

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 2025**

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025**

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UNAUDITED CONDENSED INCOME STATEMENT FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025

		Group		Company	
		6 months period ended	6 months period ended	6 months period ended	6 months period ended
	Note	30.06.2025	30.06.2024	30.06.2025	30.06.2024
		RM'000	RM'000	RM'000	RM'000
Insurance revenue	11	4,468,143	4,121,087	3,787,953	3,474,825
Insurance service expenses		(3,347,939)	(3,142,617)	(2,825,184)	(2,640,813)
Net expenses from reinsurance contracts		(89,875)	(184,976)	(79,332)	(173,139)
Insurance service result		1,030,329	793,494	883,437	660,873
Interest revenue on:	12a				
Financial assets not measured at fair value through profit or loss		320,381	301,935	295,951	278,999
Financial assets measured at fair value through profit or loss		635,811	646,013	568,086	582,170
Other investment (expense)/income	12b	(849,628)	3,512,124	(765,755)	3,311,739
Movement in impairment (loss)/gains on financial assets		(32,966)	(263)	(28,228)	435
Investment return		73,598	4,459,809	70,054	4,173,343
Net finance income/(expenses) from insurance contracts	12c	28,013	(3,514,213)	24,701	(3,249,513)
Net finance expenses from reinsurance contracts	12d	(1,662)	(1,018)	(2,358)	(1,741)
Net Investment result		99,949	944,578	92,397	922,089
Other operating revenue		28,731	30,581	72,210	74,244
Other operation expenses		(160,157)	(167,827)	(190,381)	(187,604)
Profit before share of profit/ (losses) from associate		998,852	1,600,826	857,663	1,469,602
Share of (losses)/profit from associate		(2,607)	37	-	-
Profit before tax		996,245	1,600,863	857,663	1,469,602

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UNAUDITED CONDENSED INCOME STATEMENT FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)

		Group		Company	
		6 months period ended 30.06.2025	6 months period ended 30.06.2024	6 months period ended 30.06.2025	6 months period ended 30.06.2024
	<u>Note</u>	RM'000	RM'000	RM'000	RM'000
Profit before tax		996,245	1,600,863	857,663	1,469,602
Tax income/(expense) attributable to policyholders		59,186	(260,906)	54,554	(241,435)
Profit before tax attributable to shareholders		1,055,431	1,339,957	912,217	1,228,167
Tax expense		(161,586)	(532,421)	(129,002)	(485,261)
Tax (expense)/income attributable to policyholders		(59,186)	260,906	(54,554)	241,435
Tax expense attributable to shareholders		(220,772)	(271,515)	(183,556)	(243,826)
Profit after tax for the period		834,659	1,068,442	728,661	984,341
Profit attributable to:					
Owners of the parent		811,313	1,046,366	728,661	984,341
Non-controlling interest		23,346	22,076	-	-
		834,659	1,068,442	728,661	984,341
Basic earnings per share (sen)	13	423	545		

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**UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)**

	Group		Company	
	6 months period ended 30.06.2025	6 months period ended 30.06.2024	6 months period ended 30.06.2025	6 months period ended 30.06.2024
Note	RM'000	RM'000	RM'000	RM'000
Profit after tax for the period	834,659	1,068,442	728,661	984,341
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	203,840	51,170	190,629	47,444
Net realised gains on financial assets at fair value through other comprehensive income reclassified to profit or loss	(20,151)	(19,162)	(19,140)	(14,067)
Deferred taxation	(44,936)	(7,620)	(41,877)	(7,948)
Change in fair value reserve	138,753	24,388	129,612	25,429
Change in insurance finance reserve	(24,859)	(100,765)	(23,238)	(100,890)
Deferred taxation	4,960	17,445	4,571	17,475
Change in insurance finance reserve	(19,899)	(83,320)	(18,667)	(83,415)
<u>Items that will not be subsequently reclassified to profit or loss</u>				
Change in property revaluation reserve – deferred taxation	84	96	84	96
Post employee benefit obligations – deferred taxation	48	(2)	48	(2)
Total other comprehensive income/(expenses)– net of tax	118,986	(58,838)	111,077	(57,892)
Total comprehensive income for the period	953,645	1,009,604	839,738	926,449

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**UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)**

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>6 months period ended 30.06.2025</u>	<u>6 months period ended 30.06.2024</u>	<u>6 months period ended 30.06.2025</u>	<u>6 months period ended 30.06.2024</u>
		<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Total comprehensive income for the period		953,645	1,009,604	839,738	926,449
Total comprehensive income attributable to:					
Owners of the parent		928,398	987,479	839,738	926,449
Non-controlling interest		25,247	22,125	-	-
		<u>953,645</u>	<u>1,009,604</u>	<u>839,738</u>	<u>926,449</u>

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**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025**

		Group		Company	
	Note	30.06.2025	31.12.2024	30.06.2025	31.12.2024
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Intangible assets		443,438	461,705	427,030	444,721
Investment in subsidiaries		-	-	597,859	597,859
Investments in associate		88	2,695	88	88
Property, plant and equipment		479,426	487,883	477,942	486,201
Investment properties		347,850	346,670	347,850	346,670
Insurance contract assets	17	39,316	82,759	-	-
Reinsurance contract assets	17	177,700	152,943	53,421	30,736
Financial investments:	15				
Amortised cost		2,128,588	2,096,389	2,061,894	2,038,374
Fair value through other comprehensive income		11,311,634	10,159,036	10,240,191	9,232,514
Fair value through profit or loss		54,541,047	55,673,556	50,293,439	51,459,985
Derivative financial instrument		19,264	37,937	19,264	37,937
Deferred tax assets		1,775	1,639	-	-
Current tax recoverable		318,604	350,753	310,933	334,817
Other assets		1,356,244	671,056	1,248,417	595,357
Cash and cash equivalents		3,197,659	2,981,643	2,749,028	2,597,981
Total assets		74,362,633	73,506,664	68,827,356	68,203,240
LIABILITIES					
Insurance contract liabilities	17	57,882,857	58,099,671	54,126,684	54,388,919
Reinsurance contract liabilities	17	269,012	246,617	269,012	246,617
Derivative financial liabilities		910	3,241	910	3,241
Deferred tax liabilities		2,496,008	2,473,159	2,224,308	2,199,535
Current tax liabilities		18,377	847	-	-
Other liabilities		1,310,210	821,515	1,108,145	676,369
Total liabilities		61,977,374	61,645,050	57,729,059	57,514,681
EQUITY					
Share capital		810,000	810,000	810,000	810,000
Retained earnings		10,772,467	10,391,106	9,913,677	9,614,968
Other comprehensive income:					
Fair value reserve		409,310	272,458	394,004	264,392
Property revaluation reserve		181,164	181,080	181,164	181,080
Insurance finance reserve		(202,561)	(182,662)	(200,548)	(181,881)
Total equity attributable to:					
Owners of the parent		11,970,380	11,471,982	11,098,297	10,688,559
Non-controlling interest		414,879	389,632	-	-
Total equity		12,385,259	11,861,614	11,098,297	10,688,559
Total liabilities and equity		74,362,633	73,506,664	68,827,356	68,203,240

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UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025

Group	Attributable to owners of the Company								Non-controlling interest RM'000	Total RM'000
	Non-distributable					Retained earnings* RM'000	Total RM'000			
	Share capital RM'000	Fair value reserve RM'000	Property revaluation reserve RM'000	Insurance finance reserve RM'000	Share-based reserve RM'000					
At 1 January 2025	810,000	272,458	181,080	(182,662)	-	10,391,106	11,471,982	389,632	11,861,614	
Profit after tax for the period	-	-	-	-	-	811,313	811,313	23,346	834,659	
Other comprehensive income for the period	-	136,852	84	(19,899)	-	48	117,085	1,901	118,986	
Total comprehensive income for the period	-	136,852	84	(19,899)	-	811,361	928,398	25,247	953,645	
Share based compensation:										
- Value of employee services	-	-	-	-	10,020	-	-	-	10,020	
- Repayment to ultimate parent company	-	-	-	-	(10,020)	-	-	-	(10,020)	
Dividend provided for or paid	-	-	-	-	-	(430,000)	(430,000)	-	(430,000)	
At 30 June 2025	810,000	409,310	181,164	(202,561)	-	10,772,467	11,970,380	414,879	12,385,259	

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**UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)**

Group	Attributable to owners of the Company							Non-controlling interest RM'000	Total RM'000
	Non-distributable					Retained earnings* RM'000	Total RM'000		
	Share capital	Fair value reserve	Property revaluation reserve	Insurance finance reserve	Share-based reserve				
	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

* Included in retained earnings is RM 10,070 million (2024: RM8,928 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 CHANGES IN EQUITY FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025

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 2025	810,000	264,392	181,080	(181,881)	-	9,614,968	10,688,559
Profit after tax for the period	-	-	-	-	-	728,661	728,661
Other comprehensive income for the period	-	129,612	84	(18,667)	-	48	111,077
Total comprehensive income for the period	-	129,612	84	(18,667)	-	728,709	839,738
Share based compensation:							
- Value of employee services	-	-	-	-	9,920	-	9,920
- Repayment to ultimate parent company	-	-	-	-	(9,920)	-	(9,920)
Dividend provided for or paid	-	-	-	-	-	(430,000)	(430,000)
At 30 June 2025	810,000	394,004	181,164	(200,548)	-	9,913,677	11,098,297

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UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (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 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

* Included in retained earnings is RM 9,221 million (2024: RM8,136 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 2025**

	Group		Company	
	6 months period ended	6 months period ended	6 months period ended	6 months period ended
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax attributable to shareholders	1,055,431	1,339,957	912,217	1,228,167
Tax (income)/expense attributable to policyholders	(59,186)	260,906	(54,554)	241,435
Rental, interest, and dividend income	(1,313,104)	(1,276,282)	(1,247,343)	(1,214,454)
Realised gains	(18,624)	(33,923)	(15,851)	(19,899)
Fair value losses/(gains)	1,360,202	(3,119,485)	1,298,790	(2,923,750)
Allowance/(Reversal of) impairment losses	32,966	(414)	28,228	(435)
Interest expense on lease liabilities	1,820	1,901	1,820	1,901
Depreciation				
- property, plant and equipment	12,017	12,109	10,353	11,864
- right of use assets	10,264	10,410	10,263	10,408
Amortisation				
- premium on investments	21,701	16,411	17,670	12,226
- intangible assets	43,413	28,953	42,085	26,091
Share of losses/(gains) from associate	2,607	(37)	-	-

