

Company No.

197499	U
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SUN LIFE MALAYSIA ASSURANCE BERHAD
(formerly known as CIMB Aviva Assurance Berhad)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 30 JUNE 2014

Company No.

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SUN LIFE MALAYSIA ASSURANCE BERHAD
(formerly known as CIMB Aviva Assurance Berhad)
(Incorporated in Malaysia)

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SUN LIFE MALAYSIA ASSURANCE BERHAD
(formerly known as CIMB Aviva Assurance Berhad)
(Incorporated in Malaysia)

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014**

	<u>Note</u>	<u>30.6.2014</u> RM'000	<u>Audited</u> <u>31.12.2013</u> RM'000
ASSETS			
Property and equipment		41,756	41,777
Financial assets	13	1,523,983	1,212,878
Loans and receivables		188,099	397,200
Reinsurance assets	14	86,813	82,798
Insurance receivables		5,081	4,662
Other receivables		9,113	7,377
Cash and bank balances		17,662	25,736
Current tax assets		19,930	24,634
TOTAL ASSETS		<u>1,892,437</u>	<u>1,797,062</u>
EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES			
Share capital		342,000	342,000
Share premiums		16,000	16,000
Retained earnings		59,492	50,568
Reserves		154,431	123,226
Total equity		<u>571,923</u>	<u>531,794</u>
Insurance contract liabilities	15	1,206,018	1,152,794
Insurance claims liabilities		14,468	11,526
Insurance payables		14,259	11,142
Other financial liabilities		18,026	20,551
Other payables		29,909	40,326
Deferred tax liabilities		37,834	28,929
Total liabilities		<u>1,320,514</u>	<u>1,265,268</u>
TOTAL EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES		<u>1,892,437</u>	<u>1,797,062</u>

The accompanying notes are an integral part of these financial statements.

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SUN LIFE MALAYSIA ASSURANCE BERHAD
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**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2014**

	6 months ended <u>30.6.2014</u> RM'000	6 months ended <u>30.6.2013</u> RM'000
Gross premiums	241,381	182,290
Premiums ceded to reinsurers	(28,132)	(20,697)
Net premiums	<u>213,249</u>	<u>161,593</u>
Investment income	33,852	32,779
Net realised gains	6	-
Net fair value gains	6,184	4,827
Other operating income	715	695
Other income	<u>40,757</u>	<u>38,301</u>
Gross benefits and claims paid	(96,360)	(83,737)
Claims ceded to reinsurers	17,887	21,106
Gross change in contract liabilities	(53,632)	(29,531)
Change in contract liabilities ceded to reinsurers	3,014	5,750
Net claims	<u>(129,091)</u>	<u>(86,412)</u>
Fee and commission expense	(22,433)	(17,554)
Management expenses	(47,937)	(34,392)
Other operating expenses	-	(1,926)
Investment expenses	(855)	(657)
Net realised losses	-	(1)
Other expenses	<u>(71,225)</u>	<u>(54,530)</u>
Profit before taxation	53,690	58,952
Tax expense attributable to participating policyholders	(148)	(273)
Profit before taxation attributable to Shareholders	<u>53,542</u>	<u>58,679</u>
Taxation	(13,561)	(14,003)
Tax expense attributable to participating policyholders	148	273
Tax expense attributable to Shareholders	<u>(13,413)</u>	<u>(13,730)</u>
Net profit and total comprehensive income for the financial period	<u><u>40,129</u></u>	<u><u>44,949</u></u>
Earnings per share (sen)		
Basic	<u>16.58</u>	<u>18.57</u>

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**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2014**

