

ALLIANZ LIFE INSURANCE MALAYSIA BERHAD

(Company No. 104248-X)

(Incorporated in Malaysia)

Condensed Unaudited Interim Financial Statements
for the half-year ended 30 June 2016

ALLIANZ LIFE INSURANCE MALAYSIA BERHAD

(Company No. 104248- X)

(Incorporated in Malaysia)

Contents	Page
Statement of financial position	1
Statement of profit and loss	2
Statement of profit or loss and other comprehensive income	3
Statement of changes in equity	4
Statement of cash flows	5 - 6
Notes to the financial statements	7 - 16

ALLIANZ LIFE INSURANCE MALAYSIA BERHAD
 (Company No. 104248- X)
 (Incorporated in Malaysia)

**Condensed interim statement of financial position
 as at 30 June 2016 - unaudited**

	Note	30.06.2016 RM'000	31.12.2015 RM'000
Assets			
Property, plant and equipment	6	33,893	32,708
Investment properties		3,840	3,840
Intangible assets		34,521	36,939
Investments		7,605,534	7,130,078
Derivative financial assets		24,401	5,724
Reinsurance assets	7	64,594	65,076
Insurance receivables		82,896	68,823
Other receivables, deposits and prepayments		119,826	89,973
Cash and cash equivalents		581,965	433,163
Total assets		<u>8,551,470</u>	<u>7,866,324</u>
Equity, policyholders' funds and liabilities			
Share capital		236,600	236,600
Fair value reserve		1,184	(1,398)
Revaluation reserve		2,522	2,522
Retained earnings		510,119	486,564
Total equity		<u>750,425</u>	<u>724,288</u>
Insurance contract liabilities	8	7,001,495	6,407,711
Deferred tax liabilities		164,955	148,895
Derivative financial liabilities		2,422	3,455
Subordinated loan		54,300	54,300
Other financial liabilities		4,321	989
Insurance payables		148,858	162,020
Other payables and accruals		180,365	165,404
Benefits and claims liabilities		232,632	194,561
Current tax liabilities		11,697	4,701
Total policyholders' funds and liabilities		<u>7,801,045</u>	<u>7,142,036</u>
Total equity, policyholders' funds and liabilities		<u>8,551,470</u>	<u>7,866,324</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 profit and loss
for the half-year ended 30 June 2016 - unaudited**

	Cumulative Period	
	Current Year Half-yearly 30.06.2016 RM'000	Preceding Year Corresponding Half-yearly 30.06.2015 RM'000
Operating revenue	<u>1,187,102</u>	<u>1,070,965</u>
Gross earned premiums	1,026,246	933,060
Premiums ceded to reinsurers	<u>(73,457)</u>	<u>(79,592)</u>
Net earned premiums	<u>952,789</u>	<u>853,468</u>
Investment income	160,856	137,905
Realised gains	39,947	26,779
Fair value gains and losses	49,303	277
Fee and commission income	202	6,191
Other operating income	<u>7,219</u>	<u>5,269</u>
Other revenue	<u>257,527</u>	<u>176,421</u>
Gross benefits and claims paid	(360,720)	(290,428)
Claims ceded to reinsurers	62,725	61,986
Gross change in contract liabilities	(575,876)	(493,843)
Change in contract liabilities ceded to reinsurers	<u>(482)</u>	<u>(1,205)</u>
Net benefits and claims	<u>(874,353)</u>	<u>(723,490)</u>
Fee and commission expense	(176,733)	(167,826)
Management expenses	(89,766)	(73,468)
Other operating expenses	<u>(16,664)</u>	<u>(12,033)</u>
Other expenses	<u>(283,163)</u>	<u>(253,327)</u>
Profit before tax	52,800	53,072
Tax expense	<u>(29,245)</u>	<u>(24,057)</u>
Net profit for the period	<u>23,555</u>	<u>29,015</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 profit or loss and other comprehensive income
for the half-year ended 30 June 2016 - unaudited**