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**UNAUDITED CONDENSED STATEMENT OF CASH FLOW
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)**

	Group		Company	
	6 months period ended	6 months period ended	6 months period ended	6 months period ended
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	RM'000	RM'000	RM'000	RM'000
Changes in working capital:				
Increase in FVOCI and FVTPL financial assets	(1,131,647)	(1,745,661)	(935,899)	(1,650,951)
Decrease in insurance contract assets	43,442	4,809	-	-
Increase in reinsurance contract assets	(24,757)	(19,672)	(22,685)	(12,112)
Increase in other assets	(714,036)	(142,451)	(673,481)	(140,157)
Decrease in amortised cost financial assets	56,103	69,634	67,865	68,636
(Decrease)/Increase in insurance contract liabilities	(244,280)	3,125,771	(285,473)	2,745,970
Increase in reinsurance contract liabilities	22,395	160,585	22,395	160,585
Increase/(decrease) in other liabilities	221,419	(72,743)	223,647	51,460
Cash used in operating activities	(621,854)	(1,379,222)	(599,953)	(1,403,015)
Income taxes paid	(128,657)	(95,900)	(117,519)	(82,582)
Rental income received	12,995	10,781	12,995	10,781
Interest income received	888,403	886,322	794,362	796,689
Interest paid	(1,820)	(1,901)	(1,820)	(1,901)
Dividend income received	349,180	331,017	342,955	330,277
Net cash inflows/(outflows) from operating activities	498,247	(248,903)	431,020	(349,751)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of intangible assets	(26,284)	(33,927)	(24,394)	(31,664)
Purchase of property, plant and equipment	(9,606)	(18,829)	(9,281)	(18,688)
Purchase of investment properties	(1,180)	(3,321)	(1,180)	(3,321)
Proceed from disposal of property, plant and equipment	-	-	-	-
Settlement of derivative instruments	(19,925)	(28)	(19,925)	(28)
Net cash outflows from investing activities	(56,995)	(56,105)	(54,780)	(53,701)

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**UNAUDITED CONDENSED STATEMENT OF CASH FLOW
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)**

	Group		Company
	6 months period ended	6 months period ended	6 months period ended
	30.06.2025	30.06.2024	30.06.2025
	RM'000	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment for lease liabilities	(10,236)	(12,169)	(10,193)
Dividends paid	(215,000)	(322,000)	(215,000)
Net cash outflows from financing activities	(225,236)	(334,169)	(225,193)
CASH AND CASH EQUIVALENTS NET INCREASE/(DECREASE)	216,016	(639,177)	151,047
AS AT 1 JANUARY	2,981,643	2,821,147	2,597,981
AS AT 30 JUNE	3,197,659	2,181,970	2,749,028
<u>Cash and cash equivalents comprised:</u>			
Cash and bank balances	968,746	765,724	742,098
Fixed and call deposits with licensed financial institutions	2,228,913	1,416,246	2,006,930
	<u>3,197,659</u>	<u>2,181,970</u>	<u>2,749,028</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 2025**

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 13 and 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 6 August 2025.

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 2024.

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 2024, 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 2025 (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 2025

The following accounting standards, amendments and interpretations are effective for the financial period beginning on or after 1 January 2025:

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

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 2024 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
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)**

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Critical accounting estimates and judgements in applying accounting policies

In the preparation of the interim condensed financial statements, 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 contractual service margin ("CSM").

The fulfilment cash flows of insurance contracts represent the present value of estimated future cash outflows, less the present value of estimated future cash inflows and adjusted for a provision for the risk adjustment for non-financial risk. The assumptions used and the techniques for estimating fulfilment cash flows and risk adjustments for non-financial risk are based on actual experience and policy form. The 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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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)**

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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**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
(continued)**

3.2.5 Impairment of financial assets

The Group recognises loss allowances for expected credit losses ("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 2025.

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 2025.

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 2025.

8 DIVIDEND

The members had, on 10 June 2025 approved a final dividend for the financial year ended 31 December 2024 as follows:

In respect of the financial year ended 31 December 2024:

	<u>RM'000</u>
Final single-tier dividend of RM2.2412 per ordinary share on 191,859,543 ordinary shares, payable on 11 June 2025 and 1 July 2025.	<u>430,000</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)**

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 430 million or RM2.2412 per ordinary share on 191,859,543 ordinary shares for the financial year ended 31 December 2024. The payment of the final dividend was completed on 1 July 2025.

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****11 INSURANCE REVENUE**

		Group		Company	
	Note	30.06.2025	30.06.2024	30.06.2025	30.06.2024
		RM'000	RM'000	RM'000	RM'000
Contracts not measured under the PAA					
<u>Amounts related to changes in liabilities for remaining coverage</u>					
Contractual service margin recognised for services provided	17	747,200	730,505	597,841	581,180
Change in risk adjustment for non-financial risk for risk expired		40,785	31,259	32,960	24,414
Expected incurred claims and other insurance service expenses		2,355,530	2,210,407	2,012,875	1,903,417
Others		66,487	59,077	69,558	55,711
Recovery of insurance acquisition cash flows		257,205	225,218	169,688	150,390
	17	3,467,207	3,256,466	2,882,922	2,715,112
Contracts measured under the PAA					
	17	1,000,936	864,621	905,031	759,713
Total insurance revenue		4,468,143	4,121,087	3,787,953	3,474,825
Represented by:					
Contracts under the modified retrospective approach		792,588	770,377	792,588	770,377
Contracts under the fair value approach		1,377,171	1,374,549	1,225,736	1,223,674
Other contracts		2,298,384	1,976,161	1,769,629	1,480,774
Total		4,468,143	4,121,087	3,787,953	3,474,825

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****12 NET INVESTMENT RESULT****a. Interest revenue on financial assets**

	Group		Company	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	RM'000	RM'000	RM'000	RM'000
Financial assets not measured at fair value through profit or loss				
Financial assets measured at amortised cost	97,283	98,036	92,446	80,374
Financial assets measured at fair value through other comprehensive income	223,098	203,899	203,505	198,625
	<u>320,381</u>	<u>301,935</u>	<u>295,951</u>	<u>278,999</u>
Financial assets measured at fair value through profit or loss				
Financial assets designated at fair value through profit or loss	508,805	540,743	463,971	494,697
Financial assets measured mandatorily at fair value through profit or loss	127,006	105,270	104,115	87,473
	<u>635,811</u>	<u>646,013</u>	<u>568,086</u>	<u>582,170</u>
Total interest revenue on financial assets	<u>956,192</u>	<u>947,948</u>	<u>864,037</u>	<u>861,169</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****12 NET INVESTMENT RESULT****b. Other investment income and expense**

	Group		Company	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	RM'000	RM'000	RM'000	RM'000
Other investment return				
Dividend income	384,290	347,010	396,618	357,500
Rental income	12,995	10,781	12,995	10,781
Net gains of financial assets not at fair value through profit or loss				
Measured at fair value through other comprehensive income	20,151	19,162	19,140	14,067
Measured at amortised cost	6	6	-	-
At fair value through profit or loss				
Net gains of financial assets designated at fair value through profit or loss				
Net gains of debt securities	462,784	99,599	418,291	83,552
Net gains/(losses) of financial instruments mandatorily at fair value through profit or loss				
Net gains of debt securities	119,499	19,186	98,587	18,958
Net (losses)/gains of equity shares and interests in investment funds	(1,622,302)	2,941,894	(1,490,053)	2,754,664
Net fair value movement on derivatives	122,360	(43,405)	121,843	(43,405)
Net (losses)/gains in respect of financial instruments at fair value through profit or loss	(917,659)	3,017,274	(851,332)	2,813,769
Net foreign exchange (losses)/gains	(349,411)	117,891	(343,176)	115,622
Net (losses)/gains	(1,246,913)	3,154,333	(1,175,368)	2,943,458
Total other investment (expense)/income	(849,628)	3,512,124	(765,755)	3,311,739

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****12 NET INVESTMENT RESULT (CONTINUED)****c. Net finance expenses from insurance contracts**

	Group		Company	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	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	(203,480)	(3,006,223)	(219,997)	(2,739,203)
Interest accreted	(370,134)	(323,053)	(361,809)	(316,005)
Effect of changes in interest rates and other financial assumptions	580,712	(279,572)	586,986	(289,297)
Effect of measuring changes in estimates at current rates and adjusting the CSM at the rates on initial recognition	(3,944)	(6,130)	(3,717)	(5,898)
Total net finance income/ (expenses) from insurance contracts	3,154	(3,614,978)	1,463	(3,350,403)
Represented by:				
Amount recognised in income statement	28,013	(3,514,213)	24,701	(3,249,513)
Amount recognised in other comprehensive income	(24,859)	(100,765)	(23,238)	(100,890)
Total	3,154	(3,614,978)	1,463	(3,350,403)

d. Net finance expenses from reinsurance contracts

	Group		Company	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	RM'000	RM'000	RM'000	RM'000
Net finance expenses from reinsurance contracts held				
Interest accreted	(1,686)	(1,016)	(2,382)	(1,739)
Net foreign exchange loss	24	(2)	24	(2)
Total net finance expenses from reinsurance contracts held	(1,662)	(1,018)	(2,358)	(1,741)

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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	
	30.06.2025	30.06.2024
	RM'000	RM'000
Profit after tax attributable to the shareholders	811,313	1,046,366
Weighted average number of shares in issue during the period	191,860	191,860
Basic earnings per share (sen)	423	545

14 REGULATORY CAPITAL REQUIREMENT

The capital structure of the Company as at 30 June 2025, as prescribed under the RBC Framework is provided below:

	Company	
	30.06.2025	30.06.2024
	RM'000	RM'000
<u>Eligible Tier 1 Capital</u>		
Share capital (paid up)	810,000	810,000
Reserves, including retained earnings	10,466,692	11,389,852
	<u>11,276,692</u>	<u>12,199,852</u>
<u>Tier 2 Capital</u>		
Revaluation reserves	218,974	206,914
Fair value reserves	475,983	318,547
	<u>694,957</u>	<u>525,461</u>
Amount deducted from capital	(1,024,889)	(1,048,613)
Total capital available	<u>10,946,760</u>	<u>11,676,700</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****15 FINANCIAL INVESTMENT**

