

Registration No.

200701032867 (790895-D)

AIA BHD.
(Incorporated in Malaysia)

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(Incorporated in Malaysia)

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

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

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

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>6 months period ended 30.06.2024</u>	<u>6 months period ended 30.06.2023</u>	<u>6 months period ended 30.06.2024</u>	<u>6 months period ended 30.06.2023</u>
		<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Insurance revenue	11	4,121,087	3,537,157	3,474,825	2,929,439
Insurance service expenses		(3,142,617)	(2,746,064)	(2,640,813)	(2,252,423)
Net (expenses)/revenue from reinsurance contracts		(184,976)	52,809	(173,139)	46,866
Insurance service result		<u>793,494</u>	<u>843,902</u>	<u>660,873</u>	<u>723,882</u>
Interest revenue on:	12a				
Financial assets not measured at fair value through profit or loss		301,935	302,075	278,999	291,517
Financial assets measured at fair value through profit or loss		646,013	574,666	582,170	555,382
Other investment income	12b	3,512,124	774,463	3,311,739	724,465
Movement in impairment (loss)/gain on financial assets		(263)	906	435	648
Investment return		<u>4,459,809</u>	<u>1,652,110</u>	<u>4,173,343</u>	<u>1,572,012</u>
Net finance expenses from insurance contracts	12c	(3,514,213)	(1,309,176)	(3,249,513)	(1,250,508)
Net finance expenses from reinsurance contracts	12d	(1,018)	(2,886)	(1,741)	(4,192)
Net Investment result		<u>944,578</u>	<u>340,048</u>	<u>922,089</u>	<u>317,312</u>
Other operating revenue		30,581	28,099	74,244	64,234
Other operation expenses		(167,827)	(156,112)	(187,604)	(167,705)
Profit before share of gains/ (losses) from associate		<u>1,600,826</u>	<u>1,055,937</u>	<u>1,469,602</u>	<u>937,723</u>
Share of gains/(losses) from associate		37	(65)	-	-
Profit before tax		<u>1,600,863</u>	<u>1,055,872</u>	<u>1,469,602</u>	<u>937,723</u>

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

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>6 months period ended 30.06.2024</u>	<u>6 months period ended 30.06.2023</u>	<u>6 months period ended 30.06.2024</u>	<u>6 months period ended 30.06.2023</u>
		<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Profit before tax		1,600,863	1,055,872	1,469,602	937,723
Tax expense attributable to policyholders		(260,906)	(65,247)	(241,435)	(60,826)
Profit before tax attributable to shareholders		<u>1,339,957</u>	<u>990,625</u>	<u>1,228,167</u>	<u>876,897</u>
Tax expense		(532,421)	(252,425)	(485,262)	(213,824)
Tax expense attributable to policyholders		260,906	65,247	241,436	60,826
Tax expense attributable to shareholders		(271,515)	(187,178)	(243,826)	(152,998)
Profit after tax for the period		<u>1,068,442</u>	<u>803,447</u>	<u>984,341</u>	<u>723,899</u>
Profit attributable to:					
Owners of the parent		1,046,366	778,687	984,341	723,899
Non-controlling interest		22,076	24,760	-	-
		<u>1,068,442</u>	<u>803,447</u>	<u>984,341</u>	<u>723,899</u>
Basic earnings per share (sen)	13	<u>545</u>	<u>406</u>		

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

	Group		Company	
	6 months period ended 30.06.2024	6 months period ended 30.06.2023	6 months period ended 30.06.2024	6 months period ended 30.06.2023
Note	RM'000	RM'000	RM'000	RM'000
Profit after tax for the period	1,068,442	803,447	984,341	723,899
Other comprehensive income/(expense):				
<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	51,170	297,571	47,444	282,372
Net realised gains on financial assets at fair value through other comprehensive income reclassified to profit or loss	(19,162)	(2,362)	(14,067)	(2,554)
Deferred taxation	(7,620)	(76,250)	(7,948)	(72,361)
Change in fair value reserve	24,388	218,958	25,429	207,457
Change in insurance finance reserve	(100,765)	(238,067)	(100,890)	(238,311)
Deferred taxation	17,445	41,336	17,475	41,394
Change in insurance finance reserve	(83,320)	(196,731)	(83,415)	(196,917)
<u>Items that will not be subsequently reclassified to profit or loss</u>				
Change in property revaluation reserve – deferred taxation	96	(407)	96	(407)
Post employee benefit obligations – deferred taxation	(2)	(1)	(2)	(1)
Total other comprehensive (expenses)/income– net of tax	(58,838)	21,819	(57,892)	10,132
Total comprehensive income for the period	1,009,604	825,266	926,449	734,031

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FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2024 (Continued)**

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>6 months period ended 30.06.2024</u>	<u>6 months period ended 30.06.2023</u>	<u>6 months period ended 30.06.2024</u>	<u>6 months period ended 30.06.2023</u>
		<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Total comprehensive income for the period		1,009,604	825,266	926,449	734,031
Total comprehensive income attributable to:					
Owners of the parent		987,479	798,262	926,449	734,031
Non-controlling interest		22,125	27,004	-	-
		<u>1,009,604</u>	<u>825,266</u>	<u>926,449</u>	<u>734,031</u>

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

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>30.06.2024</u>	<u>31.12.2023</u>	<u>30.06.2024</u>	<u>31.12.2023</u>
		<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>ASSETS</u>					
Intangible assets		468,478	462,500	450,754	445,180
Investment in subsidiaries		-	-	597,859	597,859
Investments in associate		2,648	2,611	88	88
Property, plant and equipment		473,941	467,236	472,672	465,886
Investment properties		349,821	346,500	349,821	346,500
Insurance contract assets	17	22,975	27,784	-	-
Reinsurance contract assets	17	170,599	150,927	27,693	15,581
Financial investments:	15				
Amortised cost		2,071,282	2,063,297	2,018,635	2,009,524
Fair value through other comprehensive income		10,159,476	10,108,709	9,269,517	9,204,653
Fair value through profit or loss		53,983,513	49,009,494	50,123,422	45,574,582
Derivative financial instrument		5,147	19,509	5,147	19,509
Deferred tax assets		1,290	1,666	-	-
Current tax recoverable		316,515	363,184	306,929	353,476
Other assets		833,035	702,329	762,606	622,449
Cash and cash equivalents		2,181,970	2,821,147	1,736,227	2,474,020
Total assets		71,039,690	66,546,893	66,121,370	62,129,307
<u>LIABILITIES</u>					
Insurance contract liabilities	17	56,473,250	53,246,626	52,993,313	50,146,453
Reinsurance contract liabilities	17	160,585	-	160,585	-
Derivative financial liabilities		21,547	37,417	21,547	37,417
Deferred tax liabilities		2,327,562	1,952,271	2,062,054	1,715,542
Current tax liabilities		3,721	15	-	-
Other liabilities		1,111,475	734,618	982,692	611,165
Total liabilities		60,098,140	55,970,947	56,220,191	52,510,577
<u>EQUITY</u>					
Share capital		810,000	810,000	810,000	810,000
Retained earnings		9,506,139	9,103,775	8,827,880	8,487,541
Other comprehensive income:					
Fair value reserve		272,799	248,460	265,153	239,724
Property revaluation reserve		170,979	170,883	170,979	170,883
Insurance finance reserve		(173,230)	(89,910)	(172,833)	(89,418)
Total equity attributable to:					
Owners of the parent		10,586,687	10,243,208	9,901,179	9,618,730
Non-controlling interest		354,863	332,738	-	-
Total equity		10,941,550	10,575,946	9,901,179	9,618,730
Total liabilities and equity		71,039,690	66,546,893	66,121,370	62,129,307

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

Group	Attributable to owners of the Company								
	Non-distributable					Retained earnings*	Total	Non-controlling interest	Total
	Share capital	Fair value reserve	Property revaluation reserve	Insurance finance reserve	Share-based reserve				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2024	810,000	248,460	170,883	(89,910)	-	9,103,775	10,243,208	332,738	10,575,946
Profit after tax for the period	-	-	-	-	-	1,046,366	1,046,366	22,076	1,068,442
Other comprehensive income for the period	-	24,339	96	(83,320)	-	(2)	(58,887)	49	(58,838)
Total comprehensive income for the period	-	24,339	96	(83,320)	-	1,046,364	987,479	22,125	1,009,604
Share based compensation:									
- Value of employee services	-	-	-	-	6,309	-	6,309	-	6,309
- Repayment to ultimate parent company	-	-	-	-	(6,309)	-	(6,309)	-	(6,309)
Dividend provided for or paid	-	-	-	-	-	(644,000)	(644,000)	-	(644,000)
At 30 June 2024	810,000	272,799	170,979	(173,230)	-	9,506,139	10,586,687	354,863	10,941,550

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FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2024 (Continued)**

Group	Attributable to owners of the Company								
	Non-distributable					Retained earnings*	Total	Non-controlling interest	Total
	Share capital	Fair value reserve	Property revaluation reserve	Insurance finance reserve	Share-based reserve				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2023	810,000	(3,174)	168,695	74,557	-	8,315,798	9,365,876	286,893	9,652,769
Profit after tax for the period	-	-	-	-	-	778,687	778,687	24,760	803,447
Other comprehensive income for the period	-	216,773	(407)	(196,790)	-	(1)	19,575	2,244	21,819
Total comprehensive income for the period	-	216,773	(407)	(196,790)	-	778,686	798,262	27,004	825,266
Share based compensation:									
- Value of employee services	-	-	-	-	4,809	-	-	-	4,809
- Repayment to ultimate parent company	-	-	-	-	(4,809)	-	-	-	(4,809)
Dividend provided for or paid	-	-	-	-	-	(582,000)	(582,000)	-	(582,000)
At 30 June 2023	810,000	213,599	168,288	(122,233)	-	8,512,484	9,582,138	313,896	9,896,034

* Included in retained earnings is RM 8,928 million (2023: RM7,515 million) which comprise surplus from the Life Fund (net of deferred tax). This amount is only distributable to the shareholders upon the actual transfer of surplus from the Life Fund to the Shareholder's Fund as approved by the Appointed Actuary and Board of Directors of the Company.

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FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2024**

Company	Non-distributable					Retained earnings*	Total
	Share capital	Fair value reserve	Property revaluation reserve	Insurance finance reserve	Share-based reserve		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2024	810,000	239,724	170,883	(89,418)	-	8,487,541	9,618,730
Profit after tax for the period	-	-	-	-	-	984,341	984,341
Other comprehensive income for the period	-	25,429	96	(83,415)	-	(2)	(57,892)
Total comprehensive income for the period		25,429	96	(83,415)		984,339	926,449
Share based compensation:							
- Value of employee services	-	-	-	-	6,300	-	6,300
- Repayment to ultimate parent company	-	-	-	-	(6,300)	-	(6,300)
Dividend provided for or paid	-	-	-	-	-	(644,000)	(644,000)
At 30 June 2024	810,000	265,153	170,979	(172,833)	-	8,827,880	9,901,179

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

Company	Non-distributable					Retained earnings*	Total
	Share capital	Fair value reserve	Property revaluation reserve	Insurance finance reserve	Share-based reserve		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	810,000	(250)	168,695	74,956	-	7,806,185	8,859,586
Profit after tax for the period	-	-	-	-	-	723,899	723,899
Other comprehensive income for the period	-	207,457	(407)	(196,917)	-	(1)	(10,132)
Total comprehensive income for the period	-	207,457	(407)	(196,917)	-	723,898	734,031
Share based compensation:							
- Value of employee services	-	-	-	-	4,809	-	4,809
- Repayment to ultimate parent company	-	-	-	-	(4,809)	-	(4,809)
Dividend provided for or paid	-	-	-	-	-	(582,000)	(582,000)
At 30 June 2023	810,000	207,207	168,288	(121,961)	-	7,948,083	9,011,617

* Included in retained earnings is RM 8,136 million (2023: RM6,814 million) which comprise surplus from the Life Fund (net of deferred tax). This amount is only distributable to the shareholders upon the actual transfer of surplus from the Life 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 STATEMENT OF CASH FLOW
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2024**

