

ALLIANZ LIFE INSURANCE MALAYSIA BERHAD

(Company No. 198301008983)

(Incorporated in Malaysia)

CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED
FOR THE FINANCIAL PERIOD FROM
1 JANUARY 2020 TO 30 SEPTEMBER 2020

ALLIANZ LIFE INSURANCE MALAYSIA BERHAD
(Company No. 198301008983)
(Incorporated in Malaysia)

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ALLIANZ LIFE INSURANCE MALAYSIA BERHAD

(Company No. 198301008983)

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Condensed statement of financial position as at 30 September 2020 - unaudited

	Note	30.09.2020 RM'000	31.12.2019 RM'000
Assets			
Property, plant and equipment	5	23,716	22,501
Right-of-use assets		23,906	27,589
Intangible asset		19,895	24,070
Investment properties	6	3,840	3,840
Investments	8	13,086,448	11,796,579
Derivative financial assets		81,423	62,177
Reinsurance assets	9	61,495	69,113
Insurance receivables	7	77,350	52,332
Other receivables, deposits and prepayments		74,684	63,603
Cash and cash equivalents		694,614	887,935
Total assets		<u>14,147,371</u>	<u>13,009,739</u>
Equity, policyholders' funds and liabilities			
Share capital		236,600	236,600
Fair value reserve		10,576	6,037
Revaluation reserve		2,891	2,891
Retained earnings		1,189,873	1,032,837
Total equity		<u>1,439,940</u>	<u>1,278,365</u>
Insurance contract liabilities	9	11,667,980	10,763,671
Deferred tax liabilities		401,835	332,863
Derivative financial liabilities		2,248	1,244
Subordinated loan		-	54,300
Insurance payables	10	236,138	217,733
Other payables and accruals		374,602	337,978
Lease liabilities		14,335	17,732
Current tax liabilities		10,293	5,853
Total policyholders' funds and liabilities		<u>12,707,431</u>	<u>11,731,374</u>
Total equity, policyholders' funds and liabilities		<u>14,147,371</u>	<u>13,009,739</u>

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

ALLIANZ LIFE INSURANCE MALAYSIA BERHAD

(Company No. 198301008983)

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**Condensed statement of profit or loss
for the 9 month period ended 30 September 2020 - unaudited**

	Note	9 months period ended 30.09.2020 RM'000	9 months period ended 30.09.2019 RM'000
Operating revenue		<u>2,584,118</u>	<u>2,400,774</u>
Gross earned premiums		2,196,728	2,029,901
Premiums ceded to reinsurers		<u>(71,534)</u>	<u>(58,363)</u>
Net earned premiums		<u>2,125,194</u>	<u>1,971,538</u>
Investment income		387,390	370,873
Realised losses		(6,607)	(14,195)
Fair value gains and losses		(38,831)	361,756
Fee and commission income		1,204	(40)
Other operating income		<u>22,624</u>	<u>30,420</u>
Other revenue		<u>365,780</u>	<u>748,814</u>
Gross benefits and claims paid		(943,406)	(964,574)
Claims ceded to reinsurers		40,392	49,647
Gross change in contract liabilities		(777,539)	(1,002,568)
Change in contract liabilities ceded to reinsurers		<u>(528)</u>	<u>281</u>
Net benefits and claims		<u>(1,681,081)</u>	<u>(1,917,214)</u>
Fee and commission expense		(361,328)	(341,310)
Management expenses		(176,891)	(162,752)
Interest expenses		(517)	(2,416)
Other operating expenses		<u>(28,267)</u>	<u>(34,332)</u>
Other expenses		<u>(567,003)</u>	<u>(540,810)</u>
Profit before tax		242,890	262,328
Tax expense		<u>(85,854)</u>	<u>(87,676)</u>
Net profit for the period		<u>157,036</u>	<u>174,652</u>
Profit attributable to:			
Owners of the Company		<u>157,036</u>	<u>174,652</u>
Basic earnings per ordinary share (sen)	11	<u>66.37</u>	<u>73.82</u>

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

ALLIANZ LIFE INSURANCE MALAYSIA BERHAD

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**Condensed statement of profit or loss and other comprehensive income
for the 9 month period ended 30 September 2020 - unaudited**

	9 months period ended 30.09.2020 RM'000	9 months period ended 30.09.2019 RM'000
Net profit for the period attributable to owners of the Company	157,036	174,652
Other comprehensive income, net of tax		
Items that may be reclassified subsequently to profit or loss		
Fair value of available-for-sale financial assets		
- Net gains arising during the financial period	112,690	232,976
- Net realised losses transferred to profit or loss	(23,453)	(11,487)
(Losses)/Gains on cash flow hedge	(4,050)	25,899
Tax effects thereon	(7,758)	(20,846)
Change in insurance contract liabilities arising from net fair value change on:		
- AFS financial assets	(83,278)	(214,827)
- Cash flow hedge reserve	4,050	(25,899)
Tax effects thereon	6,338	19,258
Total other comprehensive income for the period, net of tax	<u>4,539</u>	<u>5,074</u>
Total comprehensive income for the period attributable to owners of the Company	<u>161,575</u>	<u>179,726</u>

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

ALLIANZ LIFE INSURANCE MALAYSIA

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**Condensed statement of changes in equity
for the 9 month period ended 30 September 2020 - unaudited**

	←————— <i>Non-distributable</i> —————→			← <i>Distributable</i> →		
	Share capital RM'000	Fair value reserve RM'000	Revaluation reserve RM'000	Retained earnings - Life non-participating fund surplus* RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2019	236,600	1,294	2,522	752,903	58,309	1,051,628
Total other comprehensive income for the period	-	5,074	-	-	-	5,074
Profit/(loss) for the period	-	-	-	180,442	(5,790)	174,652
Total comprehensive income/(loss) for the period	-	5,074	-	180,442	(5,790)	179,726
At 30 September 2019	236,600	6,368	2,522	933,345	52,519	1,231,354
At 1 January 2020	236,600	6,037	2,891	971,897	60,940	1,278,365
Total other comprehensive income for the period	-	4,539	-	-	-	4,539
Profit/(loss) for the period	-	-	-	167,721	(10,685)	157,036
Total comprehensive income/(loss) for the period	-	4,539	-	167,721	(10,685)	161,575
At 30 September 2020	236,600	10,576	2,891	1,139,618	50,255	1,439,940

* Non-distributable retained earnings comprise of non-participating fund surplus, net of deferred tax, which is wholly attributable to the shareholders. This amount is only distributable upon the actual transfer of surplus from the life non-participating fund to the shareholder's fund as recommended by the Appointed Actuary and approved by the Board of Directors of the Company.

