

**ALLIANZ LIFE INSURANCE MALAYSIA BERHAD**

(Company No. 104248-X)

(Incorporated in Malaysia)

Condensed Unaudited Interim Financial Statements  
for the half-year ended 30 June 2018

**ALLIANZ LIFE INSURANCE MALAYSIA BERHAD**

(Company No. 104248- X)

(Incorporated in Malaysia)

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

**Condensed interim statement of financial position  
as at 30 June 2018 - unaudited**

	Note	30.06.2018 RM'000	31.12.2017 RM'000
<b>Assets</b>			
Property, plant and equipment	6	33,498	33,167
Investment properties		3,840	3,840
Intangible assets		28,961	30,317
Investments		9,603,732	9,482,509
Derivative financial assets		28,341	25,537
Reinsurance assets	7	50,586	52,764
Insurance receivables		94,521	53,938
Other receivables, deposits and prepayments		145,706	134,182
Cash and cash equivalents		665,148	677,759
<b>Total assets</b>		<u>10,654,333</u>	<u>10,494,013</u>
<b>Equity, policyholders' funds and liabilities</b>			
Share capital		236,600	236,600
Fair value reserve		(270)	511
Revaluation reserve		2,522	2,522
Retained earnings		721,374	663,391
<b>Total equity</b>		<u>960,226</u>	<u>903,024</u>
Insurance contract liabilities	8	8,536,921	8,482,291
Deferred tax liabilities		218,347	225,351
Derivative financial liabilities		3,809	5,251
Subordinated loan		54,300	54,300
Other financial liabilities		7,220	20,710
Insurance payables		216,871	213,232
Other payables and accruals		260,827	251,069
Benefits and claims liabilities		384,920	331,296
Current tax liabilities		10,892	7,489
<b>Total policyholders' funds and liabilities</b>		<u>9,694,107</u>	<u>9,590,989</u>
<b>Total equity, policyholders' funds and liabilities</b>		<u>10,654,333</u>	<u>10,494,013</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  
for the half-year ended 30 June 2018 - unaudited**

	<b>Cumulative Period</b>	
	<b>Current Year Half-yearly 30.06.2018 RM'000</b>	<b>Preceding Year Corresponding Half-yearly 30.06.2017 RM'000</b>
<b>Operating revenue</b>	<u>1,399,107</u>	<u>1,272,502</u>
Gross earned premiums	1,180,192	1,084,456
Premiums ceded to reinsurers	(50,397)	(82,341)
<b>Net earned premiums</b>	<u>1,129,795</u>	<u>1,002,115</u>
Investment income	218,915	188,046
Realised gains	38,704	67,871
Fair value gains and losses	(289,836)	164,914
Fee and commission income	(673)	196
Other operating income	11,434	9,675
<b>Other revenue</b>	<u>(21,456)</u>	<u>430,702</u>
Gross benefits and claims paid	(560,152)	(441,467)
Claims ceded to reinsurers	27,382	52,836
Gross change in contract liabilities	(158,994)	(666,279)
Change in contract liabilities ceded to reinsurers	(2,178)	(1,207)
<b>Net benefits and claims</b>	<u>(693,942)</u>	<u>(1,056,117)</u>
Fee and commission expense	(209,789)	(190,944)
Management expenses	(107,917)	(105,378)
Other operating expenses	(17,954)	(14,573)
<b>Other expenses</b>	<u>(335,660)</u>	<u>(310,895)</u>
<b>Profit before tax</b>	78,737	65,805
Tax expense	(20,754)	(40,411)
<b>Net profit for the period</b>	<u>57,983</u>	<u>25,394</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 2018 - unaudited**

	<b>Cumulative Period</b>	
	<b>Current Year Half-yearly 30.06.2018 RM'000</b>	<b>Preceding Year Corresponding Half-yearly 30.06.2017 RM'000</b>
<b>Net profit for the period attributable to owners of the Company</b>	57,983	25,394
<b>Items that are or may be reclassified subsequently to profit or loss</b>		
Fair value of available-for-sale ("AFS") financial assets	(1,017)	2,082
Tax effects thereon	236	(495)
	<u>(781)</u>	<u>1,587</u>
<b>Total other comprehensive (loss)/income for the period, net of tax</b>	<u>(781)</u>	<u>1,587</u>
<b>Total comprehensive income for the period attributable to owners of the Company</b>	<u>57,202</u>	<u>26,981</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 2018 - unaudited**

