

Company No.

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ZURICH INSURANCE MALAYSIA BERHAD  
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 30 JUNE 2013

Company No.

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ZURICH INSURANCE MALAYSIA BERHAD  
(Incorporated in Malaysia)

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ZURICH INSURANCE MALAYSIA BERHAD  
(Incorporated in Malaysia)

**UNAUDITED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2013**

	Note	As at 30.06.2013 RM'000	As at 31.12.2012 RM'000
<b>Assets</b>			
Property, plant and equipment		251,788	253,908
Intangible assets		3,515	3,704
Investment properties		340,324	355,055
Investments	13	6,696,665	6,560,777
Available-for-sale financial assets		5,092,279	5,055,677
Financial assets at fair value through profit or loss		1,074,877	915,332
Loans and receivables		529,509	589,768
Reinsurance assets	14	141,682	151,891
Insurance receivables		72,709	67,958
Other receivables		77,822	58,233
Tax recoverable		38,190	48,500
Deferred tax assets		24,821	28,365
Cash and cash equivalents		312,648	349,579
<b>Total assets</b>		<b>7,960,164</b>	<b>7,877,970</b>
<b>Equity, policyholders' funds and liabilities</b>			
Share capital		579,000	579,000
Retained earnings		415,949	339,979
Other reserves		47,957	51,485
<b>Total equity</b>		<b>1,042,906</b>	<b>970,464</b>
Insurance contract liabilities	15	5,464,349	5,577,866
Deferred tax liabilities		40,976	41,414
Other liabilities		184,481	207,878
Insurance payables		1,184,697	1,031,752
Provision for life agents' retirement benefits		1,057	1,111
Current tax liabilities		41,698	47,485
<b>Total liabilities</b>		<b>6,917,258</b>	<b>6,907,506</b>
<b>Total equity, policyholders' funds and liabilities</b>		<b>7,960,164</b>	<b>7,877,970</b>

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

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ZURICH INSURANCE MALAYSIA BERHAD  
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**UNAUDITED INTERIM INCOME STATEMENT  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2013**

	Note	6 months ended 30.06.2013 RM'000	6 months ended 30.06.2012 RM'000
<b>Operating revenue</b>		760,169	777,617
Gross earned premiums		596,267	616,009
Premiums ceded to reinsurers		(48,570)	(48,653)
<b>Net earned premiums</b>		547,697	567,356
Investment income		163,902	161,608
Realised gains and losses		6,797	56,828
Fair value gains and losses		76,778	39,481
Fee and commission income		14,981	9,015
<b>Other revenue</b>		262,458	266,932
Gross benefits and claims paid		(664,320)	(777,239)
Claims ceded to reinsurers		19,384	30,467
Gross change to contract liabilities		123,208	142,887
Change in contract liabilities ceded to reinsurers		(10,015)	(16,360)
<b>Net claims</b>		(531,743)	(620,245)
Fee and commission expense		(80,422)	(74,531)
Management expenses		(104,555)	(97,592)
Other operating revenue/(expenses) - net		3,601	(10,632)
<b>Other expenses</b>		(181,376)	(182,755)
<b>Profit before taxation</b>		97,036	31,288
Taxation	16	(21,066)	(25,163)
<b>Profit for the financial period</b>		75,970	6,125
<b>Earnings per share (sen)</b>		13.1	1.1

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ZURICH INSURANCE MALAYSIA BERHAD  
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**UNAUDITED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2013**

	<b>6 months ended 30.06.2013 RM'000</b>	<b>6 months ended 30.06.2012 RM'000</b>
<b>Profit for the financial period</b>	75,970	6,125
<b>Other comprehensive income:</b>		
Fair value change on available-for-sale financial assets, net of deferred tax:		
- Gross fair value change	(19,104)	(30,220)
- Deferred tax	1,903	1,569
Net losses	(17,201)	(28,651)
Change in insurance contract liabilities arising from unrealised net fair value gain	13,673	17,618
<b>Other comprehensive loss for the period, net of tax</b>	(3,528)	(11,033)
<b>Total comprehensive income/(loss) for the financial period</b>	<b>72,442</b>	<b>(4,908)</b>

