

Company No.

201001040438 (924363-W)

**AIA GENERAL BERHAD**  
(Incorporated in Malaysia)

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

Company No.

201001040438 (924363-W)

**AIA GENERAL BERHAD**  
(Incorporated in Malaysia)

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

**CONTENTS**

	<b>PAGE(S)</b>
UNAUDITED CONDENSED INCOME STATEMENT	1
UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME	2
UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION	3
UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY	4 - 5
UNAUDITED CONDENSED STATEMENT OF CASH FLOWS	6 - 7
NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS	8 - 48

Company No.

201001040438 (924363-W)

**AIA GENERAL BERHAD**  
(Incorporated in Malaysia)

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

	<b>Note</b>	<b>6 months period ended 30.06.2024 RM'000</b>	<b>6 months period ended 30.06.2023 RM'000</b>
Insurance revenue	11	179,626	163,091
Insurance service expenses		(148,950)	(132,288)
Net expenses from reinsurance contracts		(442)	(290)
<b>Insurance service results</b>		<b>30,234</b>	<b>30,513</b>
Interest revenue on financial assets	12a	5,730	6,688
Other investment revenue	12b	8,808	11,647
Net impairment gains on financial assets		203	273
<b>Investment return</b>		<b>14,741</b>	<b>18,608</b>
Net finance expenses from insurance contract	12c	(4,273)	(3,817)
Net finance expenses from reinsurance contract	12d	(104)	(146)
<b>Net investment result</b>		<b>10,364</b>	<b>14,645</b>
Other operating expenses		(14,097)	(14,976)
<b>Profit before tax</b>		<b>26,501</b>	<b>30,182</b>
Tax expense		(3,368)	(6,368)
<b>Profit after tax for the period</b>		<b>23,133</b>	<b>23,814</b>
Basic earnings per share (sen)		<b>12.18</b>	<b>12.53</b>

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

Company No.

201001040438 (924363-W)

**AIA GENERAL BERHAD**  
(Incorporated in Malaysia)

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

	<b>Note</b>	<b>6 months period ended 30.06.2024 RM'000</b>	<b>6 months period ended 30.06.2023 RM'000</b>
<b>Profit after tax for the period</b>		23,133	23,814
<b>Other comprehensive income/(expense):</b>			
<u>Items that may be subsequently reclassified to profit or loss</u>			
Net fair value gains on financial assets at fair value through other comprehensive income		894	5,067
Net realised (gains)/losses on financial assets at fair value through other comprehensive income reclassified to profit or loss		(2,479)	192
Deferred taxation		380	(1,043)
Change in fair value reserve		(1,205)	4,216
 Change in insurance finance reserve	12c	125	(693)
Deferred taxation		(30)	167
		95	(526)
<b>Total other comprehensive (expense)/income - net of tax, for the period</b>		(1,110)	3,690
<b>Total comprehensive income for the period</b>		22,023	27,504

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

**AIA GENERAL BERHAD**  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2024**

	<u>Note</u>	<u>30.06.2024</u> RM'000	<u>31.12.2023</u> RM'000
<b><u>ASSETS</u></b>			
Intangible asset		3,336	3,428
Property and equipment		1,211	1,375
Reinsurance contract assets	14	40,464	32,311
Financial investments:	13		
Amortised cost		47	91
Fair value through other comprehensive income		207,969	297,337
Fair value through profit or loss		362,052	254,793
Current tax assets		9,586	7,521
Other assets		41,511	41,783
Cash and cash equivalents		41,448	55,371
<b>Total assets</b>		<b>707,624</b>	<b>694,010</b>
<b><u>LIABILITIES</u></b>			
Insurance contract liabilities	14	257,549	242,526
Deferred tax liabilities		45,804	42,788
Other liabilities		3,304	9,752
<b>Total liabilities</b>		<b>306,657</b>	<b>295,066</b>
<b><u>EQUITY</u></b>			
Share capital		190,000	190,000
Retained earnings		205,928	202,795
Other comprehensive income:			
Fair value reserve		5,436	6,641
Insurance finance reserve		(397)	(492)
<b>Total equity</b>		<b>400,967</b>	<b>398,944</b>
<b>Total equity and liabilities</b>		<b>707,624</b>	<b>694,010</b>

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

Company No.

201001040438 (924363-W)

**AIA GENERAL BERHAD**  
(Incorporated in Malaysia)

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

		<b>Non-distributable</b>		<b>Distributable</b>	
	<b>Share capital</b>	<b>Fair value reserves</b>	<b>Insurance Finance reserves</b>	<b>Share-based reserves</b>	<b>Retained earnings</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2024	190,000	6,641	(492)	-	202,795
Profit after tax for the period	-	-	-	-	23,133
Other comprehensive income for the period	-	(1,205)	95	-	-
Share based compensation:					
- value of employee services	-	-	-	49	-
- repayment to ultimate holding company	-	-	-	(49)	-
Dividend paid during the financial period	-	-	-	-	(20,000)
At 30 June 2024	<u>190,000</u>	<u>5,436</u>	<u>(397)</u>	<u>-</u>	<u>205,928</u>
					<u>400,967</u>

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

Company No.

201001040438 (924363-W)

**AIA GENERAL BERHAD**  
(Incorporated in Malaysia)

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

		Non-distributable			Distributable	
	Share capital	Fair value reserves	Insurance Finance reserves	Share- based reserves	Retained earnings	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	190,000	1,079	1,689	-	199,147	391,915
Profit after tax for the period	-	-	-	-	23,814	23,814
Other comprehensive income for the period	-	4,216	(526)	-	-	3,690
Share based compensation:						
- value of employee services	-	-	-	36	-	36
- repayment to ultimate holding company	-	-	-	(36)	-	(36)
Dividend paid during the financial period	-	-	-	-	(30,000)	(30,000)
At 30 June 2023	190,000	5,295	1,163	-	192,961	389,419

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

**AIA GENERAL BERHAD**  
(Incorporated in Malaysia)

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

	<b>6 months period ended <u>30.06.2024</u> RM'000</b>	<b>6 months period ended <u>30.06.2023</u> RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	26,501	30,182
Interest and dividend income	(3,816)	(11,346)
Net amortisation of premium on investments	(41)	(111)
Realised gains/(losses)	2,792	(40)
Fair value gains	1,664	5,363
Depreciation		
- property and equipment	54	58
- right-of-use assets	110	117
Amortisation		
- intangible assets	92	126
Operating profit before working capital changes	<u>27,356</u>	<u>24,349</u>
<b>Changes in working capital:</b>		
(Increase)/decrease in FVOCI and FVTPL financial assets	(35,558)	10,072
Increase in reinsurance contract assets	(8,153)	(3,450)
Decrease/(increase) in other assets	316	(6,294)
Increase in insurance payables	16	8
Increase in insurance contract liabilities	15,024	9,052
(Decrease)/Increase in other payables	(7,211)	1,249
Cash generated from operating activities	<u>(8,210)</u>	<u>34,986</u>
Income taxes paid	(1,473)	(2,833)
Interest income received	11,943	7,208
Interest paid	(26)	(9)
Dividend income received	3,817	4,595
<b>Net cash inflow from operating activities</b>	<u>6,051</u>	<u>43,947</u>

Company No.

