

Unaudited Condensed Interim Financial Statements

For The Half-Year Ended 30 June 2015

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**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015**

	Note	As at 30.06.2015 RM'000	As at 31.12.2014 RM'000
ASSETS			
Property, plant and equipment		21,437	21,517
Intangible assets		10,919	12,229
Investment properties		331,722	330,108
Investments	12	7,371,955	7,060,574
Available-for-sale financial assets		5,682,294	5,353,025
Financial assets at fair value through profit or loss		1,260,822	1,222,489
Loans and receivables		428,839	485,060
Reinsurance assets	14	172,525	164,777
Insurance receivables		118,516	113,855
Other receivables		114,871	84,033
Tax recoverable		26,328	26,758
Non-current assets held-for-sale		174,565	184,027
Deferred tax assets		12,757	13,538
Cash and cash equivalents		253,077	384,459
Total assets		8,608,672	8,395,875
Equity, policyholders' funds and liabilities			
Share capital		579,000	579,000
Retained earnings		652,222	612,636
Other reserves		32,078	26,094
Total equity		1,263,300	1,217,730
Insurance contract liabilities	15	5,680,638	5,480,923
Deferred tax liabilities		87,222	91,274
Other liabilities		184,716	165,736
Insurance payables		1,378,888	1,422,447
Provision for life agents' retirement benefits		650	639
Current tax liabilities		13,258	17,126
Total liabilities		7,345,372	7,178,145
Total equity, policyholders' funds and liabilities		8,608,672	8,395,875

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

**UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2015**

	Note	6 months ended 30.06.2015 RM'000	6 months ended 30.06.2014 RM'000
Gross earned premiums		689,147	648,446
Premiums ceded to reinsurers		(63,484)	(55,162)
Net earned premiums		625,663	593,284
Investment income		160,494	157,388
Realised gains and losses		17,978	8,939
Fair value gains and losses		(21,297)	9,934
Fee and commission income		7,082	7,012
Other revenue		164,257	183,273
Total revenue		789,920	776,557
Gross benefits and claims paid		(375,566)	(651,596)
Claims ceded to reinsurers		15,707	14,135
Gross change to contract liabilities		(169,206)	120,687
Change in contract liabilities ceded to reinsurers		11,453	(5,155)
Net claims		(517,612)	(521,929)
Fee and commission expense		(90,516)	(88,083)
Management expenses		(136,607)	(111,679)
Other operating revenue - net		3,348	204
Other expenses		(223,775)	(199,558)
Profit before taxation		48,533	55,070
Taxation	16	(8,947)	(28,794)
Profit for the financial period		39,586	26,276
Basic/diluted earnings per share (sen)		6.84	4.54

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

**UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2015**

	6 months ended 30.06.2015 RM'000	6 months ended 30.06.2014 RM'000
Profit for the financial period	39,586	26,276
Item that may be subsequently reclassified to profit or loss		
Fair value change on available-for-sale financial assets, net of deferred tax:		
- Gross fair value change	36,546	(17,568)
- Deferred tax	(3,669)	1,475
Net fair value gains/(losses)	32,877	(16,093)
Change in insurance contract liabilities arising from unrealised net fair value (losses)/gains	(26,893)	10,631
	5,984	(5,462)
Total comprehensive income for the financial period	45,570	20,814

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

**UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2015**

	Issued and fully paid Ordinary shares of RM1 each		Non-distributable		Retained earnings			Total
	Number of shares '000	Nominal value RM'000	Available- for-sale fair value reserve RM'000	Revaluation reserve RM'000	Non-Par unallocated surplus ¹ RM'000	Distributable retained earnings RM'000	Sub-total Retained earnings RM'000	
At 1 January 2015	579,000	579,000	15,044	11,050	286,877	325,759	612,636	1,217,730
Profit for the financial period	-	-	-	-	18,240	21,346	39,586	39,586
Total comprehensive income for the financial period	-	-	5,984	-	-	-	-	5,984
At 30 June 2015	579,000	579,000	21,028	11,050	305,117	347,105	652,222	1,263,300
At 1 January 2014	579,000	579,000	17,100	11,050	281,700	256,754	538,454	1,145,604
Profit for the financial period	-	-	-	-	(10,691)	36,967	26,276	26,276
Total comprehensive loss for the financial period	-	-	(5,462)	-	-	-	-	(5,462)
At 30 June 2014	579,000	579,000	11,638	11,050	271,009	293,721	564,730	1,166,418

