPITAL REQUIREMENT

The capital structure of the Company (excluding participating fund) as at 31 May 2014, as prescribed under the Framework is provided below:

	<u>Company</u>	
	<u>31.05.2014</u>	<u>30.11.2013</u>
	RM'000	RM'000
Eligible Tier 1 Capital		
Share capital (paid up)	767,438	767,438
Share premium	683,452	683,452
Reserves, including retained earnings	3,122,507	3,091,834
	<u>4,573,397</u>	<u>4,542,724</u>
Tier 2 Capital		
Available-for-sale fair value reserves	(87,828)	(50,297)
	<u>(87,828)</u>	<u>(50,297)</u>
Amount deducted from Capital	<u>(203,448)</u>	<u>(186,800)</u>
Total Capital Available	<u>4,282,121</u>	<u>4,305,627</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

17 INSURANCE/TAKAFUL FUNDS

The Group's principal activities are organised by funds and segregated into Shareholders, General, Life, Family Takaful and Investment-linked funds in accordance with the Financial Services Act, 2013 and Insurance Regulations, 1996.

The Group's Statements of Financial Position, Income Statements and information on cash flow have been further analysed by funds and the Shareholders' and General Funds have been presented together as one fund.

The life insurance/family takaful business offers a wide range of participating and non-participating Whole Life, Term Assurance, Endowment as well as Investment-linked products.

The General insurance business offers general insurance products which include Personal Accident, Medical, Motor and Fire.

Individual fund revenue, expense, assets and liabilities are those amounts resulting from the operating activities of the respective funds that are directly attributable to the respective funds and the relevant portion that can be allocated on a reasonable basis to the respective funds. Individual fund revenue, expense, assets and fund liabilities are determined before inter-fund balances and inter-fund transactions are eliminated as part of the consolidation process.

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

17 **INSURANCE/TAKAFUL FUNDS (CONTINUED)**

**STATEMENTS OF FINANCIAL POSITION BY FUNDS
AS AT 31 MAY 2014**

<u>AT 31 MAY 2014</u>	<u>Shareholders' and General Fund</u>	<u>Life/ Family Takaful Fund</u>	<u>Inter-fund Elimination</u>	<u>Total</u>
<u>Group</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>Assets</u>				
Property, plant and equipment	1,617	285,378	(67)	286,928
Investment properties	-	339,156	-	339,156
Prepaid land lease payments	619	644	-	1,263
Intangible assets	671	50,999	-	51,670
Investment in associate	31,441	23,485	-	54,926
Available-for-sale financial assets	2,107,054	5,207,647	-	7,314,701
Fair value through profit or loss financial assets	20,495	30,223,709	-	30,244,204
Loans and receivables	2,792,672	4,431,605	(2,723,841)	4,500,436
Reinsurance/retakaful assets	20,271	88,135	-	108,406
Insurance/takaful receivables	163,768	324,122	-	487,890
Cash and cash equivalents	12,543	596,185	-	608,728
Total assets	5,151,151	41,571,065	(2,723,908)	43,998,308
<u>Equity and liabilities</u>				
Total equity	3,948,579	-	(67)	3,948,512
Insurance/takaful contract liabilities	645,786	33,230,939	-	33,876,725
Deferred tax liabilities	492,798	8,836	-	501,634
Insurance/takaful payables	36,690	4,466,877	-	4,503,567
Current tax liabilities	(12,722)	41,081	-	28,359
Other payables	40,020	3,823,332	(2,723,841)	1,139,511
Total liabilities	1,202,572	41,571,065	(2,723,841)	40,049,796
Total equity and liabilities	5,151,151	41,571,065	(2,723,908)	43,998,308