	← <i>Non-distributable</i> →			← <i>Distributable</i> →		
	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 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
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>
<b>At 1 January 2018</b>	236,600	511	2,522	611,845	51,546	903,024
Fair value of available-for-sale financial assets	-	(781)	-	-	-	(781)
Asset revaluation	-	-	-	-	-	-
Total other comprehensive loss for the period	-	(781)	-	-	-	(781)
Profit/(Loss) for the period	-	-	-	62,002	(4,019)	57,983
<b>Total comprehensive (loss)/income for the period</b>	-	(781)	-	62,002	(4,019)	57,202
<b>At 30 June 2018</b>	<u>236,600</u>	<u>(270)</u>	<u>2,522</u>	<u>673,847</u>	<u>47,527</u>	<u>960,226</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)  
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**Condensed interim statement of cash flows  
for the half-year ended 30 June 2018 - unaudited**

	<b>Cumulative Period</b>	
	<b>Current Year Half-yearly 30.06.2018 RM'000</b>	<b>Preceding Year Corresponding Half-yearly 30.06.2017 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	78,737	65,805
<i>Adjustments for:</i>		
Investment income	(218,915)	(188,046)
Interest expense	2,465	2,216
Realised gains recorded in profit or loss	(38,705)	(67,802)
Fair value loss/(gain) on investments recorded in profit or loss	249,249	(166,625)
Purchases of financial investments	(1,035,202)	(1,269,026)
Maturity of financial investments	120,000	90,000
Proceeds from sale of financial investments	435,187	723,936
Change in loans and receivables (LAR)	(11,030)	88,125
<b>Non-cash items:</b>		
Change in fair value of AFS financial assets	104,361	(88,399)
Reversal of impairment loss on receivables	(776)	(673)
Amortisation of intangible assets	2,755	2,513
Depreciation of property, plant and equipment	2,472	2,205
Loss/(gain) on disposal of property, plant and equipment	1	(69)
Property, plant and equipment written off	7	4
Unrealised foreign exchange gain	1,053	127
Impairment loss on AFS financial investments	40,587	1,711
<b>Operating loss before changes in working capital</b>	<b>(267,754)</b>	<b>(803,998)</b>
<b>Changes in working capital:</b>		
Change in reinsurance assets	2,178	1,207
Change in insurance receivables	(39,824)	(17,651)
Change in other receivables, deposits and prepayments	(11,507)	6,181
Change in insurance contract liabilities	54,630	754,678
Change in other financial liabilities	(13,490)	21,214
Change in insurance payables	3,639	15,361
Change in other payables	8,525	2,075
Change in benefits and claims liabilities	53,624	33,254
<b>Cash (used in)/generated from operations</b>	<b>(209,979)</b>	<b>12,321</b>

**ALLIANZ LIFE INSURANCE MALAYSIA BERHAD**  
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**Condensed interim statement of cash flows  
for the half-year ended 30 June 2018 - unaudited  
(continued)**

	<b>Cumulative Period</b>	
	<b>Current Year Half-yearly 30.06.2018 RM'000</b>	<b>Preceding Year Corresponding Half-yearly 30.06.2017 RM'000</b>
<b>Cash flows from operating activities (continued)</b>		
Tax paid	(15,046)	(12,592)
Dividend received	29,549	24,167
Coupon interest received	185,108	158,762
Other income received	3,133	3,927
Rental income on investment properties received	65	65
<b>Net cash (used in)/generated from operating activities</b>	<b>(7,170)</b>	<b>186,650</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	-	350
Acquisition of property, plant and equipment	(3,813)	(2,419)
Acquisition of intangible assets	(396)	-
<b>Net cash used in investing activities</b>	<b>(4,209)</b>	<b>(2,069)</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 (decrease)/increase in cash and cash equivalents</b>	<b>(12,611)</b>	<b>183,349</b>
Cash and cash equivalents at 1 January	677,759	421,124
<b>Cash and cash equivalents at 30 June</b>	<b>665,148</b>	<b>604,473</b>
Cash and cash equivalents comprise:		
Fixed and call deposits with licensed financial institutions (with maturity less than three months):	582,693	544,128
Cash and bank balances	82,455	60,345
	<b>665,148</b>	<b>604,473</b>

**ALLIANZ LIFE INSURANCE MALAYSIA BERHAD**

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**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 2018 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 2017.