¹In accordance with the Financial Services Act, 2013 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 financial period ended 30 June 2015.

**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2015**

	6 months ended 30.06.2015 RM'000	6 months ended 30.06.2014 RM'000
Operating Activities		
Cash utilised in operating activities	(263,302)	(271,937)
Dividend/distribution income received	19,362	18,830
Interest/profit income received	127,295	132,794
Rental income on investment properties received	6,948	6,465
Income tax paid	(19,327)	(17,554)
Net cash outflow from operating activities	(129,024)	(131,402)
Investing Activities		
Proceeds from disposal of property, plant and equipment	-	4,000
Purchase of property, plant and equipment	(1,894)	(2,510)
Purchase of intangible assets	(571)	(1,467)
Proceeds from disposal of non-currents assets held for sale	107	125,440
Net cash (outflow)/inflow from investing activities	(2,358)	125,463
Net decrease in cash and cash equivalents	(131,382)	(5,939)
Cash and cash equivalents at beginning of financial year	384,459	390,465
Cash and cash equivalents at end of financial period	253,077	384,526
Cash and cash equivalents comprise:		
Call deposits (with maturity of less than three months):		
Licensed financial institutions	-	120,011
Cash and bank balances	253,077	264,515
	253,077	384,526

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

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The unaudited condensed interim financial statements have been prepared in accordance with the Malaysian Financial Reporting Standard ("MFRS"). The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2014, which were prepared in accordance with the Malaysian Financial Reporting Standards.

The explanatory notes attached to the unaudited condensed 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 2014.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the Company for the unaudited condensed interim financial statements are consistent with those adopted in the Company's audited financial statements for the financial year ended 31 December 2014, except for the adoption of the following:

MFRFs, Interpretations and amendments	Effective Date
• Amendments to MFRS 1, <i>First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)</i>	1 July 2014
• Amendments to MFRS 13, <i>Fair Value Measurement (Annual Improvements 2011 – 2013 Cycle)</i>	1 July 2014
• Amendments to MFRS 116, <i>Property, Plant and Equipment (Annual Improvements 2011 – 2012 Cycle)</i>	1 July 2014
• Amendments to MFRS 119, <i>Defined Benefit Plans</i>	1 July 2014
• Amendments to MFRS 124, <i>Related Party Disclosures (Annual Improvements 2011 – 2012 Cycle)</i>	1 July 2014
• Amendments to MFRS 138, <i>Intangible Assets (Annual Improvements 2011 – 2012 Cycle)</i>	1 July 2014
• Amendments to MFRS 140, <i>Investments Property (Annual Improvements 2011 – 2012 Cycle)</i>	1 July 2014

The adoption of the abovementioned standards, amendments and interpretations issued by Malaysian Accounting Standards Board ("MASB") in the current financial year did not have any material impact to the unaudited condensed interim 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 2014 was not qualified.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

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.

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. 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.

