

**ALLIANZ LIFE INSURANCE MALAYSIA BERHAD**

(Company No. 104248-X)

(Incorporated in Malaysia)

Condensed Unaudited Interim Financial Statements  
for the half-year ended 30 June 2011

# **ALLIANZ LIFE INSURANCE MALAYSIA BERHAD**

(Company No. 104248- X)

(Incorporated in Malaysia)

<b>Contents</b>	<b>Page</b>
Statement of financial position	1
Income statement	2
Statement of comprehensive income	3
Statement of changes in equity	4
Statement of cash flow	5
Notes to the financial statements	6 - 17

**ALLIANZ LIFE INSURANCE MALAYSIA BERHAD**

(Company No. 104248- X)

(Incorporated in Malaysia)

**Condensed interim statement of financial position****As at 30 June 2011 - unaudited**

	Note	30.06.2011 RM'000	31.12.2010 RM'000
<b>Assets</b>			
Property, plant and equipment	6	18,123	16,773
Investment properties		2,650	2,650
Intangible assets		148	171
Investments	7	3,203,604	2,904,567
Reinsurance assets	8	96,686	81,080
Insurance receivables		44,704	41,958
Other receivables, deposits and prepayments		45,444	76,271
Cash and cash equivalents		283,267	227,218
<b>Total assets</b>		<u>3,694,626</u>	<u>3,350,688</u>
<b>Equity, policyholders' funds and liabilities</b>			
Share capital		236,600	236,600
Fair value reserve		1,137	711
Accumulated losses		(9,393)	(12,499)
<b>Total equity</b>		<u>228,344</u>	<u>224,812</u>
<b>Liabilities</b>			
Insurance contract liabilities	9	3,212,440	2,849,319
Deferred tax liabilities		7,390	6,248
Other financial liabilities		1,582	1,582
Insurance payables		58,937	73,888
Other payables and accruals		120,805	134,381
Benefits and claims liabilities		59,125	59,545
Current tax liabilities		6,003	913
<b>Total liabilities</b>		<u>3,466,282</u>	<u>3,125,876</u>
<b>Total equity, policyholders' funds and liabilities</b>		<u>3,694,626</u>	<u>3,350,688</u>

The accompanying Notes form an integral part of these condensed interim financial statements.

**ALLIANZ LIFE INSURANCE MALAYSIA BERHAD**

(Company No. 104248- X)

(Incorporated in Malaysia)

**Condensed interim income statement****For the half-year ended 30 June 2011 - unaudited**

	Individual Period		Cumulative Period	
	Current Year Half-yearly 30.06.2011 RM'000	Preceding Year Corresponding Half-yearly 30.06.2010 RM'000	Current Year Half-yearly 30.06.2011 RM'000	Preceding Year Corresponding Half-yearly 30.06.2010 RM'000
<b>Operating revenue</b>	<b>623,856</b>	<b>534,962</b>	<b>623,856</b>	<b>534,962</b>
Gross earned premiums	552,627	482,259	552,627	482,259
Premiums ceded to reinsurers	(34,919)	(31,340)	(34,919)	(31,340)
<b>Net earned premiums</b>	<b>517,708</b>	<b>450,919</b>	<b>517,708</b>	<b>450,919</b>
Investment income	71,229	52,704	71,229	52,704
Realised gains and losses	38,106	21,855	38,106	21,855
Fair value gains and losses	5,155	(8,189)	5,155	(8,189)
Fee and commission income	4,243	3,329	4,243	3,329
Other operating income	2,730	1,586	2,730	1,586
<b>Other revenue</b>	<b>121,463</b>	<b>71,285</b>	<b>121,463</b>	<b>71,285</b>
Gross benefits and claims paid	(130,053)	(133,890)	(130,053)	(133,890)
Claims ceded to reinsurers	24,272	18,155	24,272	18,155
Gross change to contract liabilities	(357,785)	(237,982)	(357,785)	(237,982)
Change in contract liabilities ceded to reinsurers	15,606	6,097	15,606	6,097
<b>Net benefits and claims</b>	<b>(447,960)</b>	<b>(347,620)</b>	<b>(447,960)</b>	<b>(347,620)</b>
Fee and commission expense	(130,498)	(123,995)	(130,498)	(123,995)
Management expenses	(42,614)	(38,712)	(42,614)	(38,712)
Other operating expenses	(5,373)	(5,141)	(5,373)	(5,141)
<b>Other expenses</b>	<b>(178,485)</b>	<b>(167,848)</b>	<b>(178,485)</b>	<b>(167,848)</b>
<b>Profit before tax</b>	<b>12,726</b>	<b>6,736</b>	<b>12,726</b>	<b>6,736</b>
Tax expense	(9,620)	(5,718)	(9,620)	(5,718)
<b>Net profit for the period</b>	<b>3,106</b>	<b>1,018</b>	<b>3,106</b>	<b>1,018</b>