<u>Group</u>	<u>30.06.2025</u>		<u>31.12.2024</u>	
	<u>FVTPL</u> <u>RM'000</u>	<u>FVOCI</u> <u>RM'000</u>	<u>FVTPL</u> <u>RM'000</u>	<u>FVOCI</u> <u>RM'000</u>
Debt securities				
Government bonds	11,407,009	3,704,382	11,114,186	3,008,987
Corporate bonds	19,446,513	7,607,252	18,603,748	7,150,049
Equity securities				
Equity shares				
Quoted	17,203,607	-	20,126,039	-
Unquoted	823,013	-	800,001	-
Mutual funds	5,540,290	-	4,914,190	-
Real estate investment trust (REITs)	120,615	-	115,392	-
	<u>54,541,047</u>	<u>11,311,634</u>	<u>55,673,556</u>	<u>10,159,036</u>
Current	23,988,732	124,908	25,884,201	101,617
Non-current	<u>30,552,315</u>	<u>11,186,726</u>	<u>29,798,355</u>	<u>10,057,419</u>
	<u>54,541,047</u>	<u>11,311,634</u>	<u>55,673,556</u>	<u>10,159,036</u>
Company				
	<u>30.06.2025</u>		<u>31.12.2024</u>	
	<u>FVTPL</u> <u>RM'000</u>	<u>FVOCI</u> <u>RM'000</u>	<u>FVTPL</u> <u>RM'000</u>	<u>FVOCI</u> <u>RM'000</u>
Debt securities				
Government bonds	9,927,471	3,489,789	9,685,160	2,901,168
Corporate bonds	17,516,238	6,750,402	16,726,715	6,331,346
Equity securities				
Equity shares				
Quoted	16,058,605	-	18,846,486	-
Unquoted	812,813	-	789,797	-
Mutual funds	5,360,341	-	4,770,702	-
Real estate investment trust (REITs)	120,615	-	115,392	-
Controlled structured entities	497,356	-	525,733	-
	<u>50,293,439</u>	<u>10,240,191</u>	<u>51,459,985</u>	<u>9,232,514</u>
Current	22,576,817	29,976	24,400,083	65,068
Non-current	<u>27,716,622</u>	<u>10,210,215</u>	<u>27,059,902</u>	<u>9,167,446</u>
	<u>50,293,439</u>	<u>10,240,191</u>	<u>51,459,985</u>	<u>9,232,514</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****15 FINANCIAL INVESTMENT (CONTINUED)****Loans and deposits**

	Group		Company	
	30.06.2025	31.12.2024	30.06.2025	31.12.2024
	RM'000	RM'000	RM'000	RM'000
Amortised cost				
Loans				
Mortgage loans	2,083,245	2,060,059	2,082,223	2,058,951
Other loans	825	861	558	579
Loss allowance for loans	(21,016)	(21,285)	(20,887)	(21,156)
	<u>2,063,054</u>	<u>2,039,635</u>	<u>2,061,894</u>	<u>2,038,374</u>
Fixed and cash deposits	65,534	56,754	-	-
	<u>2,128,588</u>	<u>2,096,389</u>	<u>2,061,894</u>	<u>2,038,374</u>
Current	189,550	179,843	123,929	122,994
Non-current	<u>1,939,038</u>	<u>1,916,546</u>	<u>1,937,965</u>	<u>1,915,380</u>
	<u>2,128,588</u>	<u>2,096,389</u>	<u>2,061,894</u>	<u>2,038,374</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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			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 2025							
Financial investments	15						
Loans and deposits		-	-	-	2,128,588	2,128,588	2,129,904
Debt securities		8,487,527	22,365,995	11,311,634	-	42,165,156	42,165,156
Equity shares and interest in investment funds		23,687,525	-	-	-	23,687,525	23,687,525
Derivative financial instrument		19,264	-	-	-	19,264	19,264
Other receivables		-	-	-	882,511	882,511	882,511
Accrued investment income		-	-	-	473,733	473,733	473,733
Cash and cash equivalent		-	-	-	3,197,659	3,197,659	3,197,659
Financial assets		32,194,316	22,365,995	11,311,634	6,682,491	72,554,436	72,555,752

Group	FVTPL RM'000	Amortised cost RM'000	Total carrying value RM'000	Total fair value RM'000
30 June 2025				
Derivative financial instrument	910	-	910	910
Other liabilities	-	1,222,989	1,222,989	1,222,989
Financial liabilities	910	1,222,989	1,223,989	1,223,989

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****16 FAIR VALUE MEASUREMENT (CONTINUED)**

Group	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			
31 December 2024							
Financial investments	15						
Loans and deposits		-	-	-	2,096,389	2,096,389	1,991,375
Debt securities		7,632,488	22,085,446	10,159,036	-	39,876,970	39,876,970
Equity shares and interest in investment funds		25,955,622	-	-	-	25,955,622	25,955,622
Derivative financial instrument		37,937	-	-	-	37,937	37,937
Other receivables		-	-	-	238,171	238,171	238,171
Accrued investment income		-	-	-	432,885	432,885	432,885
Cash and cash equivalent		-	-	-	2,981,643	2,981,643	2,981,643
Financial assets		33,626,047	22,085,446	10,159,036	5,749,088	71,619,617	71,514,603
					FVTPL RM'000	Amortised cost RM'000	Total carrying value RM'000
31 December 2024							
Derivative financial instrument					3,241	-	3,241
Other liabilities					-	727,426	727,426
Financial liabilities					3,241	727,426	730,667

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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 2025							
Financial investments	15						
Loans and deposits		-	-	-	2,061,894	2,061,894	2,062,243
Debt securities		5,077,714	22,365,995	10,240,191	-	37,683,900	37,683,900
Equity shares and interest in investment funds		22,849,730	-	-	-	22,849,730	22,849,730
Derivative financial instrument		19,264	-	-	-	19,264	19,264
Other receivables		-	-	-	818,903	818,903	818,903
Accrued investment income		-	-	-	429,514	429,514	429,514
Cash and cash equivalent		-	-	-	2,749,028	2,749,028	2,749,028
Financial assets		27,946,708	22,365,995	10,240,191	6,059,339	66,612,233	66,612,582
				FVTPL RM'000	Amortised cost RM'000	Total carrying value RM'000	Total fair value RM'000
30 June 2025							
Derivative financial instrument				910	-	910	910
Other liabilities				-	1,020,927	1,020,927	1,020,927
Financial liabilities				910	1,020,927	1,021,837	1,021,837

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****16 FAIR VALUE MEASUREMENT (CONTINUED)**

		Fair value					
Company	Note	Mandatory FVTPL RM'000	Designated FVTPL RM'000	FVOCI RM'000	Amortised cost RM'000	Total carrying value RM'000	Total fair value RM'000
31 December 2024							
Financial investments	15						
Loans and deposits		-	-	-	2,038,374	2,038,374	1,990,184
Debt securities		4,326,429	22,085,446	9,232,514	-	35,644,389	35,644,389
Equity shares an interest in investment funds		25,048,110	-	-	-	25,048,110	25,048,110
Derivative financial instrument		37,937	-	-	-	37,937	37,937
Other receivables		-	-	-	205,319	205,319	205,319
Accrued investment income		-	-	-	390,038	390,038	390,038
Cash and cash equivalent		-	-	-	2,597,981	2,597,981	2,597,981
Financial assets		29,412,476	22,085,446	9,232,514	5,231,712	65,962,148	65,913,958

	FVTPL RM'000	Amortised cost RM'000	Total carrying value RM'000	Total fair value RM'000
31 December 2024				
Derivative financial instrument	3,241	-	3,241	3,241
Other liabilities	-	582,280	582,280	582,280
Financial liabilities	3,241	582,280	585,521	585,521

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)**

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 2025.

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 2025 (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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FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)**

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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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
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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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FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****16 FAIR VALUE MEASUREMENT (CONTINUED)****Fair value hierarchy for fair value measurement on a recurring basis (continued)**

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 2025				
Recurring fair value measurements				
Non-financial assets				
Property held for own use	-	-	333,460	333,460
Investment property	-	-	347,850	347,850
Financial assets				
Measured at FVOCI				
Debt securities	-	11,311,634	-	11,311,634
Measured at FVTPL				
Debt securities	4,296	30,849,226	-	30,853,522
Equity shares and interest in investment funds	20,595,521	2,720,690	371,314	23,687,525
Derivative financial instrument	-	19,264	-	19,264
Total assets on a recurring fair value measurement basis	20,599,817	44,900,814	1,052,624	66,553,255
Financial liabilities				
Derivative financial instruments	-	910	-	910
Total liabilities on a recurring fair value measurement basis	-	910	-	910

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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 2024				
Recurring fair value measurements				
Non-financial assets				
Property held for own use	-	-	337,708	337,708
Investment property	-	-	346,670	346,670
Financial assets				
At FVOCI				
Debt securities	-	10,159,036	-	10,159,036
At FVTPL				
Debt securities	-	29,717,934	-	29,717,934
Equity shares and interest in investment funds	23,903,594	1,653,848	398,180	25,955,622
Derivative financial instrument	-	37,937	-	37,937
Total assets on a recurring fair value measurement basis	<u>23,903,594</u>	<u>41,568,755</u>	<u>1,082,558</u>	<u>66,554,907</u>
Financial liabilities				
Derivative financial instruments	-	3,241	-	3,241
Total liabilities on a recurring fair value measurement basis	<u>-</u>	<u>3,241</u>	<u>-</u>	<u>3,241</u>

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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 2025				
Recurring fair value measurements				
Non-financial assets				
Property held for own use	-	-	333,460	333,460
Investment property	-	-	347,850	347,850
Financial assets				
At FVOCI				
Debt securities	-	10,240,191	-	10,240,191
At FVTPL				
Debt securities	4,296	27,439,413	-	27,443,709
Equity shares and interest in investment funds	19,767,926	2,710,490	371,314	22,849,730
Derivative financial instrument	-	19,264	-	19,264
Total assets on a recurring fair value measurement basis	19,772,222	40,409,358	1,052,624	61,234,204
Financial liabilities				
Derivative financial instruments	-	910	-	910
Total liabilities on a recurring fair value measurement basis	-	910	-	910

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FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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 2024				
Recurring fair value measurements				
Non-financial assets				
Property held for own use	-	-	337,708	337,708
Investment property	-	-	346,670	346,670
Financial assets				
At FVOCI				
Debt securities	-	9,232,514	-	9,232,514
At FVTPL				
Debt securities	-	26,411,875	-	26,411,875
Equity shares and interest in investment funds	22,480,553	2,169,377	398,180	25,048,110
Derivative financial instrument	-	37,937	-	37,937
Total assets on a recurring fair value measurement basis	22,480,553	37,851,703	1,082,558	61,414,814
Financial liabilities				
Derivative financial instruments	-	3,241	-	3,241
Total liabilities on a recurring fair value measurement basis	-	3,241	-	3,241

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 2025 and 31 December 2024. The tables reflect gains and losses, including gains and losses on assets and liabilities categorised as Level 3 as at 30 June 2025.