	<u>Share capital</u> RM'000	<u>Share premium</u> RM'000	<u>Reserves*</u> RM'000	<u>Retained earnings</u> RM'000	<u>Total</u> RM'000
At 1 January 2014	342,000	16,000	123,226	50,568	531,794
Total comprehensive income for the financial period	-	-	31,205	8,924	40,129
At 30 June 2014	<u>342,000</u>	<u>16,000</u>	<u>154,431</u>	<u>59,492</u>	<u>571,923</u>
At 1 January 2013	342,000	16,000	54,791	44,748	457,539
Total comprehensive income for the financial period	-	-	38,693	6,256	44,949
At 30 June 2013	<u>342,000</u>	<u>16,000</u>	<u>93,484</u>	<u>51,004</u>	<u>502,488</u>

* Reserves comprise unallocated surpluses from all funds other than the Participating Life fund (net of deferred tax). This amount is only distributable upon the annual recommendation by the Appointed Actuary to transfer the Life fund surplus to the Shareholders' fund.

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SUN LIFE MALAYSIA ASSURANCE BERHAD
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**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2014**

	6 months ended <u>30.6.2014</u> RM'000	6 months ended <u>30.6.2013</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the financial period	40,129	44,949
Adjustments for:		
Gross change in contract liabilities	53,632	29,531
Change in contract liabilities ceded to reinsurers	(3,014)	(5,750)
Property and equipment		
- depreciation	1,368	1,900
- (gain)/loss on disposal	(6)	1
Net fair value gains on investments at fair value through profit or loss	(6,184)	(4,827)
Interest income	(29,987)	(30,156)
Dividend income	(3,546)	(2,372)
Rental income	(319)	(251)
Provision for retirement benefits	2	-
Taxation	13,561	14,003
	<hr/>	<hr/>
Profit from operations before changes in operating assets and liabilities	65,636	47,028
Decrease in loans and receivables	208,786	71,701
(Increase)/decrease in receivables	(2,139)	6,913
Increase/(decrease) in insurance claims liabilities	1,941	(1,047)
Decrease in payables	(9,827)	(13,650)
Purchase of investments	(547,510)	(429,495)
Proceeds from disposal and maturity of investments	245,249	344,683
	<hr/>	<hr/>
	(37,864)	26,133
Investment income received:		
- Dividend	3,578	2,237
- Interest	27,234	10,442
- Rental	319	251
Taxation paid	-	(17,137)
	<hr/>	<hr/>
Net cash generated from operating activities	(6,733)	21,926
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UNAUDITED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2014 (CONTINUED)

	6 months ended <u>30.6.2014</u> RM'000	6 months ended <u>30.6.2013</u> RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property and equipment	6	7
Purchase of property and equipment	(1,347)	(1,205)
Net cash used in investing activities	<u>(1,341)</u>	<u>(1,198)</u>
Net (decrease)/increase in cash and cash equivalents	(8,074)	20,728
Cash and cash equivalents at beginning of the financial period	<u>25,736</u>	<u>3,580</u>
Cash and cash equivalents at end of the financial period	<u>17,662</u>	<u>24,308</u>
Cash and cash equivalents comprise:		
Cash and bank balances	<u>17,662</u>	<u>24,308</u>

The Company classifies cash flows from the acquisition and disposal of financial assets as operating cash flows as the purchases are funded from cash flows associated with the origination of insurance contracts, net of cash flows for payments of benefits and claims incurred for insurance contracts, which are respectively treated under the operating activities.

The accompanying notes are an integral part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2014

1 CORPORATE INFORMATION

The Company is engaged principally in the underwriting of life insurance and investment-linked business. There have been no significant changes in the nature of these activities during the financial period.

The Company is a public limited liability company, incorporated and domiciled in Malaysia.

The registered office and principal place of business of the Company is located at the 11th Floor, No.338, Jalan Tuanku Abdul Rahman, 50100 Kuala Lumpur Malaysia.

The Directors regard Renggis Ventures Sdn Bhd as the immediate holding company and Khazanah Nasional Berhad as the ultimate holding company. Both companies are incorporated in Malaysia.