**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 2017, except for the adoption of the following:

<b>MFRSs/Amendments/Interpretation</b>		<b>Effective date</b>
MFRS 9	Financial Instruments (2014)	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Clarification to MFRS 15	Revenue from Contracts with Customers	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)	1 January 2018
Amendments to MFRS 2	Share-based Payment - Classification and Measurement of Share-based Payment Transaction	1 January 2018
Amendments to MFRS 4	Insurance Contracts - Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 128	Investment in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)	1 January 2018
Amendments to MFRS 140	Investment Property-Transfer of Investment Property	1 January 2018

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 2018.

**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 2017.

**7. Reinsurance assets**

	<b>30.06.2018</b>	<b>31.12.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Reinsurance of insurance contracts</b>		
Actuarial liabilities		
-Current	74	87
-Non-current	50,512	52,677
	<u>50,586</u>	<u>52,764</u>

**8. Insurance contract liabilities**

	← 30.06.2018 →			← 31.12.2017 →		
	<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	6,994,662	(50,586)	6,944,076	6,880,877	(52,764)	6,828,113
Unallocated surplus	140,171	-	140,171	81,659	-	81,659
Hedging reserve	(3,436)	-	(3,436)	(2,961)	-	(2,961)
Available-for-sale fair value reserve	41,415	-	41,415	145,304	-	145,304
Net asset value attributable to unitholders	1,358,129	-	1,358,129	1,371,432	-	1,371,432
Revaluation reserve	5,980	-	5,980	5,980	-	5,980
	<u>8,536,921</u>	<u>(50,586)</u>	<u>8,486,335</u>	<u>8,482,291</u>	<u>(52,764)</u>	<u>8,429,527</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 2017</b>	3,812,445	3,535,517	7,347,962	-	(59,975)	(59,975)	7,287,987
Premiums received	188,839	1,960,753	2,149,592	(5,840)	(47,289)	(53,129)	2,096,463
Liabilities paid for death, maturities, surrenders, benefits and claims	(274,194)	(699,447)	(973,641)	2,345	72,017	74,362	(899,279)
Benefits and claims experience variation	37,569	(30,938)	6,631	3,495	(19,917)	(16,422)	(9,791)
Fees deducted	(23,208)	(581,095)	(604,303)	-	219	219	(604,084)
Expected interest on reserve/net investment income attributable to Universal Life Fund	150,649	164,665	315,314	-	(803)	(803)	314,511
Adjustments due to changes in assumptions	74,225	5,747	79,972	-	2,984	2,984	82,956
Net asset value attributable to unitholders	-	146,761	146,761	-	-	-	146,761
Hedging reserve	(3,246)	-	(3,246)	-	-	-	(3,246)
Available-for-sale fair value reserve	113,866	-	113,866	-	-	-	113,866
Unallocated surplus	(87,767)	-	(87,767)	-	-	-	(87,767)
Deferred tax effects:	-	-	-	-	-	-	-
- Hedging reserve	260	-	260	-	-	-	260
- Available-for-sale fair value reserve	(9,110)	-	(9,110)	-	-	-	(9,110)
<b>At 31 December 2017</b>	<b>3,980,328</b>	<b>4,501,963</b>	<b>8,482,291</b>	<b>-</b>	<b>(52,764)</b>	<b>(52,764)</b>	<b>8,429,527</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 2018</b>	3,980,328	4,501,963	8,482,291	-	(52,764)	(52,764)	8,429,527
Premiums received	65,981	1,114,211	1,180,192	(3,499)	(46,898)	(50,397)	1,129,795
Liabilities paid for death, maturities, surrenders, benefits and claims	(172,050)	(388,102)	(560,152)	1,092	26,290	27,382	(532,770)
Benefits and claims experience variation	(8,913)	(65,800)	(74,713)	2,407	23,569	25,977	(48,736)
Fees deducted	(4,009)	(307,069)	(311,078)	-	(672)	(672)	(311,750)
Expected interest on reserve/net investment income attributable to Universal Life Fund	75,296	(16,849)	58,447	-	(830)	(830)	57,617
Adjustments due to changes in assumptions	(67,311)	(10,359)	(77,671)	-	718	718	(76,952)
Net asset value attributable to unitholders	-	(114,543)	(114,543)	-	-	-	(114,543)
Hedging reserve	(516)	-	(516)	-	-	-	(516)
Available-for sale fair value reserve	(112,922)	-	(112,922)	-	-	-	(112,922)
Unallocated surplus	58,512	-	58,512	-	-	-	58,512
Deferred tax effect:							
- Hedging reserve	41	-	41	-	-	-	41
- Available-for-sale fair value reserve	9,033	-	9,033	-	-	-	9,033
<b>At 30 June 2018</b>	<b>3,823,469</b>	<b>4,713,452</b>	<b>8,536,921</b>	<b>-</b>	<b>(50,586)</b>	<b>(50,586)</b>	<b>8,486,335</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

