

**ALLIANZ LIFE INSURANCE MALAYSIA BERHAD**

(Company No. 104248-X)

(Incorporated in Malaysia)

Condensed Unaudited Interim Financial Statements  
for the half-year ended 30 June 2017

**ALLIANZ LIFE INSURANCE MALAYSIA BERHAD**

(Company No. 104248- X)

(Incorporated in Malaysia)

<b>Contents</b>	<b>Page</b>
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 2017 - unaudited**

	Note	30.06.2017 RM'000	31.12.2016 RM'000
<b>Assets</b>			
Property, plant and equipment	6	34,336	35,334
Investment properties		3,840	3,840
Intangible assets		31,073	32,661
Investments		8,957,281	8,273,533
Derivative financial assets		23,385	15,425
Reinsurance assets	7	58,768	59,975
Insurance receivables		68,982	50,658
Other receivables, deposits and prepayments		122,398	128,579
Cash and cash equivalents		604,473	421,124
<b>Total assets</b>		<u>9,904,536</u>	<u>9,021,129</u>
<b>Equity, policyholders' funds and liabilities</b>			
Share capital		236,600	236,600
Fair value reserve		397	(1,190)
Revaluation reserve		2,522	2,522
Retained earnings		592,920	567,526
<b>Total equity</b>		<u>832,439</u>	<u>805,458</u>
Insurance contract liabilities	8	8,102,640	7,347,962
Deferred tax liabilities		202,487	172,596
Derivative financial liabilities		6,733	13,873
Subordinated loan		54,300	54,300
Other financial liabilities		26,522	5,308
Insurance payables		168,235	152,874
Other payables and accruals		209,405	206,346
Benefits and claims liabilities		286,980	253,726
Current tax liabilities		14,795	8,686
<b>Total policyholders' funds and liabilities</b>		<u>9,072,097</u>	<u>8,215,671</u>
<b>Total equity, policyholders' funds and liabilities</b>		<u>9,904,536</u>	<u>9,021,129</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 2017 - unaudited**

	<b>Cumulative Period</b>	
	<b>Current Year Half-yearly 30.06.2017 RM'000</b>	<b>Preceding Year Corresponding Half-yearly 30.06.2016 RM'000</b>
<b>Operating revenue</b>	<u>1,272,502</u>	<u>1,187,102</u>
Gross earned premiums	1,084,456	1,026,246
Premiums ceded to reinsurers	<u>(82,341)</u>	<u>(73,457)</u>
<b>Net earned premiums</b>	<u>1,002,115</u>	<u>952,789</u>
Investment income	188,046	160,856
Realised gains	67,871	39,947
Fair value gains and losses	164,914	49,303
Fee and commission income	196	202
Other operating income	<u>9,675</u>	<u>7,219</u>
<b>Other revenue</b>	<u>430,702</u>	<u>257,527</u>
Gross benefits and claims paid	<u>(441,467)</u>	<u>(360,720)</u>
Claims ceded to reinsurers	52,836	62,725
Gross change in contract liabilities	<u>(666,279)</u>	<u>(575,876)</u>
Change in contract liabilities ceded to reinsurers	<u>(1,207)</u>	<u>(482)</u>
<b>Net benefits and claims</b>	<u>(1,056,117)</u>	<u>(874,353)</u>
Fee and commission expense	<u>(190,944)</u>	<u>(176,733)</u>
Management expenses	<u>(105,378)</u>	<u>(89,766)</u>
Other operating expenses	<u>(14,573)</u>	<u>(16,664)</u>
<b>Other expenses</b>	<u>(310,895)</u>	<u>(283,163)</u>
<b>Profit before tax</b>	65,805	52,800
Tax expense	<u>(40,411)</u>	<u>(29,245)</u>
<b>Net profit for the period</b>	<u>25,394</u>	<u>23,555</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 2017 - unaudited**