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

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ZURICH INSURANCE MALAYSIA BERHAD  
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**UNAUDITED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2013**

	Issued and fully paid Ordinary shares of RM1 each				Retained earnings			Total RM'000
	Number of shares '000	Nominal value RM'000	Available- for-sale fair value reserve RM'000	Revaluation reserve RM'000	Non-Par unallocated surplus <sup>1</sup> RM'000	Distributable retained earnings RM'000	Sub-total Retained earnings RM'000	
<b>At 1 January 2013</b>	579,000	579,000	51,485	-	197,647	142,332	339,979	970,464
Total comprehensive income for the period	-	-	(3,528)	-	30,344	45,626	75,970	72,442
<b>At 30 June 2013</b>	579,000	579,000	47,957	-	227,991	187,958	415,949	1,042,906
<b>At 1 January 2012</b>	579,000	579,000	10,254	442	-	88,429	88,429	678,125
Effects on adoption of MFRSs	-	-	51,196	(442)	198,476	(600)	197,876	248,630
<b>At 1 January 2012 – under MFRS</b>	579,000	579,000	61,450	-	198,476	87,829	286,305	926,755
Total comprehensive loss for the period	-	-	(11,033)	-	4,283	1,842	6,125	(4,908)
<b>At 30 June 2012</b>	579,000	579,000	50,417	-	202,759	89,671	292,430	921,847

<sup>1</sup>The unallocated surplus of the Non-participating ("Non-Par") fund is only available for distribution to the shareholders upon approval by the Appointed Actuary. There was no transfer from non-par fund unallocated surplus for the current financial period ended 30 June 2013 (30 June 2012: RM nil).

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

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ZURICH INSURANCE MALAYSIA BERHAD  
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**UNAUDITED INTERIM CASH FLOW STATEMENT  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2013**

	<b>6 months ended 30.06.2013 RM'000</b>	<b>6 months ended 30.06.2012 RM'000</b>
<b>Operating Activities</b>		
Cash utilised in from operating activities	(173,557)	(842,410)
Dividend/distribution income received	19,685	14,016
Interest/profit income received	130,337	126,803
Rental income on investment properties received	8,387	8,555
Income tax paid	(19,548)	(17,198)
<b>Net cash outflow from operating activities</b>	<b>(34,696)</b>	<b>(710,234)</b>
<b>Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	21	162
Purchase of property, plant and equipment	(1,701)	(162)
Purchase of intangible assets	(555)	(620)
<b>Net cash outflow from investing activities</b>	<b>(2,235)</b>	<b>(620)</b>
Net decrease in cash and cash equivalents	(36,931)	(710,854)
Cash and cash equivalents at beginning of financial year	349,579	1,404,373
<b>Cash and cash equivalents at end of financial period</b>	<b>312,648</b>	<b>693,519</b>
<b>Cash and cash equivalents comprise:</b>		
Call deposits (with maturity of less than three months):		
Licensed financial institutions	95,806	312,023
Cash and bank balances	216,842	381,496
	<b>312,648</b>	<b>693,519</b>

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

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ZURICH INSURANCE MALAYSIA BERHAD  
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## NOTES TO THE INTERIM FINANCIAL STATEMENTS – 30 JUNE 2013

### 1. BASIS OF PREPARATION

The unaudited interim financial statements have been prepared in accordance with the Guidelines on Financial Reporting for Insurers issued by Bank Negara Malaysia (“BNM”). The unaudited interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2012, which were prepared in accordance with the Malaysian Financial Reporting Standards (“MFRSs”).

The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to gain an understanding of the change in the financial position and performance of the Company since the financial year ended 31 December 2012.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the Company for the interim financial statements are consistent with those adopted in the Company’s audited financial statements for the financial year ended 31 December 2012, except for the adoption of the following:

<b>MFRSs/Interpretations</b>	<b>Effective Date</b>
MFRS 7 “Financial Instruments: Disclosures”	1 January 2013
MFRS 13 “Fair value measurement”	1 January 2013
MFRS 101 “Presentation of items of other comprehensive income”	1 January 2013
MFRS 119 “Employee benefits”	1 January 2013

The adoption of the revised standards, amendments and interpretations issued by Malaysian Accounting Standards Board (“MASB”) in the current financial year do not have any material impact to the financial statements of the Company.