201001040438 (924363-W)

**AIA GENERAL BERHAD**  
(Incorporated in Malaysia)

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

	<b>6 months period ended 30.06.2024 RM'000</b>	<b>6 months period ended 30.06.2023 RM'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	-	-
Purchase of intangible asset	-	-
<b>Net cash outflow from investing activities</b>	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of lease liabilities	26	9
Dividend paid	(20,000)	(30,000)
<b>Net cash outflow from financing activities</b>	(19,974)	(29,991)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(13,923)	13,956
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	55,371	19,186
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	41,448	33,142
<b><u>Cash and cash equivalents comprised:</u></b>		
Cash and bank balances	41,448	29,872
Fixed and call deposits with licensed financial institutions with maturity of equal and less than 3 months	-	3,270
	41,448	33,142

The Company classifies cash flows from the acquisition and disposal of financial assets as operating cash flows as the purchases are funded from cash flows predominantly 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.

**AIA GENERAL BERHAD**  
(Incorporated in Malaysia)

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

**1 CORPORATE INFORMATION**

The Company is engaged principally in the underwriting of all classes of general insurance business.

There has been no significant change in the principal activity during the financial period.

The Company is a public limited liability company, incorporated under the Companies Act 2016 and 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 Level 13, Menara AIA, 99 Jalan Ampang, 50450 Kuala Lumpur respectively.

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

The interim financial statements are authorised for issue by the Board on 21 August 2024.

**2 Basis of preparation**

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

The Company have adopted the MFRS framework issued by the Malaysian Accounting Standards Board ("MASB") and Policy Document 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 Company's audited financial statements for the financial year ended 31 December 2023.

**3 MATERIAL ACCOUNTING POLICIES**

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

**AIA GENERAL BERHAD**  
(Incorporated in Malaysia)

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

**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)**

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

**Standards, amendments to published standards and interpretations to existing standards that are effective and relevant to the Company's financial year ending 31 December 2024**

- (i) The following accounting standards, amendments and interpretations are effective for the financial period on or after 1 January 2024 :
- Amendments to MFRS 101 "Classification of liabilities as current or non-current" and "Non-current liabilities with covenants"
  - Amendments to MFRS 16, Lease Liability in a Sale and Leaseback.
  - Amendments to MFRS 107 "Statement of Cash Flows" and MFRS 7 "Financial Instruments: Disclosure on supplier finance arrangement."

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

The preparation of the interim condensed financial statements in conformity with MFRS 134 requires management to make judgement on estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and income and expenses. Actual results may differ from these estimates. The interim condensed financial statements contain condensed financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the 2023 annual financial statements. The interim condensed financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with MFRS.

**AIA GENERAL BERHAD**  
(Incorporated in Malaysia)

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

**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**3.2 Critical accounting estimates and judgements in applying accounting policies**

In the preparation of the interim condensed financial statements, the Company makes estimates and assumptions that affect the reported amounts of assets, liabilities, and revenue and expenses. All estimates are based on management's knowledge of current facts and circumstances, assumptions based on that knowledge and predictions of future events and actions. Actual results can always differ from those estimates, possibly significantly.

Items that are considered particularly sensitive to changes in estimates and assumptions, and the relevant accounting policies are those which relate to insurance contracts and impairment of financial assets.

The following are the judgements made by management that have the most significant effect on the amounts recognised in the interim condensed financial statements:

**3.2.1 Level of aggregation and recognition of group of insurance contracts**

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

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

**3.2.2 Measurement of insurance contracts not measured under the premium allocation approach**

The asset or liability for groups of insurance contracts is measured as the total of fulfilment cash flows and Contractual Service Margin ("CSM").

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

**AIA GENERAL BERHAD**  
(Incorporated in Malaysia)

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

**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**3.2 Critical accounting estimates and judgements in applying accounting policies (continued)**

**3.2.2 Measurement of insurance contracts not measured under the premium allocation approach (continued)**

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

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

**3.2.3 Determination of coverage unit**

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

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

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

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

**AIA GENERAL BERHAD**  
(Incorporated in Malaysia)

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

**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**3.2.4 Measurement of insurance contracts under the premium allocation approach**

Other than insurance contracts not measured under the Premium Allocation Approach ("PAA"), the Company applies the PAA for the other short term insurance contracts. When measuring liabilities for remaining coverage, the PAA is broadly similar to the Company's previous accounting treatment under MFRS 4. However, when measuring liabilities for incurred claims, the Company now discounts cash flows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk..

**3.2.5 Impairment of financial assets**

The Company recognises loss allowances for Expected Service Loss ("ECL") on financial assets measured at amortised cost and debt securities measured at fair value through other comprehensive income. The measurement of ECL requires the use of complex models and significant assumptions about future economic conditions and credit behaviour.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk since initial recognition;
- Choosing appropriate models and assumptions for the measurement of ECL; and
- Establishing the methodology for incorporating forward-looking information into the measurement of ECL.

**4 SEASONALITY OR CYCLICALITY**

The business operations 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 2024.

**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 2024.

**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 2024.

Company No.

201001040438 (924363-W)

**AIA GENERAL BERHAD**  
(Incorporated in Malaysia)

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

**8 DIVIDEND PAID**

The members had, on 10 June 2024, approved a final dividend for the financial year ended 31 December 2023 as follows:

In respect of the financial year ended 31 December 2023:

	<b><u>RM'000</u></b>
Final single-tier dividend of RM0.1053 per ordinary share on 190,000,000 ordinary shares, paid on 11 June 2024	20,000

**9 CHANGES IN THE COMPOSITION OF THE COMPANY**

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

**10 MATERIAL EVENT SUBSEQUENT TO THE END OF THE PERIOD**

There was no material event subsequent to the financial period ended 30 June 2024 that has not been reflected in the condensed interim financial statements.

Company No.

201001040438 (924363-W)

**AIA GENERAL BERHAD**  
(Incorporated in Malaysia)

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

**11 INSURANCE REVENUE**

	Note	<u>30.06.2024</u> RM'000	<u>30.06.2023</u> RM'000
<b>Contracts not measured under the PAA</b>			
<b>Amounts related to changes in liabilities for remaining coverage:</b>			
Contractual service margin recognised for services provided		37,334	38,319
Change in risk adjustment for non-financial risk for risk expired		2,319	2,824
Expected incurred claims and other insurance service expenses		49,088	46,774
Others		449	898
Recovery of insurance acquisition cash flows		35,069	40,532
	14(i)	124,259	129,347
<b>Contracts measured under the PAA</b>	14(v)	55,367	33,744
<b>Total insurance revenue</b>		<u>179,626</u>	<u>163,091</u>

**AIA GENERAL BERHAD**

(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2024 (CONTINUED)****12 NET INVESTMENT RESULT****a. Interest revenue on financial assets**

	<b><u>30.06.2024</u></b> <b>RM'000</b>	<b><u>30.06.2023</u></b> <b>RM'000</b>
<b>Interest revenue on financial assets</b>		
Financial assets measured at amortised cost	377	242
Financial assets measured at fair value through other comprehensive income	5,273	6,325
Financial assets mandatory at fair value through profit or loss	80	121
<b>Total interest revenue on financial assets</b>	<u>5,730</u>	<u>6,688</u>

**b. Other investment return**

	<b><u>30.06.2024</u></b> <b>RM'000</b>	<b><u>30.06.2023</u></b> <b>RM'000</b>
<b>Other investment revenue</b>		
Dividend income	3,817	4,595
Others	609	1,962
	<u>4,426</u>	<u>6,557</u>
<b>Net gains/(losses) of financial assets not at fair value through profit or loss</b>		
Net realised gains/(losses) of debt securities measured at FVOCI	2,479	(192)
<b>Net gains/(losses) of other financial instruments at fair value through profit or loss</b>		
Net loss of debt investments	(56)	(6)
Net gains of equity investments	2,033	5,521
Net foreign exchange loss	(74)	(233)
	<u>4,382</u>	<u>5,090</u>
<b>Total other investment revenue</b>	<u>8,808</u>	<u>11,647</u>