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

17 INSURANCE/TAKAFUL FUNDS (CONTINUED)

**STATEMENTS OF FINANCIAL POSITION BY FUNDS
AS AT 31 MAY 2014 (CONTINUED)**

<u>AT 30 NOVEMBER 2013</u>	<u>Shareholders' and General Fund</u>	<u>Life/ Family Takaful Fund</u>	<u>Inter-fund Elimination</u>	<u>Total</u>
<u>Group</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>Assets</u>				
Property, plant and equipment	1,916	270,817	(67)	272,666
Investment properties	-	344,131	-	344,131
Prepaid land lease payments	623	653	-	1,276
Intangible assets	409	37,778	-	38,187
Investment in associate	-	22,345	-	22,345
Available-for-sale financial assets	1,986,139	5,084,169	(12,000)	7,058,308
Fair value through profit or loss financial assets	20,405	29,148,038	-	29,168,443
Loans and receivables	2,932,591	4,325,491	(2,881,271)	4,376,811
Reinsurance/retakaful assets	22,324	78,470	-	100,794
Insurance/takaful receivables	119,705	244,391	-	364,096
Cash and cash equivalents	21,360	592,533	-	613,893
Total assets	5,105,472	40,148,816	(2,893,338)	42,360,950
<u>Equity and liabilities</u>				
Total equity	3,980,050	-	(67)	3,979,983
Insurance/takaful contract liabilities	577,397	32,449,646	(12,000)	33,015,043
Deferred tax liabilities	437,364	17,031	-	454,395
Insurance/takaful payables	36,289	4,316,874	-	4,353,163
Current tax liabilities	19,847	39,919	-	59,766
Other payables	54,525	3,325,346	(2,881,271)	498,600
Total liabilities	1,125,422	40,148,816	(2,893,271)	38,380,967
Total equity and liabilities	5,105,472	40,148,816	(2,893,338)	42,360,950

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

17 **INSURANCE/TAKAFUL FUNDS (CONTINUED)**

**STATEMENTS OF FINANCIAL POSITION BY FUNDS
AS AT 31 MAY 2014 (CONTINUED)**

<u>AT 1 DECEMBER 2012</u>	<u>Shareholders' and General Fund</u>	<u>Life/ Family Takaful Fund</u>	<u>Inter-fund Elimination</u>	<u>Total</u>
<u>Group</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>Assets</u>				
Property, plant and equipment	1,382	138,170	(67)	139,485
Investment properties	-	38,505	-	38,505
Prepaid land lease payments	-	671	-	671
Intangible assets	858	9,149	-	10,007
Investment in associate	-	22,795	-	22,795
Available-for-sale financial assets	829,373	2,356,133	(11,122)	3,174,384
Fair value through profit or loss financial assets	-	16,805,196	-	16,805,196
Loans and receivables	1,747,332	1,963,266	(1,723,980)	1,986,618
Reinsurance/retakaful assets	7,799	4,249	-	12,048
Insurance/takaful receivables	71,178	82,324	-	153,502
Cash and cash equivalents	71,296	312,712	-	384,008
Total assets	2,729,218	21,733,170	(1,735,169)	22,727,219
<u>Equity and liabilities</u>				
Total equity	1,920,164	-	(67)	1,920,097
Insurance/takaful contract liabilities	496,035	16,501,763	(11,122)	16,986,676
Deferred tax liabilities	266,940	112,599	-	379,539
Insurance/takaful payables	7,701	2,903,180	-	2,910,881
Current tax liabilities	4,072	9,425	-	13,497
Other payables	34,306	2,206,203	(1,723,980)	516,529
Total liabilities	809,054	21,733,170	(1,735,102)	20,807,122
Total equity and liabilities	2,729,218	21,733,170	(1,735,169)	22,727,219

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

17 **INSURANCE/TAKAFUL FUNDS (CONTINUED)**

**STATEMENTS OF FINANCIAL POSITION BY FUNDS
AS AT 31 MAY 2014 (CONTINUED)**

<u>AT 31 MAY 2014</u>	<u>Shareholders'</u> <u>and</u>	<u>Life</u>	<u>Inter-fund</u>	<u>Total</u>
<u>Company</u>	<u>General Fund</u>	<u>Fund</u>	<u>Elimination</u>	<u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>Assets</u>				
Property, plant and equipment	455	285,396	-	285,851
Investment properties	-	339,156	-	339,156
Prepaid land lease payments	619	644	-	1,263
Intangible assets	115	50,999	-	51,114
Investment in subsidiaries	143,000	-	-	143,000
Investment in associate	-	88	-	88
Available-for-sale financial assets	2,044,956	5,207,647	-	7,252,603
Fair value through profit or loss financial assets	-	30,223,709	-	30,223,709
Loans and receivables	2,789,180	4,431,605	(2,719,032)	4,501,753
Reinsurance assets	20,271	88,135	-	108,406
Insurance receivables	163,768	324,122	-	487,890
Cash and cash equivalents	8,181	596,185	-	604,366
Total assets	5,170,545	41,547,686	(2,719,032)	43,999,199
<u>Equity and liabilities</u>				
Total equity	3,985,411	-	-	3,985,411
Insurance contract liabilities	645,786	33,207,560	-	33,853,346
Deferred tax liabilities	492,798	8,836	-	501,634
Insurance payables	36,690	4,466,877	-	4,503,567
Current tax liabilities	(12,525)	41,081	-	28,556
Other payables	22,385	3,823,332	(2,719,032)	1,126,685
Total liabilities	1,185,134	41,547,686	(2,719,032)	40,013,788
Total equity and liabilities	5,170,545	41,547,686	(2,719,032)	43,999,199