As at the date of authorisation of these interim financial statements, the revised MFRSs, amendments to MFRSs and IC Interpretations but not yet effective issued by MASB in the current year is not expected to have any material impact on the financial statements of the Company.

### 3. AUDITOR’S REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditor’s report on the audited financial statements for the financial year ended 31 December 2012 was not qualified.

### 4. SEASONAL OR CYCLICAL FACTORS

The Company’s business operations are not significantly affected by any unusual seasonal or cyclical factors.

### 5. UNUSUAL ITEMS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current financial period under review.

### 6. CHANGE IN ACCOUNTING ESTIMATES

There were no material changes in basis used for accounting estimates for the current financial period to date.



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ZURICH INSURANCE MALAYSIA BERHAD  
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**NOTES TO THE INTERIM FINANCIAL STATEMENTS – 30 JUNE 2013 (CONTINUED)**

**7. DEBT AND EQUITY SECURITIES**

There were no issuances or repayments of debt and equity securities for the current financial period under review.

**8. DIVIDEND PAYMENT**

There was no dividend paid during the current financial period under review.

**9. CARRYING AMOUNT OF REVALUED ASSETS**

Investment properties of the Company have been carried at revalued amount at the financial year ended 31 December 2012. These revalued amounts have been carried forward to the current financial period.

**10. MATERIAL SUBSEQUENT EVENTS**

There were no material subsequent events from the end of the current financial period under review to the date of these interim financial statements.

**11. CHANGES IN COMPOSITION OF THE COMPANY**

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

**12. CONTINGENT LIABILITIES**

There are no contingent liabilities as at the date of this report since the date of the last annual statement of financial position.

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ZURICH INSURANCE MALAYSIA BERHAD  
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**NOTES TO THE INTERIM FINANCIAL STATEMENTS – 30 JUNE 2013 (CONTINUED)**

**13. INVESTMENTS**

	<b>As at 30.06.2013 RM'000</b>	<b>As at 31.12.2012 RM'000</b>
Malaysian Government Securities/Government Investment Issues	598,584	809,359
Corporate debt securities	4,425,948	4,221,746
Equity securities	911,597	787,069
Unit trusts	231,028	152,835
Loans	496,420	504,868
Fixed and call deposits	33,088	84,900
	<u>6,696,665</u>	<u>6,560,777</u>

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

Available-for-sale financial assets	5,092,279	5,055,677
Financial assets at fair value through profit or loss	1,074,877	915,332
Loans and receivables	529,509	589,768
	<u>6,696,665</u>	<u>6,560,777</u>

The following investments mature after 12 months:

Available-for-sale financial assets	4,435,543	4,481,341
Financial assets at fair value through profit or loss	184,694	182,536
Loans and receivables	10,010	10,010
	<u>4,630,247</u>	<u>4,673,887</u>

**14. REINSURANCE ASSETS**

	<b>As at 30.06.2013 RM'000</b>	<b>As at 31.12.2012 RM'000</b>
Reinsurers' share of insurance contract liabilities	<u>141,682</u>	<u>151,891</u>

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ZURICH INSURANCE MALAYSIA BERHAD  
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**NOTES TO THE INTERIM FINANCIAL STATEMENTS – 30 JUNE 2013 (CONTINUED)**

**15. INSURANCE CONTRACT LIABILITIES**

	<b>30.06.2013</b>			<b>31.12.2012</b>		
<b>Note</b>	<b>Gross</b>	<b>Re- insurance</b>	<b>Net</b>	<b>Gross</b>	<b>Re- insurance</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>
Life insurance	4,728,309	(30,207)	4,698,102	4,857,718	(29,424)	4,828,294
General insurance	736,040	(111,475)	624,565	720,148	(122,467)	597,681
	<u>5,464,349</u>	<u>(141,682)</u>	<u>5,322,667</u>	<u>5,577,866</u>	<u>(151,891)</u>	<u>5,425,975</u>

**(a) Life Insurance**

The Life insurance contract liabilities and movements are further analysed as follows:

	<b>As at 30.06.2013</b>			<b>As at 31.12.2012</b>		
	<b>Gross</b>	<b>Re- insurance</b>	<b>Net</b>	<b>Gross</b>	<b>Re- insurance</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:						
Liability for future policyholders' benefits	3,927,815	(22,996)	3,904,819	4,051,693	(22,717)	4,028,976
Net asset value attributable to unitholders	789,557	-	789,557	736,709	-	736,709
	<u>4,717,372</u>	<u>(22,996)</u>	<u>4,694,376</u>	<u>4,788,402</u>	<u>(22,717)</u>	<u>4,765,685</u>
Claim liabilities	48,757	(7,211)	41,546	50,421	(6,707)	43,714
	<u>4,766,129</u>	<u>(30,207)</u>	<u>4,735,922</u>	<u>4,838,823</u>	<u>(29,424)</u>	<u>4,809,399</u>
Participating funds:						
- Unallocated deficit	(174,798)	-	(174,798)	(131,756)	-	(131,756)
- Available-for-sale reserve	136,978	-	136,978	150,651	-	150,651
	<u>4,728,309</u>	<u>(30,207)</u>	<u>4,698,102</u>	<u>4,857,718</u>	<u>(29,424)</u>	<u>4,828,294</u>

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS – 30 JUNE 2013 (CONTINUED)**

**15. INSURANCE CONTRACT LIABILITIES (CONTINUED)**

**(a) Life Insurance (continued)**

	<b>Gross</b>			<b>Reinsurance</b>			
	<b>With DPF</b>	<b>Without DPF</b>	<b>Total</b>	<b>With DPF</b>	<b>Without DPF</b>	<b>Total</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>	<b>RM'000</b>
<b><u>Actuarial liabilities</u></b>							
<b>At 1 January 2012</b>	3,432,866	1,568,466	5,001,332	(4,413)	(18,675)	(23,088)	4,978,244
Benefit and claims experience variation	(173,712)	(45,069)	(218,781)	(250)	621	371	(218,410)
Change due to valuation basis:							
Model enhancement	21,618	9,650	31,268	-	-	-	31,268
Yield movement	-	30,491	30,491	-	-	-	30,491
Assumption changes	(64,071)	(2,950)	(67,021)	-	-	-	(67,021)
Net asset value attributable to unitholders	-	11,113	11,113	-	-	-	11,113
<b>At 31 December 2012</b>	3,216,701	1,571,701	4,788,402	(4,663)	(18,054)	(22,717)	4,765,685
Benefit and claims experience variation	(89,822)	(55,161)	(144,983)	(59)	(220)	(279)	(145,262)
Change due to valuation basis:							
Model enhancement	26,886	(1,403)	25,483	-	-	-	25,483
Yield movement	(4,041)	(337)	(4,378)	-	-	-	(4,378)
Net asset value attributable to unitholders	-	52,848	52,848	-	-	-	52,848
<b>At 30 June 2013</b>	<u>3,149,724</u>	<u>1,567,648</u>	<u>4,717,372</u>	<u>(4,722)</u>	<u>(18,274)</u>	<u>(22,996)</u>	<u>4,694,376</u>
<b><u>Claims liabilities</u></b>							
<b>At 1 January 2012</b>	4,469	21,760	26,229	(4,223)	(4,415)	(8,638)	17,591
Movement in claim provisions	27,724	(3,532)	24,192	2,165	(234)	1,931	26,123
<b>At 31 December 2012</b>	32,193	18,228	50,421	(2,058)	(4,649)	(6,707)	43,714
Movement in claim provisions	(2,076)	412	(1,664)	(543)	39	(504)	(2,168)
<b>At 30 June 2013</b>	<u>30,117</u>	<u>18,640</u>	<u>48,757</u>	<u>(2,601)</u>	<u>(4,610)</u>	<u>(7,211)</u>	<u>41,546</u>

ZURICH INSURANCE MALAYSIA BERHAD  
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NOTES TO THE INTERIM FINANCIAL STATEMENTS – 30 JUNE 2013 (CONTINUED)