2 BASIS OF PREPARATION

The unaudited interim financial statements of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") 134, "Interim Financial Reporting" which do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's audited financial statements for the financial year ended 31 December 2013.

The preparation of interim financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the interim financial statements, and the reported amounts of revenues and expenses during the reported financial period. It also requires Directors to exercise their judgment in the process of applying the Company's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and presentation adopted by the Company in the interim financial statements are consistent with those adopted in the Company's audited financial statements for the financial year ended 31 December 2013, except for the following:

<u>MFRSs/Interpretations</u>	<u>Effective Date</u>
MFRS 132 "Financial instruments: Presentation"	1 January 2014

- Amendment to MFRS 132, 'Financial Instruments: Presentation' does not change the current offsetting model in MFRS 132. It clarifies the meaning of 'currently has a legally enforceable right of set-off' that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. It clarifies that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the MFRS 132 offsetting criteria. The amendment is not expected to have a material impact on the interim financial statements of the Company.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2014 (CONTINUED)

4 SEASONALITY OF OPERATIONS

The business operations of the Company were not materially affected by any seasonal or cyclical fluctuations during the current interim period ended 30 June 2014.

5 CHANGES IN ESTIMATES

There were no changes in estimates of amounts reported in prior financial year that has a material effect in the current interim period ended 30 June 2014.

6 UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no items affecting assets, liabilities, equity, net income or cash flows which are unusual because of their nature, size or incidence in the current interim period ended 30 June 2014.

7 ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no issues, repurchases and repayments of debt and equity securities during the current interim period ended 30 June 2014.

8 DIVIDENDS

A single-tier preference dividend in respect of financial year ended 31 December 2013 of RM0.08 per preference share on 100,000,000 perpetual non-cumulative preference shares amounting to RM8,000,000 will be paid in July 2014.

9 COMMITMENTS AND CONTINGENCIES

There were no significant commitments and contingencies that have arisen during the current interim period ended 30 June 2014.

10 SIGNIFICANT EVENTS AND TRANSACTIONS

There were no significant events and transactions that have not been reflected in the financial statements for the interim period.

11 SUBSEQUENT EVENTS

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2014 (CONTINUED)

12 EFFECT OF CHANGES IN THE COMPOSITION OF THE COMPANY

There were no changes in the composition of the Company during the current interim period ended 30 June 2014.

13 FINANCIAL ASSETS

	<u>30.6.2014</u>	<u>31.12.2013</u>
	RM'000	RM'000
Malaysian Government Securities	451,530	398,624
Cagamas	26,646	21,954
Unquoted corporate debt securities	801,537	492,604
Quoted equity securities	123,106	124,582
Unit trust funds	45,920	102,932
Negotiable instrument of deposits	23,831	25,624
Investment-linked funds	37,244	35,457
Unquoted equity securities	174	174
Accrued interest	13,995	10,927
	<u>1,523,983</u>	<u>1,212,878</u>

The following financial assets mature after 12 months:

	<u>30.6.2014</u>	<u>31.12.2013</u>
	RM'000	RM'000
FVTPL – designated upon initial recognition	<u>1,304,841</u>	<u>859,265</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2014 (CONTINUED)

13 FINANCIAL ASSETS (CONTINUED)

	<u>30.6.2014</u> RM'000	<u>31.12.2013</u> RM'000
(a) FVTPL - designated upon initial recognition		
Malaysian Government Securities	451,530	398,624
Cagamas	26,646	21,954
Unquoted corporate debt securities	801,537	492,604
Quoted equity securities	123,106	124,582
Unit trust funds	45,920	102,932
Negotiable instrument of deposits	23,831	25,624
Investment-linked funds	37,244	35,457
Unquoted equity securities	174	174
Accrued interest	13,995	10,927
	<u>1,523,983</u>	<u>1,212,878</u>
(b) Carrying values of financial assets		<u>FVTPL/Total</u> RM'000
At 1 January 2013		1,068,140
Purchases		825,462
Maturities		(293,425)
Disposals		(319,774)
Fair value losses recorded in:		
Profit or loss		(33,110)
Elimination of Shareholders' fund investment in investment-linked funds (note 15)		(35,452)
Movement in accrued interest		1,037
At 31 December 2013/1 January 2014		<u>1,212,878</u>
Purchases		547,510
Maturities		(55,523)
Disposals		(183,799)
Fair value gains recorded in:		
Profit or loss		257
Elimination of fair value gains from Shareholders' fund investment in investment-linked funds (note 15)		(408)
Movement in accrued interest		3,068
At 30 June 2014		<u>1,523,983</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2014 (CONTINUED)