	Group		Company	
	6 months period ended 30.06.2024	6 months period ended 30.06.2023	6 months period ended 30.06.2024	6 months period ended 30.06.2023
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax attributable to shareholders	1,339,957	990,625	1,228,167	876,897
Tax expense attributable to policyholders	260,906	65,247	241,435	60,826
Rental, interest, and dividend income	(1,276,282)	(1,209,354)	(1,214,454)	(1,185,253)
Realised (gains)/losses	(33,923)	1,008	(19,899)	(2,487)
Fair value gains	(3,119,485)	(432,562)	(2,923,750)	(381,068)
Reversal of impairment losses	(414)	(603)	(435)	(648)
Interest expense on lease liabilities	1,901	1,639	1,901	1,668
Depreciation				
- property, plant and equipment	12,109	13,253	11,864	12,983
- right of use assets	10,410	10,941	10,408	10,921
Amortisation				
- premium on investments	16,411	16,801	12,226	12,202
- intangible assets	28,953	19,002	26,091	16,614
Share of (gains)/losses from associate	(37)	65	-	-
Gains on sale of property, plant and equipment	-	(81)	-	(81)

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

	Group		Company	
	6 months period ended	6 months period ended	6 months period ended	6 months period ended
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Changes in working capital:				
Increase in FVOCI and FVTPL financial assets	(1,745,661)	(1,299,785)	(1,650,951)	(1,192,092)
Decrease/(increase) in insurance contract assets	4,809	(2,004)	-	-
Increase in reinsurance contract assets	(19,672)	(19,099)	(12,112)	(4,318)
(Increase)/decrease in other assets	(142,451)	52,639	(140,157)	50,537
Decrease in amortised cost financial assets	69,634	82,150	68,636	86,582
Increase in insurance contract liabilities	3,125,771	880,467	2,745,970	658,736
Increase/(decrease) in reinsurance contract liabilities	160,585	(118,369)	160,585	(118,369)
(Decrease)/increase in other liabilities	(72,743)	(29,608)	51,460	52,086
Cash used in operating activities	<u>(1,379,222)</u>	<u>(977,628)</u>	<u>(1,403,015)</u>	<u>(1,044,264)</u>
Income taxes paid	(95,900)	(133,715)	(82,582)	(125,523)
Rental income received	10,781	18,846	10,781	18,846
Interest income received	886,322	864,241	796,689	781,297
Interest paid	(1,901)	(1,637)	(1,901)	(1,668)
Dividend income received	331,017	297,370	330,277	305,319
Net cash inflows/(outflows) from operating activities	<u>(248,903)</u>	<u>67,477</u>	<u>(349,751)</u>	<u>(65,993)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of intangible assets	(33,927)	(65,953)	(31,664)	(62,887)
Purchase of property, plant and equipment	(18,829)	(6,248)	(18,688)	(6,224)
Purchase of investment properties	(3,321)	(927)	(3,321)	(927)
Proceed from disposal of property, plant and equipment	-	554	-	554
Settlement of derivative instruments	(28)	34,008	(28)	34,008
Net cash outflows from investing activities	<u>(56,105)</u>	<u>(38,566)</u>	<u>(53,701)</u>	<u>(35,476)</u>

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

	<u>6 months period ended 30.06.2024</u> RM'000	<u>Group 6 months period ended 30.06.2023</u> RM'000	<u>6 months period ended 30.06.2024</u> RM'000	<u>Company 6 months period ended 30.06.2023</u> RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment for lease liabilities	(12,169)	(10,795)	(12,341)	(10,850)
Dividends paid	(322,000)	(194,000)	(322,000)	(194,000)
Net cash outflows from financing activities	<u>(334,169)</u>	<u>(204,795)</u>	<u>(334,341)</u>	<u>(204,850)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(639,177)	(175,884)	(737,793)	(306,319)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	<u>2,821,147</u>	<u>3,076,488</u>	<u>2,474,020</u>	<u>2,689,063</u>
CASH AND CASH EQUIVALENTS AT 30 JUNE	<u>2,181,970</u>	<u>2,900,604</u>	<u>1,736,227</u>	<u>2,382,744</u>
<u>Cash and cash equivalents comprised:</u>				
Cash and bank balances	765,724	797,477	435,304	525,009
Fixed and call deposits with licensed financial institutions	<u>1,416,246</u>	<u>2,103,127</u>	<u>1,300,923</u>	<u>1,857,735</u>
	<u>2,181,970</u>	<u>2,900,604</u>	<u>1,736,227</u>	<u>2,382,744</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 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.

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

1 CORPORATE INFORMATION

AIA Bhd. is engaged principally in the underwriting of life insurance business, including investment-linked business. The principal activities of the subsidiaries are engaged in the management of family takaful, including investment-linked business, underwriting of all classes of general insurance business, investment holding and managing private retirement scheme and asset management business. AIA Bhd. and its subsidiaries, being AIA General Berhad, AIA Public Takaful Bhd., AIA Health Service Sdn. Bhd. and AIA Pension and Asset Management Sdn. Bhd. (collectively refer to “the Group”).

There have been no significant changes in these activities during the 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 Orange Policy Sdn. Bhd. (“OPSB”), 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 23 August 2024.

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 audited financial statements for the financial year ended 31 December 2023.

3 MATERIAL ACCOUNTING POLICIES

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

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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 Group's financial period beginning on or after 1 January 2024

The following accounting standards, amendments and interpretations are effective for the financial period beginning on or after 1 January 2024:

- Amendments to MFRS 101 "Classification of liabilities as current or non-current" ('2020 amendments') and "Non-current Liabilities with Covenants" ('2022 amendments').
- 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 Group since the 2023 audited 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.

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
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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, management has made judgements and estimates in applying accounting policies in respect of the reported amounts of assets, liabilities, income and expenses. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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 Group 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 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 Group exercises significant judgement in making appropriate assumptions and techniques.

CSM represents the unearned profits that the Group 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 Group 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.

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

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 Group 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.

3.2.4 Valuation of investment properties and properties held for own use

The Group uses independent professional valuers to determine the fair value of properties on the basis of highest and best use of the properties that is physically possible, legally permissible and financially feasible. In most cases, current use of the properties are considered to be its highest and best use. Different valuation approaches may be adopted to reach the fair value of a property. Under the market data approach, records of recent sales and offerings of similar properties are analysed and comparisons are made for factors such as size, location, quality and prospective use.

For investment properties, the discounted cash flow approach is used by reference to net rental income allowing for reversionary income potential to estimate the fair value of the properties. In some occasions, the cost approach is used as well to calculate the fair value which reflects the cost that would be required to replace the service capacity of the property.

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

3.2.5 Impairment of financial assets

The Group recognises loss allowances for 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 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 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.

8 DIVIDEND

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:

	<u>RM'000</u>
Final single-tier dividend of RM3.3566 per ordinary share on 191,859,543 ordinary shares, payable on 10 June 2024, 11 June 2024, 11 July 2024 and 12 July 2024.	<u>644,000</u>

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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

There were no material events subsequent to the end of the period under review that has not been reported in the interim financial statements for the current financial period to date, except for the Board has approved to pay a final dividend of RM 644 million or RM3.3566 per ordinary share on 191,859,543 ordinary shares for the financial year ended 31 December 2023. The payment of the final dividend was completed on 12 July 2024.

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
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11 INSURANCE REVENUE

	Note	<u>Group</u>	<u>Company</u>		
		30.06.2024	30.06.2023		
		RM'000	RM'000		
		<u>30.06.2024</u>	<u>30.06.2023</u>		
		RM'000	RM'000		
		<u>30.06.2024</u>	<u>30.06.2023</u>		
		RM'000	RM'000		
Contracts not measured under the PAA					
<i>Amounts related to changes in liabilities for remaining coverage</i>					
<i>Contractual service margin recognised for services provided</i>					
	17	730,505	702,586	581,180	567,664
<i>Change in risk adjustment for non-financial risk for risk expired</i>					
		31,259	29,240	24,414	22,829
<i>Expected incurred claims and other insurance service expenses</i>					
		2,210,407	1,788,272	1,903,417	1,486,342
<i>Others</i>					
		59,077	60,135	55,711	60,224
<i>Recovery of insurance acquisition cash flows</i>					
		<u>225,218</u>	<u>211,665</u>	<u>150,390</u>	<u>126,178</u>
	17	<u>3,256,466</u>	<u>2,791,898</u>	<u>2,715,112</u>	<u>2,263,237</u>
Contracts measured under the PAA					
	17	<u>864,621</u>	<u>745,259</u>	<u>759,713</u>	<u>666,202</u>
Total insurance revenue					
		<u>4,121,087</u>	<u>3,537,157</u>	<u>3,474,825</u>	<u>2,929,439</u>
Represented by:					
<i>Contracts under the modified retrospective approach</i>					
		770,377	707,407	770,377	707,407
<i>Contracts under the fair value approach</i>					
		1,374,549	1,230,583	1,223,674	1,070,046
<i>Other contracts</i>					
		1,976,161	1,599,167	1,480,774	1,151,986
Total					
		<u>4,121,087</u>	<u>3,537,157</u>	<u>3,474,825</u>	<u>2,929,439</u>

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12 NET INVESTMENT RESULT

a. Interest revenue on financial assets

	Group		Company	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Interest revenue on financial assets				
Financial assets measured at amortised cost	98,036	94,079	80,374	89,846
Financial assets measured at fair value through other comprehensive income	203,899	207,996	198,625	201,671
Financial assets designated at fair value through profit or loss	540,743	484,589	494,697	484,589
Financial assets measured mandatorily at fair value through profit or loss	105,270	90,077	87,473	70,793
Total interest revenue on financial assets	<u>947,948</u>	<u>876,741</u>	<u>861,169</u>	<u>846,899</u>

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12 NET INVESTMENT RESULT

b. Other investment income and expense

	Group		Company	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Other investment return				
Dividend income	347,010	356,651	357,500	337,306
Rental income	10,781	8,615	10,781	8,615
Net gains of financial assets not at fair value through profit or loss				
Measured at fair value through other comprehensive income	19,162	2,362	14,067	2,554
Measured at amortised cost	6	5	-	-
At fair value through profit or loss				
Net gains of debt securities designated at fair value through profit or loss	99,599	614,158	83,552	614,158
Net gains/(losses) of financial instruments mandatorily at fair value through profit or loss				
Net gains of debt securities	19,186	95,091	18,958	95,097
Net gains/(losses) of equity shares and interests in investment funds	2,941,894	(554,517)	2,754,664	(564,003)
Net fair value movement on derivatives	(43,405)	(81,129)	(43,405)	(81,129)
Net gains in respect of financial instruments at fair value through profit or loss	3,017,274	73,603	2,813,769	64,123
Net foreign exchange gains	117,891	301,248	115,622	301,555
Other net realised gains	-	31,979	-	10,312
Net gains	3,154,333	409,197	2,943,458	378,544
Total other investment return	3,512,124	774,463	3,311,739	724,465

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12 NET INVESTMENT RESULT (CONTINUED)

c. Net finance expenses from insurance contracts

	Group		Company	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Net finance expenses from insurance contracts				
Changes in fair value of underlying items of contracts with direct participation features	(3,006,223)	(1,331,405)	(2,739,203)	(1,261,905)
Interest accreted	(323,053)	(297,359)	(316,005)	(293,188)
Effect of changes in interest rates and other financial assumptions	(279,572)	64,921	(289,297)	49,630
Effect of measuring changes in estimates at current rates and adjusting the CSM at the rates on initial recognition	(6,130)	16,600	(5,898)	16,644
Total net finance expenses from insurance contracts	(3,614,978)	(1,547,243)	(3,350,403)	(1,488,819)
Represented by:				
Amount recognised in income statement	(3,514,213)	(1,309,176)	(3,249,513)	(1,250,508)
Amount recognised in other comprehensive income	(100,765)	(238,067)	(100,890)	(238,311)
Total	(3,614,978)	(1,547,243)	(3,350,403)	(1,488,819)

d. Net finance expenses from Reinsurance contracts

	Group		Company	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Net finance expenses from reinsurance contracts held				
Interest accreted	(1,016)	(2,865)	(1,739)	(4,171)
Net foreign exchange loss	(2)	(21)	(2)	(21)
Total net finance expenses from reinsurance contracts held	(1,018)	(2,886)	(1,741)	(4,192)

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13 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 Group by the weighted average number of ordinary shares in issue during the financial period.

