



**MAYBANK AGEAS HOLDINGS BERHAD**  
**(33361-W)**  
**(Incorporated in Malaysia)**

**Unaudited Condensed Interim Financial Statements**  
**for the six months period ended 30 June 2018**

33361-W

**MAYBANK AGEAS HOLDINGS BERHAD**  
**(Incorporated in Malaysia)**

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**MAYBANK AGEAS HOLDINGS BERHAD**  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2018**

	Note	Group		Company	
		30.6.2018 RM'000	31.12.2017 RM'000	30.6.2018 RM'000	31.12.2017 RM'000
<b>Assets:</b>					
Property, plant and equipment		115,540	123,331	397	455
Investment properties		821,933	749,432	-	-
Prepaid land lease payments		18,403	18,557	-	-
Intangible assets		84,861	83,730	-	-
Investment in subsidiaries		-	-	2,306,470	2,606,470
Investment in associates		1,238	1,238	-	-
Investments	13	27,966,830	27,152,672	369,042	72,148
Financing receivables		258,120	257,778	1,536	1,113
Reinsurance/retakaful assets	14	3,219,840	3,082,373	-	-
Insurance/takaful receivables		570,297	615,300	-	-
Other receivables		976,363	860,158	4,507	2,932
Derivative assets		5,276	12,733	-	-
Deferred tax assets		41,137	9,789	-	-
Current tax assets		68,195	25,955	-	990
Cash and bank balances		419,194	411,832	2,219	3,460
<b>Total Assets</b>		<b>34,567,227</b>	<b>33,404,878</b>	<b>2,684,171</b>	<b>2,687,568</b>
<b>Equity:</b>					
Share capital		660,866	660,866	660,866	660,866
Reserves		4,805,371	4,868,831	1,768,555	2,019,619
<b>Total Equity</b>		<b>5,466,237</b>	<b>5,529,697</b>	<b>2,429,421</b>	<b>2,680,485</b>
<b>Liabilities:</b>					
Insurance/takaful contract liabilities	15	25,066,224	24,227,221	-	-
Subordinated obligations		800,000	800,000	-	-
Expense liabilities		511,539	517,710	-	-
Derivative liabilities		42,568	25,806	-	-
Deferred tax liabilities		590,378	630,356	-	-
Insurance/takaful payables		540,362	499,019	-	-
Other payables		1,507,676	1,156,229	254,678	7,083
Interest/profit payable on subordinated obligations		11,141	11,308	-	-
Current tax liabilities		31,102	7,532	72	-
<b>Total Liabilities</b>		<b>29,100,990</b>	<b>27,875,181</b>	<b>254,750</b>	<b>7,083</b>
<b>Total equity and liabilities</b>		<b>34,567,227</b>	<b>33,404,878</b>	<b>2,684,171</b>	<b>2,687,568</b>

These unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the unaudited condensed interim financial statements.

**MAYBANK AGEAS HOLDINGS BERHAD**  
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**UNAUDITED INTERIM STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2018**