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

ALLIANZ LIFE INSURANCE MALAYSIA BERHAD

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**Condensed statement of cash flows
for the 9 month period ended 30 September 2020 - unaudited**

	9 months period ended 30.09.2020 RM'000	9 months period ended 30.09.2019 RM'000
Cash flows from operating activities		
Profit before tax	242,890	262,328
<i>Adjustments for:</i>		
Investment income	(387,390)	(370,873)
Interest income	(420)	(522)
Interest expense	517	2,416
Realised losses recorded in profit or loss	6,607	14,195
Fair value gains on investments recorded in profit or loss	(74,763)	(371,139)
Purchases of financial investments	(2,787,794)	(1,306,161)
Maturity of financial investments	243,030	266,000
Proceeds from sale of financial investments	1,311,284	626,524
Change in loans and receivables	(25,355)	(299,796)
Impairment loss on receivables	3,413	1,413
Amortisation of intangible assets	5,092	4,828
Depreciation of property, plant and equipment	3,601	4,038
Depreciation of right-of-use assets	3,854	3,642
Property, plant and equipment written off	-	123
Unrealised foreign exchange gains	887	668
Impairment loss on AFS financial investments	113,594	9,383
Operating loss before changes in working capital	(1,340,953)	(1,152,933)
Changes in working capital:		
Change in reinsurance assets	7,618	(1,297)
Change in insurance receivables	(26,844)	(25,115)
Change in other receivables, deposits and prepayments	(11,803)	(19,073)
Change in insurance contract liabilities	831,419	1,066,421
Change in insurance payables	18,405	(14,423)
Change in other payables	37,815	6,056
Cash used in operations	(484,343)	(140,364)

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**Condensed statement of cash flows
for the 9 month period ended 30 September 2020 - unaudited
(continued)**

	9 months period ended 30.09.2020 RM'000	9 months period ended 30.09.2019 RM'000
Cash flows from operating activities (continued)		
Tax paid	(20,200)	(21,742)
Dividend received	49,525	49,656
Interest received	327,006	334,613
Interest paid	(470)	(588)
Net cash (used in)/generated from operating activities	(128,482)	221,575
Cash flows from investing activities		
Acquisition of property, plant and equipment	(5,320)	(5,517)
Acquisition of intangible assets	(412)	(589)
Net cash used in investing activities	(5,732)	(6,106)
Cash flows from financing activities		
Payment of lease liabilities	(3,569)	(3,618)
Payment of loan interest to holding company	(1,238)	(2,416)
Repayment of subordinated loans	(54,300)	-
Net cash used in financing activities	(59,107)	(6,034)
Net (decrease)/increase in cash and cash equivalents	(193,321)	209,435
Cash and cash equivalents as at 1 January	887,935	740,079
Cash and cash equivalents as at 30 September	694,614	949,514
Cash and cash equivalents comprise:		
Fixed and call deposits with licensed financial institutions (with maturity less than three months)	628,982	885,568
Cash and bank balances	65,632	63,946
	694,614	949,514

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

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Notes to the condensed interim financial statements

1. Basis of preparation

These condensed interim financial statements of the Company as at and for the nine month period ended 30 September 2020 are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134, *Interim Financial Reporting* and International Accounting Standard ("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 Company's annual financial statements for the year ended 31 December 2019.

The preparation of the condensed interim financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities as at the date of the condensed interim financial statements, and the reported amount of income and expenses during the year. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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 2019, except for the adoption of the following:

MFRSs/ Amendments/ Interpretation

The Conceptual Framework for Financial Reporting (Revised 2018)

Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*

Amendments to MFRS 3, *Business Combinations – Definition of a Business*

Amendments to MFRS 9, MFRS 139 and MFRS 7 – *Interest Rate Benchmark Reform*

MFRS 9, *Financial Instruments*

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities and on hedge accounting, effective for annual periods beginning on or after 1 January 2018. The standard eliminates the existing MFRS 139 categories of held to maturity, loans and receivables and available for sale.

The Company has applied the temporary exemption under Amendments to MFRS 4 - Applying MFRS 9, *Financial Instruments* with MFRS 4, *Insurance Contracts* ("the Amendments") which enables eligible entities to defer the implementation date of MFRS 9 to annual periods beginning before 1 January 2023 at the latest. Hence, the Company has not adopted MFRS 9 for the financial year beginning on or after 1 January 2018.

Amendments to MFRS 4 - Applying MFRS 9, *Financial Instruments* with MFRS 4, *Insurance Contract*

The Amendments allow entities to avoid temporary volatility in profit or loss that might result from adopting MFRS 9, *Financial Instruments* before the forthcoming new insurance contracts standard.

The Amendments provide 2 different approaches for the Company:

- (i) temporary exemption from MFRS 9 for entities that meet specific requirements; and
- (ii) the overlay approach. Both approaches are optional.

The temporary exemption enables eligible entities to defer the implementation date of MFRS 9 to annual periods beginning before 1 January 2023 at the latest. An entity may apply the temporary exemption from MFRS 9 if its activities are predominantly connected with insurance whilst the overlay approach allows an entity to adjust profit or loss for eligible financial assets by removing any accounting volatility to other comprehensive income that may arise from applying MFRS 9.

