

Company No.

790895	D
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AIA BHD.
(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018**

Company No.

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AIA BHD.
(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018**

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**UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2018**

	Note	Group		Company	
		30.06.2018 RM'000	30.11.2017 RM'000	30.06.2018 RM'000	30.11.2017 RM'000
Property, plant and equipment		464,928	467,874	464,536	467,432
Investment properties		364,217	370,312	364,217	370,312
Prepaid land lease payments		1,158	1,174	1,158	1,174
Intangible assets		95,868	89,875	91,878	85,632
Investment in subsidiaries		-	-	253,000	163,000
Investment in associates		63,154	63,437	88	88
Available-for-sale financial assets	11	8,111,392	8,237,863	7,887,125	8,002,329
Fair value through profit or loss financial assets	12	35,042,014	35,426,038	35,036,824	35,420,689
Loans and receivables		4,947,161	4,870,706	4,832,858	4,770,580
Reinsurance assets	13	268,320	232,991	251,506	215,669
Insurance receivables	14	290,282	326,306	256,421	286,467
Current tax assets		41,526	-	41,449	-
Cash and cash equivalents		994,747	777,594	891,607	738,300
Assets of a disposal group classified as held-for-sale	15(i)	-	-	327,576	352,259
Total assets		50,684,767	50,864,170	50,700,243	50,873,931
Equity and liabilities					
Share capital		1,450,890	1,450,890	1,450,890	1,450,890
Retained earnings		3,002,617	3,260,520	3,046,522	3,304,928
Asset revaluation reserve		29,739	29,739	29,739	29,739
Available-for-sale fair value reserve		(40,969)	(10,583)	(40,646)	(12,001)
Reserves of a disposal group classified as held-for-sale	15(ii)	(875)	-	(875)	152
Total equity		4,441,402	4,730,566	4,485,630	4,773,708
Insurance contract liabilities	17	38,737,492	38,675,184	38,402,900	38,355,445
Deferred tax liabilities		530,667	516,931	529,920	516,632
Insurance payables	18	6,180,786	6,126,981	6,173,600	6,114,212
Current tax liabilities		-	12,463	-	11,870
Other payables		794,420	802,045	779,742	780,365
Liabilities of a disposal group classified as held-for-sale	15(iii)	-	-	328,451	321,699
Total liabilities		46,243,365	46,133,604	46,214,613	46,100,223
Total equity and liabilities		50,684,767	50,864,170	50,700,243	50,873,931

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

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**UNAUDITED CONDENSED INCOME STATEMENTS
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018**

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>30.06.2018</u> RM'000	<u>30.06.2017</u> RM'000	<u>30.06.2018</u> RM'000	<u>30.06.2017</u> RM'000
<u>Continuing operations</u>					
Gross earned premiums		5,247,492	4,923,112	5,084,356	4,757,967
Premiums ceded to reinsurers		(587,748)	(510,668)	(575,238)	(496,767)
Net earned premiums	19	4,659,744	4,412,444	4,509,118	4,261,200
Investment income		1,316,545	1,253,090	1,308,299	1,245,307
Net realised gains		5,326	3,754	3,946	4,158
Fair value (losses)/gains		(844,964)	1,352,638	(844,805)	1,352,674
Other operating income		34,006	25,087	27,997	20,980
Total net revenue		5,170,657	7,047,013	5,004,555	6,884,319
Gross benefits and claims paid	20(a)	(3,933,193)	(3,795,823)	(3,889,190)	(3,720,805)
Claims ceded to reinsurers	20(b)	393,137	262,124	396,776	255,547
Gross change to insurance contract liabilities	20(c)	(56,859)	(2,006,062)	(47,455)	(2,032,889)
Change in insurance contract liabilities ceded to reinsurers	20(d)	35,602	90,025	35,837	92,813
Net insurance benefits and claims		(3,561,313)	(5,449,736)	(3,504,032)	(5,405,334)
Fee and commission expenses		(507,230)	(515,160)	(468,788)	(473,583)
Management expenses		(504,585)	(489,661)	(454,573)	(434,109)
Other expenses		(1,011,815)	(1,004,821)	(923,361)	(907,692)

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**UNAUDITED CONDENSED INCOME STATEMENTS
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018 (CONTINUED)**

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>30.06.2018</u> RM'000	<u>30.06.2017</u> RM'000	<u>30.06.2018</u> RM'000	<u>30.06.2017</u> RM'000
Profit before share of profit from associate		597,529	592,456	577,162	571,293
Share of loss from associate		(183)	(2,874)	-	-
Profit before tax		597,346	589,582	577,162	571,293
Tax expense attributable to policyholders and unitholders		12,622	(170,489)	12,622	(170,489)
Profit before tax attributable to shareholders from continuing operations		609,968	419,093	589,784	400,804
Tax expense		(105,249)	(268,037)	(99,223)	(261,907)
Tax expense attributable to policyholders and unitholders		(12,622)	170,489	(12,622)	170,489
Tax expense attributable to shareholders		(117,871)	(97,548)	(111,845)	(91,418)
Profit after tax for the period from continuing operations		492,097	321,545	477,939	309,386
<u>Discontinued operations</u>					
Profit after tax for the period from discontinued operations	23	-	-	13,655	15,090
Profit after tax for the period		492,097	321,545	491,594	324,476
Basic earnings per share (sen)					
Continuing operations		64.1	41.9	64.1	42.3
Discontinued operations		-	-	-	-
		64.1	41.9	64.1	42.3

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

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**UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018**

	<u>Group</u>		<u>Company</u>	
	<u>30.06.2018</u>	<u>30.06.2017</u>	<u>30.06.2018</u>	<u>30.06.2017</u>
	RM'000	RM'000	RM'000	RM'000
Profit after tax for the period	492,097	321,545	491,594	324,476
Other comprehensive (loss)/ income:				
<u>Items that may be subsequently reclassified to profit or loss</u>				
Net (losses)/gains arising during the period	(33,029)	107,183	(31,844)	104,406
Net realised losses transferred to income statements	(7,033)	(3,753)	(5,653)	(4,157)
Deferred taxation	8,901	(24,486)	8,853	(23,808)
	(31,161)	78,944	(28,644)	76,441
Share of other comprehensive (loss)/income from associate	(100)	282	-	-
Continuing operations	(31,261)	79,226	(28,644)	76,441
Discontinued operations (Note 23)	-	-	(1,028)	2,148
Change in available-for-sale fair value reserve	(31,261)	79,226	(29,672)	78,589
Total other comprehensive (loss)/income - net of tax, for the period	<u>(31,261)</u>	<u>79,226</u>	<u>(29,672)</u>	<u>78,589</u>
Comprising:				
Continuing operations	(31,261)	79,226	(28,644)	76,441
Discontinued operations	-	-	(1,028)	2,148
	<u>(31,261)</u>	<u>79,226</u>	<u>(29,672)</u>	<u>78,589</u>
Total comprehensive income for the period	<u>460,836</u>	<u>400,771</u>	<u>461,922</u>	<u>403,065</u>
Comprising:				
Continuing operations	460,836	400,771	449,295	385,827
Discontinued operations	-	-	12,627	17,238
	<u>460,836</u>	<u>400,771</u>	<u>461,922</u>	<u>403,065</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 7 MONTHS PERIOD ENDED 30 JUNE 2018**

Group

	<u>Share capital</u> RM'000	<u>Share premium*</u> RM'000	<u>Available-for- sale fair value reserve</u> RM'000	<u>Asset revaluation reserve</u> RM'000	<u>Share- based reserves</u> RM'000	<u>Retained earnings**</u> RM'000	<u>Total</u> RM'000
At 1 December 2017	1,450,890	-	(10,583)	29,739	-	3,260,520	4,730,566
Profit after tax for the period	-	-	-	-	-	492,097	492,097
Other comprehensive loss for the period	-	-	(31,261)	-	-	-	(31,261)
Total comprehensive income for the period	-	-	(31,261)	-	-	492,097	460,836
Share based compensation:							
- value of employee services	-	-	-	-	6,427	-	6,427
- repayment to ultimate parent company	-	-	-	-	(6,427)	-	(6,427)
Dividend paid for the financial year ended 30 November 2017	-	-	-	-	-	(750,000)	(750,000)
At 30 June 2018	<u>1,450,890</u>	<u>-</u>	<u>(41,844)</u>	<u>29,739</u>	<u>-</u>	<u>3,002,617</u>	<u>4,441,402</u>

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**UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018 (CONTINUED)**

Group

	<u>Share capital</u> RM'000	<u>Share premium*</u> RM'000	<u>Available-for- sale fair value reserve</u> RM'000	<u>Asset revaluation reserve</u> RM'000	<u>Share- based reserves</u> RM'000	<u>Retained earnings**</u> RM'000	<u>Total</u> RM'000
At 1 December 2016	767,438	683,452	(57,703)	28,478	-	3,312,334	4,733,999
Profit after tax for the period	-	-	-	-	-	321,545	321,545
Other comprehensive income for the period	-	-	79,226	-	-	-	79,266
Total comprehensive income for the period	-	-	79,226	-	-	321,545	400,771
Share based compensation:							
- value of employee services	-	-	-	-	7,767	-	7,767
- repayment to ultimate parent company	-	-	-	-	(7,767)	-	(7,767)
Dividend paid for the financial year ended 30 November 2016	-	-	-	-	-	(862,000)	(862,000)
At 30 June 2017	<u>767,438</u>	<u>683,452</u>	<u>21,523</u>	<u>28,478</u>	<u>-</u>	<u>2,771,879</u>	<u>4,272,770</u>

* The Companies Act 2016 ("the Act"), which became effective on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, any amount standing to the credit of the share premium account of RM683,452,000 becomes part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the the Act.

** Included in retained earnings is RM2,738 million (2017: RM2,741 million) which comprise surplus from the Life Non-Participating Fund (net of deferred tax). This amount is only distributable to the shareholders upon the actual transfer of surplus from the Life Non-Participating Fund to the Shareholder's Fund as approved by the Appointed Actuary and Board of Directors of the Company.

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**UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018 (CONTINUED)**

<u>Company</u>						<u>Non-distributable</u>	<u>Distributable</u>	<u>Total</u> RM'000
	<u>Share capital</u> RM'000	<u>Share premium*</u> RM'000	<u>Available-for-sale fair value reserve</u> RM'000	<u>Asset revaluation reserve</u> RM'000	<u>Reserves of a disposal group classified as held-for-sale</u> RM'000	<u>Share-based reserves</u> RM'000	<u>Retained earnings**</u> RM'000	
At 1 December 2017	1,450,890	-	(12,001)	29,739	152	-	3,304,928	4,773,708
Profit after tax for the period	-	-	-	-	-	-	491,594	491,594
Other comprehensive loss for the period	-	-	(29,672)	-	-	-	-	(29,672)
Total comprehensive income for the period	-	-	(29,672)	-	-	-	491,594	461,922
Transfer to reserves of a disposal group classified as held-for-sale (Note 15(ii))	-	-	1,027	-	(1,027)	-	-	-
Share based compensation:								
- value of employee services	-	-	-	-	-	6,427	-	6,427
- repayment to ultimate parent company	-	-	-	-	-	(6,427)	-	(6,427)
Dividend paid for the financial year ended 30 November 2017	-	-	-	-	-	-	(750,000)	(750,000)
At 30 June 2018	1,450,890	-	(40,646)	29,739	(875)	-	3,046,522	4,485,630

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**UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018 (CONTINUED)**

<u>Company</u>						Non-distributable	Distributable	
	Share capital	Share premium*	Available-for sale fair value reserve	Asset revaluation reserve	Share-based reserves	Reserves of a disposal group classified as held-for-sale	Retained earnings**	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 December 2016	767,438	683,452	(58,860)	28,478	-	-	3,352,770	4,773,278
Profit after tax for the period	-	-	-	-	-	-	324,476	324,476
Other comprehensive income for the period	-	-	78,589	-	-	-	-	78,589
Total comprehensive income for the period	-	-	78,589	-	-	-	324,476	403,065
Share based compensation:								
- value of employee services	-	-	-	-	7,767	-	-	7,767
- repayment to ultimate parent company	-	-	-	-	(7,767)	-	-	(7,767)
Dividend paid for the financial year ended 30 November 2016	-	-	-	-	-	-	(862,000)	(862,000)
Transfer to reserves of a disposal group classified as held-for-sale (Note 15(ii))	-	-	(791)	-	-	791	-	-
At 30 June 2017	767,738	683,452	18,938	28,478	-	791	2,815,246	4,314,343

* The Companies Act 2016 ("the Act"), which became effective on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, any amount standing to the credit of the share premium account of RM683,452,000 becomes part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the the Act..