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 2025	333,708	346,670	398,180
Total losses	(4,248)	-	(25,772)
Purchases	-	1,180	628
Sales	-	-	(1,722)
As at 30 June 2025	333,460	347,850	371,314

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
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Level 3 financial assets and liabilities (continued)

	Property held for own use	Investment property	Equity shares and interest in investment funds
	RM'000	RM'000	RM'000
At 1 January 2024	333,678	346,500	390,005
Total gains/(losses)	4,030	(2,541)	7,266
Purchases	-	2,711	3,211
Sales	-	-	(2,302)
At 31 December 2024	333,708	346,670	398,180

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.

17 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD

Group	Assets RM'000	Liabilities RM'000	Total RM'000
30 June 2025			
Insurance contracts liabilities not measured under the PAA	13,017	57,297,768	57,310,785
Insurance contracts liabilities measured under the PAA	37,832	754,382	792,214
Assets for insurance acquisition cash flows not measured under the PAA	(90,165)	(169,293)	(259,458)
	<u>(39,316)</u>	<u>57,882,857</u>	<u>57,843,541</u>
Reinsurance contracts liabilities not measured under the PAA	(95,516)	269,012	173,496
Reinsurance contracts liabilities measured under the PAA	(82,184)	-	(82,184)
	<u>(177,700)</u>	<u>269,012</u>	<u>91,312</u>
31 December 2024			
Insurance contracts liabilities not measured under the PAA	4,422	57,642,358	57,646,780
Insurance contracts liabilities measured under the PAA	-	617,029	617,029
Assets for insurance acquisition cash flows not measured under the PAA	(87,181)	(159,716)	(246,897)
	<u>(82,759)</u>	<u>58,099,671</u>	<u>58,016,912</u>
Reinsurance contracts liabilities not measured under the PAA	(101,007)	246,617	145,610
Reinsurance contracts liabilities measured under the PAA	(51,936)	-	(51,936)
	<u>(152,943)</u>	<u>246,617</u>	<u>93,674</u>

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Company	Assets RM'000	Liabilities RM'000	Total RM'000
30 June 2025			
Insurance contracts liabilities not measured under the PAA	-	53,544,367	53,544,367
Insurance contracts liabilities measured under the PAA	-	602,461	602,461
Assets for insurance acquisition cash flows not measured under the PAA	-	(20,144)	(20,144)
	<u>-</u>	<u>54,126,684</u>	<u>54,126,684</u>
Reinsurance contracts liabilities not measured under the PAA	-	269,012	269,012
Reinsurance contracts liabilities measured under the PAA	(53,421)	-	(53,421)
	<u>(53,421)</u>	<u>269,012</u>	<u>215,591</u>
31 December 2024			
Insurance contracts liabilities not measured under the PAA	-	53,963,570	53,963,570
Insurance contracts liabilities measured under the PAA	-	442,843	442,843
Assets for insurance acquisition cash flows not measured under the PAA	-	(17,494)	(17,494)
	<u>-</u>	<u>54,388,919</u>	<u>54,388,919</u>
Reinsurance contracts liabilities not measured under the PAA	(80)	246,617	246,537
Reinsurance contracts liabilities measured under the PAA	(30,656)	-	(30,656)
	<u>(30,736)</u>	<u>246,617</u>	<u>215,881</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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FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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>		30 June 2025				31 December 2024			
		Liabilities for remaining coverage		Liabilities for incurred claims	Total	Liabilities for remaining coverage		Liabilities for incurred claims	Total
Note		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
		(24,342)	-	28,764	4,422	(13,917)	4,499	11,639	2,221
		55,866,053	29,008	1,747,297	57,642,358	50,884,198	79,254	1,870,618	52,834,070
		55,841,711	29,008	1,776,061	57,646,780	50,870,281	83,753	1,882,257	52,836,291
	11	(3,467,207)	-	-	(3,467,207)	(6,605,125)	-	-	(6,605,125)
		-	(25,194)	2,541,601	2,516,407	-	1,897	5,044,621	5,046,518
		257,206	-	-	257,206	475,291	-	-	475,291
		-	25,662	-	25,662	-	(60,005)	-	(60,005)
		-	-	(281,430)	(281,430)	-	-	(449,590)	(449,590)
		257,206	468	2,260,171	2,517,845	475,291	(58,108)	4,595,031	5,012,214

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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 2025				31 December 2024			
		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		(1,918,097)	-	1,918,097	-	(4,175,379)	-	4,175,379	-
Insurance service result		(5,128,098)	468	4,178,268	(949,362)	(10,305,213)	(58,108)	8,770,410	(1,592,911)
Net finance expenses from insurance contracts	12c	(30,246)	10,890	16,202	(3,154)	5,524,022	3,363	23,644	5,551,029
Total changes in the income statement and statement of comprehensive income		(5,158,344)	11,358	4,194,470	(952,516)	(4,781,191)	(54,745)	8,794,054	3,958,118

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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 2025				31 December 2024			
	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
Cash flows								
Premium received	6,045,701	-	-	6,045,701	12,030,550	-	-	12,030,550
Claims and other insurance service expenses paid, including investment components			(4,435,918)	(4,435,918)	-	-	(9,201,801)	(9,201,801)
Insurance acquisition cash flows paid	(1,147,380)	-	-	(1,147,380)	(2,210,114)	-	-	(2,210,114)
Other amounts (paid)/received	(24,257)	-	189,975	165,718	(45,757)	-	301,551	255,794
Total cash flows	4,874,064	-	(4,245,943)	628,121	9,774,679	-	(8,900,250)	874,429
Adjusted for:								
Allocation from assets for insurance acquisition cash flows	(11,600)	-	-	(11,600)	(22,058)	-	-	(22,058)
Net closing balance	55,545,831	40,366	1,724,588	57,310,785	55,841,711	29,008	1,776,061	57,646,780
Closing assets	(22,237)	7,758	27,496	13,017	(24,342)	-	28,764	4,422
Closing liabilities	55,568,068	32,608	1,697,092	57,297,768	55,866,053	29,008	1,747,297	57,642,358
Net closing balance	55,545,831	40,366	1,724,588	57,310,785	55,841,711	29,008	1,776,061	57,646,780

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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 2025				31 December 2024			
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	52,640,144	18,947	1,304,479	53,963,570	48,234,725	75,929	1,417,560	49,728,214
	Net opening balance	52,640,144	18,947	1,304,479	53,963,570	48,234,725	75,929	1,417,560	49,728,214
	Insurance revenue	(2,882,922)	-	-	(2,882,922)	(5,383,140)	-	-	(5,383,140)
	Insurance service expenses								
	Incurred claims and other insurance service expenses	-	(23,526)	2,186,792	2,163,266	-	2,789	4,179,490	4,182,279
	Amortisation of insurance acquisition cash flows	169,688	-	-	169,688	312,940	-	-	312,940
	Losses and reversal of losses on onerous contracts	-	15,630	-	15,630	-	(60,293)	-	(60,293)
	Adjustments to liabilities for incurred claims	-	-	(258,018)	(258,018)	-	-	(360,906)	(360,906)
	Total insurance service expenses	169,688	(7,896)	1,928,774	2,090,566	312,940	(57,504)	3,818,584	4,074,020

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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>	<u>Note</u>	30 June 2025				31 December 2024			
		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		(1,860,606)	-	1,860,606	-	(3,990,639)	-	3,990,639	-
Insurance service result		(4,573,840)	(7,896)	3,789,380	(792,356)	(9,060,839)	(57,504)	7,809,223	(1,309,120)
Net finance expenses from insurance contracts	12c	(23,040)	10,794	10,783	(1,463)	5,171,432	522	16,811	5,188,765
Total changes in the income statement and statement of comprehensive income		(4,596,880)	2,898	3,800,163	(793,819)	(3,889,407)	(56,982)	7,826,034	3,879,645

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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 2025				31 December 2024			
	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
Cash flows								
Premium received	5,099,908	-	-	5,099,908	10,096,872	-	-	10,096,872
Claims and other insurance service expenses paid, including investment components	-	-	(3,966,642)	(3,966,642)	-	-	(8,240,799)	(8,240,799)
Insurance acquisition cash flows paid	(924,663)	-	-	(924,663)	(1,758,729)	-	-	(1,758,729)
Other amounts (paid)/received	(22,849)	-	189,248	166,399	(42,326)	-	301,684	259,358
Total cash flows	4,152,396	-	(3,777,394)	375,002	8,295,817	-	(7,939,115)	356,702
Adjusted for:								
Allocation from assets for insurance acquisition cash flows	(386)	-	-	(386)	(991)	-	-	(991)
Net closing balance	52,195,274	21,845	1,327,248	53,544,367	52,640,144	18,947	1,304,479	53,963,570
Closing assets	-	-	-	-	-	-	-	-
Closing liabilities	52,195,274	21,845	1,327,248	53,544,367	52,640,144	18,947	1,304,479	53,963,570
Net closing balance	52,195,274	21,845	1,327,248	53,544,367	52,640,144	18,947	1,304,479	53,963,570

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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>	30 June 2025						
	Estimates of present value of future cash flow	Risk adjustment for non- financial risk	Total CSM	CSM		Other contracts	Total
				Contracts under modified retrospective approach	Contracts under fair value approach		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Opening assets	(50,424)	2,913	51,933	-	19,242	32,691	4,422
Opening liabilities	44,873,419	1,449,578	11,319,361	3,297,849	3,006,413	5,015,099	57,642,358
Net opening balance	44,822,995	1,452,491	11,371,294	3,297,849	3,025,655	5,047,790	57,646,780
Changes that relate to current services							
CSM recognised for services provided	11	-	(747,200)	(190,867)	(187,851)	(368,482)	(747,200)
Change in risk adjustment for non-financial risk	-	(1,579)	-	-	-	-	(1,579)
Experience adjustments	154,036	103	-	-	-	-	154,139
Others	(76,646)	-	-	-	-	-	(76,646)
Changes that relate to future services							
Contracts initially recognised in the year	(950,615)	62,546	897,853	-	-	897,853	9,784
Changes in estimates that adjust the CSM	284,046	3,136	(287,182)	64,353	14,170	(365,705)	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	(4,824)	(1,619)	13	-	-	13	(6,430)
Changes that relate to past services	(244,678)	(36,752)	-	-	-	-	(281,430)
Total insurance service result	(838,681)	25,835	(136,516)	(126,514)	(173,681)	163,679	(949,362)