	30.06.2018 RM'000	31.12.2017 RM'000
Property, plant and equipment: Contracted but not provided for	<u>1,415</u>	<u>4,040</u>
Software development: Contracted but not provided for	<u>2,704</u>	<u>3,711</u>

## 11. Operating leases

### Leases as lessee

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

	30.06.2018 RM'000	31.12.2017 RM'000
Less than one year	3,752	4,369
Between one and five years	<u>2,828</u>	<u>5,010</u>
	<u>6,580</u>	<u>9,379</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:

	30.06.2018 RM'000	31.12.2017 RM'000
Less than one year	240	172
Between one and five years	<u>381</u>	<u>218</u>
	<u>621</u>	<u>390</u>

## 12. Related party transactions

Significant related party transactions are as follows:

	Transactions value Six months ended 30 June	
	2018 RM'000	2017 RM'000
<b>Related companies*</b>		
Reinsurance premium and commission	<u>(41,764)</u>	<u>(67,773)</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 2018, as prescribed under the Risk-Based Capital Framework ("RBC Framework") is provided below:

	<b>30.06.2018</b>	<b>31.12.2017</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	1,074,339	938,264
Capital instruments which qualifies as Tier 1 Capital	531,237	532,411
	<u>1,842,176</u>	<u>1,707,275</u>
<b>Tier 2 Capital</b>		
Revaluation reserve	8,502	8,502
Available-for-sale reserve	41,145	145,813
General reserve	(3,436)	(2,961)
Subordinated loan	49,924	55,492
	<u>96,135</u>	<u>206,846</u>
<b>Amount deducted from capital</b>	(35,563)	(36,186)
<b>Total capital available</b>	<u><u>1,902,748</u></u>	<u><u>1,877,935</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 (2017: 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 2018 - unaudited**

	Shareholders' Funds		Life Fund		Total	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017	30.06.2018	31.12.2017
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Assets</b>						
Property, plant and equipment	-	-	33,498	33,167	33,498	33,167
Investment properties	-	-	3,840	3,840	3,840	3,840
Intangible assets	24,995	27,267	3,966	3,050	28,961	30,317
Investments	300,084	303,325	9,303,648	9,179,184	9,603,732	9,482,509
Derivative financial assets	-	-	28,341	25,537	28,341	25,537
Reinsurance assets	-	-	50,586	52,764	50,586	52,764
Insurance receivables	-	-	94,521	53,938	94,521	53,938
Other receivables, deposits and prepayments	7,131	14,150	138,575	120,032	145,706	134,182
Cash and cash equivalents	18,821	10,037	646,327	667,722	665,148	677,759
<b>Total assets</b>	<b>351,031</b>	<b>354,779</b>	<b>10,303,302</b>	<b>10,139,234</b>	<b>10,654,333</b>	<b>10,494,013</b>

## 18. Insurance funds (continued)

Interim statement of financial position by funds  
as at 30 June 2018 - unaudited (continued)