** Included in retained earnings is RM2,738 million (2017: RM2,741 million) which comprise surplus from the Life Non-Participating Fund (net of deferred tax). This amount is only distributable to the shareholders upon the actual transfer of surplus from the Life Non-Participating Fund to the Shareholder's Fund as approved by the Appointed Actuary and Board of Directors 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 7 MONTHS PERIOD ENDED 30 JUNE 2018**

	<u>Group</u>		<u>Company</u>	
	<u>30.06.2018</u>	<u>30.06.2017</u>	<u>30.06.2018</u>	<u>30.06.2017</u>
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation				
Continuing operations	609,968	419,093	589,784	400,804
Discontinued operations	-	-	-	21,048
	<u>609,968</u>	<u>419,093</u>	<u>589,784</u>	<u>421,852</u>
Tax expense attributable to policyholders and unitholders	(12,622)	170,489	(12,622)	170,489
Rental, interest and dividend income	(1,320,464)	(1,264,065)	(1,312,212)	(1,262,357)
Realised gains	(5,326)	(3,745)	(3,946)	(3,745)
Fair value losses/(gains)	844,964	(1,352,638)	844,805	(1,352,638)
Allowance for impairment losses	12,971	1,202	11,767	1,202
Depreciation				
- property, plant and equipment	17,830	18,674	17,755	18,625
Amortisation				
- prepaid land lease payments	16	16	16	16
- intangible assets	8,790	8,435	7,956	8,259
Write off of property, plant and equipment	-	75	-	75
Share of loss from associate	183	2,874	-	-
Gain on sale of property, plant and equipment	(59)	(12)	(59)	(12)
Changes in working capital:				
Increase in AFS and FVTPL financial assets	(352,829)	(354,619)	(362,301)	(368,961)
Increase in reinsurance assets	(35,329)	(89,530)	(35,837)	(89,530)
Decrease in insurance receivables	28,736	79,457	23,962	79,457
Increase in loans and receivables	(46,474)	(88,958)	17,281	(81,343)
Increase in insurance payables	53,805	186,389	59,388	186,389
Increase in insurance contract liabilities	62,309	1,998,603	47,455	1,998,342
Decrease in payables	(7,627)	(22,455)	(622)	(21,285)
Cash used in operating activities	<u>(141,158)</u>	<u>(290,715)</u>	<u>(107,430)</u>	<u>(295,165)</u>
Income taxes paid	(136,558)	(118,589)	(136,224)	(118,568)
Rental income received	9,912	12,629	9,912	12,629
Interest income received	1,050,464	1,054,936	1,042,240	1,052,830
Dividend income received	215,006	214,117	214,716	214,117
Net cash inflows from operating activities	<u>997,666</u>	<u>872,378</u>	<u>1,023,214</u>	<u>865,843</u>

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**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018**

	<u>30.06.2018</u> RM'000	<u>Group</u> <u>30.06.2017</u> RM'000	<u>30.06.2018</u> RM'000	<u>Company</u> <u>30.06.2017</u> RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of intangible assets	(14,783)	(16,366)	(14,202)	(16,366)
Purchase of property, plant and equipment	(14,884)	(11,053)	(14,859)	(11,050)
Purchase of investment properties	(905)	-	(905)	-
Investment in subsidiaries	-	-	(90,000)	-
Increase in investment in associates	-	(16,667)	-	-
Proceed from disposal of property, plant and equipment	59	15	59	15
Net cash outflows from investing activities	<u>(30,513)</u>	<u>(44,071)</u>	<u>(119,907)</u>	<u>(27,401)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	(750,000)	(862,000)	(750,000)	(862,000)
Net cash outflows from financing activities	<u>(750,000)</u>	<u>(862,000)</u>	<u>(750,000)</u>	<u>(862,000)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS				
CASH AND CASH EQUIVALENTS AT 1 DECEMBER	217,153	(33,693)	153,307	(23,558)
TRANSFER TO ASSETS OF A DISPOSAL GROUP CLASSIFIED AS HELD-FOR-SALE (Note 15(B))	-	-	-	(10,048)
CASH AND CASH EQUIVALENTS AT 30 JUNE	<u>994,747</u>	<u>657,326</u>	<u>891,607</u>	<u>639,276</u>
<u>Cash and cash equivalents comprised:</u>				
Cash and bank balances	351,630	307,843	346,907	299,706
Fixed and call deposits with licensed financial institutions	643,117	349,483	544,700	339,570
	<u>994,747</u>	<u>657,326</u>	<u>891,607</u>	<u>639,276</u>

The Group and Company classifies cash flows from the acquisition and disposal of financial assets as operating cash flows as the purchases are funded from cash flows associated with the origination of insurance contracts, net of cash flows for payments of benefits and claims incurred for insurance contracts, which are respectively treated under the operating activities.

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

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018

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 investment holding 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 2016 and the Financial Services Act, 2013 (“FSA”) 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 of Directors on 20 August 2018.

2 BASIS OF PREPARATION

The condensed interim financial statements of the Group and the Company are 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 the 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 consolidated audited financial statements for the financial year ended 30 November 2017.

The Directors have also on 23 November 2017 approved the change in the Group and the Company’s financial year end from 30 November to 31 December which shall be implemented after the close of the financial year ended 30 November 2017. The new financial year will commence from 1 December 2017 to 31 December 2018, covering a period of thirteen months. Thereafter, the financial year end of the Company shall revert to twelve months ending 31 December for each subsequent year. Therefore, the financial results reported in the current period are from 1 December 2017 to 30 June 2018 and the comparative period are from 1 December 2016 to 30 June 2017.

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 2017, except for the adoption of the following:

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018 (CONTINUED)**

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Changes in accounting policies and effects arising from adoption of revised MFRS

3.1 Standards, amendments to published standards and interpretations to existing standards that are effective and relevant to the Group's financial year beginning on or after 1 December 2017

The following accounting standards, amendments and interpretations have been adopted for the first time for the financial period beginning on 1 December 2017.

- Amendments to MFRS 107 "Statement of Cash Flows – Disclosure Initiative"
- Amendments to MFRS 112 "Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses"
- Annual Improvements to MFRSs 2014 – 2016 Cycle: MFRS 12 "Disclosures of Interests in Other Entities"

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

3.2 Standards, amendments to published standards and interpretations to existing standards that are relevant to the Group but not yet effective and have not been early adopted

The Group will apply the new standards, amendments to standards and interpretations in the following period:

Financial year beginning on/after 1 January 2019

- MFRS 9 "Financial Instruments - Classification and Measurement of Financial Assets and Financial Liabilities" (effective from 1 January 2018).

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018 (CONTINUED)**

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Changes in accounting policies and effects arising from adoption of revised MFRS (continued)

3.2 Standards, amendments to published standards and interpretations to existing standards that are relevant to the Group but not yet effective and have not been early adopted (continued)

The Group will apply the new standards, amendments to standards and interpretations in the following period: (continued)

Financial year beginning on/after 1 January 2019 (continued)

- MFRS 9 “Financial Instruments - Classification and Measurement of Financial Assets and Financial Liabilities” (effective from 1 January 2018) (continued)

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity’s own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

MFRS 9 introduces an expected credit losses model on impairment for certain financial assets that replaces the incurred loss impairment model used in MFRS 139. The expected credit losses model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

- Amendments to MFRS–4 - Applying MFRS 9 “Financial Instruments” with MFRS 4 (“Insurance Contracts”). The amendments allow entities to avoid temporary volatility in profit or loss that might result from adopting MFRS 9 “Financial Instruments” before the forthcoming new insurance contracts standard. This is because certain financial assets have to be measured at fair value through profit or loss under MFRS 9; whereas, under MFRS ‘Insurance Contracts’, the related liabilities from insurance contracts are often measured on amortised cost basis.

The amendments provide 2 different approaches for entities: (i) a temporary exemption from MFRS 9 for entities that meet specific requirements; and (ii) the overlay approach. Both approaches are optional.

The temporary exemption enables eligible entities to defer the implementation date of MFRS 9 for annual periods beginning before 1 January 2021 at the latest. An entity may apply the temporary exemption from MFRS 9 if its activities are predominantly connected with insurance whilst the overlay approach allows an entity to adjust profit or loss for eligible financial assets by removing any accounting volatility to other comprehensive income that may arise from applying MFRS 9.

An entity can apply the temporary exemption from MFRS 9 from annual periods beginning on or after 1 January 2018. An entity may start applying the overlay approach when it applies MFRS 9 for the first time.

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

Changes in accounting policies and effects arising from adoption of revised MFRS (continued)

3.2 Standards, amendments to published standards and interpretations to existing standards that are relevant to the Group but not yet effective and have not been early adopted (continued)

The Group will apply the new standards, amendments to standards and interpretations in the following period: (continued)

Financial year beginning on/after 1 January 2019 (continued)

- Amendments to MFRS 140 “Classification on ‘Change in Use’ – Assets transferred to/from, Investment Properties” (effective from 1 January 2018) clarify that to transfer to/from investment properties, there must be a change in use. A change in use would involve an assessment of whether a property meets, or has ceased to meet, the definition of investment property. The change must be supported by evidence that the change in use has occurred and a change in management’s intention in isolation is not sufficient to support a transfer of property.

The amendments also clarify the same principle applies to assets under construction.

- IC Interpretation 22 “Foreign Currency Transactions and Advance Consideration” (effective from 1 January 2018) applies when an entity recognizes a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. MFRS 121 requires an entity to use the exchange rate at the ‘date of the transaction’ to record foreign currency transactions.

IC Interpretation 22 provides guidance on how to determine ‘the date of transaction’ when a single payment/receipt is made, as well as for situations where multiple payments/receipts are made.

The date of transaction is the date when the payment or receipt of advance consideration gives rise to the non-monetary asset or non-monetary liability when the entity is no longer exposed to foreign exchange risk.

If there are multiple payments or receipts in advance, the entity should determine the date of the transaction for each payment or receipt.

An entity has the option to apply IC Interpretation 22 retrospectively or prospectively.

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

Changes in accounting policies and effects arising from adoption of revised MFRS (continued)

3.2 Standards, amendments to published standards and interpretations to existing standards that are relevant to the Group but not yet effective and have not been early adopted (continued)

The Group will apply the new standards, amendments to standards and interpretations in the following period: (continued)

Financial year beginning on/after 1 January 2019 (continued)

- MFRS 15 'Revenue from contracts with customers' (effective from 1 January 2018) replaces MFRS 118 'Revenue' and MFRS 111 'Construction contracts' and related interpretations. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue is recognised when a customer obtains control of goods or services, i.e. when the customer has the ability to direct the use of and obtain the benefits from the goods or services.

A new five-step process is applied before revenue can be recognised:

- Identify contracts with customers;
- Identify the separate performance obligations;
- Determine the transaction price of the contract;
- Allocate the transaction price to each of the separate performance obligations; and
- Recognise the revenue as each performance obligation is satisfied.

Key provisions of the new standard are as follows:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements.
- If the consideration varies (such as for incentives, rebates, performance fees, royalties, success of an outcome etc), minimum amounts of revenue must be recognised if they are not at significant risk of reversal.
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa.
- There are new specific rules on licenses, warranties, non-refundable upfront fees, and consignment arrangements.
- As with any new standard, there are also increased disclosures.

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018 (CONTINUED)**

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Changes in accounting policies and effects arising from adoption of revised MFRS (continued)

3.2 Standards, amendments to published standards and interpretations to existing standards that are relevant to the Group but not yet effective and have not been early adopted (continued)

The Group will apply the new standards, amendments to standards and interpretations in the following period: (continued)

Financial year beginning on/after 1 January 2019 (continued)

- MFRS 16 “Leases” (effective from 1 January 2019) supercedes MFRS 117 “Leases” and the related interpretations.

Under MFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

MFRS 16 eliminates the classification of leases by the lessee as either finance leases (on balance sheet) or operating leases (off balance sheet). MFRS 16 requires a lessee to recognise a “right-of-use” of the underlying asset and a lease liability reflecting future lease payments for most leases.

The right-of-use asset is depreciated in accordance with the principle in MFRS 116 “Property, Plant and Equipment” and the lease liability is accreted over time with interest expense recognised in the income statement.

For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently.

- IC Interpretation 23 “Uncertainty over Income Tax Treatments” (effective 1 January 2019) provides guidance on how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment.

If an entity concludes that it is not probable that the tax treatment will be accepted by the tax authority, the effect of the tax uncertainty should be included in the period when such determination is made. An entity shall measure the effect of uncertainty using the method which best predicts the resolution of the uncertainty.

IC Interpretation 23 will be applied retrospectively.

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018 (CONTINUED)**

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Changes in accounting policies and effects arising from adoption of revised MFRS (continued)

3.2 Standards, amendments to published standards and interpretations to existing standards that are relevant to the Group but not yet effective and have not been early adopted (continued)

The Group will apply the new standards, amendments to standards and interpretations in the following period: (continued)

Financial year beginning on/after 1 January 2019 (continued)

- Amendments to MFRS 128 'Long-term Interests in Associates and Joint Ventures' (effective from 1 January 2019) clarify that an entity should apply MFRS 9 'Financial Instruments' (including the impairment requirements) to long-term interests in an associate or joint venture, which are in substance form part of the entity's net investment, for which settlement is neither planned nor likely to occur in the foreseeable future.

In addition, such long-term interest are subject to loss allocation and impairment requirements in MFRS 128.

The amendments shall be applied retrospectively.

- Amendments to MFRS 9 'Prepayment features with negative compensation' (effective 1 January 2019) allow companies to measure some prepayable financial assets with negative compensation at amortised cost. Negative compensation arises where the contractual terms permit the borrower to prepay the instrument before its contractual maturity, but the prepayment amount could be less than the unpaid amounts of principal and interest. To qualify for amortised cost measurement, the negative compensation must be reasonable compensation for early termination of the contract, and the asset must be held within 'a 'held to coll'ct' business model.