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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>	Note	30 June 2025					
		Estimates of present value of future cash flows RM'000	Risk adjustment for non- financial risk RM'000	Total CSM RM'000	CSM		Total RM'000
					Contracts under modified retrospective approach RM'000	Contracts under fair value approach RM'000	
Net finance expenses from insurance contracts	12c	(137,393)	-	134,239	50,058	16,282	(3,154)
Total changes in the income statement and statement of comprehensive income		(976,074)	25,835	(2,277)	(76,456)	(157,399)	(952,516)
Cash flows		628,121	-	-	-	-	628,121
Allocation from assets for insurance acquisition cash flows		(11,600)	-	-	-	-	(11,600)
Net closing balance		44,463,442	1,478,326	11,369,017	3,221,393	2,868,256	57,310,785
Closing assets		(9,966)	3,189	19,794	-	57	13,017
Closing liabilities		44,473,408	1,475,137	11,349,223	3,221,393	2,868,199	57,297,768
Net closing balance		44,463,442	1,478,326	11,369,017	3,221,393	2,868,256	57,310,785

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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)

		31 December 2024					
<u>Group</u>		Estimates of present value of future cash flow	Risk adjustment for non- financial risk	Total CSM	CSM		
					Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Opening assets		(8,386)	1,174	9,433	-	117	9,316
Opening liabilities		40,619,968	1,191,887	11,022,215	3,688,555	2,900,468	4,433,192
Net opening balance		40,611,582	1,193,061	11,031,648	3,688,555	2,900,585	4,442,508
Changes that relate to current services							
CSM recognised for services provided	11	-	-	(1,444,761)	(397,435)	(333,410)	(713,916)
Change in risk adjustment for non-financial risk		-	(19,699)	-	-	-	(19,699)
Experience adjustments		503,640	(103)	-	-	-	503,537
Others		(144,702)	-	-	-	-	(144,702)
Changes that relate to future services							
Contracts initially recognised in the year		(2,284,557)	143,700	2,154,931	-	-	2,154,931
Changes in estimates that adjust the CSM		438,004	154,563	(592,567)	(105,937)	433,227	(919,857)
Changes in estimates that result in losses and reversal of losses on onerous contracts		(81,288)	31,663	(2,145)	-	-	(2,145)
Changes that relate to past services		(398,896)	(50,694)	-	-	-	(449,590)
Total insurance service result		(1,967,799)	259,430	115,458	(503,372)	99,817	519,013

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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>	Note	31 December 2024					
		Estimates of present value of future cash flow RM'000	Risk adjustment for non- financial risk RM'000	Total CSM RM'000	CSM		
					Contracts under modified retrospective approach RM'000	Contracts under fair value approach RM'000	Other contracts RM'000
							Total RM'000
Net finance expenses from insurance contracts	12c	5,326,841	-	224,188	112,666	25,253	86,269
Total changes in the income statement and statement of comprehensive income		3,359,042	259,430	339,646	(390,706)	125,070	605,282
Cash flows		874,429	-	-	-	-	-
Allocation from assets for insurance acquisition cash flows		(22,058)	-	-	-	-	-
Net closing balance		44,822,995	1,452,491	11,371,294	3,297,849	3,025,655	5,047,790
Closing assets		(50,424)	2,913	51,933	-	19,242	32,691
Closing liabilities		44,873,419	1,449,578	11,319,361	3,297,849	3,006,413	5,015,099
Net closing balance		44,822,995	1,452,491	11,371,294	3,297,849	3,025,655	5,047,790

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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	Note	30 June 2025					
		Estimates of present value of future cash flows RM'000	Risk adjustment for non- financial risk RM'000	Total CSM RM'000	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		42,663,963	1,349,288	9,950,319	3,297,849	2,573,254	53,963,570
Net opening balance		42,663,963	1,349,288	9,950,319	3,297,849	2,573,254	53,963,570
Changes that relate to current services							
CSM recognised for services provided		-	-	(597,841)	(190,867)	(160,474)	(597,841)
Change in risk adjustment for non-financial risk		-	(4,983)	-	-	-	(4,983)
Experience adjustments		147,769	103	-	-	-	147,872
Others		(72,707)	-	-	-	-	(72,707)
Changes that relate to future services							
Contracts initially recognised in the year		(744,984)	52,730	697,131	-	-	4,877
Changes in estimates that adjust the CSM		278,008	2,218	(280,226)	64,353	(24,669)	-
Changes in estimates that result in losses and reversal of losses on onerous contracts		(8,389)	(3,180)	13	-	-	(11,556)
Changes that relate to past services		(231,485)	(26,533)	-	-	-	(258,018)
Total insurance service result		(631,788)	20,355	(180,923)	(126,514)	(185,143)	(792,356)

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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	Note	30 June 2025					
		Estimates of present value of future cash flows RM'000	Risk adjustment for non- financial risk RM'000	Total CSM RM'000	CSM		Total RM'000
					Contracts under modified retrospective approach RM'000	Contracts under fair value approach RM'000	
Net finance expenses from insurance contracts		(136,156)	-	134,693	50,058	16,310	(1,463)
Total changes in the income statement and statement of comprehensive income		(767,944)	20,355	(46,230)	(76,456)	(168,833)	(793,819)
Cash flows		375,002	-	-	-	-	375,002
Allocation from assets for insurance acquisition cash flows		(386)	-	-	-	-	(386)
Net closing balance		42,270,635	1,369,643	9,904,089	3,221,393	2,404,421	53,544,367
Closing assets		-	-	-	-	-	-
Closing liabilities		42,270,635	1,369,643	9,904,089	3,221,393	2,404,421	53,544,367
Net closing balance		42,270,635	1,369,643	9,904,089	3,221,393	2,404,421	53,544,367

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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)

		31 December 2024						
Company	Note	Estimates of present value of future cash flows RM'000	Risk adjustment for non- financial risk RM'000	Total CSM RM'000	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		-	-	(1,149,111)	(397,435)	(289,614)	(462,062)	(1,149,111)
Change in risk adjustment for non-financial risk		-	(22,444)	-	-	-	-	(22,444)
Experience adjustments		399,958	(103)	-	-	-	-	399,855
Others		(138,531)	-	-	-	-	-	(138,531)
Changes that relate to future services								
Contracts initially recognised in the year		(1,849,140)	121,766	1,739,015	-	-	1,739,015	11,641
Changes in estimates that adjust the CSM		528,829	180,411	(709,240)	(105,937)	341,991	(945,294)	-
Changes in estimates that result in losses and reversal of losses on onerous contracts		(77,540)	30,061	(2,145)	-	-	(2,145)	(49,624)
Changes that relate to past services		(325,639)	(35,267)	-	-	-	-	(360,906)
Total insurance service result		(1,462,063)	274,424	(121,481)	(503,372)	52,377	329,514	(1,309,120)

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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	Note	31 December 2024					
		Estimates of present value of future cash flows RM'000	Risk adjustment for non- financial risk RM'000	Total CSM RM'000	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		4,923,976	-	264,789	112,666	25,029	5,188,765
Total changes in the income statement and statement of comprehensive income		3,461,913	274,424	143,308	(390,706)	77,406	3,879,645
Cash flows		356,702	-	-	-	-	356,702
Allocation from assets for insurance acquisition cash flows		(991)	-	-	-	-	(991)
Net closing balance		42,663,963	1,349,288	9,950,319	3,297,849	2,573,254	53,963,570
Closing assets		-	-	-	-	-	-
Closing liabilities		42,663,963	1,349,288	9,950,319	3,297,849	2,573,254	53,963,570
Net closing balance		42,663,963	1,349,288	9,950,319	3,297,849	2,573,254	53,963,570

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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>	Note	30 June 2025				31 December 2024			
		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		(15,454)	-	116,461	101,007	(864,951)	-	974,340	109,389
Opening liabilities		(1,007,990)	-	761,373	(246,617)	-	-	-	-
Net opening balance		(1,023,444)	-	877,834	(145,610)	(864,951)	-	974,340	109,389
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)		(844,797)	-	766,100	(78,697)	(1,618,908)	-	1,513,655	(105,253)
Net expenses from reinsurance contracts held		(844,797)	-	766,100	(78,697)	(1,618,908)	-	1,513,655	(105,253)
Net finance income from reinsurance contracts held	12d	(1,686)	-	-	(1,686)	(3,452)	-	-	(3,452)

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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 2025				31 December 2024			
	Asset for remaining coverage				Asset for remaining coverage			
	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
Total changes in the income statement and statement of comprehensive income	(846,483)	-	766,100	(80,383)	(1,622,360)	-	1,513,655	(108,705)
Cash flows								
Premiums paid	805,297	-	-	805,297	1,463,867	-	-	1,463,867
Amounts received	-	-	(754,363)	(754,363)	-	-	(1,612,974)	(1,612,974)
Other amounts paid	-	-	1,375	1,375	-	-	2,398	2,398
Total cash flows	805,297	-	(752,988)	52,309	1,463,867	-	(1,610,576)	(146,709)
Adjusted for :								
Non-cash operating expenses	-	-	188	188	-	-	415	415
Total non-cash items	-	-	188	188	-	-	415	415
Net closing balance	(1,064,630)	-	891,134	(173,496)	(1,023,444)	-	877,834	(145,610)
Closing assets	(36,228)	-	131,744	95,516	(15,454)	-	116,461	101,007
Closing liabilities	(1,028,402)	-	759,390	(269,012)	(1,007,990)	-	761,373	(246,617)
Net closing balance	(1,064,630)	-	891,134	(173,496)	(1,023,444)	-	877,834	(145,610)