## Equity, policyholders' funds and liabilities

	Shareholders' Funds		Life Fund		Total	
	30.06.2018 RM'000	31.12.2017 RM'000	30.06.2018 RM'000	31.12.2017 RM'000	30.06.2018 RM'000	31.12.2017 RM'000
Share capital	236,600	236,600	-	-	236,600	236,600
Fair value reserve	(389)	346	119	165	(270)	511
Asset revaluation reserve	-	-	2,522	2,522	2,522	2,522
Accumulated losses	47,527	51,546	673,847	611,845	721,374	663,391
<b>Total equity</b>	<b>283,738</b>	<b>288,492</b>	<b>676,488</b>	<b>614,532</b>	<b>960,226</b>	<b>903,024</b>
Insurance contract liabilities	-	-	8,536,921	8,482,291	8,536,921	8,482,291
Deferred tax liabilities	67	258	218,280	225,093	218,347	225,351
Derivative financial liabilities	-	-	3,809	5,251	3,809	5,251
Subordinated loans	54,300	54,300	-	-	54,300	54,300
Other financial liabilities	-	-	7,220	20,710	7,220	20,710
Insurance payables	1,156	-	215,715	213,232	216,871	213,232
Other payables and accruals	9,191	9,203	251,636	241,866	260,827	251,069
Benefits and claims liabilities	-	-	384,920	331,296	384,920	331,296
Current tax liabilities	2,579	2,526	8,313	4,963	10,892	7,489
<b>Total policyholders' funds and liabilities</b>	<b>67,293</b>	<b>66,287</b>	<b>9,626,814</b>	<b>9,524,702</b>	<b>9,694,107</b>	<b>9,590,989</b>
<b>Total equity, policyholders' funds and liabilities</b>	<b>351,031</b>	<b>354,779</b>	<b>10,303,302</b>	<b>10,139,234</b>	<b>10,654,333</b>	<b>10,494,013</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	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
<b>Operating revenue</b>	6,277	5,990	1,392,830	1,266,512	1,399,107	1,272,502
Gross earned premiums	-	-	1,180,192	1,084,456	1,180,192	1,084,456
Premiums ceded to reinsurers	-	-	(50,397)	(82,341)	(50,397)	(82,341)
<b>Net earned premiums</b>	-	-	1,129,795	1,002,115	1,129,795	1,002,115
Investment income	6,277	5,990	212,638	182,056	218,915	188,046
Realised gains	-	63	38,704	67,808	38,704	67,871
Fair value gains and losses	-	-	(289,836)	164,914	(289,836)	164,914
Fee and commission income	-	-	(673)	196	(673)	196
Other operating income	266	1	11,168	9,674	11,434	9,675
<b>Other revenue</b>	6,543	6,054	(27,999)	424,648	(21,456)	430,702
Gross benefits and claims paid	-	-	(560,152)	(441,467)	(560,152)	(441,467)
Claims ceded to reinsurers	-	-	27,382	52,836	27,382	52,836
Gross change in contract liabilities	-	-	(158,994)	(666,279)	(158,994)	(666,279)
Change in contract liabilities ceded to reinsurers	-	-	(2,178)	(1,207)	(2,178)	(1,207)
<b>Net benefits and claims</b>	-	-	(693,942)	(1,056,117)	(693,942)	(1,056,117)
Fee and commission expense	(1,205)	-	(208,584)	(190,944)	(209,789)	(190,944)
Management expenses	(5,393)	(5,350)	(102,524)	(100,028)	(107,917)	(105,378)
Other operating expenses	(3,209)	(1,774)	(14,745)	(12,799)	(17,954)	(14,573)
<b>Other expenses</b>	(9,807)	(7,124)	(325,853)	(303,771)	(335,660)	(310,895)
<b>(Loss)/Profit/Surplus before tax</b>	(3,264)	(1,070)	82,001	66,875	78,737	65,805
Tax expense	(756)	(775)	(19,998)	(39,636)	(20,754)	(40,411)
<b>Net (loss)/Profit/Surplus after tax</b>	(4,020)	(1,845)	62,003	27,239	57,983	25,394

**18. Insurance funds (continued)****Interim Investment-linked funds statement of assets and liabilities  
as at 30 June 2018 - unaudited**

	<b>30.06.2018</b>	<b>31.12.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Assets</b>		
Financial investments	1,138,796	1,185,701
Interest and dividend receivables, and other receivables	11,073	17,397
Cash and cash equivalents	211,822	192,067
<b>Total assets</b>	<b>1,361,691</b>	<b>1,395,165</b>
<b>Liabilities</b>		
Deferred tax liabilities	228	10,946
Other financial liabilities	1,749	10,694
Other payables	430	512
Benefits and claims liabilities	1,155	1,581
<b>Total liabilities</b>	<b>3,562</b>	<b>23,733</b>
<b>Net asset value of funds (Note 8)</b>	<b>1,358,129</b>	<b>1,371,432</b>

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

	<b>2018</b>	<b>2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Investment income	24,338	18,497
Realised gains	8,958	26,260
Fair value gains and losses	(146,451)	81,734
Other operating income	255	21
	<b>(112,900)</b>	<b>126,512</b>
Management expenses	(31)	(28)
Other operating expenses	(10,494)	(7,815)
<b>(Loss)/Profit before tax</b>	<b>(123,425)</b>	<b>118,669</b>
Tax expense/(income)	8,882	(9,460)
<b>Net (loss)/profit for the period</b>	<b>(114,543)</b>	<b>109,209</b>