	Group		Company	
	1.1.2018 to 30.6.2018 RM'000	1.1.2017 to 30.6.2017 RM'000	1.1.2018 to 30.6.2018 RM'000	1.1.2017 to 30.6.2017 RM'000
<b>Operating revenue</b>	<u>4,090,415</u>	<u>3,589,679</u>	<u>-</u>	<u>172,678</u>
Gross earned premiums/ contributions	3,321,066	2,845,906	-	-
Earned premiums/contributions ceded to reinsurers/retakaful	<u>(455,502)</u>	<u>(459,180)</u>	<u>-</u>	<u>-</u>
<b>Net earned premiums/ contributions</b>	<u>2,865,564</u>	<u>2,386,726</u>	<u>-</u>	<u>-</u>
Fee and commission income	51,936	55,245	-	-
Investment income	620,536	617,386	4,521	172,678
Realised (losses)/gains	(52,027)	309,830	-	-
Fair value (losses)/gains	(488,704)	65,502	-	-
Other operating income/ (expenses), net	<u>16,955</u>	<u>(37,665)</u>	<u>147</u>	<u>76</u>
<b>Other revenue</b>	<u>148,696</u>	<u>1,010,298</u>	<u>4,669</u>	<u>172,754</u>
Gross benefits and claims paid	(1,616,420)	(1,855,138)	-	-
Claims ceded to reinsurers/ retakaful	201,810	234,954	-	-
Gross change in contract/certificate liabilities	(716,817)	(594,025)	-	-
Change in contract/certificate liabilities ceded to reinsurers/retakaful	<u>13,591</u>	<u>(87,789)</u>	<u>-</u>	<u>-</u>
<b>Net benefits and claims</b>	<u>(2,117,836)</u>	<u>(2,301,998)</u>	<u>-</u>	<u>-</u>
Management expenses	(416,536)	(341,617)	(29,516)	(11,096)
Reimbursement of shared services	25,087	9,781	25,087	9,781
Change in expense liabilities	6,171	(29,488)	-	-
Fee and commission expenses	(268,220)	(247,129)	-	-
Interest on subordinated obligations	(16,968)	(16,966)	-	-
Tax borne by policyholders/ participants	<u>3,751</u>	<u>(36,875)</u>	<u>-</u>	<u>-</u>
<b>Other expenses</b>	<u>(666,715)</u>	<u>(662,294)</u>	<u>(4,429)</u>	<u>(1,315)</u>

**MAYBANK AGEAS HOLDINGS BERHAD**  
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**UNAUDITED INTERIM STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2018 (CONTD.)**

	Group		Company	
	1.1.2018 to 30.6.2018 RM'000	1.1.2017 to 30.6.2017 RM'000	1.1.2018 to 30.6.2018 RM'000	1.1.2017 to 30.6.2017 RM'000
<b>Profit before taxation</b>	229,709	432,732	240	171,439
Taxation	(73,626)	(131,172)	(1,063)	(439)
Zakat	(5,347)	(4,825)	-	-
<b>Net profit/(loss) for the period</b>	<u>150,736</u>	<u>296,735</u>	<u>(823)</u>	<u>171,000</u>
<b>Item that may be subsequently reclassified to income statement</b>				
Change in value of financial assets at FVOCI/AFS, net	(11,762)	(20,077)	-	(43)
- Fair value changes	(134,137)	194,515	-	(58)
- Transfer to profit and loss upon disposal	87,327	(251,485)	-	-
- Fair value adjustments on FVOCI/AFS financial assets backing participants' funds	30,605	29,781	-	-
Tax effect relating to FVOCI/AFS financial assets	4,443	7,112	-	15
Currency translation differences	(4,737)	549	-	-
<b>Other comprehensive losses for the period, net of tax</b>	<u>(16,499)</u>	<u>(19,528)</u>	<u>-</u>	<u>(43)</u>
<b>Total comprehensive income/(losses) for the period</b>	<u>134,237</u>	<u>277,207</u>	<u>(823)</u>	<u>170,957</u>

These unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the unaudited interim financial statements.

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**MAYBANK AGEAS HOLDINGS BERHAD**  
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**UNAUDITED CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2018**