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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 2025				31 December 2024			
	Asset for remaining coverage				Asset for remaining coverage			
Note	Excluding loss-recovery component RM'000	Loss recovery component RM'000	Asset for incurred claims RM'000	Total RM'000	Excluding loss-recovery component RM'000	Loss recovery component RM'000	Asset for incurred claims RM'000	Total RM'000
Opening assets	4,361	-	(4,281)	80	(868,417)	-	872,913	4,496
Opening liabilities	(1,007,992)	-	761,375	(246,617)	-	-	-	-
Net opening balance	(1,003,631)	-	757,094	(246,537)	(868,417)	-	872,913	4,496
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)	(796,268)	-	728,079	(68,189)	(1,533,078)	-	1,441,946	(91,132)
Net expenses from reinsurance contracts held	(796,268)	-	728,079	(68,189)	(1,533,078)	-	1,441,946	(91,132)
Net finance income from reinsurance contracts held	12d (2,382)	-	-	(2,382)	(4,875)	-	-	(4,875)

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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 2025				31 December 2024			
	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
Total changes in the income statement and statement of comprehensive income	(798,650)		728,079	(70,571)	(1,537,953)	-	1,441,946	(96,007)
Cash flows								
Premiums paid	773,878	-	-	773,878	1,402,739	-	-	1,402,739
Amounts received	-	-	(727,138)	(727,138)	-	-	(1,560,179)	(1,560,179)
Other amounts paid	-	-	1,176	1,176	-	-	2,017	2,017
Total cash flows	773,878	-	(725,962)	47,916	1,402,739	-	(1,558,162)	(155,423)
Adjusted for :								
Non-cash operating expenses	-	-	180	180	-	-	397	397
Total non-cash items	-	-	180	180	-	-	397	397
Net closing balance	(1,028,403)	-	759,391	(269,012)	(1,003,631)	-	757,094	(246,537)
Closing assets	-	-	-	-	4,361	-	(4,281)	80
Closing liabilities	(1,028,403)	-	759,391	(269,012)	(1,007,992)	-	761,375	(246,617)
Net closing balance	(1,028,403)	-	759,391	(269,012)	(1,003,631)	-	757,094	(246,537)

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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

Group	Note	30 June 2025					
		Estimates of present value of future cash flows RM'000	Risk adjustment for non- financial risk RM'000	Total CSM RM'000	CSM		Total RM'000
					Contracts under modified retrospective approach RM'000	Contracts under fair value approach RM'000	Other contracts RM'000
Opening assets		(493,100)	241	593,866	-	593,866	-
Opening liabilities		849,645	14,032	(1,110,294)	-	(1,110,294)	-
Net opening balance		356,545	14,273	(516,428)	-	(516,428)	-
Changes that relate to current services							
CSM recognised for services received		-	-	(58,631)	-	(58,631)	-
Change in risk adjustment for non-financial risk		-	13,661	-	-	-	-
Experience adjustments		141,509	-	-	-	-	-
Changes that relate to future services		(227,320)	-	227,320	-	227,320	-
Changes that relate to past services		(160,963)	(14,273)	-	-	-	-
Total net (expenses)/income from reinsurance contracts held		(246,774)	(612)	168,689	-	168,689	-
Net finance expenses from reinsurance contracts held	12d	(512)	-	(1,174)	-	(1,174)	-
Total changes in the income statement and statement of comprehensive income		(247,286)	(612)	167,515	-	167,515	-

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)**

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

	30 June 2025					
	Estimates of present value of future cash flows RM'000	Risk adjustment for non- financial risk RM'000	Total CSM RM'000	CSM		
				Contracts under modified retrospective approach RM'000	Contracts under fair value approach RM'000	Other contracts RM'000
						Total RM'000
Cash flows	52,309	-	-	-	-	52,309
Non-cash operating expenses	188	-	-	-	-	188
Net closing balance	161,756	13,661	(348,913)	-	(348,913)	(173,496)
Closing assets	267,469	266	(172,219)	-	(172,219)	95,516
Closing liabilities	(105,713)	13,395	(176,694)	-	(176,694)	(269,012)
Net closing balance	161,756	13,661	(348,913)	-	(348,913)	(173,496)

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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

Note	31 December 2024						
	Estimates of present value of future cash flows RM'000	Risk adjustment for non-financial risk RM'000	Total CSM RM'000	CSM			Total RM'000
				Contracts under modified retrospective approach RM'000	Contracts under fair value approach RM'000	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 received	-	-	(104,281)	-	(104,281)	-	(104,281)
Change in risk adjustment for non-financial risk	-	14,273	-	-	-	-	14,273
Experience adjustments	121,847	-	-	-	-	-	121,847
Changes that relate to future services	18,705	-	(18,705)	-	(18,705)	-	-
Changes that relate to past services	(137,092)	-	-	-	-	-	(137,092)
Total net income/(expenses) from reinsurance contracts held	3,460	14,273	(122,986)	-	(122,986)	-	(105,253)
Net finance expenses from reinsurance contracts held	1,704	-	(5,156)	-	(5,156)	-	(3,452)
Total changes in the income statement and statement of comprehensive income	5,164	14,273	(128,142)	-	(128,142)	-	(108,705)

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)**

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 2024					
	Estimates of present value of future cash flows RM'000	Risk adjustment for non- financial risk RM'000	Total CSM RM'000	CSM		
				Contracts under modified retrospective approach RM'000	Contracts under fair value approach RM'000	Other contracts RM'000
						Total RM'000
Cash flows	(146,709)	-	-	-	-	(146,709)
Non-cash operating expenses	415	-	-	-	-	415
Net closing balance	356,545	14,273	(516,428)	-	(516,428)	(145,610)
Closing assets	(493,100)	241	593,866	-	593,866	101,007
Closing liabilities	849,645	14,032	(1,110,294)	-	(1,110,294)	(246,617)
Net closing balance	356,545	14,273	(516,428)	-	(516,428)	(145,610)

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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	Note	30 June 2025					
		Estimates of present value of future cash flows RM'000	Risk adjustment for non- financial risk RM'000	Total CSM RM'000	CSM		Total RM'000
					Contracts under modified retrospective approach RM'000	Contracts under fair value approach RM'000	
						Other contracts RM'000	
Opening assets		(755,407)	-	755,487	-	755,487	80
Opening liabilities		849,643	14,033	(1,110,293)	-	(1,110,293)	(246,617)
Net opening balance		94,236	14,033	(354,806)	-	(354,806)	(246,537)
Changes that relate to current services							
CSM recognised for services received		-	-	(63,880)	-	(63,880)	(63,880)
Change in risk adjustment for non-financial risk		-	13,395	-	-	-	13,395
Experience adjustments		163,695	-	-	-	-	163,695
Changes that relate to future services		(240,442)	-	240,442	-	240,442	-
Changes that relate to past services		(167,366)	(14,033)	-	-	-	(181,399)
Total net (expenses)/income from reinsurance contracts held		(244,113)	(638)	176,562	-	176,562	(68,189)
Net finance expenses from reinsurance contracts held	12d	(3,934)	-	1,552	-	1,552	(2,382)
Total changes in the income statement and statement of comprehensive income		(248,047)	(638)	178,114	-	178,114	(70,571)

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)**

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 2025					
	Estimates of present value of future cash flows	Risk adjustment for non- financial risk	Total CSM	CSM		
				Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash flows	47,916	-	-	-	-	-
Non-cash operating expenses	180	-	-	-	-	-
Net closing balance	(105,715)	13,395	(176,692)	-	(176,692)	-
Closing assets	-	-	-	-	-	-
Closing liabilities	(105,715)	13,395	(176,692)	-	(176,692)	-
Net closing balance	(105,715)	13,395	(176,692)	-	(176,692)	-

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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)

		31 December 2024						
Company	Note	Estimates of present value of future cash flows RM'000	Risk adjustment for non-financial risk RM'000	Total CSM RM'000	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 received		-	-	(113,556)	-	(113,556)	-	(113,556)
Change in risk adjustment for non-financial risk		-	14,033	-	-	-	-	14,033
Experience adjustments		146,618	-	-	-	-	-	146,618
Changes that relate to future services		(14,004)	-	14,004	-	14,004	-	-
Changes that relate to past services		(138,227)	-	-	-	-	-	(138,227)
Total net (expenses)/income from reinsurance contracts held		(5,613)	14,033	(99,552)	-	(99,552)	-	(91,132)
Net finance expenses from reinsurance contracts held	12d	(4,613)	-	(262)	-	(262)	-	(4,875)
Total changes in the income statement and statement of comprehensive income		(10,226)	14,033	(99,814)	-	(99,814)	-	(96,007)

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)**

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)

	31 December 2024						
Company	CSM						
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total CSM	Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts	Total
Cash flows	(155,423)	-	-	-	-	-	(155,423)
Non-cash operating expenses	397	-	-	-	-	-	397
Net closing balance	94,236	14,033	(354,806)	-	(354,806)	-	(246,537)
Closing assets	(755,407)	-	755,487	-	755,487	-	80
Closing liabilities	849,643	14,033	(1,110,293)	-	(1,110,293)	-	(246,617)
Net closing balance	94,236	14,033	(354,806)	-	(354,806)	-	(246,537)

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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

Group

Note	30 June 2025				
	<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
Opening assets	-	-	-	-	-
Opening liabilities	309,753	5,096	281,087	21,093	617,029
Net opening balance	309,753	5,096	281,087	21,093	617,029
Insurance revenue	(1,000,936)	-	-	-	(1,000,936)
Insurance service expenses					
Incurred claims and other insurance service expenses	-	-	692,774	16,546	709,320
Amortisation of insurance acquisition cash flows	108,741	-	-	-	108,741
Losses and reversal of losses on onerous contract	-	(856)	-	-	(856)
Adjustments to liabilities for incurred claims	-	-	29,164	(16,275)	12,889
Total insurance service expenses	108,741	(856)	721,938	271	830,094
Investment components	(731)	-	731	-	-
Insurance service result	(892,926)	(856)	722,669	271	(170,842)

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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)

Group

Group	30 June 2025				
	<u>Liabilities for remaining coverage</u>		<u>Liabilities for incurred claims</u>		Total
	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
Total changes in the income statement and statement of comprehensive income	(892,926)	(856)	722,669	271	(170,842)
Cash flows					
Premium received	1,199,977	-	-	-	1,199,977
Claims and other insurance service expenses paid, including investment components	-	-	(729,621)	-	(729,621)
Insurance acquisition cash flows paid	(119,434)	-	-	-	(119,434)
Total cash flows	1,080,543	-	(729,621)	-	350,922
Adjusted for:					
Non-cash operating expenses	(2,802)	-	(2,093)	-	(4,895)
Net closing balance	494,568	4,240	272,042	21,364	792,214
Closing assets	21,464	-	15,830	538	37,832
Closing liabilities	473,104	4,240	256,212	20,826	754,382
Net closing balance	494,568	4,240	272,042	21,364	792,214