The accompanying Notes form an integral part of these condensed interim financial statements.

**ALLIANZ LIFE INSURANCE MALAYSIA BERHAD**

(Company No. 104248- X)

(Incorporated in Malaysia)

**Condensed interim statement of comprehensive income****For the half-year ended 30 June 2011 - unaudited**

	<b>Individual Period</b>		<b>Cumulative Period</b>	
	Current Year Half-yearly 30.06.2011 RM'000	Preceding Year Corresponding Half-yearly 30.06.2010 RM'000	Current Year Half-yearly 30.06.2011 RM'000	Preceding Year Corresponding Half-yearly 30.06.2010 RM'000
<b>Net profit for the period attributable to owners of the Company</b>	3,106	1,018	3,106	1,018
<b>Other comprehensive income:</b>				
Available-for-sale fair value reserve	567	1,485	567	1,485
Tax effects thereon	<u>(141)</u>	<u>(371)</u>	<u>(141)</u>	<u>(371)</u>
<b>Other comprehensive income for the period, net of tax</b>	<u>426</u>	<u>1,114</u>	<u>426</u>	<u>1,114</u>
<b>Total comprehensive income for the period attributable to owners of the Company</b>	<u><u>3,532</u></u>	<u><u>2,132</u></u>	<u><u>3,532</u></u>	<u><u>2,132</u></u>

The accompanying Notes form an integral part of these condensed interim financial statements.

**ALLIANZ LIFE INSURANCE MALAYSIA BERHAD**

(Company No. 104248- X)

(Incorporated in Malaysia)

**Condensed interim statement of changes in equity  
For the half-year ended 30 June 2011 - unaudited**

	← <i>Non-distributable</i> →		<i>Distributable</i>	
	Share capital RM'000	Fair value reserve RM'000	Accumulated losses RM'000	Total equity RM'000
<b>At 1 January 2010</b>	157,000	(992)	(27,043)	128,965
Total comprehensive income for the year	-	1,703	14,544	16,247
Issue of ordinary shares	79,600	-	-	79,600
<b>At 31 December 2010/1 January 2011</b>	236,600	711	(12,499)	224,812
Total comprehensive income for the period	-	426	3,106	3,532
<b>At 30 June 2011</b>	236,600	1,137	(9,393)	228,344

The accompanying Notes form an integral part of these condensed interim financial statements.

**ALLIANZ LIFE INSURANCE MALAYSIA BERHAD**

(Company No. 104248- X)

(Incorporated in Malaysia)

**Condensed interim cash flow statement  
For the half-year ended 30 June 2011 - unaudited**

	Half-year ended	
	30.06.2011	30.06.2010
	RM'000	RM'000
<b>Cash flow from operating activities</b>		
Profit before tax	12,726	6,736
Non-cash items	(5,041)	(3,731)
Changes in working capital:		
Net change in operating assets	(279,190)	(291,532)
Net change in operating liabilities	330,655	236,288
<b>Cash generated from/ (used in) operating activities</b>	<u>59,150</u>	<u>(52,239)</u>
<b>Net cash used in investing activities</b>	<u>(3,101)</u>	<u>(1,163)</u>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	56,049	(53,402)
Cash and cash equivalents at 1 January	<u>227,218</u>	<u>307,234</u>
<b>Cash and cash equivalents at 30 June</b>	<u><b>283,267</b></u>	<u><b>253,832</b></u>
<b>Cash and cash equivalent comprise:</b>		
Fixed and call deposits (with maturity less than three months):		
Licensed bank	270,476	239,794
Cash and bank balances	<u>12,791</u>	<u>14,038</u>
	<u><b>283,267</b></u>	<u><b>253,832</b></u>

The accompanying Notes form an integral part of these condensed interim financial statements.