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

17 **INSURANCE/TAKAFUL FUNDS (CONTINUED)**

**STATEMENTS OF FINANCIAL POSITION BY FUNDS
AS AT 31 MAY 2014 (CONTINUED)**

AT 30 NOVEMBER 2013

<u>Company</u>	Shareholders' and <u>General Fund</u> RM'000	Life Fund RM'000	Inter-fund <u>Elimination</u> RM'000	<u>Total</u> RM'000
<u>Assets</u>				
Property, plant and equipment	475	270,831	-	271,306
Investment properties	-	344,131	-	344,131
Prepaid land lease payments	623	653	-	1,276
Intangible assets	166	37,778	-	37,944
Investment in subsidiaries	143,000	-	-	143,000
Investment in associate	-	88	-	88
Available-for-sale financial assets	1,919,817	5,084,169	-	7,003,986
Fair value through profit or loss financial assets	-	29,045,614	-	29,045,614
Loans and receivables	2,917,561	4,324,532	(2,878,080)	4,364,013
Reinsurance assets	22,324	78,470	-	100,794
Insurance receivables	119,705	244,391	-	364,096
Cash and cash equivalents	15,769	565,647	-	581,416
Total assets	5,139,440	39,996,304	(2,878,080)	42,257,664
<u>Equity and liabilities</u>				
Total equity	4,039,967	-	-	4,039,967
Insurance contract liabilities	577,398	32,311,351	-	32,888,749
Deferred tax liabilities	437,364	17,041	-	454,405
Insurance payables	36,288	4,315,998	-	4,352,286
Current tax liabilities	20,011	39,746	-	59,757
Other payables	28,412	3,312,168	(2,878,080)	462,500
Total liabilities	1,099,473	39,996,304	(2,878,080)	38,217,697
Total equity and liabilities	5,139,440	39,996,304	(2,878,080)	42,257,664

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

17 **INSURANCE/TAKAFUL FUNDS (CONTINUED)**

**STATEMENTS OF FINANCIAL POSITION BY FUNDS
AS AT 31 MAY 2014 (CONTINUED)**

AT 1 DECEMBER 2012

<u>Company</u>	Shareholders' and <u>General Fund</u> RM'000	<u>Life Fund</u> RM'000	<u>Inter-fund Elimination</u> RM'000	<u>Total</u> RM'000
<u>Assets</u>				
Property, plant and equipment	70	138,177	-	138,247
Investment properties	-	38,505	-	38,505
Prepaid land lease payments	-	671	-	671
Intangible assets	858	9,149	-	10,007
Investment in subsidiaries	104,600	-	-	104,600
Investment in associate	-	88	-	88
Available-for-sale financial assets	755,782	2,356,133	-	3,111,915
Fair value through profit or loss financial assets	-	16,731,432	-	16,731,432
Loans and receivables	1,745,218	1,962,834	(1,721,445)	1,986,607
Reinsurance assets	7,799	4,249	-	12,048
Insurance receivables	71,178	82,324	-	153,502
Cash and cash equivalents	22,855	296,784	-	319,639
Total assets	2,708,360	21,620,346	(1,721,445)	22,607,261
<u>Equity and liabilities</u>				
Total equity	1,915,806	-	-	1,915,806
Insurance contract liabilities	496,035	16,395,348	-	16,891,383
Deferred tax liabilities	261,549	112,485	-	374,034
Insurance payables	7,701	2,902,460	-	2,910,161
Current tax liabilities	4,150	9,299	-	13,449
Other payables	23,119	2,200,754	(1,721,445)	502,428
Total liabilities	792,554	21,620,346	(1,721,445)	20,691,455
Total equity and liabilities	2,708,360	21,620,346	(1,721,445)	22,607,261