1. Basis of preparation (continued)

Amendments to MFRS 4 - Applying MFRS 9, *Financial Instruments* with MFRS 4, *Insurance Contract* (continued)

The Company's business activity is predominantly insurance as the liabilities connected with the Company's insurance businesses made up approximately 90% of the Company's total liabilities. Hence, the Company qualifies for the temporary exemption from applying MFRS 9 and will defer and adopt MFRS 9 together with MFRS 17 for the financial year beginning on or after 1 January 2023.

The following additional disclosures, required by Amendments to MFRS 4 for entity qualified and elected the temporary exemption from applying MFRS 9, present the Company's financial assets by their contractual cash flows characteristics, which indicate if they are solely payments of principal and interest on the principal outstanding ("SPPI"):

	Financial assets with SPPI cash flow RM'000	All other financial assets RM'000	Total* RM'000
Fair value as at 30 September 2020			
Investments	3,136,448	9,865,273	13,001,721
Malaysian government securities and government guaranteed bonds	2,261,775	3,953,947	6,215,722
Unquoted bonds of corporations	128,911	3,586,821	3,715,732
Quoted equity securities and unit trusts	-	2,184,857	2,184,857
Unquoted equity securities and unit trusts	-	66,555	66,555
Structured deposits	-	73,093	73,093
Fixed and call deposits with licensed banks	745,762	-	745,762
Derivative financial assets	-	81,423	81,423
Other receivables, deposits and prepayments	74,684	-	74,684
Cash and cash equivalents	694,614	-	694,614
	3,905,746	9,946,696	13,852,442
Changes in fair value during the period			
Investments			
Malaysian government securities and government guaranteed bonds	76,397	116,487	192,884
Unquoted bonds of corporations	2,173	104,691	106,864
Quoted equity securities and unit trusts	-	(161,398)	(161,398)
Unquoted equity securities and unit trusts	-	2,667	2,667
Structured deposits	-	(1,103)	(1,103)
Derivative financial assets	-	20,036	20,036
	78,570	81,380	159,950

* Insurance receivables, reinsurance assets, policy loans, automatic premium loans and deferred acquisition cost have been excluded from the above assessment as they will be under the scope of MFRS 17, *Insurance Contracts*. Other than the financial assets listed in the table above and the assets that are within the scope of MFRS 17, *Insurance Contracts*, all other assets in the statement of financial position are non-financial assets.

1. Basis of preparation (continued)**Amendments to MFRS 4 - Applying MFRS 9, *Financial Instruments* with MFRS 4, *Insurance Contract* (continued)****Financial assets with SPPI cash flows***

	AAA RM'000	AA RM'000	A RM'000	AA- RM'000	Non- investment grade RM'000	Non-rated RM'000	Investment- linked funds RM'000	Total RM'000
Gross carrying amounts under MFRS 139 by credit risk rating grades								
Investments								
Malaysian government securities and government guaranteed bonds	-	-	-	-	-	2,261,775	-	2,261,775
Unquoted bonds of corporations	85,925	42,986	-	-	-	-	-	128,911
Fixed and call deposits with licensed banks	87,858	479,826	-	-	-	55,112	122,966	745,762
Other receivables and deposits	-	-	-	-	-	66,672	8,012	74,684
Cash and cash equivalents	145,149	414,392	2,429	-	-	136	132,508	694,614
Total financial assets*	318,932	937,204	2,429	-	-	2,383,695	263,486	3,905,746

* Credit risk of these financial assets is considered low for the purposes of MFRS 9.

Except as disclosed above, the adoption of new standards, amendments to standards and interpretations by the Company for the first time for the financial year beginning on or after 1 January 2020 did not have any material impact on the current and/or prior periods.

2. Items of an unusual nature

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

3. Changes in estimates

There were no significant changes in basis used for amounts reported in the prior financial year that have a material effect for the financial period under review.

4. Seasonal or cyclical factors

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

5. 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 2019.

6. Investment properties

	30.09.2020	31.12.2019
	RM'000	RM'000
At 1 January/30 September	<u>3,840</u>	<u>3,840</u>
Included in the above are:		
At fair value:		
Freehold land	1,000	1,000
Buildings	<u>2,840</u>	<u>2,840</u>
	<u>3,840</u>	<u>3,840</u>

Investment properties comprise a number of commercial properties that are leased to third parties.

Fair value information

Fair value of investment properties are categorised as follows:

30.09.2020

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Freehold land	-	-	1,000	1,000
Buildings	-	-	2,840	2,840

31.12.2019

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Freehold land	-	-	-	-
Buildings	-	-	-	-

Level 3 fair value

The fair values of the investment properties were determined by an external independent qualified valuer using the Comparison Approach. This approach considers the sales of similar or substitute properties and related market data, and establishes a value estimate by adjustments made for differences in factors that affect value. In general, the investment properties are compared with sales of similar properties that have been transacted in the open market. Listings and offers may also be considered.

The Level 3 unobservable input used in the valuation of investment properties is the price per square foot ("per sq foot") which is derived from the selling price of comparable land and building, adjusted for differences in location, property size, shape and terrain of land, any title restrictions, availability of infrastructure, age and condition of building, finishes and services and other relevant characteristics.

The estimated fair value would increase/(decrease) if the price per square foot were higher or lower and the historical sales transaction value were higher or lower.

The following table shows the valuation technique used in the determination of fair values within Level 3, as well as the significant unobservable input used in the valuation model.