## ALLIANZ LIFE INSURANCE MALAYSIA BERHAD

(Company No. 104248- X)

(Incorporated in Malaysia)

### Notes to the interim financial statements

#### 1. Basis of preparation

The interim financial statements for the half-year ended 30 June 2011 of the Company are unaudited and have been prepared in accordance with Financial Reporting Standards ("FRS") as modified by Guidelines/Circulars issued by BNM pursuant to Section 90 of the Insurance Act, 1996, generally accepted accounting principles in Malaysia, the Companies Act, 1965 and the Insurance Act and Regulations, 1996.

The interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's audited financial statements for the year ended 31 December 2010.

#### 2. Changes in accounting policies

The accounting policies adopted by the Company for the condensed interim financial statements are consistent with those adopted in the Company audited financial statements for the financial year ended 31 December 2010, except for the adoption of the following:

FRSs/Amendment to FRSs/Interpretations	Effective date
Amendments to FRS 132, Financial Instruments: Presentation - Classification of Rights Issues	1 March 2010
Amendments to FRS 5, Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 138, Intangible Assets	1 July 2010
IC Interpretation 17, Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to IC Interpretation 9, Reassessment of Embedded Derivatives	1 July 2010
Amendments to FRS 2, Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 7, Financial Instruments: Disclosure - Improving Disclosures about Financial Instruments	1 January 2011
IC Interpretation 4, Determining whether an Arrangement contains a Lease	1 January 2011
Improvements to FRSs (2010)	1 January 2011

The initial application of the aforesaid standards, interpretations and amendments are not expected to have any material impact on the financial statements of the Company or any material changes in accounting policy.

Company No. 104248-X

### **3. Items of an unusual nature**

The results of the Company for the period under review were not substantially affected by any item, transaction or event of a material and unusual nature.

### **4. Changes in estimates**

There were no significant changes in estimates of amounts reported in prior financial years that have a material effect in the period under review.

### **5. Seasonal or cyclical factors**

The operations of the Company for the period under review were not significantly affected by seasonality or cyclical factors.

### **6. Property, plant and equipment**

The Company's property, plant and equipment are stated at cost/valuation less any accumulated depreciation and any accumulated impairment losses. There were no changes in the valuation of property, plant and equipment that were brought forward from the Company's audited financial statements for the year ended 31 December 2010.

Company No. 104248-X
----------------------

## 7. Investments

The Company's financial investments are summarised by categories as follows:

	Current		Non-current		Total	
	30.06.2011	31.12.2010	30.06.2011	31.12.2010	30.06.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Held-to-maturity financial assets ("HTM")	-	-	669,389	595,758	669,389	595,758
Available-for-sale financial assets ("AFS")	1,829,242	1,696,189	146,053	59,960	1,975,295	1,756,149
Loans and receivables ("LAR")	76,316	89,411	190,078	197,307	266,394	286,718
Held-for-trading ("HFT")	292,526	265,942	-	-	292,526	265,942
	<b>2,198,084</b>	<b>2,051,542</b>	<b>1,005,520</b>	<b>853,025</b>	<b>3,203,604</b>	<b>2,904,567</b>

	Amortised cost		Fair value	
	30.06.2011	31.12.2010	30.06.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000
<b>Held-to-maturity</b>				
Malaysian government securities	424,973	351,683	437,265	361,063
Malaysian government guaranteed bonds	136,318	126,098	145,101	134,197
Ringgit-denominated bonds	108,098	117,977	110,641	120,110
	<b>669,389</b>	<b>595,758</b>	<b>693,007</b>	<b>615,370</b>