	Cumulative Period	
	Current Year Half-yearly 30.06.2016 RM'000	Preceding Year Corresponding Half-yearly 30.06.2015 RM'000
Net profit for the period attributable to owners of the Company	23,555	29,015
Other comprehensive income, net of tax Items that are or may be reclassified subsequently to profit or loss		
Fair value of available-for-sale ("AFS") financial assets	3,424	1,853
Tax effects thereon	(842)	(466)
	<u>2,582</u>	<u>1,387</u>
Total other comprehensive income for the period, net of tax	<u>2,582</u>	<u>1,387</u>
Total comprehensive income for the period attributable to owners of the Company	<u><u>26,137</u></u>	<u><u>30,402</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 2016 - unaudited**

	← Non-distributable →			← Distributable →		
	Share capital RM'000	Fair value reserve RM'000	Revaluation reserve RM'000	Non participating fund surplus* RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2015	236,600	(1,475)	794	378,554	33,941	648,414
Fair value of available-for-sale financial assets	-	1,387	-	-	-	1,387
Total other comprehensive income for the period	-	1,387	-	-	-	1,387
Profit/(Loss) for the period	-	-	-	31,214	(2,199)	29,015
Total comprehensive income/(loss) for the period	-	1,387	-	31,214	(2,199)	30,402
At 30 June 2015	<u>236,600</u>	<u>(88)</u>	<u>794</u>	<u>409,768</u>	<u>31,742</u>	<u>678,816</u>
At 1 January 2016	236,600	(1,398)	2,522	449,104	37,460	724,288
Fair value of available-for-sale financial assets	-	2,582	-	-	-	2,582
Total other comprehensive income for the period	-	2,582	-	-	-	2,582
Profit/(Loss) for the period	-	-	-	26,586	(3,031)	23,555
Total comprehensive income/(loss) for the period	-	2,582	-	26,586	(3,031)	26,137
At 30 June 2016	<u>236,600</u>	<u>1,184</u>	<u>2,522</u>	<u>475,690</u>	<u>34,429</u>	<u>750,425</u>

* The non participating fund surplus amount is net of deferred tax. This amount is only distributable when the surplus is transferred from life fund to the Shareholders' fund.

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 cash flows
for the half-year ended 30 June 2016 - unaudited**

	30.06.2016	30.06.2015
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	52,800	53,072
<i>Adjustments for:</i>		
Investment income	(160,856)	(137,905)
Interest expense	4,177	3,597
Realised gains recorded in profit or loss	(39,947)	(26,729)
Fair value gain on investments recorded in profit or loss	(65,090)	(277)
Purchases of financial investments	(1,239,580)	(1,068,082)
Maturity of financial investments	80,000	145,000
Proceeds from sale of financial investments	847,740	443,869
Change in loans and receivables (LAR)	(70,792)	(74,517)
Non-cash items:		
Change in fair value of AFS financial assets	(17,908)	172
Allowance for/(Reversal of) impairment loss on receivables	1,418	(427)
Amortisation of intangible assets	2,418	2,418
Depreciation of property, plant and equipment	2,087	1,713
Loss on disposal of property, plant and equipment	-	(50)
Property, plant and equipment written off	-	5
Impairment loss on AFS financial investments	15,787	-
Operating loss before changes in working capital	(587,746)	(658,141)
Changes in working capital:		
Change in reinsurance assets	482	1,205
Change in insurance receivables	(15,302)	(15,775)
Change in other receivables, deposits and prepayments	(30,042)	48,134
Change in insurance contract liabilities	593,784	493,671
Change in other financial liabilities	3,332	252
Change in insurance payables	(13,162)	(3,045)
Change in other payables	12,016	(47,929)
Change in benefits and claims liabilities	38,071	9,709
Cash generated from/(used in) operations	1,433	(171,919)

ALLIANZ LIFE INSURANCE MALAYSIA BERHAD

(Company No. 104248- X)

(Incorporated in Malaysia)