10. CHANGES IN COMPOSITION OF THE COMPANY

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

11. 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.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

12. INVESTMENTS

	As at 30.06.2015 RM'000	As at 31.12.2014 RM'000
Malaysian Government Securities/Government Investment Issues	963,366	825,159
Corporate debt securities	4,491,368	4,331,168
Equity securities	1,172,494	1,141,016
Unit trusts	315,888	278,171
Loans	428,839	424,829
Fixed and call deposits	-	60,231
	<u>7,371,955</u>	<u>7,060,574</u>

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

Available-for-sale financial assets	5,682,294	5,353,025
Financial assets at fair value through profit or loss	1,260,822	1,222,489
Loans and receivables	428,839	485,060
	<u>7,371,955</u>	<u>7,060,574</u>

The following investments mature after 12 months:

Available-for-sale financial assets	4,956,968	4,604,653
Financial assets at fair value through profit or loss	222,413	180,464
Loans and receivables	7,713	7,738
	<u>5,187,094</u>	<u>4,792,855</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

13. FAIR VALUE MEASUREMENTS

(a) Determination of fair value and fair value hierarchy

The Company classifies fair value measurement using a fair value hierarchy that reflects the significant of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - Quoted market price

Included in the quoted price category are financial instruments that are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, secondary market via dealer and broker, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2 - Valuation Techniques - Market Observable Input

Financial instruments are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions are instruments for which pricing is obtained via pricing services but where prices have not been determined in an active market, instruments with fair values based on broker quotes and discounted cash flows, agency asset backed securities and non-agency asset backed securities with Bloomberg composite rating correspond AAA and investment in structured products with fair values obtained via investment bankers and/or fund managers.

Level 3 - Valuation Techniques - Unobservable input

Non-market observable inputs mean that fair values are determined in whole or in part using a valuation technique based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

13. FAIR VALUE MEASUREMENTS (CONTINUED)

(b) Financial instruments carried at fair value

The following tables show the Company's financial instruments which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy:

	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
<u>30 June 2015</u>				
<u>Financial Assets</u>				
Available-for-sale financial assets:				
- Malaysian Government Securities/ Government Investment Issues	-	942,633	-	942,633
- Corporate debt securities	-	4,280,588	4,540	4,285,128
- Equity securities	218,787	-	8,849	227,636
- Unit trusts	3,472	223,425	-	226,897
Financial assets at fair value through profit or loss:				
- Malaysian Government Securities/ Government Investment Issues	-	20,733	-	20,733
- Corporate debt securities	-	206,240	-	206,240
- Equity securities	944,858	-	-	944,858
- Unit trusts	88,991	-	-	88,991
	<u>1,256,108</u>	<u>5,673,619</u>	<u>13,389</u>	<u>6,943,116</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

13. FAIR VALUE MEASUREMENTS (CONTINUED)

(b) Financial instruments carried at fair value (continued)

The following tables show the Company's financial instruments which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
<u>31 December 2014</u>				
<u>Financial Assets</u>				
Available-for-sale financial assets:				
- Malaysian Government Securities/ Government Investment Issues	-	814,180	-	814,180
- Corporate debt securities	-	4,148,849	4,925	4,153,774
- Equity securities	154,035	-	8,849	162,884
- Unit trusts	23,889	198,298	-	222,187
Financial assets at fair value through profit or loss:				
- Malaysian Government Securities/ Government Investment Issues	-	10,979	-	10,979
- Corporate debt securities	-	177,138	256	177,394
- Equity securities	978,132	-	-	978,132
- Unit trusts	55,984	-	-	55,984
	<u>1,212,040</u>	<u>5,349,444</u>	<u>14,030</u>	<u>6,575,514</u>

14. REINSURANCE ASSETS

	As at <u>30.06.2015</u>	As at <u>31.12.2014</u>
	RM'000	RM'000
Reinsurers' share of insurance contract liabilities	<u>172,525</u>	<u>164,777</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