13 FINANCIAL ASSETS (CONTINUED)

(c) Fair value hierarchy

The Company categorises its fair value measurements according to a three-level hierarchy. The hierarchy prioritises the inputs used by the Company's valuation techniques for determining the fair value of the financial instruments.

A level is assigned to each fair value measurement based on the lowest level input significant to the fair value measurement in its entirety. The three-level hierarchy is defined as follows:

Level 1 – Fair value measurements that reflect unadjusted, quoted prices in active markets for identical assets and liabilities that the Company has the ability to access at the measurement date. Valuations are based on quoted prices reflecting market transactions involving assets or liabilities identical to those being measured.

Level 2 – Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in inactive markets, inputs that are observable that are not prices (such as interest rates, credit risks, etc) and inputs that are derived from or corroborated by observable market data.

Level 3 – Fair value measurements using significant non-market observable inputs. These include valuations for assets and liabilities that are derived using data, some or all of which is not market observable, including assumptions about risk.

The following table presents the Company's financial assets that are carried at fair value as at 30 June 2014:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
<u>FVTPL</u>				
<u>30.6.2014</u>				
Malaysian Government Securities	-	451,530	-	451,530
Cagamas	-	26,646	-	26,646
Unquoted corporate debt securities	-	801,537	-	801,537
Quoted equity securities	123,106	-	-	123,106
Unit trust funds	45,920	-	-	45,920
Negotiable instrument of deposits	-	23,831	-	23,831
Investment-linked funds	37,244	-	-	37,244
Unquoted equity securities	-	-	174	174
Accrued interest	-	13,995	-	13,995
	<u>206,270</u>	<u>1,317,539</u>	<u>174</u>	<u>1,523,983</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2014 (CONTINUED)

13 FINANCIAL ASSETS (CONTINUED)

(c) Fair value hierarchy (continued)

	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
<u>FVTPL</u>				
<u>31.12.2013</u>				
Malaysian Government Securities	-	398,624	-	398,624
Cagamas	-	21,954	-	21,954
Unquoted corporate debt securities	-	492,604	-	492,604
Quoted equity securities	124,582	-	-	124,582
Unit trust funds	102,932	-	-	102,932
Negotiable instrument of deposits	-	25,624	-	25,624
Investment-linked funds	35,457	-	-	35,457
Unquoted equity securities	-	-	174	174
Accrued interest	-	10,927	-	10,927
	<u>262,971</u>	<u>949,733</u>	<u>174</u>	<u>1,212,878</u>

There are no transfers between Level 1 and 2 during the financial period.

The reconciliation of Level 3 fair value hierarchy is as follows:

	<u>Total</u> RM'000
<u>30.6.2014</u>	
1 January/30 June	<u>174</u>
<u>31.12.2013</u>	
1 January/31 December	<u>174</u>

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FOR THE HALF-YEAR ENDED 30 JUNE 2014 (CONTINUED)

14 REINSURANCE ASSETS

	<u>30.6.2014</u> RM'000	<u>31.12.2013</u> RM'000
Reinsurance on insurance contracts		
- insurance claims liabilities	9,262	8,261
- insurance contract liabilities (note 15)	77,551	74,537
	<u>86,813</u>	<u>82,798</u>