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

17 INSURANCE/TAKAFUL FUNDS (CONTINUED)

**INCOME STATEMENTS BY FUNDS
FOR THE HALF-YEAR ENDED 31 MAY 2014**

31 May 2014	Shareholders' and General Fund	Life/ Family Takaful Fund	Inter-fund Elimination	Total
Group	RM'000	RM'000	RM'000	RM'000
Gross earned premiums/contributions	266,798	3,150,110	-	3,416,908
Premiums/contributions ceded to reinsurers/retakaful operators	(19,960)	(87,314)	-	(107,274)
Net earned premiums/contributions revenue	246,838	3,062,796	-	3,309,634
Wakalah fee income	10,398	-	(10,398)	-
Investment income	43,479	851,373	-	894,852
Net realised losses	(2,794)	(25,777)	-	(28,571)
Fair value gains	-	40,225	-	40,225
Profit due from Takaful business transferred	33,333	-	-	33,333
Other operating expenses	(5,221)	(19,994)	(2,845)	(28,060)
Total net revenue	326,033	3,908,623	(13,243)	4,221,413
Gross benefits and claims paid	(129,611)	(2,022,460)	-	(2,152,071)
Claims ceded to reinsurers/retakaful operators	8,458	72,431	-	80,889
Gross change to insurance/takaful contract liabilities	(32,378)	(904,739)	-	(937,117)
Change in insurance/takaful contract liabilities ceded to reinsurers/retakaful operators	(829)	9,576	-	8,747
Net insurance/takaful benefits and claims	(154,360)	(2,845,192)	-	(2,999,552)

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

17 INSURANCE/TAKAFUL FUNDS (CONTINUED)

**INCOME STATEMENTS BY FUNDS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

31 MAY 2014	Shareholders' and General Fund	Life/ Family Takaful Fund	Inter-fund Elimination	Total
Group (continued)	RM'000	RM'000	RM'000	RM'000
Wakalah fee expense	-	(10,398)	10,398	-
Fee and commission expenses	(46,840)	(375,337)	-	(422,177)
Management expenses	(65,051)	(278,964)	2,845	(341,170)
Other expenses	(111,891)	(664,699)	13,243	(763,347)
Profit before share of profit from associate	59,782	398,732	-	458,514
Share of (loss)/profit from associate	(1,905)	1,140	-	(765)
Profit before tax	57,877	399,872	-	457,749
Tax expense attributable to policyholders and unitholders	-	(62,088)	-	(62,088)
Profit before tax attributable to shareholders	57,877	337,784	-	395,661
Transfer from Revenue Accounts	337,784	(337,784)	-	-
Profit before tax attributable to shareholders	395,661	-	-	395,661
Tax expense attributable to shareholders	(73,650)	-	-	(73,650)
Profit for the period	322,011	-	-	322,011

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

17 INSURANCE/TAKAFUL FUNDS (CONTINUED)

**STATEMENTS OF COMPREHENSIVE INCOME BY FUNDS
FOR THE HALF-YEAR ENDED 31 MAY 2014**

31 MAY 2014	Shareholders' and General Fund	Life/ Family Takaful Fund	Inter-fund Elimination	Total
Group (continued)	RM'000	RM'000	RM'000	RM'000
Profit for the period	322,011	-	-	322,011
Other comprehensive loss:				
Item that may be subsequently <u>reclassified to profit or loss</u>				
Change in available-for-sale fair value reserves:				
Net losses arising during the period	(72,757)	-	-	(72,757)
Net realised losses transferred to Income Statement	28,571	-	-	28,571
Deferred taxation	10,690	-	-	10,690
Share of other comprehensive income from associate	14	-	-	14
Other comprehensive loss – net of of tax, for the period	(33,482)	-	-	(33,482)
Total comprehensive income for the period	288,529	-	-	288,529