## 7. Investments (continued)

	← Fair value →	
	30.06.2011	31.12.2010
	RM'000	RM'000
<b>Available-for-sale</b>		
Malaysian government securities	465,028	424,291
Malaysian government guaranteed bonds	119,351	64,900
Ringgit-denominated bonds	75,890	77,540
Quoted equity securities of corporations in Malaysia	192,802	204,045
Quoted equity securities of corporations outside Malaysia	9,499	15,912
Unquoted equity securities of corporations in Malaysia	2,147	2,147
Quoted bonds of corporations in Malaysia	2,967	3,023
Unquoted bonds of corporations in Malaysia	896,898	845,194
Quoted unit trusts in Malaysia	54,393	47,856
Unquoted unit trusts in Malaysia	397	384
Unquoted unit trusts outside Malaysia	9,870	10,897
Structured deposits with licensed banks	146,053	59,960
	1,975,295	1,756,149

	Amortised cost	Fair value	Amortised cost	Fair value
	30.06.2011	30.06.2011	31.12.2010	31.12.2010
	RM'000	RM'000	RM'000	RM'000
<b>Loans and receivables</b>				
Government guaranteed loans	190,000	190,000	188,000	188,000
Commercial loans	-	-	7,097	7,097
Fixed and call deposits with:				
Licensed banks	17,577	17,577	20,140	20,140
Mortgage loans	93	93	97	97
Policy loans	10,396	10,396	9,819	9,819
Automatic premium loans	48,328	48,328	44,241	44,241
Commercial loan	-	-	-	2,128
Negotiable certificate deposits with other licensed financial institutions	-	-	-	15,196
	266,394	266,394	269,394	286,718

**7. Investments (continued)**

	← Fair value →	
	30.06.2011	31.12.2010
	RM'000	RM'000
<b>Held-for-trading</b>		
Malaysian government securities	14,761	7,636
Quoted equity securities of corporations in Malaysia	144,217	136,431
Ringgit-denominated bonds	5,083	5,018
Quoted bonds of corporations in Malaysia	761	775
Unquoted bonds of corporations in Malaysia	74,266	67,724
Quoted unit trusts in Malaysia	633	232
Unquoted unit trusts outside Malaysia	17,373	19,105
Structured deposits with licensed banks	29,379	29,021
Malaysian government guaranteed bonds	6,053	-
	<u>292,526</u>	<u>265,942</u>

**Fair values of financial investments**

The Company's basis in estimation of fair values for financial instruments is as follows:

- The fair values of Malaysian government securities and Malaysian government guaranteed bonds, structured deposits and negotiable certificate of deposits are based on the indicative market prices;
- The fair values of quoted equity securities of corporations quoted in Malaysia, quoted bonds of corporations in Malaysia and quoted unit trusts in Malaysia are based on quoted closing market price as at the end of the reporting period;
- The unquoted equity securities in and outside Malaysia are stated at cost. Where in the opinion of the Directors, there is a decline other than temporary in value of unquoted equity securities, the allowance for impairment is recognised as an expense in the financial year in which the decline is identified;
- The fair values of multilateral development bank guaranteed bonds and unquoted bonds of corporations are based on the indicative market yields obtained from three financial institutions;
- The fair values of unquoted unit trusts in and outside Malaysia are based on the net asset values of the unit trusts as at the date of the statements of assets and liabilities obtained from fund managers; and
- The carrying amount of government guaranteed loan, commercial loans, policy loans, mortgage loans, automatic premium loans, other secured loans, other unsecured loans, bankers' acceptances and fixed and call deposits are assumed to approximate their fair values.

Estimation of the fair values of multilateral development bank guaranteed bonds, and unquoted bonds of corporations are based on the indicative market yields obtained from three financial institutions which involve projections of the market yields based on past transactions. There are elements of uncertainty in projecting the expected market yields and these uncertainties arise from changes in underlying risk and overall economic conditions. As such, the projected market yield may be different from the actual market yields in future.

**8. Reinsurance assets**

	30.06.2011	31.12.2010
	RM'000	RM'000
<b>Reinsurance of insurance contracts</b>		
Actuarial liabilities		
- Current	7,282	4,185
- Non-current	89,404	76,895
	<u>96,686</u>	<u>81,080</u>

Company No. 104248-X

**9. Insurance contract liabilities**

	30.06.2011			31.12.2010		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Actuarial liabilities	2,373,907	(96,686)	2,277,221	2,107,457	(81,080)	2,026,377
Unallocated surplus	476,872	-	476,872	414,316	-	414,316
Available-for-sale fair value reserves	57,044	-	57,044	51,707	-	51,707
Net asset value attributable to unitholders	303,655	-	303,655	274,877	-	274,877
Assets revaluation reserve	962	-	962	962	-	962
	<b>3,212,440</b>	<b>(96,686)</b>	<b>3,115,754</b>	<b>2,849,319</b>	<b>(81,080)</b>	<b>2,768,239</b>