15. INSURANCE CONTRACT LIABILITIES (CONTINUED)

(a) Life Insurance (continued)

	As at 30.06.2013			As at 31.12.2012		
	With DPF	Without DPF	Total	With DPF	Without DPF	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Unallocated surplus/(deficit)</b>						
<b>At 1 January</b>	(131,756)	197,647	65,891	(169,941)	198,476	28,535
Premium received	104,652	240,199	344,851	237,000	574,365	811,365
Payments due to death, surrenders, benefits and claims	(290,047)	(251,771)	(541,818)	(618,537)	(550,312)	(1,168,849)
Net investment income	108,390	110,913	219,303	251,701	151,266	402,967
Management expenses and commissions	(26,607)	(65,679)	(92,286)	(45,005)	(151,975)	(196,980)
Change in life assurance fund actuarial liabilities	67,036	4,274	71,310	216,417	(3,858)	212,559
Change in claims liabilities	2,619	(3,950)	(1,331)	(29,888)	3,765	(26,123)
Tax expense	(9,085)	(3,642)	(12,727)	(14,737)	(24,080)	(38,817)
Transfer from shareholders fund	-	-	-	41,234	-	41,234
<b>Net surplus/(deficit) for the financial period</b>	<b>(43,042)</b>	<b>30,344</b>	<b>(12,698)</b>	<b>38,185</b>	<b>(829)</b>	<b>37,356</b>
<b>At 30 June/31 December</b>	<b>(174,798)</b>	<b>227,991</b>	<b>53,193</b>	<b>(131,756)</b>	<b>197,647</b>	<b>65,891</b>

The unallocated surplus of the life non-participating is reported under non-distributable retained earnings in the statement of changes in equity.

**Available-for-sale reserves**

	As at 30.06.2013 RM'000	As at 31.12.2012 RM'000
<b>At 1 January</b>	150,651	169,941
Fair value change on available-for-sale financial assets, net of tax:		
- Gross fair value change	(14,649)	(20,197)
- Deferred taxation	976	907
	<b>(13,673)</b>	<b>(19,290)</b>
<b>At 30 June/31 December</b>	<b>136,978</b>	<b>150,651</b>

ZURICH INSURANCE MALAYSIA BERHAD  
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NOTES TO THE INTERIM FINANCIAL STATEMENTS – 30 JUNE 2013 (CONTINUED)

15. INSURANCE CONTRACT LIABILITIES (CONTINUED)

(b) General Insurance

The General insurance contract liabilities and movements are further analysed as follows:

	As at 30.06.2013			As at 31.12.2012		
	Gross RM'000	Re- insurance RM'000	Net RM'000	Gross RM'000	Re- insurance RM'000	Net RM'000
Provision for claim	299,464	(64,974)	234,490	312,910	(77,423)	235,487
Provision for incurred but not reported claims ("IBNR")	196,309	(20,604)	175,705	193,833	(18,953)	174,880
Claim liabilities	495,773	(85,578)	410,195	506,743	(96,376)	410,367
Premium liabilities	240,267	(25,897)	214,370	213,405	(26,091)	187,314
	<u>736,040</u>	<u>(111,475)</u>	<u>624,565</u>	<u>720,148</u>	<u>(122,467)</u>	<u>597,681</u>
<b><u>Claims liabilities</u></b>						
<b>At 1 January</b>	506,743	(96,376)	410,367	572,923	(121,128)	451,795
Claims incurred in the current accident year	94,002	(7,082)	86,920	80,997	6,879	87,876
Other movements in claims incurred in prior accident years	11,784	3,417	15,201	131,156	(25,743)	105,413
Claims paid during the financial period	(119,231)	16,115	(103,116)	(251,181)	40,631	(210,550)
Movement in IBNR reserves	2,475	(1,652)	823	(27,152)	2,985	(24,167)
<b>At 30 June/31 December</b>	<u>495,773</u>	<u>(85,578)</u>	<u>410,195</u>	<u>506,743</u>	<u>(96,376)</u>	<u>410,367</u>
<b><u>Premium liabilities</u></b>						
<b>At 1 January</b>	213,405	(26,091)	187,314	227,499	(60,991)	166,508
Premium written in the financial period	271,400	(63,032)	208,368	481,120	(63,035)	418,085
Premium earned during the financial period	(244,538)	63,226	(181,312)	(495,214)	97,935	(397,279)
<b>At 30 June/31 December</b>	<u>240,267</u>	<u>(25,897)</u>	<u>214,370</u>	<u>213,405</u>	<u>(26,091)</u>	<u>187,314</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS – 30 JUNE 2013 (CONTINUED)