	Group	
	30.06.2024	30.06.2023
	RM'000	RM'000
Profit after tax attributable to the shareholders	1,046,366	778,687
Weighted average number of shares in issue during the period	191,860	191,860
Basic earnings per share (sen)	545	406

14 REGULATORY CAPITAL REQUIREMENT

The capital structure of the Company as at 30 June 2024, as prescribed under the RBC Framework is provided below:

	Company	
	30.06.2024	31.12.2023
	RM'000	RM'000
<u>Eligible Tier 1 Capital</u>		
Share capital (paid up)	810,000	810,000
Reserves, including retained earnings	11,389,852	10,502,952
	<u>12,199,852</u>	<u>11,312,952</u>
<u>Tier 2 Capital</u>		
Revaluation reserves	206,914	206,914
Fair value reserves	318,547	285,321
	<u>525,461</u>	<u>492,235</u>
Amount deducted from capital	(1,048,613)	(1,043,039)
Total capital available	<u>11,676,700</u>	<u>10,762,148</u>

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15 FINANCIAL INVESTMENT (CONTINUED)

	Group		Company	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Amortised cost				
Loans				
Mortgage loans	2,043,613	2,032,239	2,042,359	2,030,684
Other loans	630	575	596	533
Loss allowance for loans	(24,356)	(21,908)	(24,320)	(21,693)
Fixed and cash deposits	51,395	52,391	-	-
	<u>2,071,282</u>	<u>2,063,297</u>	<u>2,018,635</u>	<u>2,009,524</u>

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

Fair value of financial investments

The Group classifies all financial assets as either at fair value through profit or loss (mandatory and by designated), 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 Group's financial assets and financial liabilities:

Group	Note	Fair value				Total carrying value RM'000	Total fair value RM'000
		Mandatory FVTPL RM'000	Designated FVTPL RM'000	FVOCI RM'000	Amortised cost RM'000		
30 June 2024							
Financial investments	15						
Loans and deposits		-	-	-	2,071,282	2,071,282	2,024,622
Debt securities		5,189,039	24,465,306	10,159,476	-	39,813,821	39,813,821
Equity shares and interest in investment funds		23,114,545	1,214,623	-	-	24,329,168	24,329,168
Derivative financial instrument		5,147	-	-	-	5,147	5,147
Other receivables		-	-	-	370,757	370,757	370,757
Accrued investment income		-	-	-	462,278	462,278	454,304
Cash and cash equivalent		-	-	-	2,181,970	2,181,970	2,181,970
Financial assets		28,308,731	25,679,929	10,159,476	5,086,287	69,234,423	69,176,326

Group	FVTPL RM'000	Amortised cost RM'000	Total carrying value RM'000	Total fair value RM'000
30 June 2024				
Derivative financial instrument	21,547	-	21,547	21,547
Other liabilities	-	1,020,976	1,020,976	1,020,976
Financial liabilities	21,547	1,020,976	1,042,523	1,042,523

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16 FAIR VALUE MEASUREMENT (CONTINUED)

Group	Note	Fair value				Total carrying value RM'000	Total fair value RM'000
		Mandatory FVTPL RM'000	Designated FVTPL RM'000	FVOCI RM'000	Amortised cost RM'000		
31 December 2023							
Financial investments	15						
Loans and deposits		-	-	-	2,063,297	2,063,297	1,967,300
Debt securities		7,635,207	21,426,037	10,108,709	-	39,169,953	39,169,953
Equity shares and interest in investment funds		19,948,250	-	-	-	19,948,250	19,948,250
Derivative financial instrument		19,509	-	-	-	19,509	19,509
Other receivables		-	-	-	249,531	249,531	249,531
Accrued investment income		-	-	-	452,798	452,798	452,798
Cash and cash equivalent		-	-	-	2,821,147	2,821,147	2,821,147
Financial assets		27,602,966	21,426,037	10,108,709	5,586,773	64,724,485	64,628,488

	FVTPL RM'000	Amortised cost RM'000	Total carrying value RM'000	Total fair value RM'000
31 December 2023				
Derivative financial instrument	37,417	-	37,417	37,417
Other liabilities	-	642,196	642,196	642,196
Financial liabilities	37,417	642,196	679,613	679,613

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16 FAIR VALUE MEASUREMENT (CONTINUED)

Company	Note	Fair value				Amortised cost RM'000	Total carrying value RM'000	Total fair value RM'000
		Mandatory FVTPL RM'000	Designated FVTPL RM'000	FVOCI RM'000				
30 June 2024								
Financial investments	15							
Loans and deposits		-	-	-	2,018,635	2,018,635	1,972,057	
Debt securities		4,144,010	22,509,948	9,269,517	-	35,923,475	35,923,475	
Equity shares and interest in investment funds		23,469,464	-	-	-	23,469,464	23,469,464	
Derivative financial instrument		5,147	-	-	-	5,147	5,147	
Other receivables		-	-	-	340,287	340,287	340,287	
Accrued investment income		-	-	-	422,319	422,319	422,319	
Cash and cash equivalent		-	-	-	1,736,227	1,736,227	1,736,227	
Financial assets		27,618,621	22,509,948	9,269,517	4,517,468	63,915,554	63,918,031	

	FVTPL RM'000	Amortised cost RM'000	Total carrying value RM'000	Total fair value RM'000
30 June 2024				
Derivative financial instrument	21,547	-	21,547	21,547
Other liabilities	-	892,250	892,250	892,250
Financial liabilities	21,547	892,250	913,797	913,797

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16 FAIR VALUE MEASUREMENT (CONTINUED)

Fair value hierarchy for fair value measurement on a recurring basis

The Group measures at fair value property held for own use, investment property, financial instruments classified at fair value through profit or loss, financial instruments classified at fair value through other comprehensive income, derivative assets and liabilities, investments held by investment funds which are consolidated 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.

Fair value of properties is based on valuation by independent professional valuers.

The Group does not have assets or liabilities measured at fair value on a non-recurring basis during the 6 months ended 30 June 2024.

The following methods and assumptions were used by the Group to estimate the fair value of financial instruments and properties.

Determination of fair value

Loans and receivables

The fair values of mortgage loans are estimated by discounting future cash flows using interest rates currently being offered in respect of similar loans to borrowers with similar credit ratings. Loans with similar characteristics are aggregated for purposes of the calculations.

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

16 FAIR VALUE MEASUREMENT (CONTINUED)

Determination of fair value (Continued)

Debt securities, equity shares and interests in investment funds

The fair values of equity shares and interests in investment funds are based on quoted market prices or, if unquoted, on estimated market values generally based on quoted prices for similar securities. Fair values for fixed interest securities are based on quoted market prices, where available. For those investments not actively traded, fair values are estimated using values obtained from brokers, private pricing services or by discounting expected future cash flows using a current market rate applicable to the yield, credit quality and maturity of the investment. Priority is given to values from independent sources when available, but overall the source of pricing and/or valuation technique is chosen with the objective of arriving at the price at which an orderly transaction would take place between market participants on the measurement date. The inputs to determining fair value that are relevant to fixed interest securities include, but not limited to risk-free interest rates, the obligor's credit spreads, foreign exchange rates and credit default rates. For holdings in limited partnerships, fair values are determined based on the net asset values provided by the general partner or manager of each investment, the accounts of which are generally audited on an annual basis. The transaction price is used as the best estimate of fair value at inception.

Derivative financial instruments

The Group values its derivative financial assets and liabilities using market transactions and other market evidence whenever possible, including market-based inputs to models, model calibration to market clearing transactions, broker or dealer quotations or alternative pricing sources with reasonable levels of price transparency. When models are used, the selection of a particular model to value a derivative depends on the contract terms of, and specific risks inherent in, the instrument as well as the availability of pricing information in the market. The Group generally uses similar models to value similar instruments. Valuation models require a variety of inputs, including contractual terms, market prices and rates, yield curves, credit curves, measures of volatility, prepayment rates and correlations of such inputs. For derivatives that trade in liquid markets, such as generic forwards, swaps and options, model inputs can generally be verified and model selection does not involve significant management judgement. Examples of inputs that are generally observable include foreign exchange spot and forward rates, benchmark interest rate curves and volatilities for commonly traded option products. Examples of inputs that may be unobservable include volatilities for less commonly traded option products and correlations between market factors.

When the Group holds a group of derivative assets and derivative liabilities entered into with a particular counterparty, the Group takes into account the arrangements that mitigate credit risk exposure in the event of default (e.g. International Swap and Derivatives Association ("ISDA") Master Agreements and Credit Support Annex ("CSA") that require the exchange of collateral on the basis of each party's net credit risk exposure). The Group measures the fair value of the group of financial assets and financial liabilities on the basis of its net exposure to the credit risk of that counterparty or the counterparty's net exposure to our credit risk that reflects market participants' expectations about the likelihood that such an arrangement would be legally enforceable in the event of default.

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16 FAIR VALUE MEASUREMENT (CONTINUED)

Determination of fair value (Continued)

Property held for own use and investment property

The Group engaged external, independent and qualified valuers to determine the fair value of the Group's properties at least on an annual basis. The valuation on an open market value basis by independent professional valuer for certain investment properties was calculated by reference to net rental income allowing for reversionary income potential. The fair values of certain other properties were derived using the Market Data Approach. In this approach, the values are based on sales and listing of comparable property registered in the vicinity. Certain other properties are valued using a combination of these two methods.

The properties held for own use and investment properties, in most cases, are valued on the basis of the highest and best use of the properties that is physically possible, legally permissible and financially feasible. The current use of the properties is considered to be its highest and best use; records of recent sales and offerings of similar property are analysed and comparison made for such factors as size, location, quality and prospective use. On limited occasions, potential redevelopment of the properties in use would be taken into account when they would maximise the fair value of the properties; the Group is occupying these properties for operational purposes.

Cash and cash equivalents

The carrying amount of cash approximates its fair value.

Other assets

The carrying amount of other financial assets is not materially different to their fair value

Other liabilities

Carrying value of other financial liabilities approximates their fair value.

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16 FAIR VALUE MEASUREMENT (CONTINUED)

Determination of fair value (Continued)

Fair value hierarchy for fair value measurement on a recurring basis

Assets and liabilities recorded at fair value in the consolidated statement of financial position are measured and classified in a hierarchy for disclosure purposes consisting of three “levels” based on the observability of inputs available in the marketplace used to measure their fair values as discussed below:

- **Level 1:** Fair value measurements that are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group has the ability to access as of the measurement date. Market price data is generally obtained from exchange or dealer markets. The Group does not adjust the quoted price for such instruments. Assets measured at fair value on a recurring basis and classified as Level 1 are actively traded equities.
- **Level 2:** Fair value measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). Level 2 inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active and inputs other than quoted prices that are observable for the asset and liability, such as interest rates and yield curves that are observable at commonly quoted intervals.
- **Level 3:** Fair value measurements based on valuation techniques that use significant inputs that are unobservable. Unobservable inputs are only used to measure fair value to the extent that relevant observable inputs are not available, allowing for circumstances in which there is little, if any, market activity for the asset or liability.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The Group’s assessment of the significance of a particular input to the fair value measurement in its entirety requires judgement. In making the assessment, the Group considers factors specific to the asset or liability.