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 FOR THE HALF-YEAR ENDED 30 JUNE 2014 (CONTINUED)

15 INSURANCE CONTRACT LIABILITIES

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

	<u>30.6.2014</u>			<u>31.12.2013</u>		
	<u>Gross</u> RM'000	Re- <u>insurance</u> RM'000	<u>Net</u> RM'000	<u>Gross</u> RM'000	Re- <u>insurance</u> RM'000	<u>Net</u> RM'000
Actuarial liabilities	1,146,564	(77,551)	1,069,013	1,097,749	(74,537)	1,023,212
Unallocated surplus	353	-	353	-	-	-
Net asset value attributable to unitholders	59,101	-	59,101	55,045	-	55,045
	<u>1,206,018</u>	<u>(77,551)</u>	<u>1,128,467</u>	<u>1,152,794</u>	<u>(74,537)</u>	<u>1,078,257</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2014 (CONTINUED)

15 **INSURANCE CONTRACT LIABILITIES (CONTINUED)**

	<u>Gross</u> RM'000	<u>Reinsurance</u> RM'000	<u>Net</u> RM'000
At 1 January 2014	1,152,794	(74,537)	1,078,257
<u>Projected changes of inforce policies</u>			
Premium income	58,303	(24,759)	33,544
Expense and commission	(11,850)	77	(11,773)
Benefits	(93,555)	24,145	(69,410)
Interest on cashflows	15,341	(1,040)	14,301
Others	(2,393)	3,369	976
Experience variance on inforce policies	(3,616)	440	(3,176)
Reserve for new policies	80,617	(7,886)	72,731
<u>Assumption changes</u>			
Discount rate	11,615	(952)	10,663
Lapse rates	(5,174)	3,903	(1,271)
Other changes	(473)	(311)	(784)
Movement in unallocated surplus	353	-	353
Movement in net asset value attributable to unitholders	4,464	-	4,464
	53,632	(3,014)	50,618
Elimination of fair value gains from Shareholders' fund investment in investment-linked funds (note 13(b))	(408)	-	(408)
At 30 June 2014	<u>1,206,018</u>	<u>(77,551)</u>	<u>1,128,467</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2014 (CONTINUED)

15 **INSURANCE CONTRACT LIABILITIES (CONTINUED)**

	<u>Gross</u> RM'000	<u>Reinsurance</u> RM'000	<u>Net</u> RM'000
At 1 January 2013	1,132,404	(62,183)	1,070,221
<u>Projected changes of inforce policies</u>			
Premium income	84,398	(41,220)	43,178
Expense and commission	(19,897)	127	(19,770)
Benefits	(146,314)	39,243	(107,071)
Interest on cashflows	27,916	(1,856)	26,060
Others	(10,006)	7,395	(2,611)
Experience variance on inforce policies	10,955	(4,819)	6,136
Reserve for new policies	142,670	(14,836)	127,834
<u>Assumption changes</u>			
Discount rate	(40,486)	3,008	(37,478)
Lapse rates	320	-	320
Expense reserve	2,000	-	2,000
Other changes	2,507	604	3,111
Movement in unallocated surplus	(224)	-	(224)
Movement in net asset value attributable to unitholders	2,003	-	2,003
	55,842	(12,354)	43,488
Elimination of Shareholders' fund investment in investment-linked funds (note 13(b))	(35,452)	-	(35,452)
At 31 December 2013	<u>1,152,794</u>	<u>(74,537)</u>	<u>1,078,257</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2014 (CONTINUED)

16 REGULATORY CAPITAL REQUIREMENTS

The capital structure of the Company as at 30 June 2014, as prescribed under the Risk Based Capital Framework is provided below:

	<u>30.6.2014</u> RM'000	<u>31.12.2013</u> RM'000
<u>Eligible Tier 1 Capital</u>		
Share capital (paid-up)	342,000	342,000
Share premium	16,000	16,000
Retained earnings	59,492	50,568
Eligible contract liabilities	199,421	159,754
	<u>616,913</u>	<u>568,322</u>
<u>Tier 2 Capital</u>		
Amounts added to/(deducted from) capital	<u>821</u>	<u>(4,297)</u>
Total capital available	<u><u>617,734</u></u>	<u><u>564,025</u></u>

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SUN LIFE MALAYSIA ASSURANCE BERHAD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2014 (CONTINUED)

17 **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 and Insurance Regulations, 1996.