	← Gross →			← Reinsurance →			Net RM'000
	With DPF	Without DPF	Total	With DPF	Without DPF	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>At 1 January 2010</b>	1,289,173	966,057	2,255,230	(2,275)	(69,329)	(71,604)	2,183,626
Premium received	509,309	520,150	1,029,459	(8,586)	(55,561)	(64,147)	965,312
Liabilities paid for death, maturities, surrenders, benefits and claims	(61,451)	(220,733)	(282,184)	5,922	39,167	45,089	(237,095)
Benefits and claims experience variation	21,126	(38,557)	(17,431)	1,274	18,189	19,463	2,032
Fees deducted	(139,313)	(188,153)	(327,466)	1,511	5,987	7,498	(319,968)
Credit of interest or change in unit-prices	4,896	-	4,896	-	-	-	4,896
Adjustments due to changes in assumptions	(1,902)	37,755	35,853	-	(17,379)	(17,379)	18,474
Net asset value attributable to unitholders	-	26,238	26,238	-	-	-	26,238
Available-for sale fair value reserves	49,428	15,234	64,662	-	-	-	64,662
Unallocated surplus	39,470	25,765	65,235	-	-	-	65,235
Deferred tax effects:							
Available-for-sale fair value reserves	(3,954)	(1,219)	(5,173)	-	-	-	(5,173)
<b>At 31 December 2010</b>	<b>1,706,782</b>	<b>1,142,537</b>	<b>2,849,319</b>	<b>(2,154)</b>	<b>(78,926)</b>	<b>(81,080)</b>	<b>2,768,239</b>

Company No. 104248-X

**9. Insurance contract liabilities (continued)**

	← Gross →			← Reinsurance →			Net RM'000
	With DPF RM'000	Without DPF RM'000	Total RM'000	With DPF RM'000	Without DPF RM'000	Total RM'000	
<b>At 1 January 2011</b>	1,706,782	1,142,537	2,849,319	(2,154)	(78,926)	(81,080)	2,768,239
Premium received	247,596	305,031	552,627	(4,604)	(30,315)	(34,919)	517,708
Liabilities paid for death, maturities, surrenders, benefits and claims	(33,158)	(96,895)	(130,053)	2,833	21,439	24,272	(105,781)
Benefits and claims experience variation	17,531	566	18,097	(330)	(3,149)	(3,479)	14,618
Fees deducted	(51,148)	(121,959)	(173,107)	2,214	2,029	4,243	(168,864)
Credit of interest or change in unit-prices	2,736	-	2,736	-	-	-	2,736
Adjustments due to changes in assumptions	-	9,415	9,415	-	(5,723)	(5,723)	3,692
Net asset value attributable to unitholders	-	15,513	15,513	-	-	-	15,513
Available-for sale fair value reserves	3,812	1,989	5,801	-	-	-	5,801
Unallocated surplus	43,966	18,590	62,556	-	-	-	62,556
Deferred tax effects:							
Available-for-sale fair value reserves	(305)	(159)	(464)	-	-	-	(464)
<b>At 30 June 2011</b>	<b>1,937,812</b>	<b>1,274,628</b>	<b>3,212,440</b>	<b>(2,041)</b>	<b>(94,645)</b>	<b>(96,686)</b>	<b>3,115,754</b>

**10. Changes in group composition**

There were no changes in the composition of the Company during the financial period under review.

Company No. 104248-X
----------------------

## 11. Capital commitments

	30.06.2011	31.12.2010
	RM'000	RM'000
Property, plant and equipment		
Authorised but not contracted for	4,886	6,779
Contracted but not provided for	1,194	2,585
	<u>6,080</u>	<u>9,364</u>

## 12. Operating leases

### Leases as lessee

Total future minimum lease payments under non-cancellable operating leases are as follows:

	30.06.2011	31.12.2010
	RM'000	RM'000
Less than one year	441	949
Between one and five years	790	897
	<u>1,231</u>	<u>1,846</u>

The Company leases a number of offices under operating leases. The leases typically run for a period of 1-5 years, with an option to renew the lease after that date. None of the leases includes contingent rentals.