The amendments will be applied retrospectively.

- Annual Improvements to MFRSs 2015 – 2017 Cycle:

Amendments to MFRS 3 'Business Combinations' (effective from 1 January 2019) clarify that when a party obtains control of a business that is a joint operation, the acquirer should account the transaction as a business combination achieved in stages. Accordingly it should remeasure its previously held interest in the joint operation (rights to the assets and obligations for the liabilities) at fair value on the acquisition date.

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

Changes in accounting policies and effects arising from adoption of revised MFRS (continued)

3.2 Standards, amendments to published standards and interpretations to existing standards that are relevant to the Group but not yet effective and have not been early adopted (continued)

The Group will apply the new standards, amendments to standards and interpretations in the following period: (continued)

Financial year beginning on/after 1 January 2019 (continued)

- Annual Improvements to MFRSs 2015 – 2017 Cycle: (continued)

Amendments to MFRS 112 'Income Taxes' (effective from 1 January 2019) clarify that where income tax consequences of dividends on financial instruments classified as equity is recognised (either in profit or loss, other comprehensive income or equity) depends on where the past transactions that generated distributable profits were recognised. Accordingly, the tax consequences are recognised in profit or loss when an entity determines payments on such instruments are distribution of profits (that is, dividends). Tax on dividend should not be recognised in equity merely on the basis that it is related to a distribution to owners.

Amendments to MFRS 123 'Borrowing Costs' (effective from 1 January 2019) clarify that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

- Amendments to MFRS 119 'Plan amendment, curtailment or settlement' (effective 1 January 2019) requires an entity to use the updated actuarial assumptions from remeasurement of its net defined benefit liability or asset arising from plan amendment, curtailment or settlement, to determine current service cost and net interest for the remaining period after the change to the plan. The amendments will be applied prospectively.

Financial year beginning on/after 1 January 2021

- MFRS 17 "Insurance Contracts" replaces MFRS 4 "Insurance Contracts" applies to insurance contracts issued, to all reinsurance contracts and to investment contracts with discretionary participating features if an entity also issues insurance contracts. For fixed-fee service contracts whose primary purpose is the provision of services, an entity has an accounting policy choice to account for them in accordance with either MFRS 17 or MFRS 15 "Revenue". An entity is allowed to account financial guarantee contracts in accordance with MFRS 17 if the entity has asserted explicitly that it regarded them as insurance contracts. Insurance contracts, (other than reinsurance) where the entity is the policyholder are not within the scope of MFRS 17. Embedded derivatives and distinct investment and service components should be 'unbundled' and accounted for separately in accordance with the related MFRSs. Voluntary unbundling of other components is prohibited.

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

Changes in accounting policies and effects arising from adoption of revised MFRS (continued)

3.2 Standards, amendments to published standards and interpretations to existing standards that are relevant to the Group but not yet effective and have not been early adopted (continued)

The Group will apply the new standards, amendments to standards and interpretations in the following period: (continued)

Financial year beginning on/after 1 January 2021 (continued)

- MFRS 17 requires a current measurement model where estimates are remeasured at each reporting period. The measurement is based on the building blocks of discounted, probability-weighted cash flows, a risk adjustment and a contractual service margin (“CSM”) representing the unearned profit of the contract. An entity has a policy choice to recognise the impact of changes in discount rates and other assumptions that are related to financial risks either in profit or loss or in other comprehensive income.

Alternative measurement models are provided for the different insurance coverages:

- a) Simplified premium allocation approach if the insurance coverage period is a year or less; and
- b) Variable fee approach should be applied for insurance contracts that specify a link between payments to the policyholders and the returns on the underlying items.

The requirements of MFRS 17 align the presentation of revenue with other industries. Revenue is allocated to the periods in proportion to the value of the expected coverage and other services that the insurer provides in the period, and claims are presented when incurred. Investment components are excluded from revenue and claims.

Insurers are required to disclose information about amounts, judgements and risks arising from insurance contracts.

The Group is reviewing the adoption of the above accounting standards, amendments to published standards and interpretations to existing standards and will complete the process prior to the reporting requirement deadlines. The Group has not finalised any impact to the financial statements on the adoption of the above accounting standards.

Other than the above, all other new amendments to published standards and interpretations to existing standards issued by MASB effective for financial periods subsequent to 1 December 2017 are not relevant to the Group.

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018 (CONTINUED)

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.

5 UNUSUAL ITEMS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current financial period ended 30 June 2018.

6 CHANGES IN ESTIMATES

There were no material changes in the basis used for the accounting estimates for the current financial period ended 30 June 2018.

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 30 June 2018.

8 DIVIDEND PAID

During the period ended 30 June 2018, a final single tier dividend of 97.72% on 767,438,174 ordinary shares in respect of the financial year ended 30 November 2017, amounting to RM750,000,000 was paid on 22 May 2018, 20 June 2018 and 20 July 2018 respectively.

9 CHANGES IN THE COMPOSITION OF THE GROUP

There was no change in the composition of the Group and the Company during the period under review.

10 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE PERIOD

The Directors have on 23 February 2017 approved the separation of the general insurance and life insurance businesses of the Company pursuant to the requirements of the FSA. The general insurance business has been approved to be transferred to AIA General Berhad, a subsidiary of the Company. We have obtained BNM's approval for the transfer of the general insurance business of AIA Bhd. to AIA General Berhad with effect 1 July 2018.

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018 (CONTINUED)**

11 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	<u>Group</u>		<u>Company</u>	
	<u>30.06.2018</u>	<u>30.11.2017</u>	<u>30.06.2018</u>	<u>30.11.2017</u>
	RM'000	RM'000	RM'000	RM'000
<u>Continuing operations</u>				
<u>At fair value</u>				
Malaysian government securities	2,074,552	2,249,024	1,995,157	2,182,471
Cagamas papers	306,760	314,430	276,067	283,438
Unquoted corporate debt securities	5,521,615	5,478,956	5,409,778	5,343,734
Unquoted equity securities	4,625	4,625	4,625	4,625
Deposits with licensed bank	102,000	102,840	102,000	102,840
Accrued interest	101,840	87,988	99,498	85,221
	<u>8,111,392</u>	<u>8,237,863</u>	<u>7,887,125</u>	<u>8,002,329</u>
<u>Carrying values of financial instruments</u>				
At 1 December	8,237,863	7,939,844	8,002,329	7,878,116
Purchases	856,803	1,752,831	826,679	1,727,397
Maturities	(15,927)	(234,510)	(14,927)	(234,510)
Disposals at amortised cost	(938,178)	(1,278,402)	(900,949)	(1,237,469)
Fair value (losses)/gains recorded in:				
Other comprehensive income	(40,062)	61,393	(37,497)	61,681
Movement in accrued interest	13,852	1,192	14,277	1,570
Net amortisation of premiums	(2,959)	(4,485)	(2,787)	(4,464)
Assets of a disposal group classified as held-for-sale (Note 15(i))	-	-	-	(189,992)
At 30 June/30 November	<u>8,111,392</u>	<u>8,237,863</u>	<u>7,887,125</u>	<u>8,002,329</u>
Current	143,819	159,988	139,479	154,202
Non current	7,967,573	8,077,875	7,747,646	7,848,127
	<u>8,111,392</u>	<u>8,237,863</u>	<u>7,887,125</u>	<u>8,002,329</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 instruments

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

Group

	<u>Carrying amount</u> RM'000	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000
<u>At 30 June 2018</u>				
Malaysian government securities	2,074,552	-	2,074,552	-
Cagamas papers	306,760	-	306,760	-
Unquoted equity securities	4,625	-	-	4,625
Unquoted corporate debt securities	5,521,615	-	5,521,615	-
Deposits with licensed bank	102,000	-	102,000	-
Accrued interest	101,840	-	101,840	-
Total assets on a recurring fair value measurement basis	<u>8,111,392</u>	<u>-</u>	<u>8,106,767</u>	<u>4,625</u>
<u>At 30 November 2017</u>				
Malaysian government securities	2,249,024	-	2,249,024	-
Cagamas papers	314,430	-	314,430	-
Unquoted equity securities	4,625	-	-	4,625
Unquoted corporate debt securities	5,478,956	-	5,478,956	-
Deposits with licensed bank	102,840	-	102,840	-
Accrued interest	87,988	-	87,988	-
Total assets on a recurring fair value measurement basis	<u>8,237,863</u>	<u>-</u>	<u>8,233,238</u>	<u>4,625</u>

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11 AVAILABLE-FOR-SALE FINANCIAL ASSETS (CONTINUED)

Fair value of financial instruments (continued)

Company

	<u>Carrying amount</u> RM'000	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000
<u>At 30 June 2018</u>				
<u>Continuing operations</u>				
Malaysian government securities	1,995,157	-	1,995,157	-
Cagamas papers	276,067	-	276,067	-
Unquoted equity securities	4,625	-	-	4,625
Unquoted corporate debt securities	5,409,778	-	5,409,778	-
Deposits with licensed bank	102,000	-	102,000	-
Accrued interest	99,498	-	99,498	-
Total assets on a recurring fair value measurement basis	<u>7,887,125</u>	<u>-</u>	<u>7,882,500</u>	<u>4,625</u>
<u>Discontinued operations</u>				
Malaysian government securities	54,148	-	54,148	-
Cagamas papers	30,692	-	30,692	-
Unquoted corporate debt securities	97,116	-	97,116	-
Accrued interest	2,056	-	2,056	-
Total assets on a recurring fair value measurement basis	<u>184,012</u>	<u>-</u>	<u>184,012</u>	<u>-</u>

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11 AVAILABLE-FOR-SALE FINANCIAL ASSETS (CONTINUED)

Fair value of financial instruments (continued)

Company (continued)

	<u>Carrying amount</u> RM'000	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000
<u>At 30 November 2017</u>				
<u>Continuing operations</u>				
Malaysian government securities	2,182,471	-	2,182,471	-
Cagamas papers	283,438	-	283,438	-
Unquoted equity securities	4,625	-	-	4,625
Unquoted corporate debt securities	5,343,734	-	5,343,734	-
Deposits with licensed bank	102,840	-	102,840	-
Accrued interest	85,221	-	85,221	-
Total assets on a recurring fair value measurement basis	<u>8,002,329</u>	<u>-</u>	<u>7,997,704</u>	<u>4,625</u>
<u>Discontinued operations</u>				
Malaysian government securities	41,249	-	41,249	-
Cagamas papers	30,992	-	30,992	-
Unquoted corporate debt securities	115,284	-	115,284	-
Accrued interest	2,467	-	2,467	-
Total assets on a recurring fair value measurement basis	<u>189,992</u>	<u>-</u>	<u>189,992</u>	<u>-</u>

The table below sets out the summary of changes in level 3 fair value for financial assets for the period ended 30 June 2018.

	<u>Group and Company</u> <u>Unquoted equity securities</u> RM'000
<u>Assets and liabilities</u>	
At 1 December 2017/30 June 2018	<u>4,625</u>

Fair value hierarchy for financial and non-financial instruments

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 per Note 16 to the financial statements.

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

	<u>Group</u>		<u>Company</u>	
	<u>30.06.2018</u>	<u>30.11.2017</u>	<u>30.06.2018</u>	<u>30.11.2017</u>
	RM'000	RM'000	RM'000	RM'000
<u>Continuing operations</u>				
<u>At fair value</u>				
Malaysian government securities	5,111,154	4,132,076	5,111,154	4,132,076
Cagamas papers	1,521,072	1,608,235	1,521,072	1,608,235
Equity securities of corporations				
- Quoted	8,231,899	9,134,286	8,231,899	9,134,286
- Unquoted	296,378	236,481	291,188	231,132
Quoted real estate investment trust funds	412,855	481,246	412,855	481,246
Unquoted corporate debt securities	17,484,928	18,048,164	17,484,928	18,048,164
Mutual funds				
- Quoted	1,313,665	1,043,684	1,313,665	1,043,684
- Unquoted	370,724	401,131	370,724	401,131
Deposits with licensed bank	-	50,390	-	50,390
Malaysian government guaranteed loans	8,000	8,000	8,000	8,000
Accrued interest	291,339	282,345	291,339	282,345
	<u>35,042,014</u>	<u>35,426,038</u>	<u>35,036,824</u>	<u>35,420,689</u>
<u>Carrying values of financial instruments</u>				
At 1 December	35,426,038	33,368,348	35,420,689	33,368,348
Purchases	3,068,422	6,831,496	3,068,422	6,831,496
Maturities	(370,666)	(851,440)	(370,666)	(851,440)
Disposals at fair value	(2,242,313)	(4,912,094)	(2,242,313)	(4,912,094)
Fair value (losses)/gains recorded in income statements	(837,964)	997,629	(837,805)	997,629
Movement in accrued interest	8,994	6,610	8,994	6,610
Net amortisation of premiums	(10,497)	(14,511)	(10,497)	(14,511)
Assets of a disposal group classified as held-for-sale (Note 15(i))	-	-	-	(5,349)
At 30 June/30 November	<u>35,042,014</u>	<u>35,426,038</u>	<u>35,036,824</u>	<u>35,420,689</u>
Current	11,023,587	11,939,429	11,018,397	11,934,080
Non current	24,018,427	23,486,609	24,018,427	23,486,609
	<u>35,042,014</u>	<u>35,426,038</u>	<u>35,036,824</u>	<u>35,420,689</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018 (CONTINUED)**