Group	<-----Non-distributable----->				Retained Earnings			Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Other Reserves RM'000	Non- Distributable Non-Par Surplus RM'000	Distributable Retained Profits RM'000	Sub-total Retained Earnings RM'000	
<b>At 1 January 2018 (as previously stated)</b>	660,866	-	(30,656)	52,169	1,769,633	3,077,685	4,847,318	5,529,697
Effect of adopting MFRS 9	-	-	26,624	-	-	25,920	25,920	52,544
<b>At 1 January 2018 (as restated)</b>	660,866	-	(4,032)	52,169	1,769,633	3,103,605	4,873,238	5,582,241
Net profit after tax for the period	-	-	-	-	(41,365)	192,101	150,736	150,736
Other comprehensive income for the period	-	-	(11,762)	(4,737)	-	-	-	(16,499)
Total comprehensive income	-	-	(11,762)	(4,737)	(41,365)	192,101	150,736	134,237
Dividend on ordinary shares	-	-	-	-	-	(250,241)	(250,241)	(250,241)
<b>At 30 June 2018</b>	660,866	-	(15,794)	47,432	1,728,268	3,045,465	4,773,733	5,466,237
<b>At 1 January 2017</b>	252,005	401,561	(1,961)	80,326	1,719,813	2,631,833	4,351,646	5,083,577
Net profit after tax for the period	-	-	-	-	120,114	176,621	296,735	296,735
Other comprehensive income for the period	-	-	(20,077)	549	-	-	-	(19,528)
Total comprehensive income	-	-	(20,077)	549	120,114	176,621	296,735	277,207
Transfer from revaluation reserves upon disposal	-	-	-	(233)	-	233	233	-
Transfer to share capital	408,861	(401,561)	-	(7,300)	-	-	-	-
Dividend on ordinary shares	-	-	-	-	-	(149,943)	(149,943)	(149,943)
	-	-	-	-	-	(550,128)	(550,128)	(550,128)
<b>At 30 June 2017</b>	660,866	-	(22,038)	73,342	1,839,927	2,658,744	4,498,671	5,210,841

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**MAYBANK AGEAS HOLDINGS BERHAD**  
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**UNAUDITED CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2018**

Company	←-----		Non-distributable	-----→		Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Other Reserve RM'000	Distributable Retained Profits RM'000	
<b>At 1 January 2018</b>	660,866	-	-	-	2,019,619	2,680,485
Net profit after tax for the period	-	-	-	-	(823)	(823)
Total comprehensive income	-	-	-	-	(823)	(823)
Dividend on ordinary shares	-	-	-	-	(250,241)	(250,241)
<b>At 30 June 2018</b>	<b>660,866</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,768,555</b>	<b>2,429,421</b>
<b>At 1 January 2017</b>	252,005	401,561	484	7,300	1,170,504	1,831,854
Net profit after tax for the period	-	-	-	-	171,000	171,000
Other comprehensive losses for the period	-	-	(43)	-	-	(43)
Total comprehensive income	-	-	(43)	-	171,000	170,957
Transfer to share capital	408,861	(401,561)	-	(7,300)	-	-
Dividend on ordinary shares	-	-	-	-	(149,943)	(149,943)
<b>At 30 June 2017</b>	<b>660,866</b>	<b>-</b>	<b>441</b>	<b>-</b>	<b>1,191,561</b>	<b>1,852,868</b>

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**MAYBANK AGEAS HOLDINGS BERHAD**  
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**UNAUDITED CONDENSED INTERIM STATEMENTS OF CASH FLOWS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2018**