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16 FAIR VALUE MEASUREMENT (CONTINUED)

Fair value hierarchy for fair value measurement on a recurring basis

A summary of assets and liabilities carried at fair value on a recurring basis according to fair value hierarchy is given below:

Group	Fair value hierarchy			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
30 June 2024				
Recurring fair value measurements				
Non-financial assets				
Property held for own use	-	-	329,666	329,666
Investment property	-	-	349,821	349,821
Financial assets				
Measured at FVOCI				
Debt securities	-	10,159,476	-	10,159,476
Measured at FVTPL				
Debt securities	-	29,654,345	-	29,654,345
Equity shares and interest in investment funds	22,605,670	1,329,320	394,178	24,329,168
Derivative financial instrument	-	5,147	-	5,147
Total assets on a recurring fair value measurement basis	22,605,670	41,148,288	1,073,665	64,827,623
Financial liabilities				
Derivative financial instruments	-	21,547	-	21,547
Total liabilities on a recurring fair value measurement basis	-	21,547	-	21,547

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16 FAIR VALUE MEASUREMENT (CONTINUED)

Fair value hierarchy for fair value measurement on a recurring basis (continued)

Group	Fair value hierarchy			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31 December 2023				
Recurring fair value measurements				
Non-financial assets				
Property held for own use	-	-	333,678	333,678
Investment property	-	-	346,500	346,500
Financial assets				
At FVOCI				
Debt securities	-	10,108,709	-	10,108,709
At FVTPL				
Debt securities	-	29,061,244	-	29,061,244
Equity shares and interest in investment funds	18,476,307	1,081,938	390,005	19,948,250
Derivative financial instrument	-	19,509	-	19,509
Total assets on a recurring fair value measurement basis	18,476,307	40,271,400	1,070,183	59,817,890
Financial liabilities				
Derivative financial instruments	-	37,417	-	37,417
Total liabilities on a recurring fair value measurement basis	-	37,417	-	37,417

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16 FAIR VALUE MEASUREMENT (CONTINUED)

Fair value hierarchy for fair value measurement on a recurring basis (continued)

Company	Fair value hierarchy			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
30 June 2024				
Recurring fair value measurements				
Non-financial assets				
Property held for own use	-	-	326,666	326,666
Investment property	-	-	349,821	349,821
Financial assets				
At FVOCI				
Debt securities	-	9,269,517	-	9,269,517
At FVTPL				
Debt securities	-	26,653,958	-	26,653,958
Equity shares and interest in investment funds	21,263,615	1,811,671	394,178	23,469,464
Derivative financial instrument	-	5,147	-	5,147
Total assets on a recurring fair value measurement basis	21,263,615	37,740,293	1,073,665	60,077,573
Financial liabilities				
Derivative financial instruments	-	21,547	-	21,547
Total liabilities on a recurring fair value measurement basis	-	21,547	-	21,547

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16 FAIR VALUE MEASUREMENT (CONTINUED)

Fair value hierarchy for fair value measurement on a recurring basis (continued)

Company	Fair value hierarchy			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31 December 2023				
Recurring fair value measurements				
Non-financial assets				
Property held for own use	-	-	333,678	333,678
Investment property	-	-	346,500	346,500
Financial assets				
At FVOCI				
Debt securities	-	9,204,653	-	9,204,653
At FVTPL				
Debt securities	-	25,967,184	-	25,967,184
Equity shares and interest in investment funds	17,419,452	1,797,941	390,005	19,607,398
Derivative financial instrument	-	19,509	-	19,509
Total assets on a recurring fair value measurement basis	17,419,452	36,989,287	1,070,183	55,478,922
Financial liabilities				
Derivative financial instruments	-	37,417	-	37,417
Total liabilities on a recurring fair value measurement basis	-	37,417	-	37,417

The tables below set out a summary of changes in the Group's Level 3 assets and liabilities measured at fair value on a recurring basis for the period ended 30 June 2024 and 31 December 2023. The tables reflect gains and losses, including gains and losses on assets and liabilities categorised as Level 3 as at 30 June 2024.

Level 3 financial assets and liabilities

	Property held for own use RM'000	Investment property RM'000	Equity shares and interest in investment funds RM'000
As at 1 January 2024	333,678	345,500	390,005
Total (losses)/gains	(4,012)	-	4,248
Purchases	-	3,321	1,235
Sales	-	-	(1,310)
As at 30 June 2024	329,666	349,821	394,178

There are not any differences between the fair values on initial recognition and the amounts determined using valuation techniques since the models adopted are calibrated using initial transaction prices.

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD

Group	Assets	Liabilities	Total
	RM'000	RM'000	RM'000
30 June 2024			
Insurance contracts liabilities not measured under the PAA	7,284	55,911,133	55,918,417
Insurance contracts liabilities measured under the PAA	-	780,992	780,992
Assets for insurance acquisition cash flows not measured under the PAA	(30,259)	(218,875)	(249,134)
	<u>(22,975)</u>	<u>56,473,250</u>	<u>56,450,275</u>
Reinsurance contracts liabilities not measured under the PAA	(108,125)	160,585	52,460
Reinsurance contracts liabilities measured under the PAA	(62,474)	-	(62,474)
	<u>(170,599)</u>	<u>160,585</u>	<u>(10,014)</u>
31 December 2023			
Insurance contracts liabilities not measured under the PAA	2,221	52,834,070	52,836,291
Insurance contracts liabilities measured under the PAA	-	616,852	616,852
Assets for insurance acquisition cash flows not measured under the PAA	(30,005)	(204,296)	(234,301)
	<u>(27,784)</u>	<u>53,246,626</u>	<u>53,218,842</u>
Reinsurance contracts liabilities not measured under the PAA	(109,389)	-	(109,389)
Reinsurance contracts liabilities measured under the PAA	(41,538)	-	(41,538)
	<u>(150,927)</u>	<u>-</u>	<u>(150,927)</u>

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

<u>Company</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Total</u>
30 June 2024	RM'000	RM'000	RM'000
Insurance contracts liabilities not measured under the PAA	-	52,430,344	52,430,344
Insurance contracts liabilities measured under the PAA	-	578,446	578,446
Assets for insurance acquisition cash flows not measured under the PAA	-	(15,477)	(15,477)
	<u>-</u>	<u>52,993,313</u>	<u>52,993,313</u>
Reinsurance contracts liabilities not measured under the PAA	(138)	160,585	160,447
Reinsurance contracts liabilities measured under the PAA	(27,555)	-	(27,555)
	<u>(27,693)</u>	<u>160,585</u>	<u>132,892</u>
31 December 2023			
Insurance contracts liabilities not measured under the PAA	-	49,728,214	49,728,214
Insurance contracts liabilities measured under the PAA	-	431,061	431,061
Assets for insurance acquisition cash flows not measured under the PAA	-	(12,822)	(12,822)
	<u>-</u>	<u>50,146,453</u>	<u>50,146,453</u>
Reinsurance contracts liabilities not measured under the PAA	(4,496)	-	(4,496)
Reinsurance contracts liabilities measured under the PAA	(11,085)	-	(11,085)
	<u>(15,581)</u>	<u>-</u>	<u>(15,581)</u>

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 Group 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 Group's maximum exposure to credit risk from these assets

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

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

<u>Group</u>	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	RM'000			RM'000	Excluding loss component		
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Opening assets		(13,917)	4,499	11,639	2,221	(15,043)	1,522	17,914	4,393
Opening liabilities		50,884,198	79,254	1,870,618	52,834,070	48,030,018	6,458	1,891,421	49,927,897
Net opening balance		50,870,281	83,753	1,882,257	52,836,291	48,014,975	7,980	1,909,335	49,932,290
Insurance revenue	11	(3,256,466)	-	-	(3,256,466)	(5,686,025)	-	-	(5,686,025)
Insurance service expenses									
Incurred claims and other insurance service expenses		-	(7,236)	2,499,561	2,492,325	-	(13,620)	4,745,453	4,731,833
Amortisation of insurance acquisition cash flows		225,218	-	-	225,218	426,962	-	-	426,962
Losses and reversal of losses on onerous contracts		-	54,046	-	54,046	-	88,882	-	88,882
Adjustments to liabilities for incurred claims		-	-	(417,284)	(417,284)	-	-	(685,594)	(685,594)
Total insurance service expenses		225,218	46,810	2,082,277	2,354,305	426,962	75,262	4,059,859	4,562,083

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

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

<u>Group</u>	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
Investment components		(1,904,579)	-	1,904,579	-	(3,840,385)	-	3,840,385	-
Insurance service result		(4,935,827)	46,810	3,986,856	(902,161)	(9,099,448)	75,262	7,900,244	(1,123,942)
Net finance expenses from insurance contracts	12c	3,596,893	5,000	13,085	3,614,978	3,298,760	511	32,055	3,331,326
Total changes in the income statement and statement of comprehensive income		(1,338,934)	51,810	3,999,941	2,712,817	(5,800,688)	75,773	7,932,299	2,207,384

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

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

<u>Group</u>	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	RM'000
Cash flows								
Premium received	5,673,273	-	-	5,673,273	11,002,663	-	-	11,002,663
Claims and other insurance service expenses paid, including investment components	-	-	(4,325,675)	(4,325,675)	-	-	(8,253,547)	(8,253,547)
Insurance acquisition cash flows paid	(1,170,324)	-	-	(1,170,324)	(2,326,068)	-	-	(2,326,068)
Other amounts received	-	-	202,850	202,850	-	-	294,170	294,170
Total cash flows	4,502,949	-	(4,122,825)	380,124	8,676,595	-	(7,959,377)	717,218
Adjusted for:								
Allocation from assets for insurance acquisition cash flows	(10,815)	-	-	(10,815)	(20,601)	-	-	(20,601)
Net closing balance	54,023,481	135,563	1,759,373	55,918,417	48,014,975	50,870,281	83,753	1,882,257
Closing assets	(12,887)	9,000	11,171	7,284	(13,917)	4,499	11,639	2,221
Closing liabilities	54,036,368	126,563	1,748,202	55,911,133	50,884,198	79,254	1,870,618	52,834,070
Net closing balance	54,023,481	135,563	1,759,373	55,918,417	50,870,281	83,753	1,882,257	52,836,291

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

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

<u>Company</u>	30 June 2024				31 December 2023				
	Note	Liabilities for remaining coverage		Liabilities for incurred claims	Total	Liabilities for remaining coverage		Liabilities for incurred claims	Total
		Excluding loss component	Loss component			Excluding loss component	Loss component		
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Opening assets		-	-	-	-	-	-	-	-
Opening liabilities		48,234,725	75,929	1,417,560	49,728,214	45,750,239	5,683	1,580,613	47,336,535
Net opening balance		48,234,725	75,929	1,417,560	49,728,214	45,750,239	5,683	1,580,613	47,336,535
Insurance revenue	11	(2,715,112)	-	-	(2,715,112)	(4,566,639)	-	-	(4,566,639)
Insurance service expenses									
Incurred claims and other insurance service expenses		-	(6,689)	2,103,367	2,096,678	-	(6,376)	3,906,601	3,900,225
Amortisation of insurance acquisition cash flows		150,390	-	-	150,390	266,124	-	-	266,124
Losses and reversal of losses on onerous contracts		-	51,639	-	51,639	-	76,792	-	76,792
Adjustments to liabilities for incurred claims		-	-	(341,184)	(341,184)	-	-	(602,873)	(602,873)
Total insurance service expenses		150,390	44,950	1,762,183	1,957,523	266,124	70,416	3,303,728	3,640,268

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

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

<u>Company</u>	30 June 2024				31 December 2023				
	Note	Liabilities for remaining coverage		Liabilities for incurred claims	Total	Liabilities for remaining coverage		Liabilities for incurred claims	Total
Excluding loss component		Loss component	Excluding loss component			Loss component			
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Investment components		(1,856,397)	-	1,856,397	-	(3,680,452)	-	3,680,452	-
Insurance service result		(4,421,119)	44,950	3,618,580	(757,589)	(7,980,967)	70,416	6,984,180	(926,371)
Net finance expenses from insurance contracts	12c	3,335,372	5,270	9,761	3,350,403	3,114,516	(170)	25,095	3,139,441
Total changes in the income statement and statement of comprehensive income		(1,085,747)	50,220	3,628,341	2,592,814	(4,866,451)	70,246	7,009,275	2,213,070

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

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

Company	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	
Cash flows								
Premium received	4,742,413	-	-	4,742,413	9,185,954	-	-	9,185,954
Claims and other insurance service expenses paid, including investment components	-	-	(3,894,750)	(3,894,750)	-	-	(7,465,312)	(7,465,312)
Insurance acquisition cash flows paid	(939,814)	-	-	(939,814)	(1,832,796)	-	-	(1,832,796)
Other amounts received	-	-	201,965	201,965	-	-	292,984	292,984
Total cash flows	3,802,599	-	(3,692,785)	109,814	7,353,158	-	(7,172,328)	180,830
Adjusted for:								
Allocation from assets for insurance acquisition cash flows	(498)	-	-	(498)	(2,221)	-	-	(2,221)
Net closing balance	50,951,079	126,149	1,353,116	52,430,344	48,234,725	75,929	1,417,560	49,728,214
Closing assets	-	-	-	-	-	-	-	-
Closing liabilities	50,951,079	126,149	1,353,116	52,430,344	48,234,725	75,929	1,417,560	49,728,214
Net closing balance	50,951,079	126,149	1,353,116	52,430,344	48,234,725	75,929	1,417,560	49,728,214

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

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

<u>Group</u>	<u>Note</u>	30 June 2024						
		Estimates of present value of future cash flow	Risk adjustment for non- financial risk	Total CSM	Breakdown of total 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	
Opening assets		(8,386)	1,174	9,433	-	117	9,316	2,221
Opening liabilities		40,619,968	1,191,887	11,022,215	3,688,555	2,900,468	4,433,192	52,834,070
Net opening balance		40,611,582	1,193,061	11,031,648	3,688,555	2,900,585	4,442,508	52,836,291
Changes that relate to current services								
CSM recognised for services provided	11	-	-	(730,505)	(202,770)	(183,663)	(344,072)	(730,505)
Change in risk adjustment for non-financial risk		-	14,271	-	-	-	-	14,271
Experience adjustments		243,753	-	-	-	-	-	243,753
Others		(66,443)	-	-	-	-	-	(66,443)
Changes that relate to future services								
Contracts initially recognised in the year		(1,116,516)	68,118	1,055,930	-	-	1,055,930	7,532
Changes in estimates that adjust the CSM		(121,148)	18,767	102,381	86,637	385,171	(369,427)	-
Changes in estimates that result in losses and reversal of losses on onerous contracts		45,837	678	-	-	-	-	46,515
Changes that relate to past services		(373,995)	(43,289)	-	-	-	-	(417,284)
Total insurance service result		(1,388,512)	58,545	427,806	(116,133)	201,508	342,431	(902,161)