	<b>Cumulative Period</b>	
	<b>Current Year Half-yearly 30.06.2017 RM'000</b>	<b>Preceding Year Corresponding Half-yearly 30.06.2016 RM'000</b>
<b>Net profit for the period attributable to owners of the Company</b>	25,394	23,555
<b>Other comprehensive income, net of tax Items that are or may be reclassified subsequently to profit or loss</b>		
Fair value of available-for-sale ("AFS") financial assets	2,082	3,424
Tax effects thereon	(495)	(842)
	<u>1,587</u>	<u>2,582</u>
<b>Total other comprehensive income for the period, net of tax</b>	<u>1,587</u>	<u>2,582</u>
<b>Total comprehensive income for the period attributable to owners of the Company</b>	<u><u>26,981</u></u>	<u><u>26,137</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 2017 - 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
<b>At 1 January 2016</b>	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
<b>Total comprehensive income/(loss) for the period</b>	-	2,582	-	26,586	(3,031)	26,137
<b>At 30 June 2016</b>	<u>236,600</u>	<u>1,184</u>	<u>2,522</u>	<u>475,690</u>	<u>34,429</u>	<u>750,425</u>
<b>At 1 January 2017</b>	236,600	(1,190)	2,522	524,516	43,010	805,458
Fair value of available-for-sale financial assets	-	1,587	-	-	-	1,587
Asset revaluation	-	-	-	-	-	-
Total other comprehensive income for the period	-	1,587	-	-	-	1,587
Profit/(Loss) for the period	-	-	-	27,239	(1,845)	25,394
<b>Total comprehensive income/(loss) for the period</b>	-	1,587	-	27,239	(1,845)	26,981
<b>At 30 June 2017</b>	<u>236,600</u>	<u>397</u>	<u>2,522</u>	<u>551,755</u>	<u>41,165</u>	<u>832,439</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 2017 - unaudited**

	<b>30.06.2017</b>	<b>30.06.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	65,805	52,800
<i>Adjustments for:</i>		
Investment income	(188,046)	(160,856)
Interest expense	2,216	4,177
Realised gains recorded in profit or loss	(67,802)	(39,952)
Fair value gain on investments recorded in profit or loss	(166,625)	(65,090)
Purchases of financial investments	(1,269,026)	(1,239,580)
Maturity of financial investments	90,000	80,000
Proceeds from sale of financial investments	723,936	847,740
Change in loans and receivables (LAR)	88,125	(70,792)
<b>Non-cash items:</b>		
Change in fair value of AFS financial assets	(88,399)	(17,908)
Allowance for/(Reversal of) impairment loss on receivables	(673)	1,418
Amortisation of intangible assets	2,513	2,418
Depreciation of property, plant and equipment	2,205	2,087
Gain on disposal of property, plant and equipment	(69)	-
Property, plant and equipment written off	4	-
Unrealised foreign exchange gain	127	5
Impairment loss on AFS financial investments	1,711	15,787
<b>Operating loss before changes in working capital</b>	<b>(803,998)</b>	<b>(587,746)</b>
<b>Changes in working capital:</b>		
Change in reinsurance assets	1,207	482
Change in insurance receivables	(17,651)	(15,302)
Change in other receivables, deposits and prepayments	6,181	(30,042)
Change in insurance contract liabilities	754,678	593,784
Change in other financial liabilities	21,214	3,332
Change in insurance payables	15,361	(13,162)
Change in other payables	2,075	12,016
Change in benefits and claims liabilities	33,254	38,071
<b>Cash generated from operations</b>	<b>12,321</b>	<b>1,433</b>

**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 2017 - unaudited  
(continued)**

	<b>30.06.2017</b>	<b>30.06.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Tax paid	(12,592)	(8,561)
Dividend received	24,167	17,539
Coupon interest received	158,762	138,601
Other income received	3,927	4,231
Rental income on investment properties received	65	63
<b>Net cash generated from operating activities</b>	<b>186,650</b>	<b>153,306</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	350	2
Acquisition of property, plant and equipment	(2,419)	(3,274)
<b>Net cash used in investing activities</b>	<b>(2,069)</b>	<b>(3,272)</b>
<b>Cash flows from financing activities</b>		
Payment of loan interest to holding company	(1,232)	(1,232)
<b>Net cash used in financing activities</b>	<b>(1,232)</b>	<b>(1,232)</b>
<b>Net increase in cash and cash equivalents</b>	<b>183,349</b>	<b>148,802</b>
Cash and cash equivalents at 1 January	421,124	433,163
<b>Cash and cash equivalents at 30 June</b>	<b>604,473</b>	<b>581,965</b>
Cash and cash equivalents comprise:		
Fixed and call deposits with licensed financial institutions (with maturity less than three months):	544,128	561,810
Cash and bank balances	60,345	20,155
	<b>604,473</b>	<b>581,965</b>

## 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 2017 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 2016.