	Group		Company	
	30.6.2018 RM'000	30.6.2017 RM'000	30.6.2018 RM'000	30.6.2017 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before taxation	229,709	432,732	240	171,439
<i>Adjustments for:</i>				
Amortisation of:				
- intangible assets	7,400	4,499	-	-
- prepaid land lease payments	152	152	-	-
Accretion of discounts	3,645	-	-	-
Bad debts (recovered)/written off	(223)	1,075	-	-
Depreciation of property, plant and equipment	6,713	6,875	58	-
Fair value loss/(gain) on investment	476,118	(65,503)	-	-
(Gain)/loss on disposal of:				
- property, plant & equipment	(4,034)	-	-	-
- investments	56,062	(309,608)	-	-
- investment property	-	(223)	-	-
Gross dividend income	(40,949)	(40,101)	-	(170,923)
Interest/profit and rental income	(600,886)	(594,382)	(4,524)	(1,705)
Interest expense	10,244	16,966	-	-
(Reversal of impairment losses)/impairment losses on:				
- receivables	(3,008)	1,453	-	-
- investments	(236)	7,690	-	-
- others	(4)	1,512	-	-
Taxation of life and takaful funds	8,148	36,875	-	-
Unrealised (gain)/loss on foreign exchange	(7,267)	27,414	-	-
Net purchase from disposal of investments	(268,447)	(407,134)	-	-
Net increase in fixed and call deposits	<u>(1,044,518)</u>	<u>(250,369)</u>	<u>(296,894)</u>	<u>(3,390)</u>
<i>Operating loss before changes in assets and liabilities</i>	<b>(1,171,381)</b>	<b>(1,130,077)</b>	<b>(301,120)</b>	<b>(4,579)</b>
Increase in reinsurance/retakaful assets	(144,087)	(17,136)	-	-
(Increase)/decrease in financing receivables	(397)	6,881	(419)	(113)
Decrease/(increase) in insurance/takaful receivables	50,665	(24,662)	-	-
Decrease/(increase) in other receivables	126,400	(136,247)	(1,713)	1,699
Increase/(decrease) in insurance payables	34,480	30,783	-	-
(Decrease)/increase in payables	(43,193)	260,872	(2,377)	(619)
(Decrease)/increase in expense liabilities	(6,170)	29,098	-	-



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**UNAUDITED CONDENSED INTERIM STATEMENTS OF CASH FLOWS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2018 (CONTD.)**

	Group		Company	
	30.6.2018 RM'000	30.6.2017 RM'000	30.6.2018 RM'000	30.6.2017 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES (CONTD.)</b>				
Increase in insurance/takaful contract liabilities	789,790	719,470	-	-
Foreign exchange effects	-	264	-	-
Investment income received	599,378	640,585	4,388	3,759
Tax paid	(98,729)	(95,945)	-	(418)
Zakat paid	(5,347)	(3,461)	-	-
Mudharabah paid	(36,625)	(62,811)	-	-
<i>Net cash generated from/(used in) operating activities</i>	<u>94,784</u>	<u>217,614</u>	<u>(301,241)</u>	<u>(271)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Addition of investment properties under constructions ("IPUC")	(72,505)	(30,180)	-	-
Capital repayment from subsidiaries	-	-	300,000	-
Purchase of intangible assets	(8,653)	(9,172)	-	-
Purchase of property, plant and equipments	(2,346)	(4,059)	-	-
Proceeds from disposal of intangible assets	-	34	-	-
Proceeds from disposal of investment properties	-	1,113	-	-
Proceeds from disposal of property, plant and equipment	7,163	126	-	-
<i>Net cash (used in)/invested in investing activities</i>	<u>(76,341)</u>	<u>(42,138)</u>	<u>300,000</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Interest paid on subordinated obligation	(17,138)	(17,134)	-	-
<i>Net cash used in financing activities</i>	<u>(17,138)</u>	<u>(17,134)</u>	<u>-</u>	<u>-</u>

**MAYBANK AGEAS HOLDINGS BERHAD**  
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**STATEMENTS OF CASH FLOWS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2018 (CONTD.)**

	<b>Group</b>		<b>Company</b>	
	<b>30.6.2018</b>	<b>30.6.2017</b>	<b>30.6.2018</b>	<b>30.6.2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	1,305	158,342	(1,241)	(271)
<b>Effects of exchange rate changes</b>	6,057	(452)	-	-
<b>Cash and cash equivalents at beginning of period</b>	<u>411,832</u>	<u>377,340</u>	<u>3,460</u>	<u>2,805</u>
<b>Cash and cash equivalents at end of period</b>	<u>419,194</u>	<u>535,230</u>	<u>2,219</u>	<u>2,534</u>
<b>Cash and cash equivalents comprise:</b>				
<b>Cash and bank balances:</b>				
Shareholders' and general funds	106,728	155,584	2,219	2,534
Life fund	186,126	196,478	-	-
General takaful fund	48,732	59,786	-	-
Family takaful fund	77,608	123,382	-	-
	<u>419,194</u>	<u>535,230</u>	<u>2,219</u>	<u>2,534</u>

These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the unaudited condensed interim financial statements.