7. Insurance receivables

		30.09.2020	31.12.2019
		RM'000	RM'000
Current			
Due premiums including agents, brokers and co-insurers balances		70,667	38,030
Due from reinsurers and cedants		6,923	12,674
Group claims receivable		1,294	797
Due from related company	7.1	4,241	4,780
		<u>83,125</u>	<u>56,281</u>
Less: Allowance for impairment		<u>(5,775)</u>	<u>(3,949)</u>
		<u><u>77,350</u></u>	<u><u>52,332</u></u>
		30.09.2020	31.12.2019
		RM'000	RM'000
Movement in allowance for impairment			
Balance at the beginning of the period/year		3,949	4,253
Impairment loss recognised/(reversed)		1,826	(304)
Balance at the end of the period/year		<u>5,775</u>	<u>3,949</u>

7.1 Amount due from related company

The amount due from related company is unsecured and receivable in accordance with normal trade terms.

7.2 Financial assets

There is no netting off of gross amount of recognised financial assets against the gross amount of financial liabilities in the statement of financial position.

There are no financial assets that are subject to enforceable master netting arrangement or similar arrangement to financial instruments received as collateral or any cash collateral pledged or received (2019: Nil).

8. Investments

	30.09.2020	31.12.2019
	RM'000	RM'000
Malaysian government securities	3,753,437	2,989,687
Malaysian government guaranteed bonds	2,462,285	2,461,487
Ringgit denominated bonds by foreign issuers outside Malaysia	40,772	40,623
Quoted equity securities of corporations in Malaysia	2,122,706	1,905,352
Quoted equity securities of corporations outside Malaysia	1,309	1,896
Unquoted equity securities of corporations in Malaysia	2,147	2,147
Unquoted bonds of corporations in Malaysia	3,545,414	3,285,101
Unquoted bonds of corporations outside Malaysia	129,546	121,018
Quoted unit trusts in Malaysia	60,842	75,679
Unquoted unit trusts in Malaysia	36,592	13,120
Unquoted unit trusts outside Malaysia	27,816	28,021
Structured deposits with licensed financial institutions	73,093	73,452
Government guaranteed loans	-	190,504
Fixed and call deposits with licensed financial institutions	745,762	520,628
	<u>13,001,721</u>	<u>11,708,715</u>
Policy loans	8,522	9,681
Automatic premium loans	76,205	78,183
	<u><u>13,086,448</u></u>	<u><u>11,796,579</u></u>

8. Investments (continued)

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

	Current		Non-Current		Total	
	30.09.2020	31.12.2019	30.09.2020	31.12.2019	30.09.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Available-for-sale financial assets ("AFS")	3,058,133	2,936,088	-	-	3,058,133	2,936,088
Loans and receivables ("LAR")	390,159	300,608	440,330	498,388	830,489	798,996
Fair value through profit or loss ("FVTPL")			-			
- Held for trading ("HFT")	5,263,030	4,674,061	-	-	5,263,030	4,674,061
- Designated upon initial recognition ("DUIR")	3,934,796	3,387,434	-	-	3,934,796	3,387,434
	<u>12,646,118</u>	<u>11,298,191</u>	<u>440,330</u>	<u>498,388</u>	<u>13,086,448</u>	<u>11,796,579</u>
					← Fair Value →	
					30.09.2020	31.12.2019
					RM'000	RM'000
Available-for-sale						
Malaysian government securities					1,149,273	1,092,430
Malaysian government guaranteed bonds					1,112,503	1,110,173
Ringgit denominated bonds by foreign issuers outside Malaysia					25,483	25,389
Quoted equity securities of corporations in Malaysia					602,325	570,492
Unquoted bonds of corporations in Malaysia					103,429	78,460
Quoted unit trusts in Malaysia					40,467	54,810
Unquoted unit trusts in Malaysia					22,506	2,187
					<u>3,055,986</u>	<u>2,933,941</u>
					← Cost →	
					30.09.2020	31.12.2019
					RM'000	RM'000
Unquoted equity securities of corporations in Malaysia					<u>2,147</u>	<u>2,147</u>
Total available-for-sale financial investments					<u>3,058,133</u>	<u>2,936,088</u>

8. Investments (continued)

	Amotised cost	Fair Value	Amotised cost	Fair Value
	30.09.2020	30.09.2020	31.12.2019	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Loans and receivables				
Government guaranteed loans	-	-	190,504	191,506
Policy loans	8,522	8,522	9,681	9,681
Automatic premium loans	76,205	76,205	78,183	78,183
Fixed and call deposits with licensed financial institutions	745,762	745,762	520,628	520,628
	<u>830,489</u>	<u>830,489</u>	<u>798,996</u>	<u>799,998</u>
			← Fair Value →	
			30.09.2020	31.12.2019
			RM'000	RM'000
Fair value through profit or loss				
Held for trading				
Malaysian government securities			1,386,766	1,116,313
Malaysian government guaranteed bonds			822,243	785,731
Ringgit denominated bonds by foreign issuers outside Malaysia			5,095	5,079
Quoted equity securities of corporations in Malaysia			1,520,381	1,334,860
Quoted equity securities of corporations outside Malaysia			1,309	1,896
Unquoted bonds of corporations in Malaysia			1,464,959	1,370,359
Quoted unit trusts in Malaysia			20,375	20,869
Unquoted unit trusts in Malaysia			14,086	10,933
Unquoted unit trusts outside Malaysia			27,816	28,021
			<u>5,263,030</u>	<u>4,674,061</u>
			← Fair Value →	
			30.09.2020	31.12.2019
			RM'000	RM'000
Fair value through profit or loss				
Designated upon initial recognition				
Malaysian government securities			1,217,398	780,944
Malaysian government guaranteed bonds			527,539	565,583
Ringgit denominated bonds by foreign issuers outside Malaysia			10,194	10,155
Unquoted bonds of corporations in Malaysia			1,977,026	1,836,282
Unquoted bonds of corporations outside Malaysia			129,546	121,018
Structured deposits with licensed financial institutions			73,093	73,452
			<u>3,934,796</u>	<u>3,387,434</u>
Total fair value through profit or loss financial investments			<u>9,197,826</u>	<u>8,061,495</u>