15. INSURANCE CONTRACT LIABILITIES

		30.06.2015			31.12.2014		
	<u>Note</u>	<u>Gross</u> RM'000	<u>Re- insurance</u> RM'000	<u>Net</u> RM'000	<u>Gross</u> RM'000	<u>Re- insurance</u> RM'000	<u>Net</u> RM'000
Life insurance	15(a)	4,850,548	(34,401)	4,816,147	4,722,442	(34,419)	4,688,023
General insurance	15(b)	830,090	(138,124)	691,966	758,481	(130,358)	628,123
		<u>5,680,638</u>	<u>(172,525)</u>	<u>5,508,113</u>	<u>5,480,923</u>	<u>(164,777)</u>	<u>5,316,146</u>
(a) Life Insurance:							
Liability for future policyholders' benefits		3,870,937	(24,458)	3,846,479	3,757,740	(22,143)	3,735,597
Net asset value attributable to unitholders		910,575	-	910,575	887,966	-	887,966
Actuarial liabilities		<u>4,781,512</u>	<u>(24,458)</u>	<u>4,757,054</u>	<u>4,645,706</u>	<u>(22,143)</u>	<u>4,623,563</u>
Claim liabilities		61,334	(9,943)	51,391	57,152	(12,276)	44,876
		<u>4,842,846</u>	<u>(34,401)</u>	<u>4,808,445</u>	<u>4,702,858</u>	<u>(34,419)</u>	<u>4,668,439</u>
Participating Fund:							
- Unallocated deficit		(98,470)	-	(98,470)	(59,695)	-	(59,695)
- Available-for-sale reserves		85,182	-	85,182	58,289	-	58,289
- Asset revaluation reserve		20,990	-	20,990	20,990	-	20,990
		<u>4,850,548</u>	<u>(34,401)</u>	<u>4,816,147</u>	<u>4,722,442</u>	<u>(34,419)</u>	<u>4,688,023</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

15. INSURANCE CONTRACT LIABILITIES (CONTINUED)

(a) Life Insurance (continued)

	Gross			Reinsurance			
	With DPF RM'000	Without DPF RM'000	Total RM'000	With DPF RM'000	Without DPF RM'000	Total RM'000	Net RM'000
<u>Actuarial liabilities</u>							
At 1 January 2014	3,157,677	1,540,605	4,698,282	(5,052)	(17,943)	(22,995)	4,675,287
Benefit and claims experience variation	(101,738)	7,506	(94,232)	41	811	852	(93,380)
Change due to valuation basis:							
Model enhancement	(2,351)	(143)	(2,494)	-	-	-	(2,494)
Yield movement	-	12,901	12,901	-	-	-	12,901
Assumption changes	(15,607)	22,407	6,800	-	-	-	6,800
Net asset value attributable to unitholders	-	24,449	24,449	-	-	-	24,449
At 31 December 2014	3,037,981	1,607,725	4,645,706	(5,011)	(17,132)	(22,143)	4,623,563
Benefit and claims experience variation	78,601	5,545	84,146	(1,110)	(1,205)	(2,315)	81,831
Change due to valuation basis:							
Model enhancement	9,364	(3,390)	5,974	-	-	-	5,974
Yield movement	-	23,077	23,077	-	-	-	23,077
Net asset value attributable to unitholders	-	22,609	22,609	-	-	-	22,609
At 30 June 2015	3,125,946	1,655,566	4,781,512	(6,121)	(18,337)	(24,458)	4,757,054

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

15. INSURANCE CONTRACT LIABILITIES (CONTINUED)

(a) Life Insurance (continued)

	Gross			Reinsurance			
	With DPF RM'000	Without DPF RM'000	Total RM'000	With DPF RM'000	Without DPF RM'000	Total RM'000	Net RM'000
<u>Claims liabilities</u>							
At 1 January 2014	31,411	21,487	52,898	(2,395)	(3,434)	(5,829)	47,069
Movement in claim provisions	(651)	4,905	4,254	(946)	(5,501)	(6,447)	(2,193)
At 31 December 2014	30,760	26,392	57,152	(3,341)	(8,935)	(12,276)	44,876
Movement in claim provisions	(193)	4,375	4,182	(877)	3,210	2,333	6,515
At 30 June 2015	30,567	30,767	61,334	(4,218)	(5,725)	(9,943)	51,391

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

15. INSURANCE CONTRACT LIABILITIES (CONTINUED)

(a) Life Insurance (continued)