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

17 INSURANCE/TAKAFUL FUNDS (CONTINUED)

**INCOME STATEMENTS BY FUNDS
FOR THE HALF-YEAR ENDED 31 MAY 2014**

31 MAY 2013	Shareholders' and General Fund	Life/ Family Takaful Fund	Inter-fund Elimination	Total
Group	RM'000	RM'000	RM'000	RM'000
Gross earned premiums/contributions	241,224	1,457,538	-	1,698,762
Premiums/contributions ceded to reinsurers/retakaful operators	(6,805)	(48,719)	-	(55,524)
Net earned premiums/contributions revenue	234,419	1,408,819	-	1,643,238
Wakalah fee income	19,542	-	(19,542)	-
Investment income	19,216	481,569	-	500,785
Net realised gains	2,167	9,962	-	12,129
Fair value gains	-	496,460	-	496,460
Other operating expenses	(1,255)	(10,188)	(4,388)	(15,831)
Total net revenue	274,089	2,386,622	(23,930)	2,636,781
Gross benefits and claims paid	(119,632)	(913,602)	-	(1,033,234)
Claims ceded to reinsurers/retakaful operators	3,323	18,369	-	21,692
Gross change to insurance/takaful contract liabilities	(16,000)	(945,216)	-	(961,216)
Change in insurance/takaful contract liabilities ceded to reinsurers/retakaful operators	724	833	-	1,557
Net insurance/takaful benefits and claims	(131,585)	(1,839,616)	-	(1,971,201)

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

17 INSURANCE/TAKAFUL FUNDS (CONTINUED)

**INCOME STATEMENTS BY FUNDS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

31 MAY 2013	Shareholders' and General Fund	Life/ Family Takaful Fund	Inter-fund Elimination	Total
Group (continued)	RM'000	RM'000	RM'000	RM'000
Wakalah fee expense	-	(19,542)	19,542	-
Fee and commission expenses	(45,984)	(180,323)	-	(226,307)
Management expenses	(63,372)	(141,816)	4,388	(200,800)
Other expenses	(109,356)	(341,681)	23,930	(427,107)
Profit before share of profit from associate	33,148	205,325	-	238,473
Share of profit from associate	-	1,098	-	1,098
Profit before tax	33,148	206,423	-	239,571
Tax expense attributable to policyholders and unitholders	-	(72,348)	-	(72,348)
Profit before tax attributable to shareholders	33,148	134,075	-	167,223
Transfer from Revenue Accounts	134,075	(134,075)	-	-
Profit before tax attributable to shareholders	167,223	-	-	167,223
Tax expense attributable to shareholders	(31,627)	-	-	(31,627)
Profit for the period	135,596	-	-	135,596

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

17 INSURANCE/TAKAFUL FUNDS (CONTINUED)

**STATEMENTS OF COMPREHENSIVE INCOME BY FUNDS
FOR THE HALF-YEAR ENDED 31 MAY 2014**

31 MAY 2013	Shareholders' and General Fund	Life/ Family Takaful Fund	Inter-fund Elimination	Total
Group (continued)	RM'000	RM'000	RM'000	RM'000
Profit for the period	135,596	-	-	135,596
Other comprehensive loss:				
Item that may be subsequently <u>reclassified to profit or loss</u>				
Change in available-for-sale fair value reserves:				
Net losses arising during the period	(12,394)	-	-	(12,394)
Net realised gains transferred to Income Statement	(12,129)	-	-	(12,129)
Deferred taxation	6,287	-	-	6,287
Foreign currency translation adjustments	941	-	-	941
	<u>(17,295)</u>	<u>-</u>	<u>-</u>	<u>(17,295)</u>
Remeasurements of post employment benefit obligations	1,423	-	-	1,423
Deferred taxation	(276)	-	-	(276)
	<u>1,147</u>	<u>-</u>	<u>-</u>	<u>1,147</u>
Other comprehensive loss – net of of tax, for the period	<u>(16,148)</u>	<u>-</u>	<u>-</u>	<u>(16,148)</u>
Total comprehensive income for the period	<u>119,448</u>	<u>-</u>	<u>-</u>	<u>119,448</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
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17 INSURANCE/TAKAFUL FUNDS (CONTINUED)