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

Fair value of financial instruments

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

Group

	<u>Carrying amount</u> RM'000	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000
<u>At 30 June 2018</u>				
Malaysian government securities	5,111,154	-	5,111,154	-
Cagamas papers	1,521,072	-	1,521,072	-
Equity securities of corporations				
- Quoted	8,231,899	8,230,117	1,782	-
- Unquoted	296,378	-	296,345	33
Quoted real estate investment trust funds	412,855	412,855	-	-
Unquoted corporate debt securities	17,484,928	-	17,484,928	-
Mutual funds				
- Quoted	1,313,665	1,313,665	-	-
- Unquoted	370,724	-	-	370,724
Malaysian government guaranteed loans	8,000	-	-	8,000
Accrued interest	291,339	-	291,339	-
Total assets on a recurring fair value measurement basis	<u>35,042,014</u>	<u>9,956,637</u>	<u>24,706,620</u>	<u>378,757</u>
<u>At 30 November 2017</u>				
Malaysian government securities	4,132,076	-	4,132,076	-
Cagamas papers	1,608,235	-	1,608,235	-
Equity securities of corporations				
- Quoted	9,134,286	9,132,327	1,959	-
- Unquoted	236,481	-	236,448	33
Quoted real estate investment trust funds	481,246	481,246	-	-
Unquoted corporate debt securities	18,048,164	-	18,048,164	-
Mutual funds				
- Quoted	1,043,684	1,043,684	-	-
- Unquoted	401,131	139,976	-	261,155
Deposits with licensed bank	50,390	-	50,390	-
Malaysian government guaranteed loans	8,000	-	-	8,000
Accrued interest	282,345	-	282,345	-
Total assets on a recurring fair value measurement basis	<u>35,426,038</u>	<u>10,797,233</u>	<u>24,359,617</u>	<u>269,188</u>

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

Fair value of financial instruments (continued)

Company

	<u>Carrying amount</u> RM'000	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000
<u>At 30 June 2018</u>				
<u>Continuing operations</u>				
Malaysian government securities	5,111,154	-	5,111,154	-
Cagamas papers	1,521,072	-	1,521,072	-
Equity securities of corporations				
- Quoted	8,231,899	8,230,117	1,782	-
- Unquoted	291,188	-	291,155	33
Quoted real estate investment trust funds	412,855	412,855	-	-
Unquoted corporate debt securities	17,484,928	-	17,484,928	-
Mutual funds				
- Quoted	1,313,665	1,313,665	-	-
- Unquoted	370,724	-	-	370,724
Malaysian government guaranteed loans	8,000	-	-	8,000
Accrued interest	291,339	-	291,339	-
Total assets on a recurring fair value measurement basis	<u>35,036,824</u>	<u>9,956,637</u>	<u>24,701,430</u>	<u>378,757</u>
<u>Discontinued operations</u>				
Unquoted equity securities of corporations	<u>5,190</u>	<u>-</u>	<u>5,190</u>	<u>-</u>

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

Fair value of financial instruments (continued)

Company (continued)

	<u>Carrying amount</u> RM'000	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000
<u>At 30 November 2017</u>				
<u>Continuing operations</u>				
Malaysian government securities	4,132,076	-	4,132,076	-
Cagamas papers	1,608,235	-	1,608,235	-
Equity securities of corporations				
- Quoted	9,134,286	9,132,327	1,959	-
- Unquoted	231,132	-	231,099	33
Quoted real estate investment trust funds	481,246	481,246	-	-
Unquoted corporate debt securities	18,048,164	-	18,048,164	-
Mutual funds				
- Quoted	1,043,684	1,043,684	-	-
- Unquoted	401,131	139,976	-	261,155
Deposits with licensed bank	50,390	-	50,390	-
Malaysian government guaranteed loans	8,000	-	-	8,000
Accrued interest	282,345	-	282,345	-
Total assets on a recurring fair value measurement basis	<u>35,420,689</u>	<u>10,797,233</u>	<u>24,354,268</u>	<u>269,188</u>
<u>Discontinued operations</u>				
Unquoted equity securities of corporations	<u>5,349</u>	<u>-</u>	<u>5,349</u>	<u>-</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018 (CONTINUED)**

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

Fair value of financial instruments (continued)

The tables below set out the summary of changes in level 3 fair value for financial assets for the period ended 30 June 2018.

	Group and Company		
	Malaysian government guaranteed loans	Equity securities	Mutual funds
	RM'000	RM'000	RM'000
At 30 November 2016	8,000	33	155,465
Acquisition during the year	-	-	142,566
Disposal during the year	-	-	(17,616)
Fair value losses recorded in income statements	-	-	(19,260)
At 30 November 2017	8,000	33	261,155
Acquisition during the period	-	-	106,063
Disposal during the period	-	-	(6,838)
Fair value gains recorded in income statements	-	-	10,344
At 30 June 2018	8,000	33	370,724

Fair value hierarchy for financial and non-financial instruments

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 per Note 16 to the condensed financial statements.

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

Group

	<u>30.06.2018</u> RM'000	<u>30.11.2017</u> RM'000
Reinsurance of insurance contracts	268,320	232,991
Receivable within 12 months	259,686	224,720
Receivable after 12 months	8,634	8,271
	<u>268,320</u>	<u>232,991</u>

Company

Continuing operations

Reinsurance of insurance contracts	251,506	215,669
Receivable within 12 months	251,506	215,669

14 INSURANCE RECEIVABLES

Group

Outstanding premiums including agents' balances	293,502	333,424
Amount due from reinsurers	33,950	22,764
	<u>327,452</u>	<u>356,188</u>
Allowance for impairment losses	(37,170)	(29,882)
	<u>290,282</u>	<u>326,306</u>
Receivable within 12 months	290,282	326,306

Company

Continuing operations

Outstanding premiums including agents' balances	258,803	293,978
Amount due from reinsurers	31,255	20,042
	<u>290,058</u>	<u>314,020</u>
Allowance for impairment losses	(33,637)	(27,553)
	<u>256,421</u>	<u>286,467</u>
Receivable within 12 months	256,421	286,467

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14 INSURANCE RECEIVABLES (CONTINUED)

Offsetting of financial assets and financial liabilities

The following table shows the assets and liabilities that are subject to offsetting, enforceable master netting agreements and similar arrangements at each financial period end:

Group

	<u>Gross amount of recognised financial assets/(liabilities)</u> RM'000	<u>Gross amount of recognised financial assets/(liabilities) set off in the statements of financial position</u> RM'000	<u>Net amount of financial assets/(liabilities) presented in the statements of financial position</u> RM'000	<u>Related amounts not set off in the statements of financial position</u>		<u>Net amount</u> RM'000
				<u>Financial instruments</u> RM'000	<u>Cash collateral (received)/ pledged</u> RM'000	
2018						
Amount due from reinsurers	34,312	(362)	33,950	-	-	33,950
Amount due to reinsurers	(245,999)	362	(245,637)	-	-	(245,637)
Other receivables	335,923	-	335,923	-	(46,036)	289,887
	<u>124,236</u>	<u>-</u>	<u>124,236</u>	<u>-</u>	<u>(46,036)</u>	<u>78,200</u>
2017						
Amount due from reinsurers	23,434	(670)	22,764	-	-	22,764
Amount due to reinsurers	(327,001)	670	(326,331)	-	-	(326,331)
Other receivables	249,425	-	249,425	-	(40,731)	208,694
	<u>(54,142)</u>	<u>-</u>	<u>(54,142)</u>	<u>-</u>	<u>(40,731)</u>	<u>(94,873)</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
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14 INSURANCE RECEIVABLES (CONTINUED)

Offsetting of financial assets and financial liabilities (continued)

Company

	Gross amount of recognised financial assets/(liabilities) set off in the statements of financial position RM'000	Gross amount of recognised financial assets/(liabilities) set off in the statements of financial position RM'000	Net amount of financial assets/(liabilities) presented in the statements of financial position RM'000	Related amounts not set off in the statements of financial position		Net amount RM'000
				Financial instruments RM'000	Cash collateral (received)/ pledged RM'000	
<u>2018</u>						
<u>Continuing operations</u>						
Amount due						
from reinsurers	31,617	(362)	31,255	-	-	31,255
Amount due to reinsurers	(245,083)	362	(244,721)	-	-	(244,721)
Other receivables	280,241	-	280,241	-	(46,036)	234,205
	66,775	-	66,775	-	(46,036)	20,739
<u>Discontinued operations</u>						
Amount due						
from reinsurers	2,695	-	2,695	-	-	2,695
Amount due to reinsurers	(916)	-	(916)	-	-	(916)
Other receivables	55,508	-	55,508	-	-	55,508
	57,287	-	57,287	-	-	57,287
<u>2017</u>						
<u>Continuing operations</u>						
Amount due						
from reinsurers	20,712	(670)	20,042	-	-	20,042
Amount due to reinsurers	(322,641)	670	(321,971)	-	-	(321,971)
Other receivables	189,049	-	189,049	-	(40,731)	148,318
	(112,880)	-	(112,880)	-	(40,731)	(153,611)
<u>Discontinued operations</u>						
Amount due						
from reinsurers	2,722	-	2,722	-	-	2,722
Amount due to reinsurers	(4,359)	-	(4,359)	-	-	(4,359)
Other receivables	58,280	-	58,280	-	-	58,280
	56,643	-	56,643	-	-	56,643

Certain amount due from reinsurers and amount due to reinsurers were set off for presentation purpose because they have enforceable right to set off and they intend either to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
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15 ASSETS CLASSIFIED AS HELD-FOR-SALE

Discontinued operations

The Directors have approved the separation of the general insurance and life insurance business of the Company pursuant to the requirements of the FSA.

Following the approval by the Directors to transfer the Company's general insurance business to AIA General Berhad, a subsidiary of the Company, the assets and liabilities of the general insurance business of the Company have been presented as a disposal group classified as held-for-sale at the Company level. We have obtained BNM's approval for the transfer of the general insurance business of AIA Bhd. to AIA General Berhad with effect 1 July 2018.

Accordingly, the Company's statement of financial position, income statement, statements of comprehensive income and cash flows of the general insurance business have been classified as discontinued operations. There is no impact to the Group level as AIA General Berhad is a wholly-owned subsidiary of the Company.

(A) The components of assets and liabilities held-for-sale attributable to the discontinued operations are as follows:

(i) Assets of a disposal group classified as held-for-sale

	<u>30.06.2018</u> RM'000	<u>30.11.2017</u> RM'000
Property, plant and equipment	365	401
Intangible assets	3,928	4,243
Available-for-sale financial assets (a)	184,012	189,992
Fair value through profit or loss financial assets (b)	5,190	5,349
Insurance receivables (c)	33,861	39,839
Loans and receivables (d)	79,941	68,427
Reinsurance assets (Note 17)	16,814	17,322
Cash and cash equivalents	3,465	26,686
	<u>327,576</u>	<u>352,259</u>
(a) <u>Available-for-sale financial assets:</u>		
Malaysian government securities	54,148	41,249
Cagamas papers	30,692	30,992
Unquoted corporate debt securities	97,116	115,284
Accrued interest	2,056	2,467
	<u>184,012</u>	<u>189,992</u>
(b) <u>Fair value through profit or loss financial assets:</u>		
Unquoted equity securities of corporations	5,190	5,349
	<u>5,190</u>	<u>5,349</u>

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15 ASSETS CLASSIFIED AS HELD-FOR-SALE (CONTINUED)

Discontinued operations (continued)

(A) The components of assets and liabilities held-for-sale attributable to the discontinued operations are as follows: (continued)

(i) Assets of a disposal group classified as held-for-sale (continued)

	<u>30.06.2018</u> RM'000	<u>30.11.2017</u> RM'000
(c) <u>Insurance receivables</u>		
Outstanding premiums including agents' balances	34,699	39,446
Amount due from reinsurers	2,695	2,722
	<u>37,394</u>	<u>42,168</u>
Allowance for impairment losses	(3,533)	(2,329)
	<u>33,861</u>	<u>39,839</u>
Receivable within 12 months	<u>33,861</u>	<u>39,839</u>
(d) <u>Loans and receivables:</u>		
Fixed and call deposits with licensed financial institutions	10,000	10,000
Accrued interest	452	147
	<u>10,452</u>	<u>10,147</u>
Other receivables	69,489	58,280
	<u>79,941</u>	<u>68,427</u>

The carrying amounts of loans and receivables approximate their fair values as at the date of the statements of financial position due to the relatively short-term maturity of these balances.