	30.06.2015			31.12.2014		
	With DPF RM'000	Without DPF* RM'000	Total RM'000	With DPF RM'000	Without DPF RM'000	Total RM'000
<u>Unallocated (deficit)/surplus</u>						
At 1 January	(59,695)	286,877	227,182	(39,276)	281,700	242,424
Premium received	93,163	264,851	358,014	213,225	533,426	746,651
Payment due to death, surrenders, benefits and claims	(93,177)	(160,690)	(253,867)	(482,478)	(332,876)	(815,354)
Net investment income	77,274	45,443	122,717	170,601	31,100	201,701
Management expenses and commissions	(23,810)	(86,926)	(110,736)	(43,266)	(164,695)	(207,961)
Change in life insurance fund actuarial liabilities	(87,772)	(52,216)	(139,988)	120,347	(72,025)	48,322
Change in claims liabilities	232	4,414	4,646	904	4,691	5,595
Tax expense	(4,685)	3,364	(1,321)	(9,752)	5,556	(4,196)
Transfer from shareholders' fund	-	-	-	10,000	-	10,000
Net (deficit)/surplus for the financial year	(38,775)	18,240	(20,535)	(20,419)	5,177	(15,242)
At 30 June/31 December	(98,470)	305,117	206,647	(59,695)	286,877	227,182

*The unallocated surplus of the Life Non-Participating is reported under non-distributable retained earnings in the statement of changes in equity.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

15. INSURANCE CONTRACT LIABILITIES (CONTINUED)

(a) Life Insurance (continued)

Available-for-sale reserves

	As at 30.06.2015 RM'000	As at 31.12.2014 RM'000
At 1 January	58,289	52,015
Fair value change on available-for-sale financial assets, net of tax:		
- Gross fair value change	28,641	6,361
- Deferred taxation	(1,748)	(87)
	<u>26,893</u>	<u>6,274</u>
At 30 June/31 December	<u>85,182</u>	<u>58,289</u>

Assets revaluation reserve*

At 30 June/31 December	<u>20,990</u>	<u>20,990</u>
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* Representing fair value differences arising upon the reclassification of certain self-occupied properties which are carried at cost less accumulated depreciation and accumulated impairment loss, to investment properties in the previous year.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

15. INSURANCE CONTRACT LIABILITIES (CONTINUED)

(b) General Insurance

	30.06.2015			31.12.2014		
	<u>Gross</u>	<u>Re-</u>	<u>Net</u>	<u>Gross</u>	<u>Re-</u>	<u>Net</u>
	RM'000	insurance	RM'000	RM'000	insurance	RM'000
		RM'000			RM'000	
Provision for claims	341,186	(53,828)	287,358	331,836	(60,818)	271,018
Provision for incurred but not reported claims ("IBNR")	173,428	(19,559)	153,869	114,785	(5,762)	109,023
Claim liabilities	514,614	(73,387)	441,227	446,621	(66,580)	380,041
Premium liabilities	315,476	(64,737)	250,739	311,860	(63,778)	248,082
	830,090	(138,124)	691,966	758,481	(130,358)	628,123
<u>Claims liabilities</u>						
At 1 January	446,621	(66,580)	380,041	419,260	(70,946)	348,314
Claims incurred in the current accident year	104,594	(5,702)	98,892	113,487	(7,209)	106,278
Other movements in claims incurred in prior accident years	23,883	(443)	23,440	157,402	(8,037)	149,365
Claims paid during the financial year	(119,127)	13,135	(105,992)	(247,998)	14,540	(233,458)
Movement in IBNR reserves	58,643	(13,797)	44,846	4,470	5,072	9,542
At 30 June/31 December	514,614	(73,387)	441,227	446,621	(66,580)	380,041

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

15. INSURANCE CONTRACT LIABILITIES (CONTINUED)

(b) General Insurance (continued)