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2018**

**1. CORPORATE INFORMATION**

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at Level 19, Tower C, Dataran Maybank, No. 1, Jalan Maarof, 59000 Kuala Lumpur, Malaysia.

The holding and ultimate holding companies of the Company are Etiqa International Holdings Sdn. Bhd. ("EIHSB") and Malayan Banking Berhad ("MBB") respectively, both of which are incorporated in Malaysia. MBB is a licensed commercial bank listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activities of the Company are investment holding and the provision of shared services to its subsidiaries on a reimbursement basis. There have been no significant changes in the nature of the principal activities of the subsidiaries during the financial period other than the conversion of composite licences to single licences ("Licence Split") effective from 1 January 2018. Etiqa Takaful Berhad ("ETB") and Etiqa Insurance Berhad ("EIB") have both surrendered their composite licences in exchange for the issuance of four (4) single licences to Etiqa Family Takaful Berhad ("EFTB") (to carry out Family Takaful business), Etiqa General Takaful Berhad ("EGTB") (to carry out General Takaful business), Etiqa General Insurance Berhad ("EGIB") (to carry out General Insurance business), Etiqa Life Insurance Berhad ("ELIB") (to carry out Life Insurance business) respectively. Subsequently, Etiqa Insurance Berhad ("EIB") and Etiqa Takaful Berhad ("ETB") were renamed from EIB to EGIB and ETB to EFTB respectively.

**2. BASIS OF PREPARATION**

The unaudited interim financial statements of the Group and the Company for the period ended 30 June 2018 have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 - *Interim Financial Reporting* as issued by the Malaysian Accounting Standards Board ("MASB") and International Accounting Standard ("IAS") 34 - *Interim Financial Reporting* as issued by International Accounting Standards Board ("IASB"), and Guidelines/Circulars issued by Bank Negara Malaysia ("BNM").

The unaudited interim financial statements of the Group and the Company have been prepared on a historical cost basis except for certain financial assets and financial liabilities that are stated at fair value.

The unaudited interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the audited annual consolidated financial statements of the Group and the Company for the year ended 31 December 2017.

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**2. BASIS OF PREPARATION (CONTD.)**

The explanatory notes attached to the unaudited interim financial statements provide an explanation of events and transactions that are significant to gain an understanding of the changes in the financial position and performance of the Group and the Company since the year ended 31 December 2017.

The Company's subsidiaries, EGIB, ELIB, EGTB and EFTB have met the minimum capital requirements as prescribed by the Risk-Based Capital Framework for Insurers ("the RBC Framework") and the Risk-Based Capital Framework for Takaful Operators ("the RBCT Framework") issued by BNM as at the reporting date.

The unaudited interim financial statements are presented in Ringgit Malaysia ("RM") and rounded to the nearest thousand (RM'000) unless otherwise stated.

The unaudited interim financial statements were approved for issue by the Board of Directors on 23 August 2018.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The audited annual financial statements of the Group and of the Company for the financial year ended 31 December 2017 were prepared in accordance with MFRS and International Financial Reporting Standards ("IFRS") and the requirement of the Companies Act, 2016 in Malaysia.