8. Investments (continued)**Movements in carrying values of financial instruments**

	AFS	LAR	HFT	DUIR	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2019	2,649,042	488,087	3,757,148	3,232,636	10,126,913
Purchases/Placements	343,239	35,289,551	1,277,036	381,391	37,291,217
Maturities	(70,192)	(34,985,604)	(155,050)	(202,066)	(35,412,912)
Disposals	(172,890)	-	(427,923)	(146,443)	(747,256)
Fair value gains/(losses) recorded in:					
Profit or loss					
- Unrealised gains	-	-	221,671	122,781	344,452
- Movement in impairment allowance	(19,087)	-	-	-	(19,087)
Insurance contract liabilities	200,584	-	-	-	200,584
Other comprehensive income	6,225	-	-	-	6,225
Amortisation of premiums/Accretion of discounts	(97)	-	230	348	481
Unrealised foreign exchange gain/(losses)	-	-	129	(1,378)	(1,249)
Movement in income due and accrued	(736)	6,962	820	165	7,211
At 31 December 2019	2,936,088	798,996	4,674,061	3,387,434	11,796,579
	AFS	LAR	HFT	DUIR	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	2,936,088	798,996	4,674,061	3,387,434	11,796,579
Purchases/Placements	435,707	30,616,712	1,656,286	695,801	33,404,506
Maturities	(10,000)	(30,591,357)	(73,000)	(160,030)	(30,834,387)
Disposals	(276,022)	-	(945,353)	(96,516)	(1,317,891)
Fair value gains/(losses) recorded in:					
Profit or loss					
- Unrealised gains	-	-	(54,818)	105,495	50,677
- Movement in impairment allowance	(113,594)	-	-	-	(113,594)
Insurance contract liabilities	83,278	-	-	-	83,278
Other comprehensive income	5,959	-	-	-	5,959
Amortisation of premiums/Accretion of discounts	(119)	-	(171)	(156)	(446)
Unrealised foreign exchange gain/(losses)	-	-	(760)	1,667	907
Movement in income due and accrued	(3,164)	6,138	6,785	1,101	10,860
At 30 September 2020	3,058,133	830,489	5,263,030	3,934,796	13,086,448

9. Insurance contract liabilities

	30.09.2020			31.12.2019		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Actuarial liabilities	8,781,676	(33,021)	8,748,655	8,104,309	(33,549)	8,070,760
Unallocated surplus	(10,668)	-	(10,668)	30,069	-	30,069
Hedging reserve	15,558	-	15,558	19,284	-	19,284
Available-for-sale fair value reserve	309,107	-	309,107	232,491	-	232,491
Net asset value attributable to unitholders	1,934,031	-	1,934,031	1,793,122	-	1,793,122
Revaluation reserve	6,992	-	6,992	6,992	-	6,992
Benefits and claims liabilities	631,284	(28,474)	602,810	577,404	(35,564)	541,840
	<u>11,667,980</u>	<u>(61,495)</u>	<u>11,606,485</u>	<u>10,763,671</u>	<u>(69,113)</u>	<u>10,694,558</u>

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	
At 1 January 2019	3,950,423	5,333,832	9,284,255	(440)	(66,139)	(66,579)	9,217,676
Premiums received	116,304	2,608,728	2,725,032	(6,027)	(75,151)	(81,178)	2,643,854
Liabilities paid for death, maturities, surrenders, benefits and claims	(321,702)	(1,002,993)	(1,324,695)	2,876	63,472	66,348	(1,258,347)
Movements in benefits and claim liabilities	51,851	59,270	111,121	(88)	(3,001)	(3,089)	108,032
Benefits and claims experience variation	89,250	(167,456)	(78,206)	1,679	14,906	16,585	(61,621)
Fees deducted	(13,240)	(672,162)	(685,402)	1,472	(23)	1,449	(683,953)
Expected interest on reserve/net investment income attributable to Universal Life Fund	152,654	293,582	446,236	-	(467)	(467)	445,769
Adjustments due to changes in assumptions	72,131	48,182	120,313	-	(2,182)	(2,182)	118,131
Net asset value attributable to unitholders	-	63,814	63,814	-	-	-	63,814
Hedging reserve	20,960	-	20,960	-	-	-	20,960
Available-for-sale fair value reserve	200,584	-	200,584	-	-	-	200,584
Revaluation reserve	1,099	-	1,099	-	-	-	1,099
Unallocated surplus	(103,628)	-	(103,628)	-	-	-	(103,628)
Deferred tax effects:							
- Hedging reserve	(1,677)	-	(1,677)	-	-	-	(1,677)
- Available-for-sale fair value reserve	(16,047)	-	(16,047)	-	-	-	(16,047)
- Revaluation reserve	(88)	-	(88)	-	-	-	(88)
At 31 December 2019	4,198,874	6,564,797	10,763,671	(528)	(68,585)	(69,113)	10,694,558

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	
At 1 January 2020	4,198,874	6,564,797	10,763,671	(528)	(68,585)	(69,113)	10,694,558
Premiums received	75,450	2,121,278	2,196,728	(3,382)	(68,152)	(71,534)	2,125,194
Liabilities paid for death, maturities, surrenders, benefits and claims	(235,079)	(708,308)	(943,387)	2,578	37,814	40,392	(902,995)
Benefits and claims experience variation	40,784	(153,764)	(112,980)	(323)	32,514	32,191	(80,789)
Fees deducted	(10,052)	(510,147)	(520,199)	1,127	77	1,204	(518,995)
Expected interest on reserve/net investment income attributable to Universal Life Fund	114,273	149,657	263,930	-	(316)	(316)	263,614
Adjustments due to changes in assumptions	(11,851)	43,896	32,045	-	(1,410)	(1,410)	30,635
Net asset value attributable to unitholders	-	(97,860)	(97,860)	-	-	-	(97,860)
Hedging reserve	(4,050)	-	(4,050)	-	-	-	(4,050)
Available-for sale fair value reserve	83,278	-	83,278	-	-	-	83,278
Unallocated surplus	(40,737)	-	(40,737)	-	-	-	(40,737)
Deferred tax effect:							
- Hedging reserve	324	-	324	-	-	-	324
- Available-for-sale fair value reserve	(6,662)	-	(6,662)	-	-	-	(6,662)
Movements in benefits and claim liabilities	27,567	26,312	53,879	30	7,061	7,091	60,970
At 30 September 2020	4,232,119	7,435,861	11,667,980	(498)	(60,997)	(61,495)	11,606,485