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS – 30 JUNE 2013 (CONTINUED)**

**17. TOTAL CAPITAL AVAILABLE**

The regulated capital of the Company as at 30 June 2013 comprised capital available of RM1,995 million (31 December 2012: RM 2,066 million).

The capital structure of the Company as at 30 June 2013, as prescribed under the RBC Framework, is shown below:

	<b>As at 30.06.2013 RM'000</b>	<b>As at 31.12.2012 RM'000</b>
<b>Tier 1 Capital</b>		
Paid-up share capital	579,000	579,000
Reserves, including retained earnings	1,278,372	1,338,914
	<u>1,857,372</u>	<u>1,917,914</u>
<b>Tier 2 Capital</b>		
Available-for-sale reserves	162,141	176,887
Less:		
Deferred tax assets	(24,821)	(28,338)
<b>Total Capital Available</b>	<u>1,994,692</u>	<u>2,066,463</u>

**18. CAPITAL AND OTHER COMMITMENTS**

Capital expenditure not provided for in the financial statements is as follows:

	<b>As at 30.06.2013 RM'000</b>	<b>As at 31.12.2012 RM'000</b>
Authorised and contracted for:		
- investment properties	<u>505</u>	<u>505</u>

**19. INSURANCE FUNDS**

The Company's operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products for different markets. The operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company has three (3) operating segments and the following summary described the operations in each of the Company's operating segments:

- Life insurance – underwriting life insurance business, including investment-linked and annuity business
- General insurance – underwriting of all classes of general insurance business
- Shareholders' fund of the insurance business



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS – 30 JUNE 2013 (CONTINUED)**

**19. INSURANCE FUNDS (continued)**

**Unaudited Interim Statement of Financial Position by Funds  
As at 30 June 2013**

	<b>Life Fund</b>	<b>General Fund</b>	<b>Shareholders' Fund</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Assets</b>				
Property, plant and equipment	189,509	512	61,767	251,788
Intangible assets	2,327	1,188	-	3,515
Investment properties	297,124	12,020	31,180	340,324
Investments	5,504,549	660,711	531,405	6,696,665
Available-for-sale financial assets	3,923,476	659,277	509,526	5,092,279
Financial assets at fair value through profit or loss	1,074,877	-	-	1,074,877
Loans and receivables	506,196	1,434	21,879	529,509
Reinsurance assets	30,207	111,475	-	141,682
Insurance receivables	27,558	45,151	-	72,709
Other receivables	31,250	46,295	277	77,822
Tax recoverable	21,934	2,805	13,451	38,190
Deferred tax assets	-	-	24,821	24,821
Cash and cash equivalents	257,715	40,348	14,585	312,648
<b>Total assets</b>	<b>6,362,173</b>	<b>920,505</b>	<b>677,486</b>	<b>7,960,164</b>
<b>Equity, policyholders' funds and liabilities</b>				
Share capital	-	-	579,000	579,000
Retained earnings	227,991	37,080	150,878	415,949
Other reserves	39,546	7,335	1,076	47,957
<b>Total equity</b>	<b>267,537</b>	<b>44,415</b>	<b>730,954</b>	<b>1,042,906</b>
Insurance contract liabilities	4,728,309	736,040	-	5,464,349
Deferred tax liabilities	40,134	842	-	40,976
Other liabilities	115,303	68,670	508	184,481
Insurance payables	1,138,443	46,254	-	1,184,697
Provision for life agents' retirement benefits	1,057	-	-	1,057
Current tax liabilities	12,728	23,454	5,516	41,698
<b>Total liabilities</b>	<b>6,035,974</b>	<b>875,260</b>	<b>6,024</b>	<b>6,917,258</b>
<b>Total equity, policyholders' funds and liabilities</b>	<b>6,303,511</b>	<b>919,675</b>	<b>736,978</b>	<b>7,960,164</b>
<b>Inter-fund balances</b>	<b>58,662</b>	<b>830</b>	<b>(59,492)</b>	<b>-</b>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS – 30 JUNE 2013 (CONTINUED)