**Condensed interim statement of cash flows
for the half-year ended 30 June 2016 - unaudited
(continued)**

	30.06.2016	30.06.2015
	RM'000	RM'000
Tax paid	(8,561)	(11,188)
Dividend received	17,539	14,405
Coupon interest received	138,601	119,398
Other income received	4,231	4,003
Rental income on investment properties received	63	65
Net cash generated from/(used in) operating activities	153,306	(45,236)
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	2	50
Acquisition of property, plant and equipment	(3,274)	(4,706)
Net cash used in investing activities	(3,272)	(4,656)
Cash flows from financing activities		
Payment of loan interest to holding company	(1,232)	(1,232)
Net cash used in financing activities	(1,232)	(1,232)
Net increase/(decrease) in cash and cash equivalents	148,802	(51,124)
Cash and cash equivalents at 1 January	433,163	531,148
Cash and cash equivalents at 30 June	581,965	480,024
Cash and cash equivalents comprise:		
Fixed and call deposits with licensed financial institutions (with maturity less than three months):	561,810	452,755
Cash and bank balances	20,155	27,269
	581,965	480,024

ALLIANZ LIFE INSURANCE MALAYSIA BERHAD

(Company No. 104248- X)

(Incorporated in Malaysia)

Notes to the interim financial statements

1) Basis of preparation

These condensed interim financial statements of the Company as at and for the period ended 30 June 2016 have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting and with IAS 34: Interim Financial Reporting.

They do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended 31 December 2015.

2) Changes in accounting policies

The accounting policies and presentation adopted by the Company for the condensed interim financial statements are consistent with those adopted in the Company's audited financial statements for the financial year ended 31 December 2015, except for the adoption of the following:

MFRSs, Amendments to MFRSs and IC Interpretation		Effective date
Amendments to MFRS 7	Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)	1 January 2016
Amendments to MFRS 10	Consolidated Financial Statements, MFRS 12, Disclosure of Interests in Other Entities and MFRS 128, Investments in Associates and Joint Ventures- Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101	Presentation of Financial Statements- Disclosure Initiative	1 January 2016
Amendments to MFRS 116	Property, Plant and Equipment and MFRS 138, Intangible Assets- Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 134	Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)	1 January 2016

3) Items of an unusual nature

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

4) Changes in estimates

There were no material changes in the basis used for accounting estimates for the financial period ended 30 June 2016.

5) Seasonal or Cyclical Factors

The operations of the Company for the financial 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 statement for the year ended 31 December 2015.

7. Reinsurance assets

	30.06.2016	31.12.2015
	RM'000	RM'000
Reinsurance of insurance contracts		
Actuarial liabilities		
-Current	70	82
-Non-current	64,524	64,994
	<u>64,594</u>	<u>65,076</u>

8. Insurance contract liabilities

	← 30.06.2016 →			← 31.12.2015 →		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Actuarial liabilities	5,832,182	(64,594)	5,767,588	5,458,514	(65,076)	5,393,438
Unallocated surplus	179,679	-	179,679	54,085	-	54,085
Hedging reserve	(2,597)	-	(2,597)	(1,140)	-	(1,140)
Available-for-sale fair value reserve	68,966	-	68,966	49,601	-	49,601
Net asset value attributable to unitholders	917,285	-	917,285	840,671	-	840,671
Revaluation reserve	5,980	-	5,980	5,980	-	5,980
	<u>7,001,495</u>	<u>(64,594)</u>	<u>6,936,901</u>	<u>6,407,711</u>	<u>(65,076)</u>	<u>6,342,635</u>
	Note 7			Note 7		