The Company's statement of financial position and statement of comprehensive income have been further analysed by funds which are as follows:

Statement of financial position by Funds as at 30 June 2014

	<u>Shareholders' Fund</u>		<u>Life Fund</u>		<u>Elimination</u>		<u>Total</u>	
	<u>30.06.2014</u>	<u>31.12.2013</u>	<u>30.06.2014</u>	<u>31.12.2013</u>	<u>30.06.2014</u>	<u>31.12.2013</u>	<u>30.06.2014</u>	<u>31.12.2013</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets								
Property and equipment	-	-	41,756	41,777	-	-	41,756	41,777
Financial assets	444,173	334,288	1,115,670	914,042	(35,860)	(35,452)	1,523,983	1,212,878
Loans and receivables	15,651	133,868	172,448	263,332	-	-	188,099	397,200
Reinsurance assets	-	-	86,813	82,798	-	-	86,813	82,798
Insurance receivables	-	-	5,081	4,662	-	-	5,081	4,662
Other receivables	130,404	71,053	9,032	7,323	(130,323)	(70,999)	9,113	7,377
Cash and bank balances	481	44	17,181	25,692	-	-	17,662	25,736
Current tax assets	21,777	23,937	(1,847)	697	-	-	19,930	24,634
Total assets	612,486	563,190	1,446,134	1,340,323	(166,183)	(106,451)	1,892,437	1,797,062

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17 **INSURANCE FUNDS (CONTINUED)**

Statement of financial position by Funds as at 30 June 2014 (continued)

	<u>Shareholders' Fund</u>		<u>Life Fund</u>		<u>Elimination</u>		<u>Total</u>	
	<u>30.06.2014</u>	<u>31.12.2013</u>	<u>30.06.2014</u>	<u>31.12.2013</u>	<u>30.06.2014</u>	<u>31.12.2013</u>	<u>30.06.2014</u>	<u>31.12.2013</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Share capital	342,000	342,000	-	-	-	-	342,000	342,000
Share premiums	16,000	16,000	-	-	-	-	16,000	16,000
Retained earnings	59,492	50,568	-	-	-	-	59,492	50,568
Reserves	154,431	123,226	-	-	-	-	154,431	123,226
Total equity	571,923	531,794	-	-	-	-	571,923	531,794
Liabilities								
Insurance contract liabilities	-	-	1,241,878	1,188,246	(35,860)	(35,452)	1,206,018	1,152,794
Insurance claims liabilities	-	-	14,468	11,526	-	-	14,468	11,526
Insurance payables	-	-	14,259	11,142	-	-	14,259	11,142
Other financial liabilities	-	-	18,026	20,551	-	-	18,026	20,551
Other payables	-	-	160,232	111,325	(130,323)	(70,999)	29,909	40,326
Deferred tax liabilities	40,563	31,396	(2,729)	(2,467)	-	-	37,834	28,929
Total liabilities	40,563	31,396	1,446,134	1,340,323	(166,183)	(106,451)	1,320,514	1,265,268
Total equity, policyholders' funds and liabilities	612,486	563,190	1,446,134	1,340,323	(166,183)	(106,451)	1,892,437	1,797,062

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2014 (CONTINUED)