(ii) Reserves of a disposal group classified as held-for-sale

	<u>30.06.2018</u> RM'000	<u>30.11.2017</u> RM'000
Available-for-sale reserve	<u>(875)</u>	<u>152</u>

(iii) Liabilities of a disposal group classified as held-for-sale

Insurance contract liabilities (Note 17)	308,231	294,105
Deferred tax liabilities	747	299
Insurance payables (e)	7,186	12,769
Current tax liabilities	-	802
Other payables (f)	12,287	13,724
	<u>328,451</u>	<u>321,699</u>

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15 ASSETS CLASSIFIED AS HELD-FOR-SALE (CONTINUED)

Discontinued operations (continued)

(A) The components of assets and liabilities held-for-sale attributable to the discontinued operations are as follows: (continued)

(iii) Liabilities of a disposal group classified as held-for-sale (continued)

	<u>30.06.2018</u>	<u>30.11.2017</u>
	RM'000	RM'000
(e) <u>Insurance payables:</u>		
Due to reinsurers	916	4,359
Due to agents and insured	6,270	8,410
	<u>7,186</u>	<u>12,769</u>
(f) <u>Other payables:</u>		
Post employment benefit obligation		
- Defined benefit plan	-	4,213
Other payables	12,287	9,511
	<u>12,287</u>	<u>13,724</u>

The carrying amounts of insurance payables and other payables approximate their fair values as at the date of the statements of financial position due to the relatively short-term maturity of these balances.

(B) The components of the statement of cash flows held-for-sale attributable to the discontinued operations are as follows:

	<u>30.06.2018</u>	<u>30.11.2017</u>
	RM'000	RM'000
Operating cash flows	(22,681)	13,383
Investing cash flows	(540)	(601)
Net (decrease)/increase in cash and cash equivalents	<u>(23,221)</u>	<u>12,782</u>
Cash and cash equivalents at 1 December	26,686	13,904
Cash and cash equivalents at 30 June/30 November	<u>3,465</u>	<u>26,686</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
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16 FAIR VALUE MEASUREMENTS

Fair value measurements on a recurring basis

The Group measures at fair value for financial instruments classified at fair value through profit or loss, available for sale and investments in non-consolidated investment funds on a recurring basis. The fair value of a financial instrument is the amount that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The degree of judgement used in measuring the fair value of financial instruments generally correlates with the level of pricing observability. Financial instruments with quoted prices in active markets generally have more pricing observability and less judgement is used in measuring fair value. Conversely, financial instruments traded in other than active markets or that do not have quoted prices have less observability and are measured at fair value using valuation models or other pricing techniques that require more judgement. An active market is one in which transactions for the asset or liability being valued occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

An other than active market is one in which there are few transactions, the prices are not current, price quotations vary substantially either over time or among market makers, or in which little information is released publicly for the asset or liability being valued. Pricing observability is affected by a number of factors, including the type of financial instrument, whether the financial instrument is new to the market and not yet established, the characteristics specific to the transaction and general market conditions.

The Group does not have assets or liabilities measured at fair value on a non-recurring basis during the period ended 30 June 2018.

The following methods and assumptions were used by the Group to estimate the fair value of financial instrument:

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 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.

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16 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair value measurements on a recurring basis (continued)

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 at the measurement date from the perspective of a market participant that holds the asset or owes the liability. 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.

The Group's policy is to recognise transfers of assets and liabilities between Level 1 and Level 2 at their fair values as at the end of each reporting period, consistent with the date of the determination of fair value. Assets are transferred out of Level 1 when they are no longer transacted with sufficient frequency and volume in an active market. During the period ended 30 June 2018, there is no transfer of assets measured at fair value from Level 1 to Level 2. Conversely, assets are transferred from Level 2 to Level 1 when transaction volume and frequency are indicative of an active market. There is no transfer of assets from Level 2 to Level 1 during the period ended 30 June 2018.

The Group's Level 2 financial instruments include debt securities, deposits with licensed bank and Malaysian government guarantee loans. The fair values of Level 2 financial instruments are estimated using values obtained from private pricing services and brokers corroborated with internal review as necessary. When the quotes from third-party pricing services and brokers are not available, internal valuation techniques and observable inputs will be used to derive the fair value for the financial instruments.

Significant unobservable inputs for level 3 fair value measurements

The following table shows the valuation techniques used in determination of fair values within level 3, as well as the significant unobservable inputs used in the valuation models:

<u>Description</u>	<u>Valuation techniques</u>	<u>Valuation unobservable inputs</u>
Private equity funds	Net asset value	Net asset value
Common and preferred shares of private companies	Cost	Cost
Investment properties and properties held for own use	Discounted cash flows	Expected market rental growth Discount rate Yield

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16 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair value measurements on a recurring basis (continued)

Valuation processes

The Group has the valuation policies, procedures and analyses in place to govern the valuation of financial assets required for financial reporting purposes, including level 3 fair values. In determining the fair values of financial assets, the Group in general uses third-party pricing providers and, only in rare cases when no third-party prices exist, will use prices derived from internal models. Chief Investment Officers of the Group are required to review the reasonableness of the prices used and report price exceptions, if any. The Group's investment team analyses reported price exceptions and reviews price challenge responses from third party pricing providers and provides the final recommendation on the appropriate price to be used. Any changes in valuation policies are reviewed and approved by the Group Pricing Committee ("GPC") which is part of the Group's wider financial risk governance processes. Changes in level 2 and 3 fair values are analysed at each reporting date.

A significant increase/(decrease) in any of the unobservable input may result in a significantly lower/(higher) fair value measurement. The Group has subscriptions to private pricing services for gathering such information. If the information from private pricing services is not available, the Group uses the proxy pricing method based on internally-developed valuation inputs.

Fair value for assets and liabilities for which fair value is disclosed at reporting date

A summary of the fair value hierarchy of assets and liabilities not carried at fair value but for which fair value is disclosed as at 30 June 2018 is set out below.

Group

	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
<u>At 30 June 2018</u>				
Financial assets				
Loans and receivables	-	81,817	4,561,496	4,643,313
Financial liabilities				
Insurance payables	-	-	6,180,786	6,180,786
Other payables	-	-	794,420	794,420
	-	-	6,975,206	6,975,206
<u>At 30 November 2017</u>				
Financial assets				
Loans and receivables	-	120,720	4,566,992	4,687,712
Financial liabilities				
Insurance payables	-	-	6,126,981	6,126,981
Other payables	-	-	802,045	802,045
	-	-	6,929,026	6,929,026

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16 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair value for assets and liabilities for which fair value is disclosed at reporting date (continued)

A summary of the fair value hierarchy of assets and liabilities not carried at fair value but for which fair value is disclosed as at 30 June 2018 is set out below. (continued)

Company

	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
<u>At 30 June 2018</u>				
<u>Continuing operations</u>				
Financial assets				
Loans and receivables	-	42,387	4,561,495	4,603,882
Financial liabilities				
Insurance payables	-	-	6,173,600	6,173,600
Other payables	-	-	779,742	779,742
	-	-	6,953,342	6,953,342
<u>Discontinued operations</u>				
Financial assets				
Loans and receivables	-	10,597	-	10,597
Financial liabilities				
Insurance payables	-	-	7,186	7,186
Other payables	-	-	12,287	12,287
	-	-	19,473	19,473

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018 (CONTINUED)**

16 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair value for assets and liabilities for which fair value is disclosed at reporting date (continued)

A summary of the fair value hierarchy of assets and liabilities not carried at fair value but for which fair value is disclosed as at 30 June 2018 is set out below. (continued)

Company (continued)

	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
<u>At 30 November 2017</u>				
<u>Continuing operations</u>				
Financial assets				
Loans and receivables	-	80,860	4,566,992	4,647,852
Financial liabilities				
Insurance payables	-	-	6,114,212	6,114,212
Other payables	-	-	780,365	780,365
	-	-	6,894,577	6,894,577
<u>Discontinued operations</u>				
Financial assets				
Loans and receivables	-	10,257	-	10,257
Financial liabilities				
Insurance payables	-	-	12,769	12,769
Other payables	-	-	13,724	13,724
	-	-	26,493	26,493

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018 (CONTINUED)**

17 INSURANCE CONTRACT LIABILITIES

Group

	<u>Gross</u> RM'000	<u>Reinsurance</u> RM'000	<u>Net</u> RM'000
At 30 June 2018			
Life insurance (Note A)	38,429,261	(251,506)	38,177,755
General insurance (Note B)	308,231	(16,814)	291,417
	<u>38,737,492</u>	<u>(268,320)</u>	<u>38,469,172</u>
At 30 November 2017			
Life insurance (Note A)	38,381,079	(215,669)	38,165,410
General insurance (Note B)	294,105	(17,322)	276,783
	<u>38,675,184</u>	<u>(232,991)</u>	<u>38,442,193</u>

Company

At 30 June 2018

Continuing operations

Life insurance (Note A)	<u>38,402,900</u>	<u>(251,506)</u>	<u>38,151,394</u>
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Discontinued operations

General insurance (Note B)	<u>308,231</u>	<u>(16,814)</u>	<u>291,417</u>
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At 30 November 2017

Continuing operations

Life insurance (Note A)	<u>38,355,445</u>	<u>(215,669)</u>	<u>38,139,776</u>
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Discontinued operations

General insurance (Note B)	<u>294,105</u>	<u>(17,322)</u>	<u>276,783</u>
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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018 (CONTINUED)**

17 INSURANCE CONTRACT LIABILITIES (CONTINUED)

	Group		Company	
	30.06.2018	30.11.2017	30.06.2018	30.11.2017
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Current	1,259,894	1,216,823	1,110,266	1,072,594
Non-current	37,477,598	37,458,361	37,292,634	37,282,851
	<u>38,737,492</u>	<u>38,675,184</u>	<u>38,402,900</u>	<u>38,355,445</u>

(A) Life Insurance

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

(i) Life insurance contract liabilities

Group	Gross	Reinsurance	Net
	RM'000	RM'000	RM'000
At 30 June 2018			
Claims liabilities	337,506	(69,733)	267,773
Actuarial liabilities	30,648,025	(181,773)	30,466,252
Unallocated surplus	1,142,041	-	1,142,041
Asset revaluation reserve	155,193	-	155,193
Net asset value attributable to unitholders	6,146,496	-	6,146,496
	<u>38,429,261</u>	<u>(251,506)</u>	<u>38,177,755</u>
At 30 November 2017			
Claims liabilities	334,717	(55,234)	279,483
Actuarial liabilities	30,301,166	(160,435)	30,140,731
Unallocated surplus	1,572,004	-	1,572,004
Asset revaluation reserve	155,193	-	155,193
Net asset value attributable to unitholders	6,017,999	-	6,017,999
	<u>38,381,079</u>	<u>(215,669)</u>	<u>38,165,410</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018 (CONTINUED)**

17 INSURANCE CONTRACT LIABILITIES (CONTINUED)

(A) Life Insurance (continued)

The life insurance contract liabilities and its movements are further analysed as follows:
(continued)

(i) Life insurance 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>
At 30 June 2018			
Claims liabilities	337,506	(69,733)	267,773
Actuarial liabilities	30,648,025	(181,773)	30,466,252
Unallocated surplus	1,115,680	-	1,115,680
Asset revaluation reserve	155,193	-	155,193
Net asset value attributable to unitholders	6,146,496	-	6,146,496
	<u>38,402,900</u>	<u>(251,506)</u>	<u>38,151,394</u>
At 30 November 2017			
Claims liabilities	334,717	(55,234)	279,483
Actuarial liabilities	30,301,166	(160,435)	30,140,731
Unallocated surplus	1,546,370	-	1,546,370
Asset revaluation reserve	155,193	-	155,193
Net asset value attributable to unitholders	6,017,999	-	6,017,999
	<u>38,355,445</u>	<u>(215,669)</u>	<u>38,139,776</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018 (CONTINUED)**

17 INSURANCE CONTRACT LIABILITIES (CONTINUED)

(A) Life Insurance (continued)

The life insurance contract liabilities and its movements are further analysed as follows:
(continued)

(ii) Movements of life insurance contract liabilities (continued)

<u>Group</u>	<u>Gross</u>		<u>Total</u> RM'000
	<u>With DPF</u> RM'000	<u>Without DPF</u> RM'000	
At 30 November 2017			
At 1 December 2016	27,148,347	9,255,019	36,403,366
Policy movement	329,117	248,518	577,635
Movement in claims liabilities	7,991	32,043	40,034
Model refinement	-	-	-
Adjustments due to changes in assumptions:			
Expense	(156,161)	-	(156,161)
Lapse and surrender rates	(25,916)	(42,992)	(68,908)
Discount rate	(74,080)	178,490	104,410
Mortality/morbidity	-	-	-
Change in bonus	438,587	-	438,587
Others	(5)	(147,141)	(147,146)
Change in net asset value attributable to unitholders	-	1,040,897	1,040,897
Change in asset revaluation reserve	6,745	-	6,745
Unallocated surplus	141,620	-	141,620
At 30 November 2017	<u>27,816,245</u>	<u>10,564,834</u>	<u>38,381,079</u>
			<u>Reinsurance</u>
	<u>With DPF</u>	<u>Without DPF</u>	<u>Total</u>
	RM'000	RM'000	RM'000
At 1 December 2016	(21,096)	(86,984)	(108,080)
Policy movement	2,696	(105,862)	(103,166)
Movement in claims liabilities	(10,814)	(15,237)	(4,423)
At 30 November 2017	<u>(7,586)</u>	<u>(208,083)</u>	<u>(215,669)</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018 (CONTINUED)**

17 INSURANCE CONTRACT LIABILITIES (CONTINUED)

(A) Life Insurance (continued)