**AIA GENERAL BERHAD**

(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2024 (CONTINUED)****12 NET INVESTMENT RESULT (CONTINUED)****c. Net finance expenses from insurance contracts**

	<b><u>30.06.2024</u></b> <b>RM'000</b>	<b><u>30.06.2023</u></b> <b>RM'000</b>
<b>Net finance expenses from insurance contracts</b>		
Interest accreted	(4,393)	(3,145)
Effect of changes in interest rates and other financial assumptions	120	(671)
Effect of measuring changes in estimates at current rates and adjusting the CSM at the rates on initial recognition	-	(1)
<b>Total net finance expenses from insurance contracts</b>	<b><u>(4,273)</u></b>	<b><u>(3,817)</u></b>
<b>Net investment result is represented by:</b>		
Amount recognised in income statement	(4,273)	(3,817)
Amount recognised in other comprehensive income	125	(693)
<b>Total net investment result</b>	<b><u>(4,148)</u></b>	<b><u>(4,510)</u></b>

**d. Net finance expenses from reinsurance contracts**

	<b><u>30.06.2024</u></b> <b>RM'000</b>	<b><u>30.06.2023</u></b> <b>RM'000</b>
<b>Net finance expenses from reinsurance contracts held</b>		
Interest accreted	(104)	(146)
<b>Total net finance income from reinsurance contracts held</b>	<b><u>(104)</u></b>	<b><u>(146)</u></b>

**AIA GENERAL BERHAD**

(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2024 (CONTINUED)****13 FINANCIAL INVESTMENTS****Fair value of financial investments**

The Company classifies all financial assets as either at fair value through profit or loss, or as at fair value through other comprehensive income, or at amortised cost. Financial liabilities are classified as either at fair value through profit or loss or at amortised cost.

The following tables present the fair values of the Company's financial assets and financial liabilities:

	<b>30.06.2024</b>		<b>31.12.2023</b>	
	<b>FVTPL</b>	<b>FVOCI</b>	<b>FVTPL</b>	<b>FVOCI</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Government bonds	-	-	-	2,145
Corporate bonds	-	207,969	5,023	295,192
Equity shares				
- Unquoted	2,320	-	2,335	-
Mutual funds	359,732	-	247,435	-
<b>Total</b>	<b>362,052</b>	<b>207,969</b>	<b>254,793</b>	<b>297,337</b>

**Loans and deposits**

	<b>30.06.2024</b>	<b>31.12.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Amortised cost</b>		
<b>Loans</b>		
Other secured loans	285	302
Loss allowance for loans	(238)	(211)
<b>Total</b>	<b>47</b>	<b>91</b>

Company No.

201001040438 (924363-W)

**AIA GENERAL BERHAD**  
(Incorporated in Malaysia)

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

**13 FINANCIAL INVESTMENTS (CONTINUED)**

**Fair value of financial investments (continued)**

	Fair value					
	Mandatory FVTPL RM'000	Designated FVTPL RM'000	FVOCI RM'000	Amortised cost RM'000	Total carrying value RM'000	Total fair value RM'000
<b>30 June 2024</b>						
Financial investments						
Loans and deposits	-	-	-	47	47	47
Debt securities	-	-	207,969	-	207,969	207,969
Equity shares and mutual funds	362,052	-	-	-	362,052	362,052
Receivables	-	-	-	39,240	39,240	39,240
Accrued investment income	-	-	-	2,271	2,271	2,271
Cash and cash equivalent	-	-	-	41,448	41,448	41,448
<b>Financial assets</b>	<b>362,052</b>	<b>-</b>	<b>207,969</b>	<b>83,006</b>	<b>653,027</b>	<b>653,027</b>
				Amortised cost RM'000	Total carrying value RM'000	Total fair value RM'000
<b>30 June 2024</b>						
Other liabilities				3,304	3,304	3,304
<b>Financial liabilities</b>				<b>3,304</b>	<b>3,304</b>	<b>3,304</b>

Company No.

201001040438 (924363-W)

# **AIA GENERAL BERHAD**

(Incorporated in Malaysia)

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

### **13 FINANCIAL INVESTMENTS (CONTINUED)**

#### **Fair value of financial investments (continued)**

	Fair value					
	Mandatory FVTPL RM'000	Designated FVTPL RM'000	FVOCI RM'000	Amortised cost RM'000	Total carrying value RM'000	Total fair value RM'000
<b>31 December 2023</b>						
Financial investments						
Loans and deposits	-	-	-	91	91	91
Debt securities	-	-	297,337	-	297,337	297,337
Equity shares and mutual funds	254,793	-	-	-	254,793	254,793
Receivables	-	-	-	38,779	38,779	38,779
Accrued investment income	-	-	-	3,004	3,004	3,004
Cash and cash equivalent	-	-	-	55,371	55,371	55,371
<b>Financial assets</b>	<b>254,793</b>	<b>-</b>	<b>297,337</b>	<b>97,245</b>	<b>649,375</b>	<b>649,375</b>
				Amortised cost RM'000	Total carrying value RM'000	Total fair value RM'000
<b>31 December 2023</b>						
Other liabilities				9,752	9,752	9,752
<b>Financial liabilities</b>				<b>9,752</b>	<b>9,752</b>	<b>9,752</b>

**AIA GENERAL BERHAD**  
(Incorporated in Malaysia)

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

**13 FINANCIAL INVESTMENT (CONTINUED)**

**Fair value measurements on a recurring basis**

A summary of the fair value hierarchy of assets carried at fair value on a recurring basis:

	Fair value hierarchy			<b>Total</b>
	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>	
<b>30 June 2024</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Financial assets</b>				
<b>At fair value through other comprehensive income</b>				
Debt securities	-	207,969	-	207,969
<b>At fair value through profit or loss</b>				
Equity shares	-	2,320	-	2,320
Mutual funds	-	359,732	-	359,732
<b>Total assets on a recurring fair value measurement basis</b>	<b>-</b>	<b>570,021</b>	<b>-</b>	<b>570,021</b>

	Fair value hierarchy			<b>Total</b>
	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>	
<b>31 December 2023</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Financial assets</b>				
<b>At fair value through other comprehensive income</b>				
Debt securities	-	297,337	-	297,337
<b>At fair value through profit or loss</b>				
Debt securities	-	5,023	-	5,023
Equity shares	-	2,335	-	2,335
Mutual funds	-	247,435	-	247,435
<b>Total assets on a recurring fair value measurement basis</b>	<b>-</b>	<b>552,130</b>	<b>-</b>	<b>552,130</b>

**AIA GENERAL BERHAD**  
(Incorporated in Malaysia)

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

**14 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD**

**Insurance contracts and reinsurance contracts held**

	<b>Note</b>	<b>30 June 2024</b>	<b>31 December 2023</b>
		<b>RM'000</b>	<b>RM'000</b>
Insurance contract liabilities not measured under the PAA	(i), (ii)	244,110	231,167
Insurance contract liabilities measured under the PAA	(v)	166,027	157,207
Assets for insurance acquisition cash flows not measured under the PAA	(vii)	(152,588)	(145,848)
<b>Insurance contract liabilities</b>		<b>257,549</b>	<b>242,526</b>
Reinsurance contracts not measured under the PAA	(iii), (iv)	5,544	1,858
Reinsurance contracts measured under the PAA	(vi)	34,920	30,453
<b>Reinsurance contract assets</b>		<b>40,464</b>	<b>32,311</b>

**Movement in carrying amounts**

The following reconciliations show how the net carrying amounts of insurance contracts and reinsurance contracts held changed during the year as a result of cash flows and amounts recognised in the income statement and statement of comprehensive income. The Company presents a table separately analyses movements in the liabilities for remaining coverage and movements in the liabilities for incurred claims and reconciles these movements to the line items in the income statement and statement of comprehensive income. A second reconciliation is presented for contracts not measured under the premium allocation approach, which separately analyses changes in the estimates of the present value of future cash flows, the risk adjustment for non-financial risk and the contractual service margin.