17 **INSURANCE FUNDS (CONTINUED)**

Statement of comprehensive income by Funds for the half-year ended 30 June 2014

	<u>Shareholders' Fund</u>		<u>Life Fund</u>		<u>Total</u>	
	<u>6 months ended 30.6.2014</u>	<u>6 months ended 30.6.2013</u>	<u>6 months ended 30.6.2014</u>	<u>6 months ended 30.6.2013</u>	<u>6 months ended 30.6.2014</u>	<u>6 months ended 30.6.2013</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Gross premiums	-	-	241,381	182,290	241,381	182,290
Premiums ceded to reinsurers	-	-	(28,132)	(20,697)	(28,132)	(20,697)
Net premiums	-	-	213,249	161,593	213,249	161,593
Investment income	8,612	9,656	25,240	23,123	33,852	32,779
Net realised gains	-	-	6	-	6	-
Net fair value gains	3,304	740	2,880	4,087	6,184	4,827
Other operating income	270	-	445	695	715	695
Other income	12,186	10,396	28,571	27,905	40,757	38,301
Gross benefits and claims paid	-	-	(96,360)	(83,737)	(96,360)	(83,737)
Claims ceded to reinsurers	-	-	17,887	21,106	17,887	21,106
Gross change in contract liabilities	-	-	(53,632)	(29,531)	(53,632)	(29,531)
Change in contract liabilities ceded to reinsurers	-	-	3,014	5,750	3,014	5,750
Net claims	-	-	(129,091)	(86,412)	(129,091)	(86,412)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2014 (CONTINUED)

17 **INSURANCE FUNDS (CONTINUED)**

Statement of comprehensive income by Funds for the half-year ended 30 June 2014 (continued)

	<u>Shareholders' Fund</u>		<u>Life Fund</u>		<u>Total</u>	
	<u>6 months ended 30.6.2014</u>	<u>6 months ended 30.6.2013</u>	<u>6 months ended 30.6.2014</u>	<u>6 months ended 30.6.2013</u>	<u>6 months ended 30.6.2014</u>	<u>6 months ended 30.6.2013</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Fee and commission expense	-	-	(22,433)	(17,554)	(22,433)	(17,554)
Management expenses	-	-	(47,937)	(34,392)	(47,937)	(34,392)
Other operating expenses	-	(1,926)	-	-	-	(1,926)
Investment expenses	(24)	-	(831)	(657)	(855)	(657)
Net realised loss	-	-	-	(1)	-	(1)
Other expenses	(24)	(1,926)	(71,201)	(52,604)	(71,225)	(54,530)
Profit before taxation	12,162	8,470	41,528	50,482	53,690	58,952
Tax expense attributable to participating policyholders	-	-	(148)	(273)	(148)	(273)
Transfer from life fund	39,295	48,240	(39,295)	(48,240)	-	-
Profit before taxation attributable to Shareholders	51,457	56,710	2,085	1,969	53,542	58,679

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2014 (CONTINUED)

17 INSURANCE FUNDS (CONTINUED)

Statement of comprehensive income by Funds for the half-year ended 30 June 2014 (continued)

	<u>Shareholders' Fund</u>		<u>Life Fund</u>		<u>Total</u>	
	<u>6 months ended 30.6.2014</u>	<u>6 months ended 30.6.2013</u>	<u>6 months ended 30.6.2014</u>	<u>6 months ended 30.6.2013</u>	<u>6 months ended 30.6.2014</u>	<u>6 months ended 30.6.2013</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Profit before taxation attributable to Shareholders	51,457	56,710	2,085	1,969	53,542	58,679
Taxation *	(11,328)	(11,761)	(2,233)	(2,242)	(13,561)	(14,003)
Tax expense attributable to participating policyholders	-	-	148	273	148	273
Tax expense attributable to Shareholders	(11,328)	(11,761)	(2,085)	(1,969)	(13,413)	(13,730)
Net profit for the financial period	40,129	44,949	-	-	40,129	44,949

* The taxation of Shareholders' Fund is on the profit before taxation whereas Life Fund is on the investment income.