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

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

<u>Group</u>	<u>Note</u>	30 June 2024						
		Estimates of present value of future cash flow	Risk adjustment for non-financial risk	Total CSM	Breakdown of total 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	
Net finance expenses from insurance contracts	12c	3,476,420	-	138,558	58,999	14,359	65,200	3,614,978
Total changes in the income statement and statement of comprehensive income		2,087,908	58,545	566,364	(57,134)	215,867	407,632	2,712,817
Cash flows		380,124	-	-	-	-	-	380,124
Allocation from assets for insurance acquisition cash flows		(10,815)	-	-	-	-	-	(10,815)
Net closing balance		<u>43,068,799</u>	<u>1,251,606</u>	<u>11,598,012</u>	<u>3,631,421</u>	<u>3,116,452</u>	<u>4,850,139</u>	<u>55,918,417</u>
Closing assets		(2,346)	1,055	8,574	-	111	8,464	7,284
Closing liabilities		43,071,145	1,250,551	11,589,438	3,631,421	3,116,341	4,841,675	55,911,133
Net closing balance		<u>43,068,799</u>	<u>1,251,606</u>	<u>11,598,012</u>	<u>3,631,421</u>	<u>3,116,452</u>	<u>4,850,139</u>	<u>55,918,417</u>

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

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

<u>Group</u>	31 December 2023						
	Estimates of present value of future cash flow	Risk adjustment for non-financial risk	Total CSM	Breakdown of total 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	(5,033)	1,486	7,940	-	230	7,710	4,393
Opening liabilities	38,054,361	1,089,162	10,784,374	4,332,953	3,223,447	3,227,974	49,927,897
Net opening balance	38,049,328	1,090,648	10,792,314	4,332,953	3,223,677	3,235,684	49,932,290
Changes that relate to current services							
CSM recognised for services provided	-	-	(1,383,823)	(441,106)	(357,201)	(585,516)	(1,383,823)
Change in risk adjustment for non-financial risk	-	(10,400)	-	-	-	-	(10,400)
Experience adjustments	979,002	-	-	-	-	-	979,002
Others	(133,822)	-	-	-	-	-	(133,822)
Changes that relate to future services							
Contracts initially recognised in the year	(2,551,308)	160,579	2,466,878	-	-	2,466,878	76,149
Changes in estimates that adjust the CSM	1,128,471	21,015	(1,149,486)	(340,552)	(42,589)	(766,345)	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	14,544	(1,808)	-	-	-	-	12,736
Changes that relate to past services	(596,811)	(66,973)	-	-	-	-	(663,784)
Total insurance service result	(1,159,924)	102,413	(66,431)	(781,658)	(399,790)	1,115,017	(1,123,942)

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

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

<u>Group</u>	31 December 2023						
	Estimates of present value of future cash flow RM'000	Risk adjustment for non-financial risk RM'000	Total CSM RM'000	Breakdown of total CSM			Total RM'000
Contracts under modified retrospective approach RM'000				Contracts under fair value approach RM'000	Other contracts RM'000		
Net finance expenses from insurance contracts	3,025,561	-	305,765	137,260	76,698	91,807	3,331,326
Total changes in the income statement and statement of comprehensive income	1,865,637	102,413	239,334	(644,398)	(323,092)	1,206,824	2,207,384
Cash flows	717,218	-	-	-	-	-	717,218
Allocation from assets for insurance acquisition cash flows	(20,601)	-	-	-	-	-	(20,601)
Net closing balance	<u>40,611,582</u>	<u>1,193,061</u>	<u>11,031,648</u>	<u>3,688,555</u>	<u>2,900,585</u>	<u>4,442,508</u>	<u>52,836,291</u>
Closing assets	(8,386)	1,174	9,433	-	117	9,316	2,221
Closing liabilities	40,619,968	1,191,887	11,022,215	3,688,555	2,900,468	4,433,192	52,834,070
Net closing balance	<u>40,611,582</u>	<u>1,193,061</u>	<u>11,031,648</u>	<u>3,688,555</u>	<u>2,900,585</u>	<u>4,442,508</u>	<u>52,836,291</u>

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

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

<u>Company</u>	30 June 2024							
	Note	Estimates of present value of future cash flow RM'000	Risk adjustment for non-financial risk RM'000	Total CSM RM'000	Breakdown of total CSM			Total RM'000
Contracts under modified retrospective approach RM'000					Contracts under fair value approach RM'000	Other contracts RM'000		
Opening assets		-	-	-	-	-	-	-
Opening liabilities		38,846,339	1,074,864	9,807,011	3,688,555	2,495,848	3,622,608	49,728,214
Net opening balance		38,846,339	1,074,864	9,807,011	3,688,555	2,495,848	3,622,608	49,728,214
Changes that relate to current services								
CSM recognised for services provided	11	-	-	(581,180)	(202,770)	(150,353)	(228,057)	(581,180)
Change in risk adjustment for non-financial risk		-	9,610	-	-	-	-	9,610
Experience adjustments		169,807	-	-	-	-	-	169,807
Others		(66,281)	-	-	-	-	-	(66,281)
Changes that relate to future services								
Contracts initially recognised in the year		(912,579)	58,185	860,973	-	-	860,973	6,579
Changes in estimates that adjust the CSM		(127,760)	16,836	110,924	86,637	269,568	(245,281)	-
Changes in estimates that result in losses and reversal of losses on onerous contracts		44,085	974	-	-	-	-	45,059
Changes that relate to past services		(308,203)	(32,981)	-	-	-	-	(341,184)
Total insurance service result		(1,200,931)	52,624	390,717	(116,133)	119,215	387,635	(757,590)

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

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

<u>Company</u>		30 June 2024						
		Estimates of present value of future cash flow RM'000	Risk adjustment for non-financial risk RM'000	Total CSM RM'000	Breakdown of total CSM			Total RM'000
Contracts under modified retrospective approach RM'000	Contracts under fair value approach RM'000				Other contracts RM'000			
	Note							
Net finance expenses from insurance contracts	12c	3,214,731	-	135,672	58,999	14,263	62,410	3,350,403
Total changes in the income statement and statement of comprehensive income		2,013,800	52,624	526,389	(57,134)	133,478	450,045	2,592,813
Cash flows		109,815	-	-	-	-	-	109,815
Allocation from assets for insurance acquisition cash flows		(498)	-	-	-	-	-	(498)
Net closing balance		<u>40,969,456</u>	<u>1,127,488</u>	<u>10,333,400</u>	<u>3,631,421</u>	<u>2,629,326</u>	<u>4,072,653</u>	<u>52,430,344</u>
Closing assets								
Closing liabilities		40,969,456	1,127,488	10,333,400	3,631,421	2,629,326	4,072,653	52,430,344
Net closing balance		<u>40,969,456</u>	<u>1,127,488</u>	<u>10,333,400</u>	<u>3,631,421</u>	<u>2,629,326</u>	<u>4,072,653</u>	<u>52,430,344</u>

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

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

Company	31 December 2023						
	Estimates of present value of future cash flow	Risk adjustment for non-financial risk	Total CSM	Breakdown of total 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	36,561,110	973,459	9,801,966	4,332,953	2,829,581	2,639,432	47,336,535
Net opening balance	36,561,110	973,459	9,801,966	4,332,953	2,829,581	2,639,432	47,336,535
Changes that relate to current services							
CSM recognised for services provided	-	-	(1,113,592)	(441,106)	(304,514)	(367,972)	(1,113,592)
Change in risk adjustment for non-financial risk	-	(11,162)	-	-	-	-	(11,162)
Experience adjustments	848,734	-	-	-	-	-	848,734
Others	(124,270)	-	-	-	-	-	(124,270)
Changes that relate to future services							
Contracts initially recognised in the year	(2,163,651)	132,630	2,054,822	-	-	2,054,822	23,801
Changes in estimates that adjust the CSM	1,205,997	31,853	(1,237,850)	(340,552)	(105,730)	(791,568)	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	55,599	(2,608)	-	-	-	-	52,991
Changes that relate to past services	(553,565)	(49,308)	-	-	-	-	(602,873)
Total insurance service result	(731,156)	101,405	(296,620)	(781,658)	(410,244)	895,282	(926,371)

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

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

<u>Company</u>	31 December 2023						
	Estimates of present value of future cash flow RM'000	Risk adjustment for non-financial risk RM'000	Total CSM RM'000	Breakdown of total CSM			Total RM'000
Contracts under modified retrospective approach RM'000				Contracts under fair value approach RM'000	Other contracts RM'000		
Net finance expenses from insurance contracts	2,837,776	-	301,665	137,260	76,511	87,894	3,139,441
Total changes in the income statement and statement of comprehensive income	2,106,620	101,405	5,045	(644,398)	(333,733)	983,176	2,213,070
Cash flows	180,830	-	-	-	-	-	180,830
Allocation from assets for insurance acquisition cash flows	(2,221)	-	-	-	-	-	(2,221)
Net closing balance	<u>38,846,339</u>	<u>1,074,864</u>	<u>9,807,011</u>	<u>3,688,555</u>	<u>2,495,848</u>	<u>3,622,608</u>	<u>49,728,214</u>
Closing assets	-	-	-	-	-	-	-
Closing liabilities	38,846,339	1,074,864	9,807,011	3,688,555	2,495,848	3,622,608	49,728,214
Net closing balance	<u>38,846,339</u>	<u>1,074,864</u>	<u>9,807,011</u>	<u>3,688,555</u>	<u>2,495,848</u>	<u>3,622,608</u>	<u>49,728,214</u>

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

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

<u>Group</u>	30 June 2024				31 December 2023			
	Asset for remaining coverage				Asset for remaining coverage			
Note	Excluding loss-recovery component	Loss recovery component	Asset for incurred claims	Total	Excluding loss-recovery component	Loss recovery component	Asset for incurred claims	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Opening assets	(864,951)	-	974,340	109,389	225,749	-	(138,044)	87,705
Opening liabilities	-	-	-	-	(735,888)	-	545,032	(190,856)
Net opening balance	(864,951)	-	974,340	109,389	(510,139)	-	406,988	(103,151)
Changes in the income statement and statement of comprehensive income								
Net expenses from reinsurance contracts held (excluding effect of changes in non-performance risk of reinsurers)	(862,394)	-	682,984	(179,410)	(1,177,480)	-	1,321,723	144,243
Net expenses from reinsurance contracts held	(862,394)	-	682,984	(179,410)	(1,177,480)	-	1,321,723	144,243
Net finance income from reinsurance contracts held	12d (1,016)	-	-	(1,016)	(3,851)	-	-	(3,851)

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

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

<u>Group</u>	30 June 2024				31 December 2023			
	Asset for remaining coverage			Total	Asset for remaining coverage			Total
Excluding loss-recovery component	Loss recovery component	Asset for incurred claims	RM'000		Excluding loss-recovery component	Loss recovery component	Asset for incurred claims	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total changes in the income statement and statement of comprehensive income	(863,410)	-	682,984	(180,426)	(1,181,331)	-	1,321,723	140,392
Cash flows								
Premiums paid	156,961	-	-	156,961	826,519	-	-	826,519
Amounts received	-	-	(139,664)	(139,664)	-	-	(792,584)	(792,584)
Other amounts paid	-	-	1,150	1,150	-	-	37,967	37,967
Total cash flows	156,961	-	(138,514)	18,447	826,519	-	(754,617)	71,902
Adjusted for :								
Non-cash operating expenses	-	-	130	130	-	-	246	246
Total non-cash items	-	-	130	130	-	-	246	246
Net closing balance	(1,571,400)	-	1,518,940	(52,460)	(864,951)	-	974,340	109,389
Closing assets	4,876	-	103,249	108,125	(864,951)	-	974,340	109,389
Closing liabilities	(1,576,276)	-	1,415,691	(160,585)	-	-	-	-
Net closing balance	(1,571,400)	-	1,518,940	(52,460)	(864,951)	-	974,340	109,389