#### 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 2016, except for the adoption of the following:

MFRSs, Amendments to MFRSs and IC Interpretation		Effective date
Amendments to MFRS 12	Disclosure of Interests In Other Entities (Annual Improvements to MFRS Standards 2014-2016 Cycle)	1 January 2017
Amendments to MFRS 107	Statement of Cash Flows - Disclosure Initiative	1 January 2017
Amendments to MFRS 112	Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017

The initial application of the abovementioned accounting standards, amendments or interpretations are not expected to have any material financial impact to the current period and prior period financial statements of the Company upon its first adoption.

#### 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 2017.

#### 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 2016.

**7. Reinsurance assets**

	<b>30.06.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Reinsurance of insurance contracts</b>		
Actuarial liabilities		
-Current	66	64
-Non-current	58,702	59,911
	<u>58,768</u>	<u>59,975</u>

**8. Insurance contract liabilities**

	← 30.06.2017 →			← 31.12.2016 →		
	<b>Gross</b>	<b>Reinsurance</b>	<b>Net</b>	<b>Gross</b>	<b>Reinsurance</b>	<b>Net</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Actuarial liabilities	6,604,436	(58,768)	6,545,668	6,101,423	(59,975)	6,041,448
Unallocated surplus	134,975	-	134,975	169,426	-	169,426
Hedging reserve	(2,197)	-	(2,197)	25	-	25
Available-for-sale fair value reserve	131,167	-	131,167	40,546	-	40,546
Net asset value attributable to unitholders	1,228,279	-	1,228,279	1,030,562	-	1,030,562
Revaluation reserve	5,980	-	5,980	5,980	-	5,980
	<u>8,102,640</u>	<u>(58,768)</u>	<u>8,043,872</u>	<u>7,347,962</u>	<u>(59,975)</u>	<u>7,287,987</u>
	<b>Note 7</b>			<b>Note 7</b>		

**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	
<b>At 1 January 2016</b>	3,590,017	2,817,694	6,407,711	-	(65,076)	(65,076)	6,342,635
Premiums received	308,876	1,790,801	2,099,677	(9,026)	(143,163)	(152,189)	1,947,488
Liabilities paid for death, maturities, surrenders, benefits and claims	(206,830)	(566,139)	(772,969)	6,209	120,237	126,446	(646,523)
Benefits and claims experience variation	8,234	(68,969)	(60,735)	2,839	28,339	31,178	(29,557)
Fees deducted	(28,392)	(527,272)	(555,664)	(22)	26	4	(555,660)
Expected interest on reserve/net investment income attributable to Universal Life Fund	150,361	76,732	227,093	-	(970)	(970)	226,123
Adjustments due to changes in assumptions	(117,272)	(4,218)	(121,490)	-	632	632	(120,858)
Net asset value attributable to unitholders	-	16,888	16,888	-	-	-	16,888
Hedging reserve	1,266	-	1,266	-	-	-	1,266
Available-for-sale fair value reserve	(9,842)	-	(9,842)	-	-	-	(9,842)
Revaluation reserve	-	-	-	-	-	-	-
Unallocated surplus	115,341	-	115,341	-	-	-	115,341
Deferred tax effects:							
- Hedging reserve	(101)	-	(101)	-	-	-	(101)
- Available-for-sale fair value reserve	787	-	787	-	-	-	787
- Revaluation reserve	-	-	-	-	-	-	-
<b>At 31 December 2016</b>	<b>3,812,445</b>	<b>3,535,517</b>	<b>7,347,962</b>	<b>-</b>	<b>(59,975)</b>	<b>(59,975)</b>	<b>7,287,987</b>

**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	
<b>At 1 January 2017</b>	3,812,445	3,535,517	7,347,962	-	(59,975)	(59,975)	7,287,987
Premiums received	108,163	976,293	1,084,456	(3,887)	(78,454)	(82,341)	1,002,115
Liabilities paid for death, maturities, surrenders, benefits and claims	(120,797)	(320,670)	(441,467)	2,371	50,465	52,836	(388,631)
Benefits and claims experience variation	27,041	(41,094)	(14,053)	1,516	30,354	31,870	17,817
Fees deducted	(10,855)	(280,089)	(290,944)	-	196	196	(290,748)
Expected interest on reserve/net investment income attributable to Universal Life Fund	77,772	106,699	184,471	-	(545)	(545)	183,926
Adjustments due to changes in assumptions	54,378	14,680	69,058	-	(808)	(808)	68,250
Net asset value attributable to unitholders	-	109,209	109,209	-	-	-	109,209
Hedging reserve	(2,415)	-	(2,415)	-	-	-	(2,415)
Available-for sale fair value reserve	98,501	-	98,501	-	-	-	98,501
Revaluation reserve	-	-	-	-	-	-	-
Unallocated surplus	(34,451)	-	(34,451)	-	-	-	(34,451)
Deferred tax effect:							
- Hedging reserve	193	-	193	-	-	-	193
- Available-for-sale fair value reserve	(7,880)	-	(7,880)	-	-	-	(7,880)
- Revaluation reserve	-	-	-	-	-	-	-
<b>At 30 June 2017</b>	<b>4,002,095</b>	<b>4,100,545</b>	<b>8,102,640</b>	<b>(0)</b>	<b>(58,767)</b>	<b>(58,767)</b>	<b>8,043,873</b>