10. Insurance payable

	30.09.2020	30.09.2019
Current	RM'000	RM'000
Due to reinsurers and cedants	71,367	79,489
Due to agents, brokers and reinsurers	136,454	131,367
Due to related company	10.1 28,317	6,877
	<u>236,138</u>	<u>217,733</u>

10.1 Amount due to related company

The amounts due to related company are unsecured and payable in accordance with normal trade terms.

10.2 Financial liabilities

There is no netting off of gross amount of recognised financial liabilities against the gross amount of financial assets in the statement of financial position.

There are no financial liabilities that are subject to enforceable master netting arrangement or similar arrangement to financial instruments received as collateral or any cash collateral pledged or received (2019: Nil).

11. Earnings per ordinary share

Basic earnings per ordinary share

The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding calculated as follows:

	30.09.2020	30.09.2019
Profit attributable to ordinary shareholders (RM'000)	157,036	174,652
Weighted average number of ordinary shares in issue ('000)	236,600	236,600
Basic earnings per ordinary share (sen)	<u>66.37</u>	<u>73.82</u>

Diluted earnings per share are not presented as there were no dilutive potential ordinary shares as at the end of the reporting period.

There have been no other transactions involving ordinary shares between the reporting date and the date of completion of these condensed interim financial statements.

12. Capital commitments

	30.09.2020 RM'000	30.09.2019 RM'000
Property, plant and equipment: Contracted but not provided for	<u>547</u>	<u>3,306</u>
Intangible asset: Contracted but not provided for	<u>1,695</u>	<u>396</u>

13. Related party transactions

Significant related party transactions are as follows:

	Amount transacted for the period ended 30 September	
	2020 RM'000	2019 RM'000
Related companies*		
Reinsurance premium and commission	<u>(67,866)</u>	<u>(56,093)</u>

* Related companies are companies within the Allianz SE group.

14. Changes in Company's composition

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

15. Changes in contingent liabilities or contingent assets

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

16. 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.

17. Significant events

There were no significant event subsequent to the end of the financial period under review but have not been reported in this report for the financial period under review.

18. Regulatory capital requirement

The total capital available of the Company as prescribed under the Risk-Based Capital Framework is provided

	30.09.2020	31.12.2019
	RM'000	RM'000
Tier 1 Capital		
Paid up share capital	236,600	236,600
Eligible reserves, including retained earnings	1,849,026	1,748,133
	<u>2,085,626</u>	<u>1,984,733</u>
Tier 2 Capital		
Eligible reserves	345,122	267,695
Revaluation reserve	9,882	9,883
Available-for-sale reserve	319,682	238,528
General reserve	15,558	19,284
Subordinated loan	-	33,295
	<u>345,122</u>	<u>300,990</u>
Amount deducted from capital	(43,141)	(27,374)
Total capital available	<u><u>2,387,607</u></u>	<u><u>2,258,349</u></u>

19. Events after the interim period

There were no material events after the interim period that have not been reflected in the condensed interim financial statements for the current interim period.

20. Dividend paid

No dividend has been proposed or declared for the financial period under review (2019: nil).

21. Financial Instruments

21.1 Fair value of financial instruments

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

- The fair values of structured deposits, negotiable certificate of deposits, collateralised forward starting interest rate swap, collateralised interest rate swap, forward purchase agreements and cross currency swap are based on the indicative market prices from the issuing banks;
- The fair values of quoted equity securities of corporations in and outside Malaysia and quoted unit trusts in Malaysia are based on quoted market bid price as at the end of the reporting period;
- The unquoted equity securities of corporations in 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 Malaysian government securities, Malaysian government guaranteed bonds, Ringgit denominated bonds by foreign issuers outside Malaysia, unquoted bonds of corporations in and outside Malaysia are based on the indicative market prices provided by its custodian bank;
- 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;
- The carrying amount of Malaysian government guaranteed loans, policy loans, mortgage loans, automatic premium loans, fixed and call deposits and subordinated loan approximate their fair values; and
- The carrying amounts of cash and cash equivalents, insurance receivables, other receivables and deposits (current), insurance payables and other payables (current) and accruals reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

Estimation of the fair values of Malaysian government securities, Malaysian government guaranteed bonds, Ringgit denominated bonds by foreign issuers outside Malaysia, unquoted bonds of corporations in and outside Malaysia are based on the indicative market prices provided by its custodian bank 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 yields may be different from the actual market yields in future.

It was not practicable to estimate the fair value of the Company's investment in unquoted equity securities of corporations in Malaysia due to lack of comparable quoted market prices and inability to estimate fair value without incurring excessive costs.