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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)

Group**31 December 2024**

Note	<u>Liabilities for remaining coverage</u>		<u>Liabilities for incurred claims</u>		<u>Total</u> RM'000
	<u>Excluding loss</u>	<u>Loss</u>	<u>Estimates of</u>	<u>Risk adjustment</u>	
	<u>component</u>	<u>component</u>	<u>present value of</u>	<u>for non-</u>	
	RM'000	RM'000	future cash flows	financial risk	
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	(1,829,511)	-	-	-	(1,829,511)
Insurance service expenses					
Incurred claims and other insurance service expenses	-	-	1,451,022	19,047	1,470,069
Amortisation of insurance acquisition cash flows	202,012	-	-	-	202,012
Losses and reversal of losses on onerous contract	-	(14,975)	-	-	(14,975)
Adjustments to liabilities for incurred claims	-	-	15,409	(18,909)	(3,500)
Total insurance service expenses	202,012	(14,975)	1,466,431	138	1,653,606
Investment components	(390)	-	390	-	-
Insurance service result	(1,627,889)	(14,975)	1,466,821	138	(175,905)

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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)

Group**31 December 2024**

	<u>Liabilities for remaining coverage</u>		<u>Liabilities for incurred claims</u>		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
Total changes in the income statement and statement of comprehensive income	(1,627,889)	(14,975)	1,466,821	138	(175,905)
Cash flows					
Premium received	1,827,298	-	-	-	1,827,298
Claims and other insurance service expenses paid, including investment components	-	-	(1,455,470)	-	(1,455,470)
Insurance acquisition cash flows paid	(186,091)	-	-	-	(186,091)
Total cash flows	1,641,207	-	(1,455,470)	-	185,737
Adjusted for:					
Non-cash operating expenses	(5,532)	-	(4,123)	-	(9,655)
Net closing balance	309,753	5,096	281,087	21,093	617,029
Closing assets	-	-	-	-	-
Closing liabilities	309,753	5,096	281,087	21,093	617,029
Net closing balance	309,753	5,096	281,087	21,093	617,029

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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 2025			
		<u>Liabilities for remaining coverage</u>		<u>Liabilities for incurred claims</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
Opening assets					
Opening liabilities		269,998	-	161,599	11,246
Net opening balance		269,998	-	161,599	11,246
Insurance revenue	11	(905,031)	-	-	-
Insurance service expenses					
Incurred claims and other insurance service expenses		-	-	639,612	9,554
Amortisation of insurance acquisition cash flows		87,047	-	-	-
Losses and reversal of losses on onerous contract		-	-	-	-
Adjustments to liabilities for incurred claims		-	-	9,122	(10,717)
Total insurance service expenses		87,047	-	648,734	(1,163)
Investment components		(731)	-	731	-
Insurance service result		(818,715)	-	649,465	(1,163)

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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)

	30 June 2025				
Company	<u>Liabilities for remaining coverage</u>		<u>Liabilities for incurred claims</u>		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
Total changes in the income statement and statement of comprehensive income	(818,715)	-	649,465	(1,163)	(170,413)
Cash flows					
Premium received	1,092,943	-	-	-	1,092,943
Claims and other insurance service expenses paid, including investment components	-	-	(662,287)	-	(662,287)
Insurance acquisition cash flows paid	(95,928)	-	-	-	(95,928)
Total cash flows	997,015	-	(662,287)	-	334,728
Adjusted for:					
Non-cash operating expenses	(2,694)	-	(2,003)	-	(4,697)
Net closing balance	445,604	-	146,774	10,083	602,461
Closing assets	-	-	-	-	-
Closing liabilities	445,604	-	146,774	10,083	602,461
Net closing balance	445,604	-	146,774	10,083	602,461

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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)

		31 December 2024			
Company	Note	<u>Liabilities for remaining coverage</u>		<u>Liabilities for incurred claims</u>	
		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
Opening assets		-	-	-	-
Opening liabilities		243,484	-	175,707	11,870
Net opening balance		243,484	-	175,707	11,870
Insurance revenue	11	(1,612,742)	-	-	-
Insurance service expenses					
Incurred claims and other insurance service expenses		-	-	1,299,963	10,989
Amortisation of insurance acquisition cash flows		160,921	-	-	-
Losses and reversal of losses on onerous contract		-	-	7,685	(11,613)
Adjustments to liabilities for incurred claims		160,921	-	1,307,648	(624)
Total insurance service expenses		(390)	-	390	-
Investment components		(1,452,211)	-	1,308,038	(624)
Insurance service result					(144,797)

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FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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 2024				
	<u>Liabilities for remaining coverage</u>		<u>Liabilities for incurred claims</u>		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	
Total changes in the income statement and statement of comprehensive income	(1,452,211)	-	1,308,038	(624)	(144,797)
Cash flows					
Premium received	1,634,903	-	-	-	1,634,903
Claims and other insurance service expenses paid, including investment components	-	-	(1,318,257)	-	(1,318,257)
Insurance acquisition cash flows paid	(150,923)	-	-	-	(150,923)
Total cash flows	1,483,980	-	(1,318,257)	-	165,723
Adjusted for:					
Non-cash operating expenses	(5,255)	-	(3,889)	-	(9,144)
Net closing balance	269,998	-	161,599	11,246	442,843
Closing assets	-	-	-	-	-
Closing liabilities	269,998	-	161,599	11,246	442,843
Net closing balance	269,998	-	161,599	11,246	442,843

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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

Group	Note	30 June 2025			
		<u>Assets for remaining coverage</u>		<u>Assets for incurred claims</u>	
		Excluding loss recovery component	Loss recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk
		RM'000	RM'000	RM'000	RM'000
Opening assets		(113,470)	127	164,456	823
Opening liabilities		-	-	-	-
Net opening balance		(113,470)	127	164,456	823
Changes in the income statement and statement of comprehensive income					
Net (expenses)/income from reinsurance contracts held (excluding effect of changes in non-performance risk of reinsurers)		(173,767)	(21)	161,945	665
Net (expenses)/income from reinsurance contracts held		(173,767)	(21)	161,945	665
Net finance income from reinsurance contracts held	12d	24	-	-	-
Total changes in the income statement and statement of comprehensive income		(173,743)	(21)	161,945	665

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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	30 June 2025				
	<u>Assets for remaining coverage</u>		<u>Assets for incurred claims</u>		Total
	Excluding loss recovery component	Loss recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
	RM'000	RM'000	RM'000	RM'000	
Cash flows					
Premiums paid	185,163	-	-	-	185,163
Amounts received	-	-	(143,929)	-	(143,929)
Other amounts paid	-	-	161	-	161
Total cash flows	185,163	-	(143,768)	-	41,395
Adjusted for:					
Non-cash operating expenses	-	-	7	-	7
Net closing balance	(102,050)	106	182,640	1,488	82,184
Closing assets	(102,050)	106	182,640	1,488	82,184
Closing liabilities	-	-	-	-	-
Net closing balance	(102,050)	106	182,640	1,488	82,184

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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	Note	31 December 2024			
		<u>Assets for remaining coverage</u>		<u>Assets for incurred claims</u>	
		Excluding loss recovery component	Loss recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk
		RM'000	RM'000	RM'000	RM'000
Opening assets		(198,640)	-	240,178	-
Opening liabilities		-	-	-	-
Net opening balance		(198,640)	-	240,178	-
Changes in the income statement and statement of comprehensive income					
Net (expenses)/income from reinsurance contracts held (excluding effect of changes in non-performance risk of reinsurers)		(177,126)	127	140,884	823
Net (expenses)/income from reinsurance contracts held		(177,126)	127	140,884	823
Net finance income from reinsurance contracts held	12d	27	-	-	-
Total changes in the income statement and statement of comprehensive income		(177,099)	127	140,884	823

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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 2024				
	<u>Assets for remaining coverage</u>		<u>Assets for incurred claims</u>		Total
	Excluding loss recovery component	Loss recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
	RM'000	RM'000	RM'000	RM'000	
Cash flows					
Premiums paid	262,269	-	-	-	262,269
Amounts received	-	-	(216,788)	-	(216,788)
Other amounts paid	-	-	234	-	234
Total cash flows	262,269	-	(216,554)	-	45,715
Adjusted for:					
Non-cash operating expenses	-	-	(52)	-	(52)
Net closing balance	(113,470)	127	164,456	823	51,936
Closing assets	(113,470)	127	164,456	823	51,936
Closing liabilities	-	-	-	-	-
Net closing balance	(113,470)	127	164,456	823	51,936

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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	Note	30 June 2025			
		<u>Assets for remaining coverage</u>		<u>Assets for incurred claims</u>	
		Excluding loss recovery component RM'000	Loss recovery component RM'000	Estimates of present value of future cash flows RM'000	Risk adjustment for non- financial risk RM'000
					Total RM'000
Opening assets		(117,749)	-	148,196	209
Opening liabilities		-	-	-	-
Net opening balance		(117,749)	-	148,196	209
Changes in the income statement and statement of comprehensive income					
Net (expenses)/income from reinsurance contracts held (excluding effect of changes in non-performance risk of reinsurers)		(165,509)	-	153,732	634
Net (expenses)/income from reinsurance contracts held		(165,509)	-	153,732	634
Net finance income from reinsurance contracts held	12d	24	-	-	-
Total changes in the income statement and statement of comprehensive income		(165,485)	-	153,732	634

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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 2025				
	<u>Assets for remaining coverage</u>		<u>Assets for incurred claims</u>		Total
	Excluding loss recovery component	Loss recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
	RM'000	RM'000	RM'000	RM'000	
Cash flows					
Premiums paid	175,169	-	-	-	175,169
Amounts received	-	-	(141,183)	-	(141,183)
Other amounts paid	-	-	(107)	-	(107)
Total cash flows	175,169	-	(141,290)	-	33,879
Adjusted for:					
Non-cash operating expenses	-	-	5	-	5
Net closing balance	(108,065)	-	160,643	843	53,421
Closing assets	(108,065)	-	160,643	843	53,421
Closing liabilities	-	-	-	-	-
Net closing balance	(108,065)	-	160,643	843	53,421