**9. Changes in Company composition**

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

**10. Capital commitments**

	<b>30.06.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Property, plant and equipment:		
Approved but not contracted for	4,724	8,808
Contracted but not provided for	2,535	3,040
	<u>7,259</u>	<u>11,848</u>
Software development:		
Approved but not contracted for	25,242	23,531
Contracted but not provided for	3,007	2,749
	<u>28,249</u>	<u>26,280</u>

**11. Operating leases****Leases as lessee**

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

	<b>30.06.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Less than one year	3,260	3,475
Between one and five years	1,278	5,194
	<u>4,538</u>	<u>8,669</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:

	<b>30.06.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Less than one year	231	214
Between one and five years	274	46
	<u>505</u>	<u>260</u>

**12. Related party transactions**

Significant related party transactions are as follows:

	<b>Transactions value</b>	
	<b>Six months ended</b>	
	<b>30 June</b>	
	<b>2017</b>	<b>2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Related companies*</b>	<u>(67,773)</u>	<u>(62,373)</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 2017, as prescribed under the Risk-Based Capital Framework ("RBC Framework") is provided below:

	<b>30.06.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Tier 1 Capital</b>		
Paid up share capital	236,600	236,600
Reserves, including retained earnings	902,133	902,588
Capital instruments which qualifies as Tier 1 Capital	528,301	557,152
	<u>1,667,034</u>	<u>1,696,340</u>
<b>Tier 2 Capital</b>		
Revaluation reserve	8,502	8,502
Available-for-sale reserve	131,564	39,356
General reserve	(2,197)	25
Subordinated loan	55,472	55,492
	<u>193,341</u>	<u>103,375</u>
<b>Amount deducted from capital</b>	<b>(36,345)</b>	<b>(38,236)</b>
<b>Total capital available</b>	<u><u>1,824,030</u></u>	<u><u>1,761,479</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 (2016: nil).

**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 2017 - unaudited**

	Shareholders' Funds		Life Fund		Total	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016	30.06.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Assets</b>						
Property, plant and equipment	-	-	34,336	35,334	34,336	35,334
Investment properties	-	-	3,840	3,840	3,840	3,840
Intangible assets	29,540	31,812	1,533	849	31,073	32,661
Investments	290,055	279,625	8,667,226	7,993,908	8,957,281	8,273,533
Derivative financial assets	-	-	23,385	15,425	23,385	15,425
Reinsurance assets	-	-	58,768	59,975	58,768	59,975
Insurance receivables	-	-	68,982	50,658	68,982	50,658
Other receivables, deposits and prepayments	2,646	19,322	119,752	109,257	122,398	128,579
Cash and cash equivalents	20,450	11,142	584,023	409,982	604,473	421,124
<b>Total assets</b>	<b>342,691</b>	<b>341,901</b>	<b>9,561,845</b>	<b>8,679,228</b>	<b>9,904,536</b>	<b>9,021,129</b>

## 18. Insurance funds (continued)

Interim statement of financial position by funds  
as at 30 June 2017 - unaudited (continued)