21. Financial Instruments

21.2 Fair value information

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
30.09.2020						
Financial assets						
Malaysian government securities	-	3,753,437	-	3,753,437	3,753,437	3,753,437
Malaysian government guaranteed bonds	-	2,462,285	-	2,462,285	2,462,285	2,462,285
Ringgit denominated bonds by foreign issuers outside Malaysia	-	40,772	-	40,772	40,772	40,772
Quoted equity securities of corporations in Malaysia	2,122,706	-	-	2,122,706	2,122,706	2,122,706
Quoted equity securities of corporations outside Malaysia	1,309	-	-	1,309	1,309	1,309
Unquoted bonds of corporations in Malaysia	-	3,545,414	-	3,545,414	3,545,414	3,545,414
Unquoted bonds of corporations outside Malaysia	-	129,546	-	129,546	129,546	129,546
Quoted unit trusts in Malaysia	60,842	-	-	60,842	60,842	60,842
Unquoted unit trusts in Malaysia	-	36,592	-	36,592	36,592	36,592
Unquoted unit trusts outside Malaysia	-	27,816	-	27,816	27,816	27,816
Structured deposits with licensed financial institutions	-	73,093	-	73,093	73,093	73,093
Government guaranteed loans	-	-	-	-	-	-
Collateralised interest rate swap	-	61,367	-	61,367	61,367	61,367
Forward purchase agreements	-	16,911	-	16,911	16,911	16,911
Cross currency swap	-	3,145	-	3,145	3,145	3,145
	2,184,857	10,150,378	-	12,335,235	12,335,235	12,335,235
Financial liabilities						
Forward purchase agreements	-	-	-	-	-	-
Cross currency swap	-	2,248	-	2,248	2,248	2,248
Subordinated loan	-	-	-	-	-	-
Lease liabilities	-	-	-	-	14,335	14,335
	-	2,248	-	2,248	16,583	16,583

21. Financial Instruments

21.2 Fair value information (continued)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position (continued).

	Fair value of financial instruments carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
31.12.2019						
Financial assets						
Malaysian government securities	-	2,989,687	-	2,989,687	2,989,687	2,989,687
Malaysian government guaranteed bonds	-	2,461,487	-	2,461,487	2,461,487	2,461,487
Ringgit denominated bonds by foreign issuers outside Malaysia	-	40,623	-	40,623	40,623	40,623
Quoted equity securities of corporations in Malaysia	1,905,352	-	-	1,905,352	1,905,352	1,905,352
Quoted equity securities of corporations outside Malaysia	1,896	-	-	1,896	1,896	1,896
Unquoted bonds of corporations in Malaysia	-	3,285,101	-	3,285,101	3,285,101	3,285,101
Unquoted bonds of corporations outside Malaysia	-	121,018	-	121,018	121,018	121,018
Quoted unit trusts in Malaysia	75,679	-	-	75,679	75,679	75,679
Unquoted unit trusts in Malaysia	-	13,120	-	13,120	13,120	13,120
Unquoted unit trusts outside Malaysia	-	28,021	-	28,021	28,021	28,021
Structured deposits with licensed financial institutions	-	73,452	-	73,452	73,452	73,452
Government guaranteed loans	-	-	-	-	190,504	190,504
Collateralised interest rate swap	-	36,804	-	36,804	36,804	36,804
Forward purchase agreements	-	20,961	-	20,961	20,961	20,961
Cross currency swap	-	4,412	-	4,412	4,412	4,412
	1,982,927	9,074,686	-	11,057,613	11,248,117	11,248,117
Financial liabilities						
Forward purchase agreements	-	-	-	-	-	-
Cross currency swap	-	1,244	-	1,244	1,244	1,244
Subordinated loan	-	-	-	-	54,300	54,300
Lease liabilities	-	-	-	-	17,732	17,732
		1,244	-	1,244	73,276	73,276

22. 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.

Condensed statement of financial position by funds

Condensed statement of financial position as at 30 September 2020 - unaudited

	Shareholders' Funds		Life Fund		Total	
	30.09.2020	31.12.2019	30.09.2020	31.12.2019	30.09.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets						
Property, plant and equipment	-	-	23,716	22,501	23,716	22,501
Investment properties	-	-	3,840	3,840	3,840	3,840
Intangible assets	14,770	18,178	5,125	5,892	19,895	24,070
Right-of-use assets	-	-	23,906	27,589	23,906	27,589
Investments	268,463	247,604	12,817,985	11,548,975	13,086,448	11,796,579
Derivatives financial assets	-	-	81,423	62,177	81,423	62,177
Reinsurance assets	-	-	61,495	69,113	61,495	69,113
Insurance receivables	-	-	77,350	52,332	77,350	52,332
Other receivables, deposits and prepayments	31,704	52,668	42,980	25,849	74,684	63,603
Cash and cash equivalents	13,308	65,383	681,306	822,552	694,614	887,935
Total assets	328,245	383,833	13,819,126	12,640,820	14,147,371	13,009,739

22. Insurance funds (continued)**Condensed statement of financial position by funds****Condensed statement of financial position as at 30 September 2020 - unaudited (continued)**

	Shareholders' Funds		Life Fund		Total	
	30.09.2020	31.12.2019	30.09.2020	31.12.2019	30.09.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Equity, policyholders' funds and liabilities						
Share capital	236,600	236,600	-	-	236,600	236,600
Fair value reserve	10,345	5,865	231	172	10,576	6,037
Asset revaluation reserve	-	-	2,891	2,891	2,891	2,891
Retained earnings	50,256	60,941	1,139,617	971,896	1,189,873	1,032,837
Total equity	297,201	303,406	1,142,739	974,959	1,439,940	1,278,365
Insurance contract liabilities	-	-	11,667,980	10,763,671	11,667,980	10,763,671
Deferred tax liabilities	3,349	1,891	398,486	330,972	401,835	332,863
Derivative financial liabilities	-	-	2,248	1,244	2,248	1,244
Subordinated loan	-	54,300	-	-	-	54,300
Insurance payables	17,455	10,859	218,683	206,874	236,138	217,733
Lease liabilities	-	-	14,335	17,732	14,335	17,732
Other payables and accruals	4,591	7,813	370,011	345,079	374,602	337,978
Current tax liabilities	5,649	5,564	4,644	289	10,293	5,853
Total policyholders' funds and liabilities	31,044	80,427	12,676,387	11,665,861	12,707,431	11,731,374
Total equity, policyholders' funds and liabilities	328,245	383,833	13,819,126	12,640,820	14,147,371	13,009,739