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

	30.06.2015			31.12.2014		
	<u>Gross</u>	Re-	<u>Net</u>	<u>Gross</u>	Re-	<u>Net</u>
	RM'000	insurance	RM'000	RM'000	insurance	RM'000
		RM'000			RM'000	
<u>Premium liabilities</u>						
At 1 January	311,860	(63,778)	248,082	258,907	(42,234)	216,673
Premium written in the financial year	324,740	(54,434)	270,306	643,381	(125,351)	518,030
Premium earned during the financial year	(321,124)	53,475	(267,649)	(590,428)	103,807	(486,621)
At 30 June/31 December	<u>315,476</u>	<u>(64,737)</u>	<u>250,739</u>	<u>311,860</u>	<u>(63,778)</u>	<u>248,082</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

16. TAXATION

	6 months ended 30.06.2015		
	Life fund	General and shareholders' funds	Total
	RM'000	RM'000	RM'000
Current tax	8,151	7,738	15,889
Deferred tax	(6,830)	(112)	(6,942)
Tax expense	1,321	7,626	8,947
Current tax			
Current financial year	8,151	7,738	15,889
Deferred tax			
Origination and reversal of temporary differences	(6,830)	(112)	(6,942)
	1,321	7,626	8,947

	6 months ended 30.06.2014		
	Life fund	General and shareholders' funds	Total
	RM'000	RM'000	RM'000
Current tax	11,094	13,175	24,269
Deferred tax	4,977	(452)	4,525
Tax expense	16,071	12,723	28,794
Current tax			
Current financial year	11,094	13,175	24,269
Deferred tax			
Origination of temporary differences	4,977	(452)	4,525
	16,071	12,723	28,794

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

17. TOTAL CAPITAL AVAILABLE

The regulated capital of the Company as at 30 June 2015 comprised capital available of RM 2,178 million (31 December 2014: RM 2,199 million).

The capital structure of the Company as at 30 June 2015, as prescribed under the RBC Framework, is shown below:

	As at 30.06.2015 RM'000	As at 31.12.2014 RM'000
Tier 1 Capital		
Paid-up share capital	579,000	579,000
Reserves, including retained earnings	1,492,607	1,539,856
	<u>2,071,607</u>	<u>2,118,856</u>
Tier 2 Capital		
Assets revaluation reserves	24,832	24,831
Available-for-sale reserves	94,807	68,722
	<u>119,639</u>	<u>93,553</u>
Less:		
Deferred tax assets	(12,757)	(13,538)
Total Capital Available	<u>2,178,489</u>	<u>2,198,871</u>

18. CAPITAL AND OTHER COMMITMENTS

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

	As at 30.06.2015 RM'000	As at 31.12.2014 RM'000
Authorised and contracted for:		
- investment properties	<u>409</u>	<u>427</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

19. LEASE COMMITMENTS

The lease commitments are in respect of rented premises and hire equipment, all of which are reclassified as operating leases. A summary of the non-cancellable long-term commitments is as follows:

	As at 30.06.2015 RM'000	As at 31.12.2014 RM'000
Within one year	3,340	957
One year to less than five years	2,781	7,638
	<u>6,121</u>	<u>8,595</u>