**INCOME STATEMENTS BY FUNDS
FOR THE HALF-YEAR ENDED 31 MAY 2014**

31 MAY 2014	Shareholders' and		Inter-fund	Total
Company	General Fund	Life Fund	Elimination	Total
	RM'000	RM'000	RM'000	RM'000
Gross earned premiums	266,798	3,127,058	-	3,393,856
Premiums ceded to reinsurers	(19,960)	(86,845)	-	(106,805)
Net earned premiums	246,838	3,040,213	-	3,287,051
Investment income	41,799	850,204	-	892,003
Net realised losses	(4,229)	(26,202)	-	(30,431)
Fair value losses	-	41,097	-	41,097
Other operating expenses	(5,198)	(19,802)	-	(25,000)
Total net revenue	279,210	3,885,510	-	4,164,720
Gross benefits and claims paid	(129,611)	(2,017,277)	-	(2,146,888)
Claims ceded to reinsurers	8,458	72,431	-	80,889
Gross change to insurance contract liabilities	(32,378)	(896,208)	-	(928,586)
Change in insurance contract liabilities ceded to reinsurers	(829)	9,663	-	8,834
Net insurance benefits and claims	(154,360)	(2,831,391)	-	(2,985,751)
Fee and commission expenses	(39,619)	(375,338)	-	(414,957)
Management expenses	(52,368)	(278,974)	-	(331,342)
Other expenses	(91,987)	(654,312)	-	(746,299)
Profit before tax	32,863	399,807	-	432,670
Tax expense attributable to policyholders and unitholders	-	(62,023)	-	(62,023)
Profit before tax attributable to shareholders	32,863	337,784	-	370,647
Transfer from Revenue Accounts	337,784	(337,784)	-	-

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

17 INSURANCE/TAKAFUL FUNDS (CONTINUED)

**INCOME STATEMENTS BY FUNDS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

31 MAY 2014	Shareholders' and General Fund	Life Fund	Inter-fund Elimination	Total
Company (continued)	RM'000	RM'000	RM'000	RM'000
Profit before tax attributable to shareholders	370,647	-	-	370,647
Tax expense attributable to shareholders	(73,491)	-	-	(73,491)
Profit for the period	<u>297,156</u>	<u>-</u>	<u>-</u>	<u>297,156</u>

**STATEMENTS OF COMPREHENSIVE INCOME BY FUNDS
FOR THE HALF-YEAR ENDED 31 MAY 2014**

	Shareholders' and General Fund	Life Fund	Inter-fund Elimination	Total
	RM'000	RM'000	RM'000	RM'000
Profit for the period	297,156	-	-	297,156
Other comprehensive loss:				
Item that may be subsequently reclassified to profit or loss				
Change in available-for-sale fair value reserves:				
Net losses arising during the period	(72,675)	-	-	(72,675)
Net realised losses transferred to Income Statement	30,431	-	-	30,431
Deferred taxation	10,532	-	-	10,532
Other comprehensive loss - net of of tax, for the period	<u>(31,712)</u>	<u>-</u>	<u>-</u>	<u>(31,712)</u>
Total comprehensive income for the period	<u>265,444</u>	<u>-</u>	<u>-</u>	<u>265,444</u>

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(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

17 INSURANCE/TAKAFUL FUNDS (CONTINUED)

**INCOME STATEMENTS BY FUNDS
FOR THE HALF-YEAR ENDED 31 MAY 2014**

31 MAY 2013				
<u>Company</u>	Shareholders' and <u>General Fund</u> RM'000	<u>Life Fund</u> RM'000	<u>Inter-fund Elimination</u> RM'000	<u>Total</u> RM'000
Gross earned premiums	241,224	1,408,211	-	1,649,435
Premiums ceded to reinsurers	(6,805)	(47,762)	-	(54,567)
Net earned premiums	234,419	1,360,449	-	1,594,868
Investment income	17,671	479,725	-	497,396
Net realised (losses)/gains	(16,568)	9,963	-	(6,605)
Fair value gains	-	495,353	-	495,353
Other operating revenue/(expenses)	18,076	(9,806)	-	8,270
Total net revenue	253,598	2,335,684	-	2,589,282
Gross benefits and claims paid	(119,632)	(907,584)	-	(1,027,216)
Claims ceded to reinsurers	3,323	18,369	-	21,692
Gross change to insurance contract liabilities	(16,000)	(918,599)	-	(934,599)
Change in insurance contract liabilities ceded to reinsurers	724	833	-	1,557
Net insurance benefits and claims	(131,585)	(1,806,981)	-	(1,938,566)

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(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