8. 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	
At 1 January 2015	3,321,767	2,172,882	5,494,649	-	(69,980)	(69,980)	5,424,669
Premiums received	380,570	1,571,585	1,952,155	(10,334)	(153,649)	(163,983)	1,788,172
Liabilities paid for death, maturities, surrenders, benefits and claims	(163,761)	(494,607)	(658,368)	6,358	159,578	165,936	(492,432)
Benefits and claims experience variation	2,710	(12,355)	(9,645)	3,924	(7,039)	(3,115)	(12,760)
Fees deducted	(35,523)	(473,504)	(509,027)	52	6,454	6,506	(502,521)
Expected interest on reserve/net investment income attributable to Universal Life Fund	143,387	57,919	201,306	-	(840)	(840)	200,466
Adjustments due to changes in assumptions	(25,963)	(26,457)	(52,420)	-	400	400	(52,020)
Net asset value attributable to unitholders	-	22,231	22,231	-	-	-	22,231
Hedging reserve	(1,239)	-	(1,239)	-	-	-	(1,239)
Available-for-sale fair value reserve	(23,017)	-	(23,017)	-	-	-	(23,017)
Revaluation reserve	4,532	-	4,532	-	-	-	4,532
Unallocated surplus	(15,053)	-	(15,053)	-	-	-	(15,053)
Deferred tax effects:							
- Hedging reserve	99	-	99	-	-	-	99
- Available-for-sale fair value reserve	1,841	-	1,841	-	-	-	1,841
- Revaluation reserve	(333)	-	(333)	-	-	-	(333)
At 31 December 2015	3,590,017	2,817,694	6,407,711	-	(65,076)	(65,076)	6,342,635

8. 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	
At 1 January 2016	3,590,017	2,817,694	6,407,711	-	(65,076)	(65,076)	6,342,635
Premiums received	160,405	865,841	1,026,246	(4,048)	(69,409)	(73,457)	952,789
Liabilities paid for death, maturities, surrenders, benefits and claims	(103,226)	(257,494)	(360,720)	2,713	60,012	62,725	(297,995)
Benefits and claims experience variation	(5,403)	(33,157)	(38,560)	1,354	12,113	13,467	(25,093)
Fees deducted	(13,877)	(247,866)	(261,743)	(19)	221	202	(261,541)
Expected interest on reserve/net investment income attributable to Universal Life Fund	75,633	51,182	126,815	-	(829)	(829)	125,986
Adjustments due to changes in assumptions	(68,468)	28,092	(40,376)	-	(1,626)	(1,626)	(42,002)
Net asset value attributable to unitholders	-	(1,380)	(1,380)	-	-	-	(1,380)
Hedging reserve	(1,584)	-	(1,584)	-	-	-	(1,584)
Available-for sale fair value reserve	21,049	-	21,049	-	-	-	21,049
Revaluation reserve	-	-	-	-	-	-	-
Unallocated surplus	125,594	-	125,594	-	-	-	125,594
Deferred tax effect:							
- Hedging reserve	127	-	127	-	-	-	127
- Available-for-sale fair value reserve	(1,684)	-	(1,684)	-	-	-	(1,684)
- Revaluation reserve	-	-	-	-	-	-	-
At 30 June 2016	3,778,583	3,222,912	7,001,495	-	(64,594)	(64,594)	6,936,901

9. Changes in Company composition

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

10. Capital commitments

	30.06.2016	31.12.2015
	RM'000	RM'000
Property, plant and equipment:		
Approved but not contracted for	6,483	8,250
Contracted but not provided for	2,931	2,491
	<u>9,414</u>	<u>10,741</u>
Intangible assets:		
Approved but not contracted for	14,492	16,541
Contracted but not provided for	1,994	1,423
	<u>16,486</u>	<u>17,964</u>

11. Operating leases

Leases as lessee

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

	30.06.2016	31.12.2015
	RM'000	RM'000
Less than one year	1,098	1,969
Between one and five years	1,297	1,258
	<u>2,395</u>	<u>3,227</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 receivable under non-cancellable leases are as follows:

	30.06.2016	31.12.2015
	RM'000	RM'000
Less than one year	247	240
Between one and five years	146	260
	<u>393</u>	<u>500</u>

12. Related party transactions

Significant related party transactions are as follows:

	Transactions value	
	Six months ended	
	30 June	
	2016	2015
	RM'000	RM'000
Related companies*	<u>(62,373)</u>	<u>(66,564)</u>

* Related companies are companies within the Allianz SE group.

13. Changes in contingent liabilities or contingent assets

The Company does not have contingent liabilities and contingent assets as the date of this report.