20. 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

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

20. INSURANCE FUNDS (continued)

Unaudited Condensed Statement of Financial Position by Funds
As at 30 June 2015

	Life Fund RM'000	General Fund RM'000	Shareholders' Fund RM'000	Total RM'000
Assets				
Property, plant and equipment	18,721	2,716	-	21,437
Intangible assets	7,469	3,450	-	10,919
Investment properties	220,334	12,148	99,240	331,722
Investments	5,948,964	695,356	727,635	7,371,955
Available-for-sale financial assets	4,271,878	695,118	715,298	5,682,294
Financial assets at fair value through profit or loss	1,260,822	-	-	1,260,822
Loans and receivables	416,264	238	12,337	428,839
Reinsurance assets	34,401	138,124	-	172,525
Insurance receivables	41,860	76,656	-	118,516
Other receivables	43,741	70,759	371	114,871
Tax recoverable	15,564	2,107	8,657	26,328
Non-current assets held-for-sale	174,565	-	-	174,565
Deferred tax assets	-	-	12,757	12,757
Cash and cash equivalents	219,548	23,878	9,651	253,077
Total assets	6,725,167	1,025,194	858,311	8,608,672
Equity, policyholders' funds and liabilities				
Share capital	-	-	579,000	579,000
Retained earnings	305,117	12,376	334,729	652,222
Other reserves	17,944	5,980	8,154	32,078
Total equity	323,061	18,356	921,883	1,263,300
Insurance contract liabilities	4,850,548	830,090	-	5,680,638
Deferred tax liabilities	84,477	2,745	-	87,222
Other liabilities	114,613	69,563	540	184,716
Insurance payables	1,275,553	103,335	-	1,378,888
Provision for life agents' retirement benefits	650	-	-	650
Current tax liabilities	13,131	-	127	13,258
Total liabilities	6,338,972	1,005,733	667	7,345,372
Total equity, policyholders' funds and liabilities	6,662,033	1,024,089	922,550	8,608,672
Inter-fund balances	63,134	1,105	(64,239)	-

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

20. INSURANCE FUNDS (continued)

Unaudited Condensed Statement of Financial Position by Funds
As at 31 December 2014

	Life Fund RM'000	General Fund RM'000	Shareholders' Fund RM'000	Total RM'000
Assets				
Property, plant and equipment	19,168	2,349	-	21,517
Intangible assets	8,138	4,091	-	12,229
Investment properties	219,940	10,928	99,240	330,108
Investments	5,738,563	654,323	667,688	7,060,574
Available-for-sale financial assets	4,056,672	649,032	647,321	5,353,025
Financial assets at fair value through profit or loss	1,222,489	-	-	1,222,489
Loans and receivables	459,402	5,291	20,367	485,060
Reinsurance assets	34,419	130,358	-	164,777
Insurance receivables	42,042	71,813	-	113,855
Other receivables	17,007	66,785	241	84,033
Tax recoverable	14,636	975	11,147	26,758
Non-current assets held-for-sale	182,807	1,220	-	184,027
Deferred tax assets	-	-	13,538	13,538
Cash and cash equivalents	330,410	49,385	4,664	384,459
Total assets	6,607,130	992,227	796,518	8,395,875
Equity, policyholders' funds and liabilities				
Share capital	-	-	579,000	579,000
Retained earnings	286,877	-	325,759	612,636
Other reserves	17,650	3,000	5,444	26,094
Total equity	304,527	3,000	910,203	1,217,730
Insurance contract liabilities	4,722,442	758,481	-	5,480,923
Deferred tax liabilities	89,532	1,742	-	91,274
Other liabilities	90,452	74,515	769	165,736
Insurance payables	1,329,167	93,280	-	1,422,447
Provision for life agents' retirement benefits	639	-	-	639
Current tax liabilities	11,040	1,848	4,238	17,126
Total liabilities	6,243,272	929,866	5,007	7,178,145
Total equity, policyholders' funds and liabilities	6,547,799	932,866	915,210	8,395,875
Inter-fund balances	59,331	59,361	(118,692)	-

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

20. INSURANCE FUNDS (continued)

Unaudited Condensed Statement of Profit or Loss by Funds
For the six months period ended 30 June 2015