The life insurance contract liabilities and its movements are further analysed as follows:
(continued)

(ii) Movements of life insurance contract liabilities (continued)

<u>Company</u>	<u>Gross</u>		<u>Total</u> RM'000
	<u>With DPF</u> RM'000	<u>Without DPF</u> RM'000	
At 30 June 2018			
At 1 December 2017	27,790,611	10,564,834	38,355,445
Policy movement	173,953	207,273	381,226
Movement in claims liabilities	(3,554)	6,343	2,789
Model refinement	42,634	5,931	48,565
Adjustments due to changes in assumptions:			
Discount rate	(22,394)	(116,379)	(138,773)
Others	20	55,821	55,841
Change in net asset value attributable to unitholders		128,497	128,497
Unallocated surplus	(430,690)	-	(430,690)
At 30 June 2018	<u>27,550,580</u>	<u>10,852,320</u>	<u>38,402,900</u>
	<u>Reinsurance</u>		<u>Total</u> RM'000
	<u>With DPF</u> RM'000	<u>Without DPF</u> RM'000	
At 1 December 2017	(7,586)	(208,083)	(215,669)
Policy movement	310	(21,648)	(21,338)
Movement in claims liabilities	(229)	(14,270)	(14,499)
At 30 June 2018	<u>(7,505)</u>	<u>(244,001)</u>	<u>(251,506)</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018 (CONTINUED)**

17 INSURANCE CONTRACT LIABILITIES (CONTINUED)

(A) Life Insurance (continued)

The life insurance contract liabilities and its movements are further analysed as follows:
(continued)

(ii) Movements of life insurance contract liabilities (continued)

<u>Company</u>	<u>With DPF</u> <u>RM'000</u>	<u>Without DPF</u> <u>RM'000</u>	<u>Gross</u> <u>Total</u> <u>RM'000</u>
At 30 November 2017			
At 1 December 2016	27,123,328	9,255,019	36,378,347
Policy movement	329,117	248,518	577,635
Movement in claims liabilities	7,991	32,043	40,034
Model refinement	-	-	-
Adjustments due to changes in assumptions:			
Expense	(156,161)	-	(156,161)
Lapse and surrender rates	(25,916)	(42,992)	(68,908)
Discount rate	(74,080)	178,490	104,410
Mortality/morbidity	-	-	-
Change in bonus	438,587	-	438,587
Others	(5)	(147,141)	(147,146)
Change in net asset value attributable to unitholders	-	1,040,897	1,040,897
Change in asset revaluation reserve	6,745	-	6,745
Unallocated surplus	141,005	-	141,005
At 30 November 2017	<u>27,790,611</u>	<u>10,564,834</u>	<u>38,355,445</u>
			Reinsurance
	<u>With DPF</u> <u>RM'000</u>	<u>Without DPF</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>
At 1 December 2016	(21,096)	(86,984)	(108,080)
Policy movement	2,696	(105,862)	(103,166)
Movement in claims liabilities	10,814	(15,237)	(4,423)
At 30 November 2017	<u>(7,586)</u>	<u>(208,083)</u>	<u>(215,669)</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018 (CONTINUED)**

17 INSURANCE CONTRACT LIABILITIES (CONTINUED)

(B) General Insurance

Group

	Gross RM'000	Reinsurance RM'000	Net RM'000
At 30 June 2018			
Provision for claims reported by policyholders	106,219	(10,490)	95,729
Provision for incurred but not reported ("IBNR") claims	86,393	(1,419)	84,974
Claims liabilities	192,612	(11,909)	180,703
Premium liabilities	115,619	(4,905)	110,714
	<u>308,231</u>	<u>(16,814)</u>	<u>219,417</u>

At 30 November 2017

Provision for claims reported by policyholders	102,566	(8,151)	94,415
Provision for incurred but not reported ("IBNR") claims	81,370	(3,994)	77,376
Claims liabilities	183,936	(12,145)	171,791
Premium liabilities	110,169	(5,177)	104,992
	<u>294,105</u>	<u>(17,322)</u>	<u>276,783</u>

Company

At 30 June 2018

Discontinued operations

Provision for claims reported by policyholders	106,219	(10,490)	95,729
Provision for incurred but not reported ("IBNR") claims	86,393	(1,419)	84,974
Claims liabilities	192,612	(11,909)	180,703
Premium liabilities	115,619	(4,905)	110,714
	<u>308,231</u>	<u>(16,814)</u>	<u>219,417</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018 (CONTINUED)**

17 INSURANCE CONTRACT LIABILITIES (CONTINUED)

(B) General Insurance (continued)

Company

	Gross RM'000	Reinsurance RM'000	Net RM'000
At 30 November 2017			
<u>Discontinued operations</u>			
Provision for claims reported by policyholders	102,566	(8,151)	94,415
Provision for incurred but not reported ("IBNR") claims	81,370	(3,994)	77,376
Claims liabilities	183,936	(12,145)	171,791
Premium liabilities	110,169	(5,177)	104,992
	<u>294,105</u>	<u>(17,322)</u>	<u>276,783</u>

(i) Claims liabilities

Group

At 30 June 2018

At 1 December 2017	183,936	(12,145)	171,791
Claims incurred in the current accident year	60,182	(2,224)	57,958
Movement in claims incurred in prior accident years	370	(1,296)	(926)
Claims paid during the period	(51,281)	3,639	(47,642)
Others	(1,950)	-	(1,950)
Change in expense liabilities and risk margin	1,355	117	1,472
At 30 June 2018	<u>192,612</u>	<u>(11,909)</u>	<u>180,703</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018 (CONTINUED)**

17 INSURANCE CONTRACT LIABILITIES (CONTINUED)

(B) General Insurance (continued)

(i) Claims liabilities (continued)

Group

	Gross RM'000	Reinsurance RM'000	Net RM'000
At 30 November 2017			
At 1 December 2016	202,703	(12,850)	189,853
Claims incurred in the current accident year	107,926	(5,822)	102,104
Movement in claims incurred in prior accident years	(1,002)	203	(799)
Claims paid during the year	(118,250)	6,577	(111,673)
Others	(9,027)	-	(9,027)
Change in expense liabilities and risk margin	1,586	(253)	1,333
At 30 November 2017	<u>183,936</u>	<u>(12,145)</u>	<u>171,791</u>

Company

	Gross RM'000	Reinsurance RM'000	Net RM'000
At 30 June 2018			
<u>Discontinued operations</u>			
At 1 December 2017	183,936	(12,145)	171,791
Claims incurred in the current accident year	60,182	(2,224)	57,958
Movement in claims incurred in prior accident years	370	(1,296)	(926)
Claims paid during the period	(51,281)	3,639	(47,642)
Others	(1,950)	-	(1,950)
Change in expense liabilities and risk margin	1,355	117	1,472
At 30 June 2018	<u>192,612</u>	<u>(11,909)</u>	<u>180,703</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018 (CONTINUED)**

17 INSURANCE CONTRACT LIABILITIES (CONTINUED)

(B) General Insurance (continued)

(i) Claims liabilities (continued)

Company

	<u>Gross</u> RM'000	<u>Reinsurance</u> RM'000	<u>Net</u> RM'000
At 30 November 2017			
<u>Discontinued operations</u>			
At 1 December 2016	202,703	(12,850)	189,853
Claims incurred in the current accident year	107,926	(5,822)	102,104
Movement in claims incurred in prior accident years	(1,002)	203	(799)
Claims paid during the year	(118,250)	6,577	(111,673)
Others	(9,027)	-	(9,027)
Change in expense liabilities and risk margin	1,586	(253)	1,333
At 30 November 2017	<u>183,936</u>	<u>(12,145)</u>	<u>171,791</u>

(ii) Premium liabilities

Group

	<u>Gross</u> RM'000	<u>Reinsurance</u> RM'000	<u>Net</u> RM'000
At 30 June 2018			
At 1 December 2017	110,169	(5,177)	104,992
Premium written during the period (Note 19)	168,586	(12,238)	156,348
Premium earned during the period	<u>(163,136)</u>	<u>12,510</u>	<u>(150,626)</u>
At 30 June 2018	<u>115,619</u>	<u>(4,905)</u>	<u>110,714</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018 (CONTINUED)**

17 INSURANCE CONTRACT LIABILITIES (CONTINUED)

(B) General Insurance (continued)

(ii) Premium liabilities (continued)

Group

	<u>Gross</u> RM'000	<u>Reinsurance</u> RM'000	<u>Net</u> RM'000
At 30 November 2017			
At 1 December 2016	113,793	(5,966)	107,827
Premium written during the year	275,705	(21,728)	253,977
Premium earned during the year	(279,329)	22,517	(256,812)
At 30 November 2017	<u>110,169</u>	<u>(5,177)</u>	<u>104,992</u>

Company

	<u>Gross</u> RM'000	<u>Reinsurance</u> RM'000	<u>Net</u> RM'000
At 30 June 2018			
<u>Discontinued operations</u>			
At 1 December 2017	110,169	(5,177)	104,992
Premium written during the period (Note 19)	168,586	(12,238)	156,348
Premium earned during the period	(163,136)	12,510	(150,626)
At 30 June 2018	<u>115,619</u>	<u>(4,905)</u>	<u>110,714</u>

At 30 November 2017

Discontinued operations

At 1 December 2016	113,793	(5,966)	107,827
Premium written during the year	275,705	(21,728)	253,977
Premium earned during the year	(279,329)	22,517	(256,812)
At 30 November 2017	<u>110,169</u>	<u>(5,177)</u>	<u>104,992</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018 (CONTINUED)**

18 INSURANCE PAYABLES

Group

	<u>30.06.2018</u>	<u>30.11.2017</u>
	RM'000	RM'000
Dividend payable to policyholders	5,332,885	5,108,830
Due to reinsurers	245,637	326,331
Due to agents and insureds	383,219	447,368
Premium deposits	219,045	244,452
	<u>6,180,786</u>	<u>6,126,981</u>

Company

Continuing operations

Dividend payable to policyholders	5,332,885	5,108,830
Due to reinsurers	244,721	321,971
Due to agents and insureds	376,949	438,959
Premium deposits	219,045	244,452
	<u>6,173,600</u>	<u>6,114,212</u>

The carrying amounts disclosed above approximate their fair values as at the date of the statements of financial position. All amounts are payable within one year.

Offsetting of financial assets and financial liabilities

Certain amounts due from reinsurers and amounts due to reinsurers were set off for presentation purpose because they have the enforceable right to set off and they intend either to settle on a net basis, or to realise the assets and settle the liabilities simultaneously as disclosed in Note 14 to the financial statements.

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018 (CONTINUED)**

19 NET EARNED PREMIUMS

	<u>Group</u>		<u>Company</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	RM'000	RM'000	RM'000	RM'000
<u>Continuing operations</u>				
(a) Gross earned premiums				
Insurance contracts:				
Life	5,084,356	4,757,967	5,084,356	4,757,967
General (Note 17(B)(ii))	168,586	157,687	-	-
Gross premium	5,252,942	4,915,654	5,084,356	4,757,967
Change in premium liabilities	(5,450)	7,458	-	-
	<u>5,247,492</u>	<u>4,923,112</u>	<u>5,084,356</u>	<u>4,757,967</u>
(b) Premiums ceded to reinsurers				
Insurance contracts:				
Life	(575,238)	(496,767)	(575,238)	(496,767)
General (Note 17(B)(ii))	(12,238)	(13,407)	-	-
Gross premium (ceded)	(587,476)	(510,174)	(575,238)	(496,767)
Change in premium liabilities	(272)	(494)	-	-
	<u>(587,748)</u>	<u>(510,668)</u>	<u>(575,238)</u>	<u>(496,767)</u>
Net earned premiums	<u>4,659,744</u>	<u>4,412,444</u>	<u>4,509,118</u>	<u>4,261,200</u>
<u>Discontinued operations (Note 23)</u>				
(a) Gross earned premiums				
Insurance contracts:				
General (Note 17(B)(ii))	-	-	168,586	157,687
Gross premium	-	-	168,586	157,687
Change in premium liabilities	-	-	(5,450)	7,458
	<u>-</u>	<u>-</u>	<u>163,136</u>	<u>165,145</u>
(b) Premiums ceded to reinsurers				
Insurance contracts:				
General (Note 17(B)(ii))	-	-	(12,238)	(13,407)
Gross premium (ceded)	-	-	(12,238)	(13,407)
Change in premium liabilities	-	-	(272)	(494)
	<u>-</u>	<u>-</u>	<u>(12,510)</u>	<u>(13,901)</u>
Net earned premiums	<u>-</u>	<u>-</u>	<u>150,626</u>	<u>151,244</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018 (CONTINUED)**