The estimates of the present value of the future cash flows from insurance and reinsurance contract assets represent the Company's maximum exposure to credit risk from these assets.

**AIA GENERAL BERHAD**

(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2024 (CONTINUED)****14 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)**

(i) Analysis by remaining coverage and incurred claims of insurance contracts not measured under the premium allocation approach

	Note	30 June 2024				31 December 2023			
		Liabilities for remaining coverage		Liabilities for incurred claims	Total	Liabilities for remaining coverage		Liabilities for incurred claims	Total
		Excluding loss component	Loss component			Excluding loss component	Loss component		
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Opening assets		-	-	-	-	-	-	-	-
Opening liabilities		60,171	7	170,989	231,167	47,218	-	152,266	199,484
<b>Net opening balance</b>		<b>60,171</b>	<b>7</b>	<b>170,989</b>	<b>231,167</b>	<b>47,218</b>	<b>-</b>	<b>152,266</b>	<b>199,484</b>
<b>Insurance revenue</b>	11	<b>(124,259)</b>	-	-	<b>(124,259)</b>	<b>(250,824)</b>	-	-	<b>(250,824)</b>
<b>Insurance service expenses</b>									
Incurred claims and other insurance service expenses		-	5	52,381	52,386	-	(215)	118,057	117,842
Amortisation of insurance acquisition cash flows		35,069	-	-	35,069	74,391	-	-	74,391
Losses and reversal of losses on onerous contracts		-	(20)	-	(20)	-	203	-	203
Adjustments to liabilities for incurred claims		-	-	993	993	-	-	3,267	3,267
<b>Total insurance service expenses</b>		<b>35,069</b>	<b>(15)</b>	<b>53,374</b>	<b>88,428</b>	<b>74,391</b>	<b>(12)</b>	<b>121,324</b>	<b>195,703</b>
<b>Insurance service result</b>		<b>(89,190)</b>	<b>(15)</b>	<b>53,374</b>	<b>(35,831)</b>	<b>(176,433)</b>	<b>(12)</b>	<b>121,324</b>	<b>(55,121)</b>
Net finance expenses from insurance contracts		1,081	8	3,059	4,148	2,167	19	8,631	10,817
<b>Total changes in the income statement and statement of comprehensive income</b>		<b>(88,109)</b>	<b>(7)</b>	<b>56,433</b>	<b>(31,683)</b>	<b>(174,266)</b>	<b>7</b>	<b>129,955</b>	<b>(44,304)</b>

**AIA GENERAL BERHAD**

(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2024 (CONTINUED)****14 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)**

(i) Analysis by remaining coverage and incurred claims of insurance contracts not measured under the premium allocation approach (continued)

Note	30 June 2024				31 December 2023			
	Liabilities for remaining coverage		Liabilities for incurred claims	Total	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component			Excluding loss component	Loss component		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Cash flows</b>								
Premium received	122,414	-	-	122,414	254,699	-	-	254,699
Claims and other insurance service expenses paid, including investment components	-	-	(45,950)	(45,950)	-	-	(111,064)	(111,064)
Insurance acquisition cash flows paid	(23,696)	-	-	(23,696)	(52,207)	-	(168)	(52,375)
<b>Total cash flows</b>	<b>98,718</b>	<b>-</b>	<b>(45,950)</b>	<b>52,768</b>	<b>202,492</b>	<b>-</b>	<b>(111,232)</b>	<b>91,260</b>
<b>Adjusted for:</b>								
Allocation from assets for insurance acquisition cash flows	(8,142)	-	-	(8,142)	(15,273)	-	-	(15,273)
<b>Total non-cash items</b>	<b>(8,142)</b>	<b>-</b>	<b>-</b>	<b>(8,142)</b>	<b>(15,273)</b>	<b>-</b>	<b>-</b>	<b>(15,273)</b>
<b>Net closing liabilities</b>	<b>62,638</b>	<b>-</b>	<b>181,472</b>	<b>244,110</b>	<b>60,171</b>	<b>7</b>	<b>170,989</b>	<b>231,167</b>
Closing assets	-	-	-	-	-	-	-	-
Closing liabilities	62,638	-	181,472	244,110	60,171	7	170,989	231,167
<b>Net closing balance</b>	<b>62,638</b>	<b>-</b>	<b>181,472</b>	<b>244,110</b>	<b>60,171</b>	<b>7</b>	<b>170,989</b>	<b>231,167</b>

**AIA GENERAL BERHAD**  
(Incorporated in Malaysia)

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

**14 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)**

(ii) Analysis by measurement component of insurance contracts not measured under the premium allocation approach

	30 June 2024					
	CSM					Total
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total CSM	Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Opening assets	-	-	-	-	-	-
Opening liabilities	186,972	11,755	32,440	-	-	32,440
<b>Net opening balance</b>	<b>186,972</b>	<b>11,755</b>	<b>32,440</b>	<b>-</b>	<b>-</b>	<b>32,440</b>
<b>Changes that relate to current services</b>	<b>(1,973)</b>	<b>2,504</b>	<b>(37,334)</b>	<b>-</b>	<b>6</b>	<b>(37,340)</b>
CSM recognised for services provided	-	-	(37,334)	-	6	(37,340)
Change in risk adjustment for non-financial risk	-	2,504	-	-	-	-
Experience adjustments	(1,973)	-	-	-	-	-
<b>Changes that relate to future services</b>	<b>(40,951)</b>	<b>2,383</b>	<b>38,547</b>	<b>-</b>	<b>(6)</b>	<b>38,553</b>
Contracts initially recognised in the year	(41,803)	2,389	40,298	-	-	40,298
Changes in estimates that adjust the CSM	2,241	(490)	(1,751)	-	(6)	(1,745)
Changes in estimates that result in losses and reversal of losses on onerous contracts	(1,389)	484	-	-	-	-
<b>Changes that relate to past services</b>	<b>4,971</b>	<b>(3,978)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total insurance service result</b>	<b>(37,953)</b>	<b>909</b>	<b>1,213</b>	<b>-</b>	<b>-</b>	<b>1,213</b>

**AIA GENERAL BERHAD**

(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2024 (CONTINUED)****14 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)**

(ii) Analysis by measurement component of insurance contracts not measured under the premium allocation approach

		30 June 2024					
		CSM					
Note	Estimates of present value of future cash flows	Risk adjustment for non- financial risk	Total CSM	Contracts under modified retrospectiv e approach	Contracts under fair value approach	Other contracts	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net finance expenses from insurance contracts	3,284	-	864	-	-	864	4,148
<b>Total changes in the income statement and statement of comprehensive income</b>	<b>(34,669)</b>	<b>909</b>	<b>2,077</b>	<b>-</b>	<b>-</b>	<b>2,077</b>	<b>(31,682)</b>
Cash flows	52,768	-	-	-	-	-	52,768
Allocation from assets for insurance acquisition cash flows	(8,142)	-	-	-	-	-	(8,142)
<b>Net closing balance</b>	<b>196,929</b>	<b>12,664</b>	<b>34,517</b>	<b>-</b>	<b>-</b>	<b>34,517</b>	<b>244,110</b>
Closing assets	-	-	-	-	-	-	-
Closing liabilities	196,929	12,664	34,517	-	-	34,517	244,110
<b>Net closing balance</b>	<b>196,929</b>	<b>12,664</b>	<b>34,517</b>	<b>-</b>	<b>-</b>	<b>34,517</b>	<b>244,110</b>