### Leases as lessor

The Company leases out its investment property under operating leases. The future minimum lease receipts under non-cancellable leases are as follows:

	30.06.2011	31.12.2010
	RM'000	RM'000
Less than one year	<u>16</u>	<u>49</u>

## 13. Changes in contingent liabilities

There were no contingent liabilities as at the date of this report.

#### 14. Debt and equity securities

There were no issuance, repurchase and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the financial period under review.

#### 15. Regulatory capital requirement

The capital structure of the Company as at 30 June 2011, as prescribed under the RBC Framework is provided below:

	30.06.2011	31.12.2010
	RM'000	RM'000
<b>Tier 1 Capital</b>		
Paid up share capital	236,600	236,600
Reserves, including retained earnings	467,480	401,816
Capital instruments which qualifies as Tier 1 Capital	451,225	476,347
	<u>1,155,305</u>	<u>1,114,763</u>
<b>Tier 2 Capital</b>		
Revaluation reserves	962	962
Available-for-sale reserves	58,181	52,419
	<u>59,143</u>	<u>53,381</u>
<b>Amount deducted from Capital</b>	<u>(1,345)</u>	<u>(1,393)</u>
<b>Total Capital Available</b>	<u><u>1,213,103</u></u>	<u><u>1,166,751</u></u>

#### 16. Subsequent events

There were no significant subsequent events as at the date of this report.

#### 17. Dividend

No dividend has been proposed or declared during the half year under review (30 June 2010: Nil).

## 18. Insurance funds

The Company's activities are organised by funds and segregated into life and shareholders' funds in accordance with the Insurance Act, 1996 and Insurance Regulations, 1996.

The Company's statement of financial position and income statement have been further analysed by funds.

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

### Interim statement of financial position by funds

As at 30 June 2011

	Shareholders' Funds		Life Fund		Total	
	30.06.2011	31.12.2010	30.06.2011	31.12.2010	30.06.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Assets</b>						
Property, plant and equipment	-	-	18,123	16,773	18,123	16,773
Investment properties	-	-	2,650	2,650	2,650	2,650
Intangible assets	-	-	148	171	148	171
Investments	213,565	176,447	2,990,039	2,728,120	3,203,604	2,904,567
Reinsurance assets	-	-	96,686	81,080	96,686	81,080
Insurance receivables	-	-	44,704	41,958	44,704	41,958
Other receivables, deposits and prepayments	2,862	17,498	42,582	58,773	45,444	76,271
Cash and cash equivalents	14,011	31,776	269,256	195,442	283,267	227,218
<b>Total assets</b>	<b>230,438</b>	<b>225,721</b>	<b>3,464,188</b>	<b>3,124,967</b>	<b>3,694,626</b>	<b>3,350,688</b>
<b>Equity, policyholders' funds and liabilities</b>						
<b>Total equity</b>	<b>228,344</b>	<b>224,812</b>	<b>-</b>	<b>-</b>	<b>228,344</b>	<b>224,812</b>
<b>Liabilities</b>						
Insurance contract liabilities	-	-	3,212,440	2,849,319	3,212,440	2,849,319
Deferred tax liabilities	379	237	7,011	6,011	7,390	6,248
Other financial liabilities	-	-	1,582	1,582	1,582	1,582
Insurance payable	-	-	58,937	73,888	58,937	73,888
Other payables and accruals	52	48	120,753	134,333	120,805	134,381
Benefits and claims liabilities	-	-	59,125	59,545	59,125	59,545
Current tax liabilities	1,663	624	4,340	289	6,003	913
<b>Total liabilities</b>	<b>2,094</b>	<b>909</b>	<b>3,464,188</b>	<b>3,124,967</b>	<b>3,466,282</b>	<b>3,125,876</b>
<b>Total equity, policyholders' funds and liabilities</b>	<b>230,438</b>	<b>225,721</b>	<b>3,464,188</b>	<b>3,124,967</b>	<b>3,694,626</b>	<b>3,350,688</b>