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

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

<u>Company</u>	30 June 2024				31 December 2023				
	Note	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		(868,417)	-	872,913	4,496	176,370	-	(183,910)	(7,540)
Opening liabilities		-	-	-	-	(735,887)	-	545,031	(190,856)
Net opening balance		(868,417)	-	872,913	4,496	(559,517)	-	361,121	(198,396)
Changes in the income statement and statement of comprehensive income									
Net expenses from reinsurance contracts held (excluding effect of changes in non-performance risk of reinsurers)		(825,600)	-	655,810	(169,790)	(1,108,539)	-	1,252,051	143,512
Net expenses from reinsurance contracts held		(825,600)	-	655,810	(169,790)	(1,108,539)	-	1,252,051	143,512
Net finance income from reinsurance contracts held	12d	(1,739)	-	-	(1,739)	(7,169)	-	-	(7,169)

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

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

<u>Company</u>	30 June 2024				31 December 2023			
	Asset for remaining coverage			Total	Asset for remaining coverage			Total
Excluding loss-recovery component	Loss recovery component	Asset for incurred claims	RM'000		Excluding loss-recovery component	Loss recovery component	Asset for incurred claims	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total changes in the income statement and statement of comprehensive income	(827,339)	-	655,810	(171,529)	(1,115,708)	-	1,252,051	136,343
Cash flows								
Premiums paid	124,904	-	-	124,904	806,808	-	-	806,808
Amounts received	-	-	(119,432)	(119,432)	-	-	(742,476)	(742,476)
Other amounts paid	-	-	991	991	-	-	1,983	1,983
Total cash flows	124,904	-	(118,441)	6,463	806,808	-	(740,493)	66,315
Adjusted for :								
Non-cash operating expenses	-	-	123	123	-	-	234	234
Total non-cash items	-	-	123	123	-	-	234	234
Net closing balance	(1,570,852)	-	1,410,405	(160,447)	(868,417)	-	872,913	4,496
Closing assets	5,424	-	(5,286)	138	(868,417)	-	872,913	4,496
Closing liabilities	(1,576,276)	-	1,415,691	(160,585)	-	-	-	-
Net closing balance	(1,570,852)	-	1,410,405	(160,447)	(868,417)	-	872,913	4,496

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

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

<u>Group</u>	Note	30 June 2024						
		Estimates of present value of future cash flow	Risk adjustment for non-financial risk	Total CSM	Breakdown of total CSM			Total
		RM'000	RM'000	RM'000	Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts	RM'000
Opening assets		497,675	-	(388,286)	-	(388,286)	-	109,389
Opening liabilities		-	-	-	-	-	-	-
Net opening balance		497,675	-	(388,286)	-	(388,286)	-	109,389
Changes that relate to current services								
- CSM recognised for services provided		-	-	(52,659)	-	(52,659)	-	(52,659)
- Change in risk adjustment for non-financial risk		-	14,273	-	-	-	-	14,273
- Experience adjustments		21,679	-	-	-	-	-	21,679
Changes that relate to future services		(192,904)	-	192,904	-	192,904	-	-
Changes that relate to past services		(162,703)	-	-	-	-	-	(162,703)
Total net (expenses) / income from reinsurance contract held		(333,928)	14,273	140,245	-	140,245	-	(179,410)
Net finance expenses from insurance contracts	12d	671	-	(1,687)	-	(1,687)	-	(1,016)
Total changes in the income statement and statement of comprehensive income		(333,257)	14,273	138,558	-	138,558	-	(180,426)

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

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

<u>Group</u>	30 June 2024						
	Estimates of present value of future cash flow	Risk adjustment for non-financial risk	Total CSM	Breakdown of total 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
Cash flows	18,447	-	-	-	-	-	18,447
Non-cash operating expenses	130	-	-	-	-	-	130
Net closing balance	182,995	14,273	(249,728)	-	(249,728)	-	(52,460)
Closing assets	256,253	347	(148,475)	-	(148,475)	-	108,125
Closing liabilities	(73,258)	13,926	(101,253)	-	(101,253)	-	(160,585)
Net closing balance	182,995	14,273	(249,728)	-	(249,728)	-	(52,460)

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

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

<u>Group</u>	31 December 2023						
	Estimates of present value of future cash flow	Risk adjustment for non-financial risk	Total CSM	Breakdown of total 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	158,288	-	(70,583)	-	(70,583)	-	87,705
Opening liabilities	(288,311)	-	97,455	-	97,455	-	(190,856)
Net opening balance	(130,023)	-	26,872	-	26,872	-	(103,151)
Changes that relate to current services							
- CSM recognised for services provided	-	-	(55,252)	-	(55,252)	-	(55,252)
- Experience adjustments	396,196	-	-	-	-	-	396,196
Changes that relate to future services	359,930	-	(359,930)	-	(359,930)	-	-
Changes that relate to past services	(196,701)	-	-	-	-	-	(196,701)
Total net (expenses) / income from reinsurance contract held	559,425	-	(415,182)	-	(415,182)	-	144,243
Net finance expenses from insurance contracts	(3,875)	-	24	-	24	-	(3,851)
Total changes in the income statement and statement of comprehensive income	555,550	-	(415,158)	-	(415,158)	-	140,392

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

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

Group

31 December 2023

	Estimates of present value of future cash flow	Risk adjustment for non-financial risk	Total CSM	Breakdown of total 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
Cash flows	71,902	-	-	-	-	-	71,902
Non-cash operating expenses	246	-	-	-	-	-	246
Net closing balance	497,675	-	(388,286)	-	(388,286)	-	109,389
Closing assets	497,675	-	(388,286)	-	(388,286)	-	109,389
Closing liabilities	-	-	-	-	-	-	-
Net closing balance	497,675	-	(388,286)	-	(388,286)	-	109,389

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

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

<u>Company</u>	30 June 2024							
	Note	Estimates of present value of future cash flow RM'000	Risk adjustment for non-financial risk RM'000	Total CSM RM'000	Breakdown of total CSM			Total RM'000
Contracts under modified retrospective approach RM'000					Contracts under fair value approach RM'000	Other contracts RM'000		
Opening assets		259,488	-	(254,992)	-	(254,992)	-	4,496
Opening liabilities		-	-	-	-	-	-	-
Net opening balance		259,488	-	(254,992)	-	(254,992)	-	4,496
Changes that relate to current services								
- CSM recognised for services provided		-	-	(57,053)	-	(57,053)	-	(57,053)
- Change in risk adjustment for non-financial risk		-	13,926	-	-	-	-	13,926
- Experience adjustments		34,220	-	-	-	-	-	34,220
Changes that relate to future services		(210,143)	-	210,143	-	210,143	-	-
Changes that relate to past services		(160,883)	-	-	-	-	-	(160,883)
Total net (expenses) / income from reinsurance contract held		(336,806)	13,926	153,090	-	153,090	-	(169,790)
Net finance expenses from insurance contracts	12d	(2,389)	-	650	-	650	-	(1,739)
Total changes in the income statement and statement of comprehensive income		(339,195)	13,926	153,740	-	153,740	-	(171,529)

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

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

Company

	30 June 2024						
	Estimates of present value of future cash flow	Risk adjustment for non-financial risk	Total CSM	Breakdown of total 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
Cash flows	6,463	-	-	-	-	-	6,463
Non-cash operating expenses	123	-	-	-	-	-	123
Net closing balance	(73,121)	13,926	(101,252)	-	(101,252)	-	(160,447)
Closing assets	138	-	-	-	-	-	138
Closing liabilities	(73,259)	13,926	(101,252)	-	(101,252)	-	(160,585)
Net closing balance	(73,121)	13,926	(101,252)	-	(101,252)	-	(160,447)

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

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

<u>Company</u>	31 December 2023						
	Estimates of present value of future cash flow	Risk adjustment for non-financial risk	Total CSM	Breakdown of total 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	(7,540)	-	-	-	-	-	(7,540)
Opening liabilities	(288,312)	-	97,456	-	97,456	-	(190,856)
Net opening balance	(295,852)	-	97,456	-	97,456	-	(198,396)
Changes that relate to current services							
- CSM recognised for services provided	-	-	(61,276)	-	(61,276)	-	(61,276)
- Experience adjustments	400,298	-	-	-	-	-	400,298
Changes that relate to future services	294,412	-	(294,412)	-	(294,412)	-	-
Changes that relate to past services	(195,510)	-	-	-	-	-	(195,510)
Total net (expenses) / income from reinsurance contract held	499,200	-	(355,688)	-	(355,688)	-	143,512
Net finance expenses from insurance contracts	(10,409)	-	3,240	-	3,240	-	(7,169)
Total changes in the income statement and statement of comprehensive income	488,791	-	(352,448)	-	(352,448)	-	136,343

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

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

Company

31 December 2023

	Estimates of present value of future cash flow	Risk adjustment for non- financial risk	Total CSM	Breakdown of total 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
Cash flows	66,315	-	-	-	-	-	66,315
Non-cash operating expenses	234	-	-	-	-	-	234
Net closing balance	259,488	-	(254,992)	-	(254,992)	-	4,496
Closing assets	259,488	-	(254,992)	-	(254,992)	-	4,496
Closing liabilities	-	-	-	-	-	-	-
Net closing balance	259,488	-	(254,992)	-	(254,992)	-	4,496

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

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

<u>Group</u>	Note	30 June 2024				Total RM'000
		Liabilities for remaining coverage		Liabilities for incurred claims		
		Excluding loss component RM'000	Loss component RM'000	Estimates of present value of future cash flows RM'000	Risk adjustment for non-financial risk RM'000	
Opening assets		-	-	-	-	-
Opening liabilities		301,967	20,071	273,859	20,955	616,852
Net opening balance		301,967	20,071	273,859	20,955	616,852
Insurance revenue	11	(864,621)	-	-	-	(864,621)
Insurance service expenses						
Incurring claims and other insurance service expenses		-	-	676,128	17,502	693,630
Amortisation of insurance acquisition cash flows		98,240	-	-	-	98,240
Losses and reversal of losses on onerous contract		-	(9,683)	-	-	(9,683)
Adjustments to liabilities for incurred claims		-	-	20,969	(14,844)	6,125
Total insurance service expense		98,240	(9,683)	697,097	2,658	788,312
Investment components		(81)	-	81	-	-
Insurance service result		(766,462)	(9,683)	697,178	2,658	(76,309)

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

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

<u>Group</u>	30 June 2024				
	<u>Liabilities for remaining coverage</u>		<u>Liabilities for incurred claims</u>		<u>Total</u>
	<u>Excluding loss component</u>	<u>Loss component</u>	<u>Estimates of present value of future cash flows</u>	<u>Risk adjustment for non-financial risk</u>	
	RM'000	RM'000	RM'000	RM'000	RM'000
Total changes in the income statement and statement of comprehensive income	(766,462)	(9,683)	697,178	2,658	(76,309)
Cash flows					
Premium received	1,005,592	-	-	-	1,005,592
Claims and other insurance service expenses paid, including investment component	-	-	(659,932)	-	(659,932)
Insurance acquisition cash flow paid	(100,632)	-	-	-	(100,632)
Total cash flow	904,960	-	(659,932)	-	245,028
Adjusted for:					
Non-cash operating expenses	(2,400)	-	(2,179)	-	(4,579)
Net closing balance	438,065	10,388	308,926	23,613	780,992

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

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

<u>Group</u>	31 December 2023				
	<u>Liabilities for remaining coverage</u>		<u>Liabilities for incurred claims</u>		<u>Total</u>
	<u>Excluding loss component</u>	<u>Loss component</u>	<u>Estimates of present value of future cash flows</u>	<u>Risk adjustment for non-financial risk</u>	
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Opening assets	-	-	-	-	-
Opening liabilities	259,404	-	276,433	19,000	554,837
Net opening balance	259,404	-	276,433	19,000	554,837
Insurance revenue	(1,538,628)	-	-	-	(1,538,628)
Insurance service expenses					
Incurred claims and other insurance service expenses	-	-	1,329,165	18,518	1,347,683
Amortisation of insurance acquisition cash flows	168,240	-	-	-	168,240
Losses and reversal of losses on onerous contract	-	20,071	-	-	20,071
Adjustments to liabilities for incurred claims	-	-	(86,941)	(16,563)	(103,504)
Total insurance service expense	168,240	20,071	1,242,224	1,955	1,432,490
Investment components	(690)	-	690	-	-
Insurance service result	(1,371,078)	20,071	1,242,914	1,955	(106,138)