**AIA GENERAL BERHAD**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)****14 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)**

(ii) Analysis by measurement component of insurance contracts not measured under the premium allocation approach (continued)

Note	31 December 2023						
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total CSM	CSM			Total
				Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Opening assets	-	-	-	-	-	-	-
Opening liabilities	155,647	12,966	30,871	-	-	30,871	199,484
<b>Net opening balance</b>	<b>155,647</b>	<b>12,966</b>	<b>30,871</b>	<b>-</b>	<b>-</b>	<b>30,871</b>	<b>199,484</b>
<b>Changes that relate to current services</b>	<b>14,744</b>	<b>2,462</b>	<b>(75,798)</b>	<b>-</b>	<b>(17)</b>	<b>(75,781)</b>	<b>(58,592)</b>
CSM recognised for services provided	-	-	(75,798)	-	(17)	(75,781)	(75,798)
Change in risk adjustment for non-financial risk		2,462	-	-	-	-	2,462
Experience adjustments	14,744	-	-	-	-	-	14,744
<b>Changes that relate to future services</b>	<b>(80,697)</b>	<b>5,303</b>	<b>75,597</b>	<b>-</b>	<b>17</b>	<b>75,580</b>	<b>203</b>
Contracts initially recognised in the year	(75,622)	5,879	71,659	-	-	71,659	1,916
Changes in estimates that adjust the CSM	(3,676)	(262)	3,938	-	17	3,921	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	(1,399)	(314)	-	-	-	-	(1,713)
<b>Changes that relate to past services</b>	<b>12,244</b>	<b>(8,976)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,268</b>
<b>Total insurance service result</b>	<b>(53,709)</b>	<b>(1,211)</b>	<b>(201)</b>	<b>-</b>	<b>-</b>	<b>(201)</b>	<b>(55,121)</b>

**AIA GENERAL BERHAD**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)****14 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)**

(ii) Analysis by measurement component of insurance contracts not measured under the premium allocation approach (continued)

	31 December 2023					
	CSM					
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total CSM	Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net finance expenses from insurance contracts	9,047	-	1,770	-	-	1,770
<b>Total changes in the income statement and statement of comprehensive income</b>	<b>(44,662)</b>	<b>(1,211)</b>	<b>1,569</b>	<b>-</b>	<b>-</b>	<b>1,569</b>
Cash flows	91,260	-	-	-	-	-
Allocation from assets for insurance acquisition cash flows	(15,273)	-	-	-	-	-
<b>Net closing balance</b>	<b>186,972</b>	<b>11,755</b>	<b>32,440</b>	<b>-</b>	<b>-</b>	<b>32,440</b>
Closing assets	-	-	-	-	-	-
Closing liabilities	186,972	11,755	32,440	-	-	32,440
<b>Net closing balance</b>	<b>186,972</b>	<b>11,755</b>	<b>32,440</b>	<b>-</b>	<b>-</b>	<b>32,440</b>

**AIA GENERAL BERHAD**

(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2024 (CONTINUED)****14 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)**

(iii) Analysis by remaining coverage and incurred claims of reinsurance contracts held not measured under the premium allocation approach

Note	30 June 2024				31 December 2023			
	Asset for remaining coverage		Asset for incurred claims	Total	Asset for remaining coverage		Asset for incurred claims	Total
	Excluding loss-recovery component	Loss recovery component			Excluding loss-recovery component	Loss recovery component		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Opening assets	(2,710)	-	4,568	1,858	7,896	-	3,318	11,214
Opening liabilities	-	-	-	-	-	-	-	-
<b>Net opening balance</b>	<b>(2,710)</b>	<b>-</b>	<b>4,568</b>	<b>1,858</b>	<b>7,896</b>	<b>-</b>	<b>3,318</b>	<b>11,214</b>
<b>Changes in the income statement and statement of comprehensive income</b>								
Net expenses from reinsurance contracts held (excluding effect of changes in non-performance risk of reinsurers)	318	-	1,143	1,461	(908)	-	(1,746)	(2,654)
Net expenses from reinsurance contracts held	318	-	1,143	1,461	(908)	-	(1,746)	(2,654)
Net finance income from reinsurance contracts held	(104)	-	-	(104)	(258)	-	-	(258)
<b>Total changes in the income statement and statement of comprehensive income</b>	<b>214</b>	<b>-</b>	<b>1,143</b>	<b>1,357</b>	<b>(1,166)</b>	<b>-</b>	<b>(1,746)</b>	<b>(2,912)</b>

12d

**AIA GENERAL BERHAD**

(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2024 (CONTINUED)****14 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)**

(iii) Analysis by remaining coverage and incurred claims of reinsurance contracts held not measured under the premium allocation approach (continued)

	30 June 2024				31 December 2023			
	Asset for remaining coverage		Asset for incurred claims	Total	Asset for remaining coverage		Asset for incurred claims	Total
	Excluding loss-recovery component	Loss recovery component			Excluding loss-recovery component	Loss recovery component		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Cash flows</b>								
Premiums paid	2,146	-	-	2,146	(9,440)	-	-	(9,440)
Amounts received	-	-	175	175	-	-	2,952	2,952
Other amounts paid	-	-	8	8	-	-	44	44
<b>Net closing balance</b>	<b>(350)</b>	<b>-</b>	<b>5,894</b>	<b>5,544</b>	<b>(2,710)</b>	<b>-</b>	<b>4,568</b>	<b>1,858</b>
Closing assets	(350)	-	5,894	5,544	(2,710)	-	4,568	1,858
Closing liabilities	-	-	-	-	-	-	-	-
<b>Net closing balance</b>	<b>(350)</b>	<b>-</b>	<b>5,894</b>	<b>5,544</b>	<b>(2,710)</b>	<b>-</b>	<b>4,568</b>	<b>1,858</b>

**AIA GENERAL BERHAD**

(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2024 (CONTINUED)****14 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)**

(iv) Analysis by measurement component of reinsurance contracts held not measured under the premium allocation approach

		30 June 2024				
Note	Estimates of present value of future cash flows	Risk adjustment for non- financial risk	Total CSM	CSM		Total
				Contracts under fair value approach	Other contracts	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Opening assets	(123)	-	1,981	1,981	-	1,858
Opening liabilities	-	-	-	-	-	-
<b>Net opening balance</b>	<b>(123)</b>	<b>-</b>	<b>1,981</b>	<b>1,981</b>	<b>-</b>	<b>1,858</b>
<b>Changes that relate to current services</b>	<b>6,091</b>	<b>347</b>	<b>(186)</b>	<b>(186)</b>	<b>-</b>	<b>6,252</b>
CSM recognised for services received			(186)	(186)	-	(186)
Change in risk adjustment for non-financial risk		347				347
Experience adjustments	6,091					6,091
<b>Changes that relate to future services</b>	<b>(881)</b>	<b>-</b>	<b>881</b>	<b>881</b>	<b>-</b>	<b>-</b>
<b>Changes that relate to past services</b>	<b>(4,791)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,791)</b>
<b>Total net (expenses) / income from reinsurance contracts held</b>	<b>419</b>	<b>347</b>	<b>695</b>	<b>695</b>	<b>-</b>	<b>1,461</b>
Net finance expenses from insurance contracts	(153)	-	49	49	-	(104)
<b>Total changes in the income statement and statement of comprehensive income</b>	<b>266</b>	<b>347</b>	<b>744</b>	<b>744</b>	<b>-</b>	<b>1,357</b>

Company No.