20 NET INSURANCE BENEFITS AND CLAIMS (CONTINUED)

	<u>30.06.2018</u>	<u>Group</u> <u>30.06.2017</u>	<u>30.06.2018</u>	<u>Company</u> <u>30.06.2017</u>
	RM'000	RM'000	RM'000	RM'000
(a) Gross benefits and claims paid				
<u>Continuing operations</u>				
Insurance contracts:				
Life	(3,889,190)	(3,720,805)	(3,889,190)	(3,720,805)
General	(44,003)	(75,018)	-	-
	<u>(3,933,193)</u>	<u>(3,795,823)</u>	<u>(3,889,190)</u>	<u>(3,720,805)</u>
<u>Discontinued operations (Note 23)</u>				
Insurance contracts:				
General	-	-	(44,003)	(75,018)
	<u>-</u>	<u>-</u>	<u>(44,003)</u>	<u>(75,018)</u>
(b) Claims ceded to reinsurers				
<u>Continuing operations</u>				
Insurance contracts:				
Life	396,776	255,547	396,776	255,547
General	(3,639)	6,577	-	-
	<u>393,137</u>	<u>262,124</u>	<u>396,776</u>	<u>255,547</u>
<u>Discontinued operations (Note 23)</u>				
Insurance contracts:				
General	-	-	(3,639)	6,577
	<u>-</u>	<u>-</u>	<u>(3,639)</u>	<u>6,577</u>
(c) Gross change to insurance contract liabilities:				
<u>Continuing operations</u>				
Insurance contracts:				
Life	(48,182)	(2,033,150)	(47,455)	(2,032,889)
General	(8,677)	27,088	-	-
	<u>(56,859)</u>	<u>(2,006,062)</u>	<u>(47,455)</u>	<u>(2,032,889)</u>
<u>Discontinued operations (Note 23)</u>				
Insurance contracts:				
General	-	-	(8,677)	27,088
	<u>-</u>	<u>-</u>	<u>(8,677)</u>	<u>27,088</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018 (CONTINUED)**

20 NET INSURANCE BENEFITS AND CLAIMS (CONTINUED)

	<u>Group</u>		<u>Company</u>	
	<u>30.06.2018</u>	<u>30.06.2017</u>	<u>30.06.2018</u>	<u>30.06.2017</u>
	RM'000	RM'000	RM'000	RM'000
(d) Change in insurance contract liabilities ceded to reinsurers				
<u>Continuing operations</u>				
Insurance contracts:				
Life	35,8367	92,813	35,837	92,813
General	(235)	(2,788)	-	-
	<u>35,602</u>	<u>90,025</u>	<u>35,837</u>	<u>92,813</u>
<u>Discontinued operations (Note 23)</u>				
Insurance contracts:				
General	-	-	(235)	(2,788)
	<u>-</u>	<u>-</u>	<u>(235)</u>	<u>(2,788)</u>

21 CAPITAL COMMITMENTS

	<u>Group and Company</u>	
	<u>30.06.2018</u>	<u>30.11.2017</u>
	RM'000	RM'000
Capital expenditure		
<u>Approved and contracted for:</u>		
Property and equipment	712	17,923
Intangible assets	15,815	374
Investments	336,262	297,481
	<u>352,789</u>	<u>315,778</u>
<u>Approved but not contracted for:</u>		
Property and equipment	2,455	203
Intangible assets	10,945	3,292
	<u>13,400</u>	<u>3,495</u>
Total	<u>366,189</u>	<u>319,273</u>

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018 (CONTINUED)

22 REGULATORY CAPITAL REQUIREMENT

The capital structure of the Company as at 30 June 2018, as prescribed under the RBC Framework is provided below:

	<u>30.06.2018</u>	<u>Company</u> <u>30.11.2017</u>
	<u>RM'000</u>	<u>RM'000</u>
<u>Eligible Tier 1 Capital</u>		
Share capital (paid up)	1,450,890	1,450,890
Reserves, including retained earnings	11,511,586	12,042,525
	<u>12,962,476</u>	<u>13,493,415</u>
<u>Tier 2 Capital</u>		
Revaluation reserves	190,969	190,969
Available-for-sale fair value reserves	(49,306)	(14,241)
	<u>141,663</u>	<u>176,728</u>
Amount deducted from capital	<u>(358,038)</u>	<u>(238,995)</u>
Total capital available	<u>12,746,101</u>	<u>13,431,148</u>

23 INSURANCE FUNDS

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

The Group's statements of financial position and income statements analysed by Life fund, Shareholders' and General Funds have been presented together as one fund.

The life insurance 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, motor, fire and other classes.

Individual fund's 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's revenue, expense, assets and liabilities are determined before inter-fund balances and inter-fund transactions are eliminated as part of the consolidation process.

As set out in Note 10 to the financial statements, the Directors have approved the proposed disposal of the Company's General Insurance business on 23 February 2017 as required under the FSA. Accordingly, the statement of financial position, income statement and statements of comprehensive income and cash flows of the General Fund have been classified as discontinued operations in the financial statements.

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
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23 **INSURANCE FUNDS (CONTINUED)**

STATEMENTS OF FINANCIAL POSITION BY FUNDS AS AT 30 JUNE 2018

At 30 June 2018

Group	Shareholders' and General Fund RM'000	Life Fund RM'000	Inter-fund Elimination RM'000	Total RM'000
<u>Assets</u>				
Property, plant and equipment	862	464,066	-	464,928
Investment properties	-	364,217	-	364,217
Prepaid land lease payments	587	571	-	1,158
Intangible assets	3,990	91,878	-	95,868
Investment in associates	36,705	26,449	-	63,154
Available-for-sale financial assets	1,370,798	6,740,594	-	8,111,392
Fair value through profit or loss financial assets	5,190	35,036,824	-	35,042,014
Loans and receivables	3,794,235	4,795,497	(3,642,571)	4,947,161
Reinsurance assets	16,814	251,506	-	268,320
Insurance receivables	33,861	256,421	-	290,282
Current tax assets	3,331	38,195	-	41,526
Cash and cash equivalents	248,627	746,120	-	994,747
Total assets	5,515,000	48,812,338	(3,642,571)	50,684,767
<u>Equity and liabilities</u>				
Total equity	4,441,402	-	-	4,441,402
Insurance contract liabilities	308,231	38,429,261	-	38,737,492
Deferred tax liabilities	555,820	(25,153)	-	530,667
Insurance payables	7,186	6,173,600	-	6,180,786
Interfund payable	-	3,642,571	(3,642,571)	-
Other payables	202,361	592,059	-	794,420
Total liabilities	1,073,598	48,812,338	(3,642,571)	46,243,365
Total equity and liabilities	5,515,000	48,812,338	(3,642,571)	50,684,767

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
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23 **INSURANCE FUNDS (CONTINUED)**

STATEMENTS OF FINANCIAL POSITION BY FUNDS AS AT 30 JUNE 2018 (CONTINUED)

At 30 November 2017

Group	Shareholders' and General Fund RM'000	Life Fund RM'000	Inter-fund Elimination RM'000	Total RM'000
<u>Assets</u>				
Property, plant and equipment	922	466,952	-	467,874
Investment properties	-	370,312	-	370,312
Prepaid land lease payments	592	582	-	1,174
Intangible assets	4,243	85,632	-	89,875
Investment in associates	37,716	25,721	-	63,437
Available-for-sale financial assets	1,479,483	6,758,380	-	8,237,863
Fair value through profit or loss financial assets	5,349	35,420,689	-	35,426,038
Loans and receivables	3,986,604	4,758,076	(3,873,974)	4,870,706
Reinsurance assets	17,322	215,669	-	232,991
Insurance receivables	39,839	286,467	-	326,306
Cash and cash equivalents	40,826	736,768	-	777,594
Total assets	5,612,896	49,125,248	(3,873,974)	50,864,170
<u>Equity and liabilities</u>				
Total equity	4,730,566	-	-	4,730,566
Insurance contract liabilities	294,105	38,381,079	-	38,675,184
Deferred tax liabilities	467,504	49,427	-	516,931
Insurance payables	12,769	6,114,212	-	6,126,981
Current tax liabilities	55,846	(43,383)	-	12,463
Other payables	52,106	4,623,913	(3,873,974)	802,045
Total liabilities	882,330	49,125,248	(3,873,974)	46,133,604
Total equity and liabilities	5,612,896	49,125,248	(3,873,974)	50,864,170

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
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23 INSURANCE FUNDS (CONTINUED)

STATEMENTS OF FINANCIAL POSITION BY FUNDS AS AT 30 JUNE 2018 (CONTINUED)

At 30 June 2018

<u>Company</u>	<u>Continuing operations</u>				<u>Dis-continued operations General Fund RM'000</u>
	<u>Shareholders' Fund RM'000</u>	<u>Life Fund RM'000</u>	<u>Inter-fund Elimination RM'000</u>	<u>Total RM'000</u>	
<u>Assets</u>					
Property, plant and equipment	470	464,066	-	464,536	365
Investment properties	-	364,217	-	364,217	-
Prepaid land lease payments	587	571	-	1,158	-
Intangible assets	-	91,878	-	91,878	3,928
Investment in subsidiaries	253,000	-	-	253,000	-
Investment in associates	-	88	-	88	-
Available-for-sale financial assets	1,146,531	6,740,594	-	7,887,125	184,012
Fair value through profit or loss financial assets	-	35,036,824	-	35,036,824	5,190
Loans and receivables	3,679,932	4,809,478	(3,642,571)	4,846,839	65,960
Reinsurance assets	-	251,506	-	251,506	16,814
Insurance receivables	-	256,421	-	256,421	33,861
Current tax assets	3,254	38,195	-	41,449	-
Cash and cash equivalents	145,487	746,120	-	891,607	3,465
Total assets	5,229,261	48,799,958	(3,642,571)	50,386,648	313,595
Interfund balances	-	(13,981)	-	(13,981)	13,981

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
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23 INSURANCE FUNDS (CONTINUED)

STATEMENTS OF FINANCIAL POSITION BY FUNDS AS AT 30 JUNE 2018 (CONTINUED)

At 30 June 2018 (continued)

<u>Company</u>	<u>Continuing operations</u>				<u>Dis-continued operations General Fund RM'000</u>
	<u>Shareholders' Fund RM'000</u>	<u>Life Fund RM'000</u>	<u>Inter-fund Elimination RM'000</u>	<u>Total RM'000</u>	
<u>Equity and liabilities</u>					
Total equity	4,486,505	-	-	4,486,505	(875)
Insurance contract liabilities	-	38,402,900	-	38,402,900	308,231
Deferred tax liabilities	555,073	(25,153)	-	529,920	747
Insurance payables	-	6,173,600	-	6,173,600	7,186
Other payables	187,683	4,234,630	(3,642,571)	779,742	12,287
Total liabilities	742,756	48,785,977	(3,642,571)	45,886,162	328,451
Total equity and liabilities	5,229,261	48,785,977	(3,642,571)	50,372,667	327,576

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
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23 INSURANCE FUNDS (CONTINUED)

STATEMENTS OF FINANCIAL POSITION BY FUNDS AS AT 30 JUNE 2018 (CONTINUED)

At 30 November 2017

<u>Company</u>	<u>Continuing operations</u>				<u>Dis-continued operations General Fund RM'000</u>
	<u>Shareholders' Fund RM'000</u>	<u>Life Fund RM'000</u>	<u>Inter-fund Elimination RM'000</u>	<u>Total RM'000</u>	
<u>Assets</u>					
Property, plant and equipment	480	466,952	-	467,432	401
Investment properties	-	370,312	-	370,312	-
Prepaid land lease payments	592	582	-	1,174	-
Intangible assets	-	85,632	-	85,632	4,243
Investment in subsidiaries	163,000	-	-	163,000	-
Investment in associates	-	88	-	88	-
Available-for-sale financial assets	1,243,949	6,758,380	-	8,002,329	189,992
Fair value through profit or loss financial assets	-	35,420,689	-	35,420,689	5,349
Loans and receivables	3,886,478	4,758,076	(3,873,974)	4,770,580	68,427
Reinsurance assets	-	215,669	-	215,669	17,322
Insurance receivables	-	286,467	-	286,467	39,839
Cash and cash equivalents	1,532	736,768	-	738,300	26,686
Total assets	5,296,031	49,099,615	(3,873,974)	50,521,672	352,259

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
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23 **INSURANCE FUNDS (CONTINUED)**

STATEMENTS OF FINANCIAL POSITION BY FUNDS AS AT 30 JUNE 2018 (CONTINUED)

At 30 November 2017 (continued)

<u>Company</u>	<u>Continuing operations</u>				<u>Dis-continued operations General Fund RM'000</u>
	<u>Shareholders' Fund RM'000</u>	<u>Life Fund RM'000</u>	<u>Inter-fund Elimination RM'000</u>	<u>Total RM'000</u>	
<u>Equity and liabilities</u>					
Total equity	4,773,556	-	-	4,773,556	152
Insurance contract liabilities	-	38,355,445	-	38,355,445	294,105
Deferred tax liabilities	467,205	49,427	-	516,632	299
Insurance payables	-	6,114,212	-	6,114,212	12,769
Current tax liabilities	55,253	(43,383)	-	11,870	802
Other payables	17	4,654,322	(3,873,974)	780,365	13,724
Total liabilities	522,475	49,130,023	(3,873,974)	45,778,524	321,699
Total equity and liabilities	5,296,031	49,130,023	(3,873,974)	50,552,080	321,851
Interfund balances	-	(30,408)	-	(30,408)	30,408

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018 (CONTINUED)**

23 INSURANCE FUNDS (CONTINUED)

INCOME STATEMENTS BY FUNDS FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018