14. Debt and equity securities

There were no other issuance of shares, shares buy-back and repayment of debt and equity securities by the Company during the financial period under review.

15. Regulatory capital requirement

The total capital available of the Company as at 30 June 2016, as prescribed under the Risk-Based Capital Framework ("RBC Framework") is provided below:

	30.06.2016	31.12.2015
	RM'000	RM'000
Tier 1 Capital		
Paid up share capital	236,600	236,600
Reserves, including retained earnings	840,016	682,470
Capital instruments which qualifies as Tier 1 Capital	459,511	599,388
	<u>1,536,127</u>	<u>1,518,458</u>
Tier 2 Capital		
Revaluation reserve	8,502	8,501
Available-for-sale reserve	70,150	47,063
General reserve	(2,596)	-
Subordinated loan	55,478	55,492
	<u>131,534</u>	<u>111,056</u>
Amount deducted from capital	(37,916)	(42,768)
Total capital available	<u><u>1,629,745</u></u>	<u><u>1,586,746</u></u>

16. Subsequent events

There were no material events subsequent to the end of the financial period under review that have not been reported in this report.

17. Dividend paid

No dividend has been proposed or declared for the financial period under review (2015: Interim dividend per ordinary share of 2.00 sen under single tier system).

18. Insurance funds

The Company's activities are organised by funds and segregated into Life and Shareholders' funds in accordance with the Financial Services Act, 2013.

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

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

**Interim statement of financial position by funds
as at 30 June 2016 - unaudited**

	Shareholders' Funds		Life Fund		Total	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015	30.06.2016	31.12.2015
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets						
Property, plant and equipment	-	-	33,893	32,708	33,893	32,708
Investment properties	-	-	3,840	3,840	3,840	3,840
Intangible assets	34,084	36,356	437	583	34,521	36,939
Investments	271,136	278,841	7,334,398	6,851,237	7,605,534	7,130,078
Derivative financial assets	-	-	24,401	5,724	24,401	5,724
Reinsurance assets	-	-	64,594	65,076	64,594	65,076
Insurance receivables	-	-	82,896	68,823	82,896	68,823
Other receivables, deposits and prepayments	8,113	8,016	111,713	81,957	119,826	89,973
Cash and cash equivalents	20,444	7,830	561,521	425,333	581,965	433,163
Total assets	333,777	331,043	8,217,693	7,535,281	8,551,470	7,866,324

18. Insurance funds (continued)

Interim statement of financial position by funds
as at 30 June 2016 - unaudited (continued)

Equity, policyholders' funds and liabilities

	Shareholders' Funds		Life Fund		Total	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015	30.06.2016	31.12.2015
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Share capital	236,600	236,600	-	-	236,600	236,600
Fair value reserve	1,059	(1,520)	125	122	1,184	(1,398)
Asset revaluation reserve	-	-	2,522	2,522	2,522	2,522
Accumulated losses	34,430	37,460	475,689	449,104	510,119	486,564
Total equity	272,089	272,540	478,336	451,748	750,425	724,288
Insurance contract liabilities	-	-	7,001,495	6,407,711	7,001,495	6,407,711
Deferred tax liabilities/(assets)	573	(289)	164,382	149,184	164,955	148,895
Derivative financial liabilities	-	-	2,422	3,455	2,422	3,455
Subordinated loans	54,300	54,300	-	-	54,300	54,300
Other financial liabilities	-	-	4,321	989	4,321	989
Insurance payables	-	-	148,858	162,020	148,858	162,020
Other payables and accruals	5,261	3,709	175,104	161,695	180,365	165,404
Benefits and claims liabilities	-	-	232,632	194,561	232,632	194,561
Current tax liabilities	1,554	783	10,143	3,918	11,697	4,701
Total policyholders' funds and liabilities	61,688	58,503	7,739,357	7,083,533	7,801,045	7,142,036
Total equity, policyholders' funds	333,777	331,043	8,217,693	7,535,281	8,551,470	7,866,324