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

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

<u>Group</u>	31 December 2023				
	<u>Liabilities for remaining coverage</u>		<u>Liabilities for incurred claims</u>		<u>Total</u> RM'000
	<u>Excluding loss component</u> RM'000	<u>Loss component</u> RM'000	<u>Estimates of present value of future cash flows</u> RM'000	<u>Risk adjustment for non-financial risk</u> RM'000	
Total changes in the income statement and statement of comprehensive income	(1,371,078)	20,071	1,242,914	1,955	(106,138)
Cash flows					
Premium received	1,594,470	-	-	-	1,594,470
Claims and other insurance service expenses paid, including investment component	-	-	(1,241,539)	-	(1,241,539)
Insurance acquisition cash flow paid	(176,450)	-	-	-	(176,450)
Total cash flow	<u>1,418,020</u>	<u>-</u>	<u>(1,241,539)</u>	<u>-</u>	<u>176,481</u>
Adjusted for:					
Non-cash operating expenses	(4,379)	-	(3,949)	-	(8,328)
Net closing balance	<u>301,967</u>	<u>20,071</u>	<u>273,859</u>	<u>20,955</u>	<u>616,852</u>

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

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

Company	Note	30 June 2024				Total RM'000
		Liabilities for remaining coverage		Liabilities for incurred claims		
		Excluding loss component RM'000	Loss component RM'000	Estimates of present value of future cash flows RM'000	Risk adjustment for non-financial risk RM'000	
Opening assets		-	-	-	-	-
Opening liabilities		243,484	-	175,707	11,870	431,061
Net opening balance		243,484	-	175,707	11,870	431,061
Insurance revenue	11	(759,713)	-	-	-	(759,713)
Insurance service expenses						
Incurred claims and other insurance service expenses		-	-	597,048	11,906	608,954
Amortisation of insurance acquisition cash flows		74,328	-	-	-	74,328
Losses and reversal of losses on onerous contract		-	-	-	-	-
Adjustments to liabilities for incurred claims		-	-	11,389	(11,381)	8
Total insurance service expense		74,328	-	608,437	525	683,290
Investment components		(81)	-	81	-	-
Insurance service result		(685,466)	-	608,518	525	(76,423)

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

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

<u>Company</u>	30 June 2024				
	<u>Liabilities for remaining coverage</u>		<u>Liabilities for incurred claims</u>		<u>Total</u> RM'000
	<u>Excluding loss</u> <u>component</u>	<u>Loss</u> <u>component</u>	<u>Estimates of</u> <u>present value of</u> <u>future cash flows</u>	<u>Risk adjustment</u> <u>for non-financial</u> <u>risk</u>	
RM'000	RM'000	RM'000	RM'000		
Total changes in the income statement and statement of comprehensive income	(685,466)	-	608,518	525	(76,423)
Cash flows					
Premium received	906,890	-	-	-	906,890
Claims and other insurance service expenses paid, including investment component	-	-	(597,988)	-	(597,988)
Insurance acquisition cash flow paid	(80,830)	-	-	-	(80,830)
Total cash flow	826,060	-	(597,988)	-	228,072
Adjusted for:					
Non-cash operating expenses	(2,226)	-	(2,038)	-	(4,264)
Net closing balance	381,852	-	184,199	12,395	578,446

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

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

<u>Company</u>	31 December 2023				
	Liabilities for remaining coverage		Liabilities for incurred claims		Total RM'000
	Excluding loss component RM'000	Loss component RM'000	Estimates of present value of future cash flows RM'000	Risk adjustment for non-financial risk RM'000	
Opening assets	-	-	-	-	-
Opening liabilities	213,640	-	187,856	10,040	411,536
Net opening balance	213,640	-	187,856	10,040	411,536
Insurance revenue	(1,357,756)	-	-	-	(1,357,756)
Insurance service expenses					
Incurred claims and other insurance service expenses	-	-	1,186,583	11,752	1,198,335
Amortisation of insurance acquisition cash flows	131,893	-	-	-	131,893
Losses and reversal of losses on onerous contract	-	-	-	-	20,071
Adjustments to liabilities for incurred claims	-	-	(78,072)	(9,922)	(87,994)
Total insurance service expense	131,893	-	1,108,511	1,830	1,242,234
Investment components	(690)	-	690	-	-
Insurance service result	(1,226,553)	-	1,109,201	1,830	(115,522)

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

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

Company	31 December 2023				
	Liabilities for remaining coverage		Liabilities for incurred claims		Total RM'000
	Excluding loss component RM'000	Loss component RM'000	Estimates of present value of future cash flows RM'000	Risk adjustment for non-financial risk RM'000	
Total changes in the income statement and statement of comprehensive income	(1,226,553)	-	1,109,201	1,830	
Cash flows					
Premium received	1,393,803	-	-	-	1,393,803
Claims and other insurance service expenses paid, including investment component	-	-	(1,117,645)	-	(1,117,645)
Insurance acquisition cash flow paid	(133,347)	-	-	-	(133,347)
Total cash flow	<u>1,260,456</u>	<u>-</u>	<u>(1,117,645)</u>	<u>-</u>	<u>142,811</u>
Adjusted for:					
Non-cash operating expenses	(4,059)	-	(3,705)	-	(7,764)
Net closing balance	<u>243,484</u>	<u>-</u>	<u>175,707</u>	<u>11,870</u>	<u>431,061</u>

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

(f) Analysis by remaining coverage and incurred claims of reinsurance contracts held measured under the premium allocation approach

<u>Group</u>	Note	30 June 2024				Total RM'000
		Assets for remaining coverage		Assets for incurred claims		
		Excluding loss component RM'000	Loss component RM'000	Estimates of present value of future cash flows RM'000	Risk adjustment for non-financial risk RM'000	
Opening assets		(198,640)	-	240,178	-	41,538
Opening liabilities		-	-	-	-	-
Net opening balance		(198,640)	-	240,178	-	41,538
Changes in the income statement and statement of comprehensive income		-	-	-	-	-
Net expenses from reinsurance contracts held (excluding effect of changes in non- performance risk of reinsurers)		(86,507)	-	79,370	1,571	(5,566)
Net expenses from reinsurance contracts held		(86,507)	-	79,370	1,571	(5,566)
Net finance income from reinsurance contracts held	12d	(2)	-	-	-	(2)
Total changes in the income statement and statement of comprehensive income		(86,509)	-	79,370	1,571	(5,568)

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

(f) Analysis by remaining coverage and incurred claims of reinsurance contracts held measured under the premium allocation approach. (continued)

<u>Group</u>	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
Cash flows					
Premium paid	107,236	-	-	-	107,236
Amounts received	-	-	(80,991)	-	(80,991)
Other amounts paid	-	-	240	-	240
Total cash flow	107,236	-	(80,751)	-	26,485
Adjusted for:					
Non-cash operating expenses	-	-	19	-	19
Net closing balance	(177,913)	-	238,816	1,571	62,474
Closing assets	(177,913)	-	238,816	1,571	62,474
Closing liabilities	-	-	-	-	-
Net closing balance	(177,913)	-	238,816	1,571	62,474

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

(f) Analysis by remaining coverage and incurred claims of reinsurance contracts held measured under the premium allocation approach. (continued)

<u>Group</u>	31 December 2023				
	<u>Assets for remaining coverage</u>		<u>Assets for incurred claims</u>		<u>Total</u>
	<u>Excluding loss component</u>	<u>Loss component</u>	<u>Estimates of present value of future cash flows</u>	<u>Risk adjustment for non-financial risk</u>	
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Opening assets	(98,731)	-	136,729	-	37,998
Opening liabilities	-	-	-	-	-
Net opening balance	(98,731)	-	136,729	-	37,998
Changes in the income statement and statement of comprehensive income					
Net expenses from reinsurance contracts held (excluding effect of changes in non-performance risk of reinsurers)	(199,375)	-	175,970	-	(23,405)
Net expenses from reinsurance contracts held	(199,375)	-	175,970	-	(23,405)
Net finance income from reinsurance contracts held	(15)	-	-	-	(15)
Total changes in the income statement and statement of comprehensive income	(199,390)	-	175,970	-	(23,420)

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

(f) Analysis by remaining coverage and incurred claims of reinsurance contracts held measured under the premium allocation approach. (continued)

Group	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
Cash flows					
Premium paid	99,481	-	-	-	99,481
Amounts received	-	-	(73,195)	-	(73,195)
Other amounts paid	-	-	634	-	634
Total cash flow	99,481	-	(72,561)	-	26,920
Adjusted for:					
Non-cash operating expenses	-	-	40	-	40
Net closing balance	(198,640)	-	240,178	-	41,538
Closing assets	(198,640)	-	240,178	-	41,538
Closing liabilities	-	-	-	-	-
Net closing balance	(198,640)	-	240,178	-	41,538

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

(f) Analysis by remaining coverage and incurred claims of reinsurance contracts held measured under the premium allocation approach. (continued)

<u>Company</u>	30 June 2024					
	Note	<u>Assets for remaining coverage</u>		<u>Assets for incurred claims</u>		<u>Total</u>
		<u>Excluding loss component</u>	<u>Loss component</u>	<u>Estimates of present value of future cash flows</u>	<u>Risk adjustment for non-financial risk</u>	
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	
Opening assets		(202,549)	-	213,634	-	11,085
Opening liabilities		-	-	-	-	-
Net opening balance		<u>(202,549)</u>	<u>-</u>	<u>213,634</u>	<u>-</u>	<u>11,085</u>
Changes in the income statement and statement of comprehensive income						
Net expenses from reinsurance contracts held (excluding effect of changes in non-performance risk of reinsurers)		(76,525)	-	72,967	209	(3,349)
Net expenses from reinsurance contracts held		<u>(76,525)</u>	<u>-</u>	<u>72,967</u>	<u>209</u>	<u>(3,349)</u>
Net finance income from reinsurance contracts held	12d	(2)	-	-	-	(2)
Total changes		<u>(76,527)</u>	<u>-</u>	<u>72,967</u>	<u>209</u>	<u>(3,351)</u>

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

(f) Analysis by remaining coverage and incurred claims of reinsurance contracts held measured under the premium allocation approach. (continued)

Company	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
Cash flows					
Premium paid	94,694	-	-	-	94,694
Amounts received	-	-	(75,049)	-	(75,049)
Other amounts paid	-	-	158	-	158
Total cash flow	94,694	-	(74,891)	-	19,803
Adjusted for:					
Non-cash operating expenses	-	-	18	-	18
Net closing balance	(184,382)	-	211,728	209	27,555
Closing assets	(184,382)	-	211,728	209	27,555
Closing liabilities	-	-	-	-	-
Net closing balance	(184,382)	-	211,728	209	27,555

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

(f) Analysis by remaining coverage and incurred claims of reinsurance contracts held measured under the premium allocation approach. (continued)

<u>Company</u>	31 December 2023				
	Assets for remaining coverage		Assets for incurred claims		Total RM'000
	Excluding loss component RM'000	Loss component RM'000	Estimates of present value of future cash flows RM'000	Risk adjustment for non-financial risk RM'000	
Opening assets	(88,462)	-	99,796	-	11,336
Opening liabilities	-	-	-	-	-
Net opening balance	(88,462)	-	99,796	-	11,336
Changes in the income statement and statement of comprehensive income					
Net expenses from reinsurance contracts held (excluding effect of changes in non-performance risk of reinsurers)	(182,960)	-	163,700	-	(19,260)
Net expenses from reinsurance contracts held	(182,960)	-	163,700	-	(19,260)
Net finance income from reinsurance contracts held	(15)	-	-	-	(15)
Total changes	(182,975)	-	163,700	-	(19,275)

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

(f) Analysis by remaining coverage and incurred claims of reinsurance contracts held measured under the premium allocation approach. (continued)

Company

	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		
Cash flows					
Premium paid	68,888	-	-	-	68,888
Amounts received	-	-	(50,201)	-	(50,201)
Other amounts paid	-	-	299	-	299
Total cash flow	68,888	-	(49,902)	-	18,986
Adjusted for:					
Non-cash operating expenses	-	-	38	-	38
Net closing balance	(202,549)	-	213,634	-	11,085
Closing assets	(202,549)	-	213,634	-	11,085
Closing liabilities	-	-	-	-	-
Net closing balance	(202,549)	-	213,634	-	11,085

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Movement in carrying amounts (continued)

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

	Group		Company	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Opening balance	234,301	209,609	12,822	9,123
Assets recognised for insurance acquisition cash flows paid during the period	25,648	45,293	3,153	5,920
Allocation to groups of insurance contracts	(10,815)	(20,601)	(498)	(2,221)
Net closing balance	249,134	234,301	15,477	12,822
Closing assets	30,259	30,005	-	-
Closing liabilities	218,875	204,296	15,477	12,822
Net closing balance	249,134	234,301	15,477	12,822

Analysis of assets for insurance acquisition cash flows

The following table illustrates when the Group expects to derecognise the assets for insurance acquisition cash flows and include those cash flows in the measurement of the group of insurance contracts to which they are allocated.