19. INSURANCE FUNDS (continued)

Statement of Financial Position by Funds  
As at 31 December 2012

	Life Fund	General Fund	Shareholders' Fund	Total
	RM'000	RM'000	RM'000	RM'000
<b>Assets</b>				
Property, plant and equipment	191,031	472	62,405	253,908
Intangible assets	2,406	1,298	-	3,704
Investment properties	311,855	12,020	31,180	355,055
Investments	5,420,201	680,153	460,423	6,560,777
Available-for-sale financial assets	3,959,782	660,347	435,548	5,055,677
Financial assets at fair value through profit or loss	915,332	-	-	915,332
Loans and receivables	545,087	19,806	24,875	589,768
Reinsurance assets	29,424	122,467	-	151,891
Insurance receivables	31,489	36,469	-	67,958
Other receivables	32,968	25,034	231	58,233
Tax recoverable	25,565	2,800	20,135	48,500
Deferred tax assets	5,129	-	23,236	28,365
Cash and cash equivalents	288,419	54,605	6,555	349,579
<b>Total assets</b>	<b>6,338,487</b>	<b>935,318</b>	<b>604,165</b>	<b>7,877,970</b>
<b>Equity, policyholders' funds and liabilities</b>				
Share capital	-	-	579,000	579,000
Retained earnings	197,647	-	142,332	339,979
Other reserves	40,558	9,418	1,509	51,485
<b>Total equity</b>	<b>238,205</b>	<b>9,418</b>	<b>722,841</b>	<b>970,464</b>
Insurance contract liabilities	4,857,718	720,148	-	5,577,866
Deferred tax liabilities	36,380	5,034	-	41,414
Other liabilities	138,486	68,967	425	207,878
Insurance payables	993,044	38,708	-	1,031,752
Provision for life agents' retirement benefits	1,111	-	-	1,111
Current tax liabilities	12,809	22,743	11,933	47,485
<b>Total liabilities</b>	<b>6,039,548</b>	<b>855,600</b>	<b>12,358</b>	<b>6,907,506</b>
<b>Total equity, policyholders' funds and liabilities</b>	<b>6,277,753</b>	<b>865,018</b>	<b>735,199</b>	<b>7,877,970</b>
<b>Inter-fund balances</b>	<b>60,734</b>	<b>70,300</b>	<b>(131,034)</b>	<b>-</b>

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS – 30 JUNE 2013 (CONTINUED)**

**19. INSURANCE FUNDS (continued)**

**Unaudited Interim Income Statement by Funds  
For the six months period ended 30 June 2013**

	<b>Life Fund RM'000</b>	<b>General Fund RM'000</b>	<b>Shareholders' Fund RM'000</b>	<b>Total RM'000</b>
<b>Operating revenue</b>	485,362	263,832	10,975	760,169
Gross earned premiums	351,729	244,538	-	596,267
Premiums ceded to reinsurers	(6,878)	(41,692)	-	(48,570)
<b>Net earned premiums</b>	344,851	202,846	-	547,697
Investment income	133,633	19,294	10,975	163,902
Realised gains and losses	9,126	(2,215)	120	7,031
Fair value gains	76,544	-	-	76,544
Fee and commission income	9,110	5,871	-	14,981
<b>Other revenue</b>	228,413	22,950	11,095	262,458
Gross benefits and claims paid	(545,087)	(119,233)	-	(664,320)
Claims ceded to reinsurers	3,269	16,115	-	19,384
Gross change to contract liabilities	112,237	10,971	-	123,208
Change in contract liabilities ceded to reinsurers	784	(10,799)	-	(10,015)
<b>Net claims</b>	(428,797)	(102,946)	-	(531,743)
Fee and commission expense	(48,532)	(31,890)	-	(80,422)
Management expenses	(52,875)	(50,776)	(904)	(104,555)
Other operating revenue - net	11	3,559	31	3,601
<b>Other expenses</b>	(101,396)	(79,107)	(873)	(181,376)
<b>Profit before taxation</b>	43,071	43,743	10,222	97,036
Taxation	(12,727)	(6,663)	(1,676)	(21,066)
<b>Profit for the financial period</b>	30,344	37,080	8,546	75,970