18. Insurance funds (continued)**Interim statement of profit or loss by funds
for the half-year ended 30 June - unaudited**

	Shareholders' Funds		Life Fund		Total	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Operating revenue	<u>5,909</u>	<u>5,309</u>	<u>1,181,193</u>	<u>1,065,656</u>	<u>1,187,102</u>	<u>1,070,965</u>
Gross earned premiums	-	-	1,026,246	933,060	1,026,246	933,060
Premiums ceded to reinsurers	-	-	(73,457)	(79,592)	(73,457)	(79,592)
Net earned premiums	<u>-</u>	<u>-</u>	<u>952,789</u>	<u>853,468</u>	<u>952,789</u>	<u>853,468</u>
Investment income	5,909	5,309	154,947	132,596	160,856	137,905
Realised gains	81	-	39,866	26,779	39,947	26,779
Fair value gains and losses	-	-	49,303	277	49,303	277
Fee and commission income	-	-	202	6,191	202	6,191
Other operating income	6	23	7,213	5,246	7,219	5,269
Other revenue	<u>5,996</u>	<u>5,332</u>	<u>251,531</u>	<u>171,089</u>	<u>257,527</u>	<u>176,421</u>
Gross benefits and claims paid	-	-	(360,720)	(290,428)	(360,720)	(290,428)
Claims ceded to reinsurers	-	-	62,725	61,986	62,725	61,986
Gross change in contract liabilities	-	-	(575,876)	(493,843)	(575,876)	(493,843)
Change in contract liabilities ceded to reinsurers	-	-	(482)	(1,205)	(482)	(1,205)
Net benefits and claims	<u>-</u>	<u>-</u>	<u>(874,353)</u>	<u>(723,490)</u>	<u>(874,353)</u>	<u>(723,490)</u>
Fee and commission expense	-	-	(176,733)	(167,826)	(176,733)	(167,826)
Management expenses	(4,756)	(4,401)	(85,010)	(69,067)	(89,766)	(73,468)
Other operating expenses	(2,848)	(1,825)	(13,816)	(10,208)	(16,664)	(12,033)
Other expenses	<u>(7,604)</u>	<u>(6,226)</u>	<u>(275,559)</u>	<u>(247,101)</u>	<u>(283,163)</u>	<u>(253,327)</u>
(Loss)/Profit/Surplus before tax	<u>(1,608)</u>	<u>(894)</u>	<u>54,408</u>	<u>53,966</u>	<u>52,800</u>	<u>53,072</u>
Tax expense	(1,423)	(1,305)	(27,822)	(22,752)	(29,245)	(24,057)
Net (loss)/Profit/Surplus after tax	<u>(3,031)</u>	<u>(2,199)</u>	<u>26,586</u>	<u>31,214</u>	<u>23,555</u>	<u>29,015</u>

18. Insurance funds (continued)**Interim Investment-linked funds statement of assets and liabilities
as at 30 June 2016 - unaudited**

	30.06.2016	31.12.2015
	RM'000	RM'000
Assets		
Financial investments	790,367	720,898
Interest and dividend receivables, and other receivables	14,029	8,549
Cash and cash equivalents	119,162	114,900
Total assets	923,558	844,347
Liabilities		
Deferred tax liabilities	1,980	2,316
Other financial liabilities	2,238	198
Other payables	717	436
Benefits and claims liabilities	1,338	726
Total liabilities	6,273	3,676
Net asset value of funds (Note 8)	917,285	840,671

**Interim Investment-linked funds statement of income and expenditure
for the half-year ended 30 June - unaudited**

	2016	2015
	RM'000	RM'000
Investment income	13,622	11,574
Realised gains	(5,383)	3,908
Fair value gains and losses	(4,009)	(9,541)
Other operating income	10	2
	4,240	5,943
Management expenses	(29)	-
Other operating expenses	(5,716)	(4,485)
(Loss)/Profit before tax	(1,505)	1,458
Tax expense	125	(8)
Net (loss)/profit for the period	(1,380)	1,450