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FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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	Note	31 December 2024			
		<u>Assets for remaining coverage</u>		<u>Assets for incurred claims</u>	
		Excluding loss recovery component	Loss recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk
		RM'000	RM'000	RM'000	RM'000
Opening assets		(202,549)	-	213,634	-
Opening liabilities		-	-	-	-
Net opening balance		(202,549)	-	213,634	-
Changes in the income statement and statement of comprehensive income					
Net (expenses)/income from reinsurance contracts held (excluding effect of changes in non-performance risk of reinsurers)		(153,957)	-	142,117	209
Net (expenses)/income from reinsurance contracts held		(153,957)	-	142,117	209
Net finance income from reinsurance contracts held	12d	27	-	-	-
Total changes in the income statement and statement of comprehensive income		(153,930)	-	142,117	209

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)**

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 2024				
	<u>Assets for remaining coverage</u>		<u>Assets for incurred claims</u>		Total
	Excluding loss recovery component	Loss recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
	RM'000	RM'000	RM'000	RM'000	
Cash flows					
Premiums paid	238,730	-	-	-	238,730
Amounts received	-	-	(207,461)	-	(207,461)
Other amounts paid	-	-	(39)	-	(39)
Total cash flows	238,730	-	(207,500)	-	31,230
Adjusted for:					
Non-cash operating expenses	-	-	(55)	-	(55)
Net closing balance	(117,749)	-	148,196	209	30,656
Closing assets	(117,749)	-	148,196	209	30,656
Closing liabilities	-	-	-	-	-
Net closing balance	(117,749)	-	148,196	209	30,656

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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	
	30.06.2025	31.12.2024	30.06.2025	31.12.2024
	RM'000	RM'000	RM'000	RM'000
Opening balance	246,897	234,301	17,494	12,822
Assets recognised for insurance acquisition cash flows paid during the period	24,161	34,654	3,036	5,663
Allocation to groups of insurance contracts	(11,600)	(22,058)	(386)	(991)
Net closing balance	259,458	246,897	20,144	17,494
Closing assets	90,165	87,181	-	-
Closing liabilities	169,293	159,716	20,144	17,494
Net closing balance	259,458	246,897	20,144	17,494

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	
	30.06.2025	31.12.2024	30.06.2025	31.12.2024
	RM'000	RM'000	RM'000	RM'000
Five years or less	87,797	82,816	8,880	7,699
After five years through ten years	57,891	54,641	5,451	4,708
After ten years	113,770	109,440	5,813	5,087
Total	259,458	246,897	20,144	17,494

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FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****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	
	30.06.2025	31.12.2024	30.06.2025	31.12.2024
	RM'000	RM'000	RM'000	RM'000
<u>Insurance contracts</u>				
Five years or less	5,146,963	5,122,745	4,409,114	4,405,556
After five years through ten years	2,896,279	2,893,471	2,519,574	2,530,734
After ten years	3,325,775	3,355,078	2,975,401	3,014,029
Total	11,369,017	11,371,294	9,904,089	9,950,319
<u>Reinsurance contracts held</u>				
Five years or less	12,434	314,336	47,415	331,891
After five years through ten years	(47,979)	(227,773)	(14,813)	(194,835)
After ten years	(313,368)	(602,991)	(209,294)	(491,862)
Total	(348,913)	(516,428)	(176,692)	(354,806)

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 RM'000	Onerous contracts issued RM'000	Total RM'000
Year Ended 30 June 2025			
Estimates of present value of future cash outflows			
Insurance acquisition cash flows	762,981	18,872	781,853
Claims payable and other expenses	3,004,303	36,152	3,040,455
Total estimates of present value of future cash outflows	3,767,284	55,024	3,822,308
Estimates of present value of future cash inflows	(4,726,202)	(46,721)	(4,772,923)
Risk adjustment for non-financial risk	61,065	1,481	62,546
Contractual service margin	897,853	-	897,853
Losses recognised on initial recognition	-	9,784	9,784

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Effect of contracts initially recognised in the year (continued)

Insurance contracts (continued)

<u>Group</u>	<u>Profitable contracts</u> RM'000	<u>Onerous contracts</u> RM'000	<u>Total</u> RM'000
Year ended 31 December 2024			
Estimates of present value of future cash outflows			
Insurance acquisition cash flows	1,991,462	25,264	2,016,726
Claims payable and other expenses	7,548,032	70,631	7,618,663
Total estimates of present value of future cash outflows	9,539,494	95,895	9,635,389
Estimates of present value of future cash inflows	(11,836,355)	(83,591)	(11,919,946)
Risk adjustment for non-financial risk	141,930	1,770	143,700
Contractual service margin	2,154,931	-	2,154,931
Losses recognised on initial recognition	-	14,074	14,074
 <u>Company</u>	 <u>Profitable contracts</u> RM'000	 <u>Onerous contracts</u> RM'000	 <u>Total</u> RM'000
Year ended 30 June 2025			
Estimates of present value of future cash outflows			
Insurance acquisition cash flows	586,240	6,161	592,401
Claims payable and other expenses	2,499,802	28,199	2,528,001
Total estimates of present value of future cash outflows	3,086,042	34,360	3,120,402
Estimates of present value of future cash inflows	(3,835,358)	(30,028)	(3,865,386)
Risk adjustment for non-financial risk	52,185	545	52,730
Contractual service margin	697,131	-	697,131
Losses recognised on initial recognition	-	4,877	4,877
 Year ended 31 December 2024			
Estimates of present value of future cash outflows			
Insurance acquisition cash flows	1,618,214	10,646	1,628,860
Claims payable and other expenses	6,426,268	54,843	6,481,111
Total estimates of present value of future cash outflows	8,044,482	65,489	8,109,971
Estimates of present value of future cash inflows	(9,904,347)	(54,764)	(9,959,111)
Risk adjustment for non-financial risk	120,850	916	121,766
Contractual service margin	1,739,015	-	1,739,015
Losses recognised on initial recognition	-	11,641	11,641

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)**

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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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
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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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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 2025

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
	3.01%	3.58%	3.20%	3.67%	3.50%	3.83%	3.76%	4.14%	3.91%	4.39%

As at 31 December 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
	3.28%	3.71%	3.66%	3.97%	3.86%	4.10%	4.03%	4.31%	4.11%	4.49%

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 2025 (CONTINUED)****18 OPERATING SEGMENTS (CONTINUED)****STATEMENT OF COMPREHENSIVE INCOME BY REPORTABLE SEGMENTS****6 months period ended 30 June 2025**

<u>Group</u>	Life insurance business RM'000	General insurance business RM'000	Family takaful business RM'000	Others RM'000	Total RM'000
Insurance revenue	3,787,953	178,441	501,749	-	4,468,143
Insurance service expenses	(2,825,184)	(132,803)	(389,952)	-	(3,347,939)
Net expenses from reinsurance contracts	(79,332)	(282)	(10,261)	-	(89,875)
Insurance service result	883,437	45,356	101,536	-	1,030,329
Investment return	70,054	19,625	589	(16,670)	73,598
Net finance expenses	22,343	(4,613)	8,621	-	26,351
Net investment result	92,397	15,012	9,210	(16,670)	99,949
Other operating revenue	72,210	-	-	(43,479)	28,731
Other operating expenses	(190,381)	(7,480)	(14,040)	51,744	(160,157)
Share of losses from associate	-	-	-	(2,607)	(2,607)
Profit before tax	857,663	52,888	96,706	(11,012)	996,245
Tax expense	(129,002)	(10,867)	(18,885)	(2,832)	(161,586)
Profit after tax for the period	728,661	42,021	77,821	(13,844)	834,659
Profit attributable to:					
Owners of the parent	728,661	42,021	54,475	(13,844)	811,313
Non-controlling interest	-	-	23,346	-	23,346
	728,661	42,021	77,821	(13,844)	834,659

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
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Group	Life insurance business RM'000	General insurance business RM'000	Family takaful business RM'000	Others RM'000	Total RM'000
Other comprehensive income:					
Total other comprehensive expense – net of tax for the period	111,077	1,574	6,335	-	118,986
Total comprehensive income for the period	839,738	43,595	84,156	(13,844)	953,645
Total comprehensive income attributable to:					
Owners of the parent	839,738	43,595	58,909	(13,844)	928,398
Non-controlling interest	-	-	25,247	-	25,247
	839,738	43,595	84,156	(13,844)	953,645

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****18 OPERATING SEGMENTS (CONTINUED)****STATEMENT OF COMPREHENSIVE INCOME BY REPORTABLE SEGMENTS****6 months period ended 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
Insurance revenue	3,474,825	179,549	466,713	-	4,121,087
Insurance service expenses	(2,640,813)	(148,950)	(352,854)	-	(3,142,617)
Net expenses from reinsurance contracts	(173,139)	(442)	(11,395)	-	(184,976)
Insurance service result	660,873	30,157	102,464	-	793,494
Investment return	4,173,343	14,743	288,560	(16,837)	4,459,809
Net finance expenses	(3,251,254)	(4,377)	(259,600)	-	(3,515,231)
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 profit 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	984,341	23,134	73,586	(12,619)	1,068,442
Profit attributable to:					
Owners of the parent	984,341	23,134	51,510	(12,619)	1,046,366
Non-controlling interest	-	-	22,076	-	22,076
	984,341	23,134	73,586	(12,619)	1,068,442

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(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****19 OPERATING SEGMENTS (CONTINUED)****STATEMENT OF COMPREHENSIVE INCOME BY REPORTABLE SEGMENTS****6 months period ended 30 June 2024 (continued)**

<u>Group</u>	<u>Life insurance business RM'000</u>	<u>General insurance business RM'000</u>	<u>Family takaful business RM'000</u>	<u>Others RM'000</u>	<u>Total RM'000</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>
Total comprehensive income 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>

AIA BHD.

(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 (CONTINUED)****18 OPERATING SEGMENTS (CONTINUED)****STATEMENTS OF FINANCIAL POSITION BY REPORTABLE SEGMENTS****30 June 2025**

<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	68,827,356	740,418	5,236,848	(441,989)	74,362,633
Total liabilities	57,729,059	305,298	3,853,918	89,099	61,977,374
Total equities	11,098,297	435,120	1,382,930	(531,088)	12,385,259
Total liabilities and equity	68,827,356	740,418	5,236,848	(441,989)	74,362,633

31 December 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	68,203,240	713,104	5,038,334	(448,014)	73,506,664
Total liabilities	57,514,681	301,578	3,739,561	89,230	61,645,050
Total equities	10,688,559	411,526	1,298,773	(537,244)	11,861,614
Total liabilities and equity	68,203,240	713,014	5,038,334	(448,014)	73,506,664