	Group		Company	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Five years or less	85,311	80,240	6,710	5,552
After five years through ten years	55,500	52,185	4,174	3,437
After ten years	108,323	101,876	4,593	3,833
Total	249,134	234,301	15,477	12,822

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Analysis of contractual service margin

The following table illustrates when the Group expects to recognise the remaining contractual service margin as revenue for contracts not measured under the premium allocation cash flow.

	Group		Company	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
<u>Insurance contracts</u>				
Five years or less	5,170,454	4,912,896	4,529,776	4,292,971
After five years through ten years	2,942,908	2,801,812	2,626,907	2,495,546
After ten years	3,484,650	3,316,940	3,176,717	3,018,494
Total	11,598,012	11,031,648	10,333,400	9,807,011
<u>Reinsurance contracts held</u>				
Five years or less	59,503	(45,081)	87,896	(20,528)
After five years through ten years	20,069	(51,878)	46,770	(28,325)
After ten years	(329,300)	(291,327)	(235,918)	(206,139)
Total	(249,728)	(388,286)	(101,252)	(254,992)

Effect of contracts initially recognised in the year

The following tables summarise the effect on the measurement components of insurance contracts and reinsurance contracts held arising from the initial recognition of contracts not measured under the premium allocation approach that were initially recognised in the financial year.

Insurance contracts

<u>Group</u>	Profitable contracts issued	Onerous contracts issued	Total
	RM'000	RM'000	RM'000
Year Ended 30 June 2024			
Estimates of present value of future cash outflows			
Insurance acquisition cash flows	959,277	10,382	969,659
Claims payable and other expenses	3,571,926	26,202	3,598,128
Total estimates of present value of future cash outflows	4,531,203	36,584	4,567,787
Estimates of present value of future cash inflows	(5,654,569)	(29,734)	(5,684,303)
Risk adjustment for non-financial risk	67,436	682	68,118
Contractual service margin	1,055,930	-	1,055,930
Losses recognised on initial recognition	-	7,532	7,532

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Effect of contracts initially recognised in the year (continued)

Insurance contracts (continued)

<u>Group</u>	Profitable contracts RM'000	Onerous contracts RM'000	Total RM'000
Year ended 31 December 2023			
Estimates of present value of future cash outflows			
Insurance acquisition cash flows	2,374,826	33,789	2,408,615
Claims payable and other expenses	8,744,968	193,010	8,937,978
Total estimates of present value of future cash outflows	11,119,794	226,799	11,346,593
Estimates of present value of future cash inflows	(13,744,822)	(153,079)	(13,897,901)
Risk adjustment for non-financial risk	158,150	2,429	160,579
Contractual service margin	2,466,878	-	2,466,878
Losses recognised on initial recognition	-	76,149	76,149
<u>Company</u>	Profitable contracts RM'000	Onerous contracts RM'000	Total RM'000
Year ended 30 June 2024			
Estimates of present value of future cash outflows			
Insurance acquisition cash flows	789,729	4,870	794,599
Claims payable and other expenses	3,068,190	20,430	3,088,620
Total estimates of present value of future cash outflows	3,857,919	25,300	3,883,219
Estimates of present value of future cash inflows	(4,776,734)	(19,064)	(4,795,798)
Risk adjustment for non-financial risk	57,842	343	58,185
Contractual service margin	860,973	-	860,973
Losses recognised on initial recognition	-	6,579	6,579
Year ended 31 December 2023			
Estimates of present value of future cash outflows			
Insurance acquisition cash flows	1,890,099	6,685	1,896,784
Claims payable and other expenses	7,275,531	41,454	7,316,985
Total estimates of present value of future cash outflows	9,165,630	48,139	9,213,769
Estimates of present value of future cash inflows	(11,352,656)	(24,764)	(11,377,420)
Risk adjustment for non-financial risk	132,204	426	132,630
Contractual service margin	2,054,822	-	2,054,822
Losses recognised on initial recognition	-	23,801	23,801

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Fulfilment cash flows

Estimates of future cash flows

The Group'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 Group 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 Group'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 Group 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 Group 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 Group 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 Group.

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Fulfilment cash flows (Continued)

Methodology and assumptions (continued)

Morbidity

Assumptions have been developed by the Group 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), premium persistency, premium holidays, partial withdrawals, policy loan take up and repayment and retirement rates for pension products.

Assumptions have been developed by the Group 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.

In the case of surrenders, the valuation assumes that current surrender value bases will continue to apply in the future.

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, 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.

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

Fulfilment cash flows (Continued)

Methodology and assumptions (continued)

Reinsurance

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

Policyholder dividends, profit sharing and interest crediting

The projected policyholder dividends, profit sharing and interest crediting assumptions set by the Group reflect contractual and regulatory requirements, policyholders' reasonable expectations (where clearly defined) and the Group's best estimate of future policies, strategies and operations consistent with the investment return assumptions.

Participating funds surpluses have been assumed to be distributed between policyholders and shareholders via future final bonuses or at the end of the projection period so that there are no residual assets at the end of the projection period.

The assumed estimated crediting rates and participation percentages are generally based on the actual rates and percentages applied in the current year. The crediting rates applied vary between products; in the current economic environment, the amounts credited are often determined by interest rate guarantees.

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

The Group 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.

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

The tables below set out the spot rates used to discount the cash flows of insurance contracts. To reflect the liquidity characteristics of the insurance contracts, the risk-free spot rates are adjusted by an illiquidity premium.

As at 30 June 2024

Spot rates	1 year		5 years		10 years		15 years		20 years	
	Risk free	With illiquidity premium	Risk free	With illiquidity premium	Risk free	With illiquidity premium	Risk free	With illiquidity premium	Risk free	With illiquidity premium
	3.32%	3.72%	3.66%	3.90%	3.90%	4.13%	4.05%	4.34%	4.13%	4.51%

As at 31 December 2023

Spot rates	1 year		5 years		10 years		15 years		20 years	
	Risk free	With illiquidity premium	Risk free	With illiquidity premium	Risk free	With illiquidity premium	Risk free	With illiquidity premium	Risk free	With illiquidity premium
	3.30%	3.75%	3.65%	3.94%	3.74%	4.11%	4.05%	4.50%	4.18%	4.70%

For the insurance contracts with cash flows that vary based on the returns on any financial underlying items, the Group applies risk-neutral measurement techniques. Stochastic modelling is applied for insurance contracts with significant financial options and guarantees to estimate the expected present value. A large number of possible economic scenarios for market variables such as interest rates and equity returns are considered using risk neutral approach and consistent with market observable price.

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 Group 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.

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17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (CONTINUED)

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 period 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.

Investment components

The Group identifies the investment component of an insurance contract by determining the amount that it would be required to repay to the policyholder in all circumstances, regardless of whether an insured event occurs. Investment components are excluded from insurance revenue and insurance service expenses. Generally, for relevant contracts, surrender value would be determined as an investment component.

18 OPERATING SEGMENTS

The Group's principal activities are life insurance business, general insurance business, family takaful business and others.

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.

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

18 OPERATING SEGMENTS (CONTINUED)

STATEMENT OF COMPREHENSIVE INCOME BY REPORTABLE SEGMENTS

6 months period ended 30 June 2024

<u>Group</u>	<u>Life insurance business</u> <u>RM'000</u>	<u>General insurance business</u> <u>RM'000</u>	<u>Family takaful business</u> <u>RM'000</u>	<u>Others</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>
Insurance service result	660,873	30,157	102,464	-	793,494
Net investment result	922,089	10,366	28,960	(16,837)	944,578
Other operating revenue	74,244	-	101	(43,764)	30,581
Other operating expenses	(187,604)	(14,022)	(15,749)	49,548	(167,827)
Share of gains from associate	-	-	-	37	37
Profit before tax	1,469,602	26,501	115,776	(11,016)	1,600,863
Tax expense	(485,261)	(3,367)	(42,190)	(1,603)	(532,421)
Profit after tax for the period	<u>984,341</u>	<u>23,134</u>	<u>73,586</u>	<u>(12,619)</u>	<u>1,068,442</u>
Attributable to:					
Owners of the parent	984,341	23,134	51,510	(12,619)	1,046,366
Non-controlling interest	-	-	22,076	-	22,076
	<u>984,341</u>	<u>23,134</u>	<u>73,586</u>	<u>(12,619)</u>	<u>1,068,442</u>
Other comprehensive income:					
Total other comprehensive expense – net of tax for the period	(57,892)	(1,109)	163	-	(58,838)
Total comprehensive income for the period	<u>926,449</u>	<u>22,025</u>	<u>73,749</u>	<u>(12,619)</u>	<u>1,009,604</u>
Attributable to:					
Owners of the parent	926,449	22,025	51,624	(12,619)	987,479
Non-controlling interest	-	-	22,125	-	22,125
	<u>926,449</u>	<u>22,025</u>	<u>73,749</u>	<u>(12,619)</u>	<u>1,009,604</u>

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

18 OPERATING SEGMENTS (CONTINUED)

STATEMENT OF COMPREHENSIVE INCOME BY REPORTABLE SEGMENTS

6 months period ended 30 June 2023

<u>Group</u>	<u>Life insurance business</u> <u>RM'000</u>	<u>General insurance business</u> <u>RM'000</u>	<u>Family takaful business</u> <u>RM'000</u>	<u>Others</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>
Insurance service result	723,882	28,938	91,082	-	843,902
Net investment result	317,312	17,437	32,900	(27,601)	340,048
Other operating revenue	64,234	-	-	(36,135)	28,099
Other operating expenses	(167,705)	(14,612)	(10,430)	36,635	(156,112)
Share of losses from associate	-	-	-	(65)	(65)
Profit before tax	<u>937,723</u>	<u>31,763</u>	<u>113,552</u>	<u>(27,166)</u>	<u>1,055,872</u>
Tax expense	(213,824)	(6,748)	(31,012)	(841)	(252,425)
Profit after tax for the period	<u>723,899</u>	<u>25,015</u>	<u>82,540</u>	<u>(28,007)</u>	<u>803,447</u>
Attributable to:					
Owners of the parent	723,899	25,015	57,780	(28,007)	778,687
Non-controlling interest	-	-	24,760	-	24,760
	<u>723,899</u>	<u>25,015</u>	<u>82,540</u>	<u>(28,007)</u>	<u>803,447</u>
Other comprehensive income:					
Total other comprehensive expense – net of tax for the period	10,132	4,205	7,482	-	21,819
Total comprehensive income for the period	<u>734,031</u>	<u>29,220</u>	<u>90,022</u>	<u>(28,007)</u>	<u>825,266</u>
Attributable to:					
Owners of the parent	734,031	29,220	63,018	(28,007)	825,266
Non-controlling interest	-	-	27,004	-	27,004
	<u>734,031</u>	<u>29,220</u>	<u>90,022</u>	<u>(28,007)</u>	<u>825,266</u>

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

18 OPERATING SEGMENTS (CONTINUED)

STATEMENTS OF FINANCIAL POSITION BY REPORTABLE SEGMENTS

30 June 2024

<u>Group</u>	Life insurance business RM'000	General insurance business RM'000	Family takaful business RM'000	Others RM'000	Total RM'000
Total assets	66,121,370	707,625	4,681,465	(470,770)	71,039,690
Total liabilities	56,220,191	306,856	3,498,590	72,503	60,098,140
Total equities	9,901,179	400,769	1,182,875	(543,273)	10,941,550
Total liabilities and equity	66,121,370	707,625	4,681,465	(470,770)	71,039,690

31 December 2023

<u>Group</u>	Life insurance business RM'000	General insurance business RM'000	Family takaful business RM'000	Others RM'000	Total RM'000
Total assets	62,129,307	694,010	4,200,014	(476,438)	66,546,893
Total liabilities	52,510,577	295,264	3,090,888	74,218	55,970,947
Total equities	9,618,730	398,746	1,109,126	(550,656)	10,575,946
Total liabilities and equity	62,129,307	694,010	4,200,014	(476,438)	66,546,893