	Life Fund RM'000	General Fund RM'000	Shareholders' Fund RM'000	Total RM'000
Gross earned premiums	368,023	321,124	-	689,147
Premiums ceded to reinsurers	(10,009)	(53,475)	-	(63,484)
Net earned premiums	358,014	267,649	-	625,663
Investment income	135,870	10,643	13,981	160,494
Realised gains and losses	8,144	1,130	8,704	17,978
Fair value gains	(21,297)	-	-	(21,297)
Fee and commission income	150	6,932	-	7,082
Other revenue	122,867	18,705	22,685	164,257
Total revenue	480,881	286,354	22,685	789,920
Gross benefits and claims paid	(256,439)	(119,127)	-	(375,566)
Claims ceded to reinsurers	2,572	13,135	-	15,707
Gross change to contract liabilities	(101,213)	(67,993)	-	(169,206)
Change in contract liabilities ceded to reinsurers	4,646	6,807	-	11,453
Net claims	(350,434)	(167,178)	-	(517,612)
Fee and commission expense	(52,484)	(38,032)	-	(90,516)
Management expenses	(58,480)	(68,353)	(9,774)	(136,607)
Other operating revenue/(expenses) - net	78	3,720	(450)	3,348
Other expenses	(110,886)	(102,665)	(10,224)	(223,775)
Profit before taxation	19,561	16,511	12,461	48,533
Taxation	(1,321)	(4,135)	(3,491)	(8,947)
Profit for the financial period	18,240	12,376	8,970	39,586

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

20. INSURANCE FUNDS (continued)

Unaudited Condensed Statement of Profit or Loss by Funds
For the six months period ended 30 June 2014

	Life Fund RM'000	General Fund RM'000	Shareholders' Fund RM'000	Total RM'000
Gross earned premiums	360,916	287,530	-	648,446
Premiums ceded to reinsurers	(9,227)	(45,935)	-	(55,162)
Net earned premiums	351,689	241,595	-	593,284
Investment income	132,066	14,076	11,246	157,388
Realised gains and losses	8,037	1,274	(372)	8,939
Fair value gains and losses	11,314	(1,455)	75	9,934
Fee and commission income	76	6,936	-	7,012
Other revenue	151,493	20,831	10,949	183,273
Total revenue	503,182	262,426	10,949	776,557
Gross benefits and claims paid	(524,214)	(127,382)	-	(651,596)
Claims ceded to reinsurers	6,402	7,733	-	14,135
Gross change to contract liabilities	127,766	(7,079)	-	120,687
Change in contract liabilities ceded to reinsurers	(2,990)	(2,165)	-	(5,155)
Net claims	(393,036)	(128,893)	-	(521,929)
Fee and commission expense	(50,803)	(37,280)	-	(88,083)
Management expenses	(53,722)	(57,771)	(186)	(111,679)
Other operating (expenses)/revenue - net	(241)	915	(470)	204
Other expenses	(104,766)	(94,136)	(656)	(199,558)
Profit before taxation	5,380	39,397	10,293	55,070
Taxation	(16,071)	(9,587)	(3,136)	(28,794)
(Loss)/Profit for the financial period	(10,691)	29,810	7,157	26,276

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

20. INSURANCE FUNDS (continued)

Investment-linked Fund

Unaudited Condensed Statement of Financial Position

	As at 30.06.2015 RM'000	As at 31.12.2014 RM'000
Assets		
Investments		
Financial assets at fair value through profit or loss	839,049	822,857
Other receivables	16,925	123
Cash and bank balances	67,856	77,599
Total assets	923,830	900,579
Liabilities		
Insurance contract liabilities	910,575	887,966
Deferred tax liabilities	3,293	3,549
Other liabilities	1,145	1,098
Current tax liabilities	5,468	4,409
Total liabilities	920,481	897,022
Inter-fund balances	3,349	3,557
Net asset value of funds	923,830	900,579

Investment-linked Fund

Unaudited Condensed Statement of Profit or Loss

For the six months period ended 30 June 2015

	6 months ended 30.06.2015 RM'000	6 months ended 30.06.2014 RM'000
Investment income	15,898	14,713
Realised gains	4,322	3,903
Fair value gains	(10,180)	7,051
	10,040	25,667
Fees and commission expenses	(6,930)	(6,438)
Management expenses	(18)	(14)
Other operating income/(expenses) – net	16	(64)
Surplus before taxation	3,108	19,151
Taxation	(803)	(2,144)
Surplus after taxation for the financial period	2,305	17,007

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