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS – 30 JUNE 2013 (CONTINUED)**

**19. INSURANCE FUNDS (continued)**

**Unaudited Interim Income Statement by Funds  
For the six months period ended 30 June 2012**

	<b>Life Fund RM'000</b>	<b>General Fund RM'000</b>	<b>Shareholders' Fund RM'000</b>	<b>Total RM'000</b>
<b>Operating revenue</b>	521,871	246,522	9,224	777,617
Gross earned premiums	381,768	234,241	-	616,009
Premiums ceded to reinsurers	(11,119)	(37,534)	-	(48,653)
<b>Net earned premiums</b>	370,649	196,707	-	567,356
Investment income	140,103	12,281	9,224	161,608
Realised gains and losses	52,906	3,837	85	56,828
Fair value gains and losses	39,048	433	-	39,481
Fee and commission income	5,602	3,413	-	9,015
<b>Other revenue</b>	237,659	19,964	9,309	266,932
Gross benefits and claims paid	(647,804)	(129,435)	-	(777,239)
Claims ceded to reinsurers	7,323	23,144	-	30,467
Gross change to contract liabilities	122,338	20,549	-	142,887
Change in contract liabilities ceded to reinsurers	(5,010)	(11,350)	-	(16,360)
<b>Net claims</b>	(523,153)	(97,092)	-	(620,245)
Fee and commission expense	(43,958)	(30,573)	-	(74,531)
Management expenses	(48,284)	(48,448)	(860)	(97,592)
Other operating (expenses)/revenue - net	(7,013)	(3,631)	12	(10,632)
<b>Other expenses</b>	(99,255)	(82,652)	(848)	(182,755)
<b>(Loss)/profit before taxation</b>	(14,100)	36,927	8,461	31,288
Transfer to:				
- Life insurance	41,234	-	(41,234)	-
Taxation	(22,851)	(10,187)	7,875	(25,163)
<b>Profit for the financial period</b>	4,283	26,740	(24,898)	6,125

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS – 30 JUNE 2013 (CONTINUED)**

**19. INSURANCE FUNDS (continued)**

**Investment-linked Fund  
Unaudited Interim Statement of Financial Position**

	<b>As at 30.06.2013 RM'000</b>	<b>As at 31.12.2012 RM'000</b>
<b>Assets</b>		
Investments		
Financial assets at fair value through profit or loss	723,402	650,420
Other receivables	2,616	177
Tax recoverable	-	1,140
Deferred tax assets	-	27
Cash and bank balances	82,886	88,984
<b>Total assets</b>	<b>808,904</b>	<b>740,748</b>
<b>Liabilities</b>		
Insurance contract liabilities	789,557	736,710
Deferred tax liabilities	9,691	4,700
Other liabilities	2,575	932
Current tax liabilities	5,694	3,397
<b>Total liabilities</b>	<b>807,517</b>	<b>745,739</b>
Inter-fund balances	1,387	(4,991)
<b>Net asset value of funds</b>	<b>808,904</b>	<b>740,748</b>

**Unaudited Interim Investment-linked Fund Income Statement  
For the six months period ended 30 June 2013**

	<b>6 months ended 30.06.2013 RM'000</b>	<b>6 months ended 30.06.2012 RM'000</b>
Investment income	14,893	15,140
Realised gains	515	960
Fair value gains	62,428	23,442
	77,836	39,542
Fees and commission expenses	(5,325)	(5,421)
Management expenses	(15)	(16)
Other operating expenses – net	(109)	(89)
<b>Surplus before taxation</b>	<b>72,387</b>	<b>34,016</b>
Taxation	(6,519)	(3,152)
<b>Surplus after taxation for the financial period</b>	<b>65,868</b>	<b>30,864</b>