201001040438 (924363-W)

## AIA GENERAL BERHAD

(Incorporated in Malaysia)

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

#### 14 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

(iv) Analysis by measurement component of reinsurance contracts held not measured under the premium allocation approach

30 June 2024					
	Estimates of present value of future cash flows	Risk adjustment for non- financial risk	Total CSM	CSM	
				Contracts under fair value approach	Other contracts
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Cash flows</b>					
Premium paid	2,146	-	-	-	-
Other amount paid	8	-	-	-	-
Amount received	175	-	-	-	-
<b>Net closing balance</b>	<b>2,472</b>	<b>347</b>	<b>2,725</b>	<b>2,725</b>	<b>-</b>
Closing assets	2,472	347	2,725	2,725	-
Closing liabilities	-	-	-	-	-
<b>Net closing balance</b>	<b>2,472</b>	<b>347</b>	<b>2,725</b>	<b>2,725</b>	<b>-</b>

**AIA GENERAL BERHAD**

(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2024 (CONTINUED)****14 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)**

(iv) Analysis by measurement component of reinsurance contracts held not measured under the premium allocation approach (continued)

	31 December 2023					
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total CSM	CSM		Total
				Contracts under modified retrospective approach	Contracts under fair value approach	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Opening assets	11,358	-	(144)	-	(144)	11,214
Opening liabilities	-	-	-	-	-	-
<b>Net opening balance</b>	<b>11,358</b>	<b>-</b>	<b>(144)</b>	<b>-</b>	<b>(144)</b>	<b>11,214</b>
<b>Changes that relate to current services</b>	<b>7,585</b>	<b>-</b>	<b>(120)</b>	<b>-</b>	<b>(120)</b>	<b>7,465</b>
CSM recognised for services received	-	-	(120)	-	(120)	(120)
Experience adjustments	7,585	-	-	-	-	7,585
<b>Changes that relate to future services</b>	<b>(2,214)</b>	<b>-</b>	<b>2,214</b>	<b>-</b>	<b>2,214</b>	<b>-</b>
<b>Changes that relate to past services</b>	<b>(10,119)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,119)</b>
<b>Total net (expenses) / income from reinsurance contracts held</b>	<b>(4,748)</b>	<b>-</b>	<b>2,094</b>	<b>-</b>	<b>2,094</b>	<b>(2,654)</b>
Net finance expenses from insurance contracts	(289)	-	31	-	31	(258)
<b>Total changes in the income statement and statement of comprehensive income</b>	<b>(5,037)</b>	<b>-</b>	<b>2,125</b>	<b>-</b>	<b>2,125</b>	<b>(2,912)</b>

Company No.

201001040438 (924363-W)

## AIA GENERAL BERHAD

(Incorporated in Malaysia)

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

#### 14 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

(iv) Analysis by measurement component of reinsurance contracts held not measured under the premium allocation approach

31 December 2023						
Estimates of present value of future cash flows	Risk adjustment for non- financial risk	Total CSM	CSM			Total
			Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Cash flows</b>						
Premium paid	(9,440)	-	-	-	-	(9,440)
Other amount paid	44	-	-	-	-	44
Amount received	2,952	-	-	-	-	2,952
<b>Net closing balance</b>	<b>(123)</b>	<b>1,981</b>	<b>-</b>	<b>1,981</b>	<b>-</b>	<b>1,858</b>
Closing assets	(123)	1,981	-	1,981	-	1,858
Closing liabilities	-	-	-	-	-	-
<b>Net closing balance</b>	<b>(123)</b>	<b>1,981</b>	<b>-</b>	<b>1,981</b>	<b>-</b>	<b>1,858</b>

Company No.

201001040438 (924363-W)

## AIA GENERAL BERHAD

(Incorporated in Malaysia)

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

#### 14 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

(v) Analysis by remaining coverage and incurred claims of insurance contracts measured under the premium allocation approach

		30 June 2024				
		Liabilities for remaining coverage		Liabilities for incurred claims		
	Note	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non- financial risk	Total
		RM'000	RM'000	RM'000	RM'000	RM'000
Opening assets		-	-	-	-	-
Opening liabilities		44,860	20,071	83,786	8,490	157,207
<b>Net opening balance</b>		<b>44,860</b>	<b>20,071</b>	<b>83,786</b>	<b>8,490</b>	<b>157,207</b>
Insurance revenue	11	(55,367)	-	-	-	(55,367)
<b>Insurance service expenses</b>						
Incurred claims and other insurance service expenses		-	-	48,615	4,987	53,602
Amortisation of insurance acquisition cash flows		17,839	-	-	-	17,839
Losses and reversal of losses on onerous contracts		-	(9,683)	-	-	(9,683)
Adjustments to liabilities for incurred claims				1,662	(2,898)	(1,236)
<b>Total insurance service expenses</b>		<b>17,839</b>	<b>(9,683)</b>	<b>50,277</b>	<b>2,089</b>	<b>60,522</b>
<b>Insurance service result</b>		<b>(37,528)</b>	<b>(9,683)</b>	<b>50,277</b>	<b>2,089</b>	<b>5,155</b>
<b>Total changes in the income statement and statement of comprehensive income</b>		<b>(37,528)</b>	<b>(9,683)</b>	<b>50,277</b>	<b>2,089</b>	<b>5,155</b>

Company No.

201001040438 (924363-W)

## AIA GENERAL BERHAD

(Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS

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

#### 14 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

(v) Analysis by remaining coverage and incurred claims of insurance contracts measured under the premium allocation approach (continued)

	30 June 2024				
	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non- financial risk	
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Cash flows</b>					
Premium received	42,017	-	-	-	42,017
Claims and other insurance service expenses paid including investment components	-	-	(24,534)	-	(24,534)
Insurance acquisition cash flows paid	(13,818)	-	-	-	(13,818)
<b>Net closing balance</b>	<b>35,531</b>	<b>10,388</b>	<b>109,529</b>	<b>10,579</b>	<b>166,027</b>

**AIA GENERAL BERHAD**

(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2024 (CONTINUED)****14 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)**

(v) Analysis by remaining coverage and incurred claims of insurance contracts measured under the premium allocation approach

	31 December 2023				
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non- financial risk	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Opening assets	-	-	-	-	-
Opening liabilities	34,993	4,904	68,356	8,493	116,746
<b>Net opening balance</b>	<b>34,993</b>	<b>4,904</b>	<b>68,356</b>	<b>8,493</b>	<b>116,746</b>
Insurance revenue	(87,713)	-	-	-	(87,713)
<b>Insurance service expenses</b>					
Incurred claims and other insurance service expense	-	-	66,121	6,186	72,307
Amortisation of insurance acquisition cash flows	25,386	-	-	-	25,386
Losses and reversal of losses on onerous contracts	-	15,167	-	-	15,167
Adjustments to liabilities for incurred claims	-	-	(7,932)	(6,189)	(14,121)
<b>Total insurance service expenses</b>	<b>25,386</b>	<b>15,167</b>	<b>58,189</b>	<b>(3)</b>	<b>98,739</b>
Investment components	-	-	-	-	-
<b>Insurance service result</b>	<b>(62,327)</b>	<b>15,167</b>	<b>58,189</b>	<b>(3)</b>	<b>11,026</b>
<b>Total changes in the income statement and statement of comprehensive income</b>	<b>(62,327)</b>	<b>15,167</b>	<b>58,189</b>	<b>(3)</b>	<b>11,026</b>

Company No.

201001040438 (924363-W)

## AIA GENERAL BERHAD

(Incorporated in Malaysia)

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

#### 14 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

(v) Analysis by remaining coverage and incurred claims of insurance contracts measured under the premium allocation approach (continued)

	31 December 2023				
	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non- financial risk	
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Cash flows</b>					
Premium received	103,107	-	-	-	103,107
Claims and other insurance service expenses paid, including investment components	-	-	(42,625)	-	(42,625)
Insurance acquisition cash flows paid	(30,913)	-	(134)	-	(31,047)
<b>Net closing balance</b>	<b>44,860</b>	<b>20,071</b>	<b>83,786</b>	<b>8,490</b>	<b>157,207</b>

Company No.