17 INSURANCE/TAKAFUL FUNDS (CONTINUED)

**INCOME STATEMENTS BY FUNDS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

31 MAY 2013	Shareholders' and		Inter-fund	Total
Company (continued)	General Fund	Life Fund	Elimination	Total
	RM'000	RM'000	RM'000	RM'000
Fee and commission expenses	(35,347)	(180,323)	-	(215,670)
Management expenses	(44,483)	(141,847)	-	(186,330)
Other expenses	(79,830)	(322,170)	-	(402,000)
Profit before tax	42,183	206,533	-	248,716
Tax expense attributable to policyholders and unitholders	-	(72,073)	-	(72,073)
Profit before tax attributable to shareholders	42,183	134,460	-	176,643
Transfer from Revenue Accounts	134,460	(134,460)	-	-
Profit before tax attributable to shareholders	176,643	-	-	176,643
Tax expense attributable to shareholders	(37,018)	-	-	(37,018)
Profit for the period	139,625	-	-	139,625

AIA BHD.
(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

17 INSURANCE/TAKAFUL FUNDS (CONTINUED)

**STATEMENTS OF COMPREHENSIVE INCOME BY FUNDS
FOR THE HALF-YEAR ENDED 31 MAY 2014**

	<u>Shareholders' and General Fund</u> RM'000	<u>Life Fund</u> RM'000	<u>Inter-fund Elimination</u> RM'000	<u>Total</u> RM'000
Profit for the period	139,625	-	-	139,625
Other comprehensive loss:				
Item that may be subsequently <u>reclassified to profit or loss</u>				
Change in available-for-sale fair value reserves:				
Net losses arising during the period	(12,588)	-	-	(12,588)
Net realised gains transferred to Income Statement	(12,044)	-	-	(12,044)
Deferred taxation	6,315	-	-	6,315
	<u>(18,317)</u>	<u>-</u>	<u>-</u>	<u>(18,317)</u>
 Remeasurements of post employment benefit obligations	 1,423	 -	 -	 1,423
Deferred taxation	(276)	-	-	(276)
	<u>1,147</u>	<u>-</u>	<u>-</u>	<u>1,147</u>
Other comprehensive loss - net of of tax, for the period	(17,170)	-	-	(17,170)
Total comprehensive income for the period	122,455	-	-	122,455

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(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

17 **INSURANCE/TAKAFUL FUNDS (CONTINUED)**

**STATEMENTS OF FINANCIAL POSITION FOR INVESTMENT-LINKED FUNDS
AS AT 31 MAY 2014**

	<u>Group</u>			<u>Company</u>		
	<u>31.05.2014</u>	<u>30.11.2013</u>	<u>1.12.2012</u>	<u>31.05.2014</u>	<u>30.11.2013</u>	<u>1.12.2012</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Assets</u>						
Fair value through profit or loss financial assets	3,800,175	3,622,186	2,238,554	3,800,175	3,591,697	2,218,478
Other receivables	8,519	9,576	21,720	8,519	9,300	21,288
Current tax assets	2,305	-	1,139	2,305	-	1,173
Cash and cash equivalents	253,514	207,358	144,519	253,514	206,359	143,835
Total assets	4,064,513	3,839,120	2,405,932	4,064,513	3,807,356	2,384,774
<u>Less: Liabilities</u>						
Other payables	19,492	12,797	13,274	19,492	12,623	12,969
Deferred tax liabilities	20,352	12,706	11,258	20,352	12,512	11,188
Current tax liabilities	-	9,672	-	-	9,589	-
Total liabilities	39,844	35,175	24,532	39,844	34,724	24,157
Net asset value of funds	4,024,669	3,803,945	2,381,400	4,024,669	3,772,632	2,360,617

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(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 MAY 2014 (CONTINUED)**

17 INSURANCE/TAKAFUL FUNDS (CONTINUED)

**INCOME STATEMENTS FOR INVESTMENT-LINKED FUNDS
FOR THE HALF-YEAR ENDED 31 MAY 2014**

	Group		Company	
	31.05.2014	31.05.2013	31.05.2014	31.05.2013
	RM'000	RM'000	RM'000	RM'000
Investment income	51,112	40,127	50,850	39,713
Realised losses	-	(5,741)	-	(5,581)
Fair value gains	150,212	226,935	143,582	225,898
Other operating expenses	1,568	-	1,658	-
	<hr/>	<hr/>	<hr/>	<hr/>
Management expenses	202,892	261,321	196,090	260,030
	(20,065)	(14,443)	(20,065)	(14,443)
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Profit before taxation	182,827	246,878	176,025	245,587
Taxation	(12,059)	(18,331)	(12,018)	(18,180)
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Profit for the period	170,768	228,547	164,007	227,407
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