30 June 2018

Group	Shareholders' and General Fund RM'000	Life Fund RM'000	Inter-fund Elimination RM'000	Total RM'000
Gross earned premiums	163,136	5,084,356	-	5,247,492
Premiums ceded to reinsurers	(12,510)	(575,238)	-	(587,748)
Net earned premiums	150,626	4,509,118	-	4,659,744
Investment income	42,579	1,273,966	-	1,316,545
Net realised gains	1,380	3,946	-	5,326
Fair value losses	(159)	(844,805)	-	(844,964)
Other operating income/ (expenses)	2,934	31,561	(489)	34,006
Total net revenue	197,360	4,973,786	(489)	5,170,657
Gross benefits and claims paid	(44,003)	(3,889,190)	-	(3,933,193)
Claims ceded to reinsurers	(3,639)	396,776	-	393,137
Gross change to insurance contract liabilities	(8,677)	(48,182)	-	(56,859)
Change in insurance contract liabilities ceded to reinsurers	(235)	35,837	-	35,602
Net insurance benefits and claims	(56,554)	(3,504,759)	-	(3,561,313)
Fee and commission expenses	(38,442)	(468,788)	-	(507,230)
Management expenses	(60,465)	(444,609)	489	(504,585)
Other expenses	(98,907)	(913,397)	489	(1,011,815)
Profit before share of loss from associate	41,899	555,630	-	597,529
Share of (losses)/gains from associate	(910)	727	-	(183)
Profit before tax	40,989	556,357	-	597,346
Tax expense attributable to policyholders and unitholders	-	12,622	-	12,622
Profit before tax attributable to shareholders	40,989	568,979	-	609,968
Transfer from Revenue Accounts	568,979	(568,979)	-	-
Profit before tax attributable to shareholders	609,968	-	-	609,968
Tax expense attributable to shareholders	(117,871)	-	-	(117,871)
Profit after tax for the period	492,097	-	-	492,097

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018 (CONTINUED)**

23 INSURANCE FUNDS (CONTINUED)

STATEMENTS OF COMPREHENSIVE INCOME BY FUNDS FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018

30 June 2018

<u>Group</u>	<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 after tax for the period	492,097	-	-	492,097
Other comprehensive (loss)/ income:				
<u>Items that may be subsequently reclassified to profit or loss</u>				
Net losses arising during the period	(33,029)	-	-	(33,029)
Net realised losses transferred to income statements	(7,033)	-	-	(7,033)
Deferred taxation	8,901	-	-	8,901
Change in available-for-sale fair value reserves	(31,161)	-	-	(31,161)
Share of other comprehensive loss from associate	(100)	-	-	(100)
	<u>(31,261)</u>	<u>-</u>	<u>-</u>	<u>(31,261)</u>
Total comprehensive income for the period	<u>460,836</u>	<u>-</u>	<u>-</u>	<u>460,836</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
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23 INSURANCE FUNDS (CONTINUED)

INCOME STATEMENTS BY FUNDS FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018

30 June 2017

<u>Group</u>	<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
Gross earned premiums	165,145	4,757,967	-	4,923,112
Premiums ceded to reinsurers	(13,901)	(496,767)	-	(510,668)
Net earned premiums	151,244	4,261,200	-	4,412,444
Investment income	44,508	1,208,582	-	1,253,090
Net realised (losses)/gains	(347)	4,101	-	3,754
Fair value (losses)/gains	(36)	1,352,674	-	1,352,638
Other operating income/ (expenses)	3,882	21,648	(443)	25,087
Total net revenue	199,251	6,848,205	(443)	7,047,013
Gross benefits and claims paid	(75,018)	(3,720,805)	-	(3,795,823)
Claims ceded to reinsurers	6,577	255,547	-	262,124
Gross change to insurance contract liabilities	27,088	(2,033,150)	-	(2,006,062)
Change in insurance contract liabilities ceded to reinsurers	(2,788)	92,813	-	90,025
Net insurance benefits and claims	(44,141)	(5,405,595)	-	(5,449,736)
Fee and commission expenses	(41,577)	(473,583)	-	(515,160)
Management expenses	(65,101)	(425,003)	443	(489,661)
Other expenses	(106,678)	(898,586)	443	(1,004,821)
Profit before share of loss from associate	48,432	544,024	-	592,456
Share of (losses)/gains from associate	(3,135)	261	-	(2,874)
Profit before tax	45,297	544,285	-	589,582
Tax expense attributable to policyholders and unitholders	-	(170,489)	-	(170,489)
Profit before tax attributable to shareholders	45,297	373,796	-	419,093
Transfer from Revenue Accounts	373,796	(373,796)	-	-
Profit before tax attributable to shareholders	419,093	-	-	419,093
Tax expense attributable to shareholders	(97,548)	-	-	(97,548)
Profit after tax for the period	321,545	-	-	321,545

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
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23 INSURANCE FUNDS (CONTINUED)

**STATEMENTS OF COMPREHENSIVE INCOME BY FUNDS FOR THE 7 MONTHS PERIOD ENDED
30 JUNE 2018**

30 June 2017

<u>Group</u>	<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 after tax for the period	321,545	-	-	321,545
Other comprehensive (loss)/ income:				
<u>Items that may be subsequently reclassified to profit or loss</u>				
Net gains arising during the period	107,183	-	-	107,183
Net realised losses transferred to income statements	(3,753)	-	-	(3,753)
Deferred taxation	(24,486)	-	-	(24,486)
Change in available-for-sale fair value reserves	78,944	-	-	78,944
Share of other comprehensive gain from associate	282	-	-	282
	<u>79,226</u>	<u>-</u>	<u>-</u>	<u>79,226</u>
Total comprehensive income for the period	<u>400,771</u>	<u>-</u>	<u>-</u>	<u>400,771</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
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23 INSURANCE FUNDS (CONTINUED)

INCOME STATEMENTS BY FUNDS FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018

30 June 2018

Company	Continuing operations			Discontinued operations
	Shareholders' Fund	Life Fund	Total	General Fund
	RM'000	RM'000	RM'000	RM'000
Gross earned premiums	-	5,084,356	5,084,356	163,136
Premiums ceded to reinsurers	-	(575,238)	(575,238)	(12,510)
Net earned premiums	-	4,509,118	4,509,118	150,626
Investment income	34,333	1,273,966	1,308,299	6,480
Net realised gains	-	3,946	3,946	9
Fair value losses	-	(844,805)	(844,805)	(159)
Other operating (expenses)/ income	(3,564)	31,561	27,997	1,455
Total net revenue	30,769	4,973,786	5,004,555	158,411
Gross benefits and claims paid	-	(3,889,190)	(3,889,190)	(44,003)
Claims ceded to reinsurers	-	396,776	396,776	(3,639)
Gross change to insurance contract liabilities	-	(47,455)	(47,455)	(8,677)
Change in insurance contract liabilities ceded to reinsurers	-	35,837	35,837	(235)
Net insurance benefits and claims	-	(3,504,032)	(3,504,032)	(56,554)
Fee and commission expenses	-	(468,788)	(468,788)	(35,316)
Management expenses	(9,964)	(444,609)	(454,573)	(47,064)
Other expenses	(9,964)	(913,397)	(923,361)	(82,380)
Profit before tax	20,805	556,357	577,162	19,477
Tax expense attributable to policyholders and unitholders	-	12,622	12,622	-
Profit before tax attributable to shareholders	20,805	568,979	589,784	19,477
Transfer from Revenue Accounts	568,979	(568,979)	-	-
Profit before tax attributable to shareholders	589,784	-	589,784	19,477
Tax expense attributable to shareholders	(111,845)	-	(111,845)	(5,822)
Profit after tax for the period	477,939	-	477,939	13,655

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018 (CONTINUED)**

23 INSURANCE FUNDS (CONTINUED)

STATEMENTS OF COMPREHENSIVE INCOME BY FUNDS FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018

30 June 2018

<u>Company</u>	<u>Continuing operations</u>			<u>Discontinued operations</u>
	<u>Shareholders' Fund</u> RM'000	<u>Life Fund</u> RM'000	<u>Total</u> RM'000	<u>General Fund</u> RM'000
Profit after tax for the period	477,939	-	477,939	13,655
Other comprehensive (loss)/ income:				
<u>Items that may be subsequently reclassified to profit or loss</u>				
Net losses arising during the period	(31,844)	-	(31,844)	(1,067)
Net realised losses transferred to income statements	(5,653)	-	(5,653)	(9)
Deferred taxation	8,853	-	8,853	48
Change in available-for-sale fair value reserves	(28,644)	-	(28,644)	(1,028)
Total comprehensive income for the period	449,295	-	449,295	12,627

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018 (CONTINUED)**

23 INSURANCE FUNDS (CONTINUED)

INCOME STATEMENTS BY FUNDS FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018

30 June 2017

<u>Company</u>	Continuing operations			Discontinued operations
	Shareholders' Fund	Life Fund	Total	General Fund
	RM'000	RM'000	RM'000	RM'000
Gross earned premiums	-	4,757,967	4,757,967	165,145
Premiums ceded to reinsurers	-	(496,767)	(496,767)	(13,901)
Net earned premiums	-	4,261,200	4,261,200	151,244
Investment income	36,725	1,208,582	1,245,307	6,076
Net realised gains/(losses)	57	4,101	4,158	(413)
Fair value gains/(losses)	-	1,352,674	1,352,674	(36)
Other operating (expenses)/ income	(668)	21,648	20,980	(229)
Total net revenue	36,114	6,848,205	6,884,319	156,642
Gross benefits and claims paid	-	(3,720,805)	(3,720,805)	(75,018)
Claims ceded to reinsurers	-	255,547	255,547	6,577
Gross change to insurance contract liabilities	-	(2,032,889)	(2,032,889)	27,088
Change in insurance contract liabilities ceded to reinsurers	-	92,813	92,813	(2,788)
Net insurance benefits and claims	-	(5,405,334)	(5,405,334)	(44,141)
Fee and commission expenses	-	(473,583)	(473,583)	(39,031)
Management expenses	(9,105)	(425,004)	(434,109)	(52,422)
Other expenses	(9,105)	(898,587)	(907,692)	(91,453)
Profit before tax	27,009	544,284	571,293	21,048
Tax expense attributable to policyholders and unitholders	-	(170,489)	(170,489)	-
Profit before tax attributable to shareholders	27,009	373,795	400,804	21,048
Transfer from Revenue Accounts	373,795	(373,795)	-	-
Profit before tax attributable to shareholders	400,804	-	400,804	21,048
Tax expense attributable to shareholders	(91,418)	-	(91,418)	(5,958)
Profit after tax for the period	309,386	-	309,386	15,090

Company No.

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018 (CONTINUED)**

23 INSURANCE FUNDS (CONTINUED)

STATEMENTS OF COMPREHENSIVE INCOME BY FUNDS FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018

30 June 2017

<u>Company</u>	<u>Continuing operations</u>			<u>Discontinued operations</u>
	<u>Shareholders' Fund</u> RM'000	<u>Life Fund</u> RM'000	<u>Total</u> RM'000	<u>General Fund</u> RM'000
Profit after tax for the period	309,386	-	309,386	15,090
Other comprehensive (loss)/ income:				
<u>Items that may be subsequently reclassified to profit or loss</u>				
Net gains arising during the period	104,406	-	104,406	2,414
Net realised losses transferred to income statements	(4,157)	-	(4,157)	413
Deferred taxation	(23,808)	-	(23,808)	(679)
Change in available-for-sale fair value reserves	76,441	-	76,441	2,148
Total comprehensive income for the period	385,827	-	385,827	17,238

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018 (CONTINUED)**

23 INSURANCE FUNDS (CONTINUED)

Included in the Income Statements for the period ended 30 June 2018 and 2017, and the Statements of Financial Position as at 30 June and 2018 of the Life fund are the segmental information for the Investment-Linked funds.

**STATEMENTS OF FINANCIAL POSITION FOR INVESTMENT-LINKED FUNDS
AS AT 30 JUNE 2018**

	Group and Company	
	<u>30.06.2018</u>	<u>30.11.2017</u>
	RM'000	RM'000
<u>Assets</u>		
Fair value through profit or loss financial assets	5,739,505	5,790,520
Other receivables	23,601	8,852
Cash and cash equivalents	418,974	285,582
Total assets	<u>6,182,080</u>	<u>6,084,954</u>
<u>Less: Liabilities</u>		
Other payables	30,375	23,769
Deferred tax liabilities	5,627	37,371
Current tax liabilities	(418)	5,815
Total liabilities	<u>35,584</u>	<u>66,955</u>
Net asset value	<u>6,146,496</u>	<u>6,017,999</u>

**INCOME STATEMENTS FOR INVESTMENT-LINKED FUNDS
FOR THE 7 MONTHS PERIOD ENDED 30 JUNE 2018**

	Group and Company	
	<u>30.06.2018</u>	<u>30.06.2017</u>
	RM'000	RM'000
Investment income	132,101	110,138
Fair value (losses)/gains	(407,947)	422,374
Other operating income	3,088	1,872
	<u>(272,758)</u>	<u>534,384</u>
Management expenses	(38,859)	(33,697)
(Loss)/profit before tax	<u>(311,617)</u>	<u>500,687</u>
Tax expense	30,907	(35,427)
(Loss)/profit after tax	<u>(280,710)</u>	<u>465,260</u>