201001040438 (924363-W)

## AIA GENERAL BERHAD

(Incorporated in Malaysia)

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

#### 14 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

(vi) Analysis by measurement component of reinsurance contracts held measured under the premium allocation approach

	30 June 2024				
	Assets for remaining coverage		Assets for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Estimates of present value of future cash flows	Risk adjustment for non- financial risk	
	RM'000	RM'000	RM'000	RM'000	RM'000
Opening assets	3,912	-	26,541	-	30,453
Opening liabilities	-	-	-	-	-
<b>Net opening balance</b>	<b>3,912</b>	<b>-</b>	<b>26,541</b>	<b>-</b>	<b>30,453</b>
<b>Changes in the income statement and statement of comprehensive income</b>					
Net expenses from reinsurance contracts held (excluding effect of changes in non-performance risk of reinsurers)	(9,667)	-	6,403	1,361	(1,903)
<b>Net expenses from reinsurance contracts held</b>	<b>(9,667)</b>	<b>-</b>	<b>6,403</b>	<b>1,361</b>	<b>(1,903)</b>
<b>Total changes in the income statement and statement of comprehensive income</b>	<b>(9,667)</b>	<b>-</b>	<b>6,403</b>	<b>1,361</b>	<b>(1,903)</b>

Company No.

201001040438 (924363-W)

## AIA GENERAL BERHAD

(Incorporated in Malaysia)

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

#### 14 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

(vi) Analysis by measurement component of reinsurance contracts held measured under the premium allocation approach (continued)

	30 June 2024				
	Assets for remaining coverage		Assets for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Estimates of present value of future cash flows	Risk adjustment for non- financial risk	
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Cash flows</b>					
Premiums paid	12,230	-	-	-	12,230
Amounts received	-	-	(5,942)	-	(5,942)
Other amounts paid			82	-	82
<b>Net closing balance</b>	<b>6,475</b>	<b>-</b>	<b>27,084</b>	<b>1,361</b>	<b>34,920</b>
 Closing assets	6,475	-	27,084	1,361	34,920
Closing liabilities	-	-	-	-	-
<b>Net closing balance</b>	<b>6,475</b>	<b>-</b>	<b>26,804</b>	<b>1,361</b>	<b>34,920</b>

Company No.

201001040438 (924363-W)

## AIA GENERAL BERHAD

(Incorporated in Malaysia)

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

#### 14 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

(vi) Analysis by measurement component of reinsurance contracts held measured under the premium allocation approach

	31 December 2023				
	Assets for remaining coverage		Assets for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Estimates of present value of future cash flows	Risk adjustment for non- financial risk	
	RM'000	RM'000	RM'000	RM'000	RM'000
Opening assets	(10,268)	-	26,842	-	16,574
Opening liabilities	-	-	-	-	-
<b>Net opening balance</b>	<b>(10,268)</b>	<b>-</b>	<b>26,842</b>	<b>-</b>	<b>16,574</b>
<b>Changes in the income statement and statement of comprehensive income</b>					
Net expenses from reinsurance contracts held (excluding effect of changes in non-performance risk of reinsurers)	(16,414)	-	22,356	-	5,942
<b>Net expenses from reinsurance contracts held</b>	<b>(16,414)</b>	<b>-</b>	<b>22,356</b>	<b>-</b>	<b>5,942</b>
Net finance income from reinsurance contracts held	-	-	-	-	-
<b>Total changes in the income statement and statement of comprehensive income</b>	<b>(16,414)</b>	<b>-</b>	<b>22,356</b>	<b>-</b>	<b>5,942</b>

Company No.

201001040438 (924363-W)

## AIA GENERAL BERHAD

(Incorporated in Malaysia)

### NOTES TO THE FINANCIAL STATEMENTS

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

#### 14 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

(vi) Analysis by measurement component of reinsurance contracts held measured under the premium allocation approach (continued)

31 December 2023					
Assets for remaining coverage			Assets for incurred claims		
Excluding loss recovery component	Loss recovery component	Estimates of present value of future cash flows	Risk adjustment for non- financial risk	Total	
RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Cash flows</b>					
Premiums paid	30,594	-	-	-	30,594
Amounts received	-	-	(22,995)	-	(22,995)
Other amounts paid	-	-	338	-	338
<b>Net closing balance</b>	<b>3,912</b>	<b>-</b>	<b>26,541</b>	<b>-</b>	<b>30,453</b>
Closing assets	3,912	-	26,541	-	30,453
Closing liabilities	-	-	-	-	-
<b>Net closing balance</b>	<b>3,912</b>	<b>-</b>	<b>26,541</b>	<b>-</b>	<b>30,453</b>

**AIA GENERAL BERHAD**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2024 (CONTINUED)****14 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)**

(vii) Analysis by Reconciliation of assets for insurance acquisition cash flows not measured under the premium allocation approach

	<b>Note</b>	<b>30 June 2024</b>	<b>31 December 2023</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>Opening balance</b>		<b>145,848</b>	<b>135,106</b>
Assets recognised for insurance acquisition cash flows paid during the period		14,882	26,015
Allocation to groups of insurance contracts	14(i)	(8,142)	(15,273)
<b>Net closing balance</b>		<b>152,588</b>	<b>145,848</b>
Closing assets		-	-
Closing liabilities		152,588	145,848
<b>Net closing balance</b>		<b>152,588</b>	<b>145,848</b>

**AIA GENERAL BERHAD**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)**

**14 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)**

**Fulfilment cash flows**

Estimates of future cash flows

The Company's objective in estimating future cash flows is to determine the expected value or probability-weighted mean of the full range of possible outcomes. The Company incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience, updated to reflect current expectations of future events.

The estimates of future cash flows reflect the Company's view of current conditions at the reporting date and the estimates of any relevant market variables are consistent with observable market prices.

When estimating future cash flows, the Company takes into account current expectations of future events that might affect those cash flows. However, expectations of future changes in legislation that would change or discharge a present obligation or create new obligations under existing contracts are not taken into account until the change in legislation is substantively enacted.

Cash flows are within the boundary of a contract if they arise from substantive right and obligations that existing during the reporting period. They relate directly to the fulfilment of the contract, including those for which the Company has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts.

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. Other costs that are incurred in fulfilling the contracts include claims handling, maintenance and administration costs, and recurring commissions payable on instalment premiums receivable within the contract boundary.

Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads.

Methodology and assumptions

*Mortality*

Assumptions have been developed by the Company based on recent historical experience, and expectations of current and expected future experience including mortality improvement. Where historical experience is not credible, reference has been made to pricing assumptions supplemented by market data, where available.

Mortality assumptions have been expressed as a percentage of either standard industry experience tables or, where experience is sufficiently credible, as a percentage of tables that have been developed internally by the Company.

**AIA GENERAL BERHAD**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)**

**14 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)**

**Fulfilment cash flows (Continued)**

*Morbidity*

Assumptions have been developed by the Company based on recent historical experience, and expectations of current and expected future experience. Morbidity rate assumptions have been expressed as a percentage of standard industry experience tables or as expected claims ratios.

*Persistency*

Persistency covers the assumptions required, where relevant, for policy lapse (including surrender) and premium persistency.

Assumptions have been developed by the Company based on recent historical experience, and best estimate expectations of expected future experience. Persistency assumptions would vary by policy year and product type with different rates for regular and single premium products where appropriate.

Where experience for a particular product was not credible enough to allow any meaningful analysis to be performed, experience for similar products was used as a basis for future persistency experience assumptions.