## Equity, policyholders' funds and liabilities

	Shareholders' Funds		Life Fund		Total	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016	30.06.2017	31.12.2016
	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	242	(1,315)	155	125	397	(1,190)
Asset revaluation reserve	-	-	2,522	2,522	2,522	2,522
Accumulated losses	41,165	43,010	551,755	524,516	592,920	567,526
<b>Total equity</b>	<b>278,007</b>	<b>278,295</b>	<b>554,432</b>	<b>527,163</b>	<b>832,439</b>	<b>805,458</b>
Insurance contract liabilities	-	-	8,102,640	7,347,962	8,102,640	7,347,962
Deferred tax liabilities/(assets)	176	(351)	202,311	172,947	202,487	172,596
Derivative financial liabilities	-	-	6,733	13,873	6,733	13,873
Subordinated loans	54,300	54,300	-	-	54,300	54,300
Other financial liabilities	-	-	26,522	5,308	26,522	5,308
Insurance payables	-	-	168,235	152,874	168,235	152,874
Other payables and accruals	7,875	7,381	201,530	198,965	209,405	206,346
Benefits and claims liabilities	-	-	286,980	253,726	286,980	253,726
Current tax liabilities	2,333	2,276	12,462	6,410	14,795	8,686
<b>Total policyholders' funds and liabilities</b>	<b>64,684</b>	<b>63,606</b>	<b>9,007,413</b>	<b>8,152,065</b>	<b>9,072,097</b>	<b>8,215,671</b>
<b>Total equity, policyholders' funds</b>	<b>342,691</b>	<b>341,901</b>	<b>9,561,845</b>	<b>8,679,228</b>	<b>9,904,536</b>	<b>9,021,129</b>

**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	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
<b>Operating revenue</b>	5,990	5,909	1,266,512	1,181,193	1,272,502	1,187,102
Gross earned premiums	-	-	1,084,456	1,026,246	1,084,456	1,026,246
Premiums ceded to reinsurers	-	-	(82,341)	(73,457)	(82,341)	(73,457)
<b>Net earned premiums</b>	-	-	1,002,115	952,789	1,002,115	952,789
Investment income	5,990	5,909	182,056	154,947	188,046	160,856
Realised gains	63	81	67,808	39,866	67,871	39,947
Fair value gains and losses	-	-	164,914	49,303	164,914	49,303
Fee and commission income	-	-	196	202	196	202
Other operating income	1	6	9,674	7,213	9,675	7,219
<b>Other revenue</b>	6,054	5,996	424,648	251,531	430,702	257,527
Gross benefits and claims paid	-	-	(441,467)	(360,720)	(441,467)	(360,720)
Claims ceded to reinsurers	-	-	52,836	62,725	52,836	62,725
Gross change in contract liabilities	-	-	(666,279)	(575,876)	(666,279)	(575,876)
Change in contract liabilities ceded to reinsurers	-	-	(1,207)	(482)	(1,207)	(482)
<b>Net benefits and claims</b>	-	-	(1,056,117)	(874,353)	(1,056,117)	(874,353)
Fee and commission expense	-	-	(190,944)	(176,733)	(190,944)	(176,733)
Management expenses	(5,350)	(4,756)	(100,028)	(85,010)	(105,378)	(89,766)
Other operating expenses	(1,774)	(2,848)	(12,799)	(13,816)	(14,573)	(16,664)
<b>Other expenses</b>	(7,124)	(7,604)	(303,771)	(275,559)	(310,895)	(283,163)
<b>(Loss)/Profit/Surplus before tax</b>	(1,070)	(1,608)	66,875	54,408	65,805	52,800
Tax expense	(775)	(1,423)	(39,636)	(27,822)	(40,411)	(29,245)
<b>Net (loss)/Profit/Surplus after tax</b>	(1,845)	(3,031)	27,239	26,586	25,394	23,555

**18. Insurance funds (continued)****Interim Investment-linked funds statement of assets and liabilities  
as at 30 June 2017 - unaudited**

	<b>30.06.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Assets</b>		
Financial investments	1,073,944	926,044
Interest and dividend receivables, and other receivables	17,403	16,931
Cash and cash equivalents	158,137	94,850
<b>Total assets</b>	<u>1,249,484</u>	<u>1,037,825</u>
<b>Liabilities</b>		
Deferred tax liabilities	8,393	1,821
Other financial liabilities	11,487	3,896
Other payables	505	706
Benefits and claims liabilities	820	840
<b>Total liabilities</b>	<u>21,205</u>	<u>7,263</u>
<b>Net asset value of funds (Note 8)</b>	<u>1,228,279</u>	<u>1,030,562</u>

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

	<b>2017</b>	<b>2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Investment income	18,497	13,622
Realised gains	26,260	(5,383)
Fair value gains and losses	81,734	(4,009)
Other operating income	21	10
	<u>126,512</u>	<u>4,240</u>
Management expenses	(28)	(29)
Other operating expenses	(7,815)	(5,716)
Profit/(Loss) before tax	<u>118,669</u>	<u>(1,505)</u>
Tax expense	(9,460)	125
<b>Net profit/(loss) for the period</b>	<u>109,209</u>	<u>(1,380)</u>