## 18. Insurance funds (continued)

### Interim income statement/Revenue accounts by funds

For the half-year ended 30 June 2011

	Shareholders' Funds		Life Fund		Total	
	30.06.2011	30.06.2010	30.06.2011	30.06.2010	30.06.2011	30.06.2010
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Operating revenue</b>	<u>4,155</u>	<u>2,224</u>	<u>619,701</u>	<u>532,738</u>	<u>623,856</u>	<u>534,962</u>
Gross earned premiums	-	-	552,627	482,259	552,627	482,259
Premiums ceded to reinsurers	-	-	(34,919)	(31,340)	(34,919)	(31,340)
<b>Net premiums</b>	<u>-</u>	<u>-</u>	<u>517,708</u>	<u>450,919</u>	<u>517,708</u>	<u>450,919</u>
Investment income	4,155	2,224	67,074	50,480	71,229	52,704
Realised gains and losses	1	(633)	38,105	22,488	38,106	21,855
Fair value gains and losses	-	-	5,155	(8,189)	5,155	(8,189)
Fee and commission income	-	-	4,243	3,329	4,243	3,329
Other operating income	-	-	2,730	1,586	2,730	1,586
<b>Other revenue</b>	<u>4,156</u>	<u>1,591</u>	<u>117,307</u>	<u>69,694</u>	<u>121,463</u>	<u>71,285</u>
Gross benefits and claims paid	-	-	(130,053)	(133,890)	(130,053)	(133,890)
Claims ceded to reinsurers	-	-	24,272	18,155	24,272	18,155
Gross change to contract liabilities	-	-	(357,785)	(237,982)	(357,785)	(237,982)
Change in contract liabilities ceded to reinsurers	-	-	15,606	6,097	15,606	6,097
<b>Net benefits and claims</b>	<u>-</u>	<u>-</u>	<u>(447,960)</u>	<u>(347,620)</u>	<u>(447,960)</u>	<u>(347,620)</u>
Fee and commission expense	-	-	(130,498)	(123,995)	(130,498)	(123,995)
Management expenses	(5)	(5)	(42,609)	(38,707)	(42,614)	(38,712)
Other operating expenses	(6)	(12)	(5,367)	(5,129)	(5,373)	(5,141)
<b>Other expenses</b>	<u>(11)</u>	<u>(17)</u>	<u>(178,474)</u>	<u>(167,831)</u>	<u>(178,485)</u>	<u>(167,848)</u>
<b>Profit/Surplus before tax</b>	<u>4,145</u>	<u>1,574</u>	<u>8,581</u>	<u>5,162</u>	<u>12,726</u>	<u>6,736</u>
Tax expense	(1,039)	(556)	(8,581)	(5,162)	(9,620)	(5,718)
<b>Net profit/surplus after tax</b>	<u>3,106</u>	<u>1,018</u>	<u>-</u>	<u>-</u>	<u>3,106</u>	<u>1,018</u>

**18. Insurance funds (continued)****Interim statement of financial position for Investment-linked funds****As at 30 June 2011**

	<b>30.06.2011</b>	<b>31.12.2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Assets</b>		
Investments	258,943	249,586
Other receivables, deposits and prepayments	9,119	7,274
Cash and cash equivalents	42,516	30,492
<b>Total assets</b>	<u>310,578</u>	<u>287,352</u>
<b>Liabilities</b>		
Deferred tax liabilities	1,430	1,102
Other payables and accruals	126	124
Benefits and claims liabilities	5,304	11,247
Current tax liabilities	63	2
<b>Total liabilities</b>	<u>6,923</u>	<u>12,475</u>
<b>Net asset value of funds</b>	<u><u>303,655</u></u>	<u><u>274,877</u></u>

**Interim income statement for Investment-linked funds****For the half-year ended 30 June 2011**

	<b>30.06.2011</b>	<b>30.06.2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Investment income	5,421	4,413
Realised gains and losses	7,053	10,700
Fair value gain and losses	4,939	(8,190)
Other operating income	960	9
	<u>18,373</u>	<u>6,932</u>
Other operating expenditure	(1,622)	(1,531)
Profit before taxation	16,751	5,401
Tax expense	(1,238)	(667)
<b>Net profit for the period</b>	<u><u>15,513</u></u>	<u><u>4,734</u></u>