*Expenses*

The expense assumptions have been set based on the most recent expense analysis. The purpose of the expense analysis is to allocate total expenses between acquisition, maintenance and other activities that, and then to allocate these acquisition and maintenance expenses that can be directly attributed to the portfolio of insurance contracts to derive unit cost assumptions.

Where the expenses associated with certain activities have been identified as being one-off, these expenses have been excluded from the expense analysis.

Expenses assumptions have been determined for acquisition and maintenance activities that can be directly attributed to the portfolio of insurance contracts, split by product type, and unit costs expressed as a percentage of premiums, sum assured and an amount per policy. Where relevant, expense assumptions have been calculated per distribution channel.

Expense assumptions do not make allowance for any anticipated future expense savings as a result of any strategic initiatives aimed at improving policy administration and claims handling efficiency. Assumptions for commission rates and other sales-related payments have been set in line with actual experience.

**AIA GENERAL BERHAD**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)**

**14 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)**

**Fulfilment cash flows (Continued)**

*Reinsurance*

Reinsurance assumptions have been developed by the Company based on the reinsurance arrangements in-force as at the reporting date and the recent historical and expected future experience.

*An adjustment to reflect the time value of money and the financial risks related to future cash flows*

The Company adjusts the estimate of future cash flows to reflect the time value of money and the financial risks related to those cash flows. The cash flows are discounted by the discount rates reflect the time value of money, the characteristics of the cash flows and the liquidity characteristics of the insurance contracts.

The top-down approach has been primarily adopted for the derivation of discount rates. A top-down approach starts with considering a yield curve that reflects the current market rates of return of a reference portfolio of assets that have similar characteristic of the insurance contracts, and adjust this downwards to eliminate any factors not relevant to the insurance contract (primarily the allowance for credit risk). The assessment of credit risk premium is done on external and internal ratings when the reference portfolio contains assets which are rated. Alternatively, a bottom-up approach could be used under which discount rates are determined by adjusting the liquid risk-free yield curve to reflect the liquidity characteristics of the insurance contracts.

In constructing the discount rates, market observable rates are used up to the last available market data point which is reliable and also relevant in reflecting the characteristic of the insurance contracts. The market observable rates are extrapolated between this point and an ultimate forward rate derived using long-term estimates by applying generally accepted technique such as Smith-Wilson method etc.

**AIA GENERAL BERHAD**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)**

**14 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)**

**Fulfilment cash flows (Continued)**

**Risk adjustments for non-financial risk**

Risk adjustments for non-financial risk are generally determined by considering the expected cash flows arising from insurance contracts, consistent with the way that non-financial risk is managed. Risk adjustments are determined separately from estimates from the present value of future cash flows, using the confidence level technique.

Applying a confidence level technique, the Company estimates the probability distribution of the expected present value of the future cash flows from insurance contracts at each reporting date and calculates the risk adjustment for non-financial risk as the excess of the value at risk at 75th percentile (the target confidence level) over the expected present value of the future cash flows.

**Contractual service margin**

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

For a group of contracts that is onerous at the start of a reporting period and becomes profitable subsequently that CSM is recognised during the reporting period, the total amount of recognised CSM is released to profit or loss if there are no more future coverage units.

**AIA GENERAL BERHAD**  
(Incorporated in Malaysia)

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

**15 BASIC EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the profit for the financial period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period.

	<u><b>30.06.2024</b></u> <b>RM'000</b>	<u><b>30.06.2023</b></u> <b>RM'000</b>
Profit after tax attributable to the shareholder	23,133	23,814
Weighted average number of shares in issue during the financial period	190,000	190,000
Basic earnings per share (sen)	12.18	12.53

**16 REGULATORY CAPITAL REQUIREMENT**

The capital structure of the Company as at 30 June 2024 and 31 December 2023, as prescribed under the RBC Framework, is based on the RBC framework and Insurance Companies Statistical System ("ICSS") guidance notes issued by BNM. The financial information to derive the Total Capital Available as at 30 June 2024 and 31 December 2023 is in accordance with the statistical returns, comprising ICSS and RBC reporting forms for the financial period ended 30 June 2024 and 31 December 2023 respectively.

	<u><b>30.06.2024</b></u> <b>RM'000</b>	<u><b>31.12.2023</b></u> <b>RM'000</b>
<b><u>Eligible Tier 1 Capital</u></b>		
Share capital (paid up)	190,000	190,000
Reserves, including retained earnings	59,247	76,781
	<u>249,247</u>	<u>266,781</u>
<b><u>Tier 2 Capital</u></b>		
Fair value reserves	5,436	6,641
	<u>5,436</u>	<u>6,641</u>
<b>Amount deducted from capital</b>	<u>(5,452)</u>	<u>(3,435)</u>
<b>Total capital available</b>	<u>249,231</u>	<u>269,987</u>

These are based on statistical returns for financial period ended 30 June 2024 and 31 December 2023, including the estimation of insurance contract liabilities based on the valuation methods specified in Part D of the RBC Framework in accordance with the provisions of the FSA 2013 and the accounting policies prescribed in the notes to the statistical returns.

**AIA GENERAL BERHAD**  
(Incorporated in Malaysia)

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

**17 CONTINGENCIES**

Malaysia Competition Commission ("MyCC") had on 25 September 2020 delivered their decision against the General Insurance Association of Malaysia ("PIAM") and its 22 member companies with regards to an alleged infringement of Section 4(2)(a) of the Act in relation to agreement to fix parts trade discount and labour rates for 6 vehicle makes. MyCC found PIAM and its 22 members companies have infringed Section 4 prohibition by participating in an agreement which has, as its object, the prevention, restriction or distortion in relation to the market of parts trade and labour charge for PIAM approved repairers' scheme (PARS) workshop from 1.1.2012 to 17.2.2017.

MyCC imposed a financial penalty of RM1,837,453.12 on the Company. In view of the impact of COVID-19 pandemic, MyCC granted a reduction of 25% of the financial penalty, accordingly the Company financial penalty has been reduced to RM1,378,089.84. MyCC also granted the Company a moratorium period for the payment of the financial penalty up to 6 months and payment of the financial penalty by equal monthly installment for up to 6 months.

The Company had filed a Notice of Appeal and applied for a stay on the financial penalty in October 2020. The Competition Appeal Tribunal (CAT) has completed the hearing for the appeal at the end of April 2022.

On 2 September 2022, the Malaysian Competition Commission (MyCC) 's Competition Appeal Tribunal (CAT) has decided to allow the appeal of General Insurance Association of Malaysia ("PIAM") and its 22 members' company (including AIA) against the decision of MyCC. With the success of this appeal the decision of MyCC is set aside.

MyCC has filed an application to seek leave to commence judicial review proceedings in the High Court to review the recent decision of CAT. PIAM and its members were given leave from the High Court to appear in MyCC's ex parte application for leave to commence judicial review which has been fixed for hearing on 8 May 2023.

On 8 May 2023, the hearing was converted to a case management session, where the Court fixed the hearing date on 30 November 2023.

Upon the conclusion of the hearing on 30 November 2023, the court dismissed MyCC's application on 16 January 2024, and awarded cost of RM10,000 to each insurer (including AIA) and PIAM. MyCC has filed its notice of appeal to the Court of Appeal on 15 February 2024. The Court of Appeal set 15 May 2024, for the case management.

During the case management on 15 May 2024, the Court scheduled the hearing of appeal on 22 May 2025, to be held at the Court of Appeal. The Court also set the deadline for the parties to submit their written submission on 8 May 2025, with another case management session scheduled for the same date.

Saved as disclosed above, the Company does not have any other contingent assets and liabilities since the last annual balance sheet date.