22. Insurance funds (continued)

**Interim statement of profit or loss by funds
for the 9 month period ended 30 September 2020 - unaudited**

	Shareholders' Funds		Life Fund		Total	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Operating revenue	7,614	10,347	2,576,504	2,390,427	2,584,118	2,400,774
Gross earned premiums	-	-	2,196,728	2,029,901	2,196,728	2,029,901
Premiums ceded to reinsurers	-	-	(71,534)	(58,363)	(71,534)	(58,363)
Net earned premiums	-	-	2,125,194	1,971,538	2,125,194	1,971,538
Investment income	7,614	10,347	379,776	360,526	387,390	370,873
Realised gains and losses	853	1,456	(7,460)	(15,651)	(6,607)	(14,195)
Fair value gains and losses	-	-	(38,831)	361,756	(38,831)	361,756
Fee and commission income	-	-	1,204	(40)	1,204	(40)
Other operating income	962	9,749	21,662	20,671	22,624	30,420
Other revenue	9,429	21,552	356,351	727,262	365,780	748,814
Gross benefits and claims paid	(19)	(84)	(943,387)	(964,490)	(943,406)	(964,574)
Claims ceded to reinsurers	-	-	40,392	49,647	40,392	49,647
Gross change in contract liabilities	-	-	(777,539)	(1,002,568)	(777,539)	(1,002,568)
Change in contract liabilities ceded to reinsurers	-	-	(528)	281	(528)	281
Net benefits and claims	(19)	(84)	(1,681,062)	(1,917,130)	(1,681,081)	(1,917,214)
Fee and commission expense	(9,361)	(5,674)	(351,967)	(335,636)	(361,328)	(341,310)
Management expenses	(8,659)	(7,310)	(168,232)	(155,442)	(176,891)	(162,752)
Interest expenses	-	-	(517)	(2,416)	(517)	(2,416)
Other operating expenses	(1,003)	(12,439)	(27,264)	(21,893)	(28,267)	(34,332)
Other expenses	(19,023)	(25,423)	(547,980)	(515,387)	(567,003)	(540,810)
(Loss)/profit before tax	(9,613)	(3,955)	252,503	266,283	242,890	262,328
Tax expense	(1,072)	(1,835)	(84,782)	(85,841)	(85,854)	(87,676)
Net (loss)/profit after tax	(10,685)	(5,790)	167,721	180,442	157,036	174,652

22. Insurance funds (continued)

Investment-linked funds condensed statement of assets and liabilities Condensed statement of financial position as at 30 September 2020 - unaudited

	30.09.2020	31.12.2019
	RM'000	RM'000
Assets		
Investments	1,799,546	1,613,592
Interest and dividend receivables, and other receivables	8,012	722
Cash and cash equivalents	132,508	187,725
Total assets	<u>1,940,066</u>	<u>1,802,039</u>
Liabilities		
Deferred tax liabilities	2,658	1,847
Other payables	(86)	3,789
Benefits and claims liabilities	3,463	3,264
Current tax liabilities	-	17
Total liabilities	<u>6,035</u>	<u>8,917</u>
Net asset value of funds (Note 9)	<u>1,934,031</u>	<u>1,793,122</u>

Investment-linked funds condensed statement of income and expenditure for the 9 month period ended 30 September 2020 - unaudited

	2020	2019
	RM'000	RM'000
Investment income	48,164	45,686
Realised losses	(43,414)	(19,187)
Fair value gains and losses	(85,528)	34,589
Other operating income	392	1,101
	<u>(80,386)</u>	<u>62,189</u>
Management expenses	-	(39)
Other operating expenses	(18,103)	(15,156)
(Loss)/profit before tax	<u>(98,489)</u>	<u>46,994</u>
Tax income/(expense)	629	(1,789)
Net (loss)/profit for the period	<u>(97,860)</u>	<u>45,205</u>

23. Implications of COVID-19 on the Company business

The World Health Organisation ("WHO") had on 11 March 2020 declared COVID-19 as a pandemic and it has caused one of the most severe economic and financial market turmoil.

COVID-19 continues to disrupt economies and capital markets worldwide. As would be expected, COVID-19 had significant impact on Company's performance, including new business premium, policyholder experience and impact on investment results from market volatility and falling interest rate.

While the results for the nine month of the year have largely remained resilient, the Company remains cautious in maintaining the same level of profitability for the remainder of the year amid ongoing uncertainties to the economy arising from the COVID-19 pandemic. The Company will continue to closely monitor and respond to the impact of the pandemic.

On 27 March 2020, Bank Negara Malaysia had announced a number of measures to assist policyholders to manage the impact of the COVID-19 pandemic.

The relief measures that are extended to the Company's policyholders included:

- Deferment of payment of life insurance premiums;
- Flexibilities to reinstate or preserve life insurance protections; and
- Expediting claims processing

Under the relief measures, affected policyholders are eligible to apply for deferment of payment of their life insurance premiums and flexibilities are extended to the affected policyholders to reinstate or preserve their life insurance. The relief measures extended by the Company has no significant impact to the financial performance of the Company for the financial period under review.

ALLIANZ LIFE INSURANCE MALAYSIA BERHAD

(Company No. 198301008983)

(Incorporated in Malaysia)

Statement by Directors

In the opinion of the Directors, the condensed interim financial statements set out on pages 1 to 28 are drawn up in accordance with MFRS 134, *Interim Financial Reporting* and IAS 34, *Interim Financial Reporting* so as to present fairly the financial position of the Company as of 30 September 2020 and of its financial performance and cash flows for the period then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Goh Ching Yin

Peter Ho Kok Wai

Kuala Lumpur,

Date: 26 November 2020