The significant accounting policies adopted in preparing these unaudited interim financial statements are consistent with those of the audited annual financial statements for the financial year ended 31 December 2017 except for the adoption of the following new Malaysian Financial Reporting Standards ("MFRSs"), amendments to MFRSs and annual improvements to MFRSs which are effective for annual periods beginning on or after 1 January 2018:

*MFRS 2 Share-based Payment - Classification and Measurement of Share-based Payment Transactions* (Amendments to MFRS 2)

*MFRS 9 Financial Instruments* (IFRS 9 issued by IASB in July 2014)

*MFRS 15 Revenue from Contracts with Customers*

*Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*  
(Amendments to MFRS 4)

*Transfer to Investment Property* (Amendments to MFRS 140)

*IC Interpretation 22 Foreign Currency Transactions and Advance Consideration*

Annual Improvements to MFRSs 2014-2016 Cycle:

(i) Amendment to MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*

(ii) Amendments to MFRS 128 *Investments in Associates and Joint Ventures*

The adoption of the above new MFRSs, amendments to MFRSs, IC Interpretation and annual improvements to MFRSs do not have any significant financial impact to the Group's and the Company's financial statements, except for as disclosed below:

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**MFRS 9 *Financial Instruments***

The adoption of this standard resulted in changes in accounting policies and adjustments to the financial statements. The accounting policies that relate to the classification, measurement and impairment of financial assets are amended to comply with this standard. In accordance with the transition provisions in the standard, comparatives are not restated and the financial impact of the adoption of the standard is recognised in retained profits, fair value through other comprehensive income reserve and Insurance/Takaful certificates liabilities.

The adoption of MFRS 9 resulted in the following changes to the Group's and Company's accounting policies:

**(i) Classification and measurement**

MFRS 9 requires financial assets to be classified on the basis of two criteria:

- (1) The business model within financial assets are managed; and
- (2) The contractual cash flows characteristic.

At initial recognition, each financial assets will be classified as either amortised cost ("AC"), fair value through other comprehensive income ("FVOCI"), or fair value to profit and loss ("FVTPL") as summarised in below table:

Amortised Cost	Fair Value	
	FVOCI	FVTPL
<ul style="list-style-type: none"> <li>• Financial assets will be measured at amortised cost if the assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows which represent solely payments of principal and interest.</li> </ul>	<ul style="list-style-type: none"> <li>• Financial assets will be measured at FVOCI if the assets held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual cash flows represent solely payments of principal and interest.</li> <li>• Equity instruments are normally measured at FVTPL. However, for non-traded equity instruments, with an irrevocable option at inception, to measure changes through FVOCI (i.e. without recycling profit or loss upon derecognition).</li> </ul>	<ul style="list-style-type: none"> <li>• Financial assets will be measured at FVTPL if the assets that are held for trading or financial assets that qualify for neither held at amortised cost nor at FVOCI.</li> <li>• Equity instruments that were not elected for FVOCI will be measured at FVTPL.</li> </ul>

Classification and measurement of financial liabilities will remain largely unchanged, other than the fair value gains and losses attributable to changes in 'own credit risk' for financial liabilities designated and measured at FVTPL to be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss.

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**MFRS 9 *Financial Instruments* (Contd.)**

**(ii) Impairment**

The MFRS 9 impairment requirements are based on an Expected Credit Loss (“ECL”) model that replaces the Incurred Loss model under the current accounting standard. The ECL model applies to financial assets measured at amortised cost or at FVOCI, irrevocable loan commitments and financial guarantee contracts, which will include loans, advances and financing and debt instruments held by the Group and the Company. The ECL model also applies to contract assets under MFRS 15 *Revenue from Contracts with Customers* and lease receivables under MFRS 117 *Leases*.

The measurement of expected loss will involve increased complexity and judgement that include:

- Determining a significant increase in credit risk since initial recognition

The assessment of significant deterioration since initial recognition is key in establishing the point of switching between the requirement to measure an allowance based on 12-month ECLs and one that is based on lifetime ECLs. The quantitative and qualitative assessments are required to estimate the significant increase in credit risk by comparing the risk of a default occurring on the financial assets as at reporting date with the risk of default occurring on the financial assets as at the date of initial recognition. The Group and the Company will be generally required to apply a three-stage approach based on the change in credit quality since initial recognition:

<b>3 Stage approach</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>
	<b>Performing</b>	<b>Under-performing</b>	<b>Non-performing</b>
<b>ECL Approach</b>	12-month ECL	Lifetime ECL	Lifetime ECL
<b>Criterion</b>	No significant increase in credit risk	Credit risk increased significantly	Credit-impaired assets
<b>Recognition of interest/profit income</b>	Gross carrying amount	Gross carrying amount	Net carrying amount

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**MFRS 9 *Financial Instruments* (Contd.)**

**(ii) Impairment (Contd.)**

- ECL Measurement

There are three main components to measure ECL which are a probability of default model ("PD"), a loss given default model ("LGD") and the exposure at default model ("EAD"). The model is to leverage as much as possible in accordance to Maybank Group's Basel II models and performed the required adjustments to produce MFRS 9 compliant model.

MFRS 9 does not distinguish between individual assessment and collective assessment. Therefore, the Group and the Company decided to continue measure the impairment on an individual transaction basis for financial assets that are deemed to be individually significant.

- Expected life

Lifetime expected credit losses must be measured over the expected life. This is restricted to the maximum contractual life and takes into account expected prepayment, extension, call and similar options, except for certain revolver financial instruments such as credit cards and overdrafts. The expected life for these revolver facilities is expected to be behavioural life.

- Forward looking information

Expected credit losses are the unbiased probability-weighted credit losses determined by evaluating a range of possible outcomes and considering future economic conditions. The reasonable and supportable forward looking information will be based on Maybank's research arm, Maybank Kim Eng ("MKE"). In addition, the MKE Research's assumptions and analysis would also be based on the collation of macroeconomic data obtained from various sources such as, but not limited to regulators, government and foreign ministries as well as independent research organisations.

Overall, the Group and the Company anticipate impact to the financial statements in the areas of classification and measurement for financial assets and impairment. The classification and measurement requirements will affect the presentation and disclosures within the Group's and the Company's financial statements whilst the impairment requirements are expected to result in a higher allowance for impairment losses.

**MAYBANK AGEAS HOLDINGS BERHAD**  
**(Incorporated in Malaysia)****3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)****MFRS 15 Revenue from Contracts with Customers**

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under MFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in MFRS 15 provide a more structured approach (i.e. five-step model) to measure and recognise revenue. The five-step model that applies to revenue recognition under MFRS 15 is as follows:

- (1) Identify the contract(s) with a customer;
- (2) Identify the performance obligations in the contract;
- (3) Determine the transaction price;
- (4) Allocate the transaction price to the performance obligations in the contract; and
- (5) Recognise revenue when (or as) the entity satisfies a performance obligation.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies how to account for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. New disclosure requirements under MFRS 15 which include disaggregated information about revenue and information about the performance obligations remaining at the reporting date.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under MFRS (including MFRS 111 *Construction Contracts*, MFRS 118 *Revenue*, IC Interpretation 13 *Customer Loyalty Programmes*, IC Interpretation 15 *Agreements for the Construction of Real Estate*, IC Interpretation 18 *Transfers of Assets from Customers* and IC Interpretation 131 *Revenue – Barter Transactions Involving Advertising Services*). Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. The Group and the Company adopted the standard on its effective date, using the modified retrospective method of adoption. The standard does not apply to income or revenue associated with financial instruments scoped in MFRS 9 such as loan, advances and financing and financial investment securities.

**Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts**  
**(Amendments to MFRS 4)**

In December 2016, the MASB issued amendments to MFRS 4 to address issues arising from the different effective dates of MFRS 9 and the upcoming new insurance contracts standard (IFRS 17) to be issued by the International Accounting Standards Board.



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**3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**Applying MFRS 9 *Financial Instruments* with MFRS 4 *Insurance Contracts*  
(Amendments to MFRS 4) (Contd.)**

The amendments introduce two alternative options for entities issuing contracts within the scope of MFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of MFRS 9 for annual periods beginning before 1 January 2021 at the latest whilst the overlay approach allows an entity applying MFRS 9 to reclassify between profit or loss and other comprehensive income an amount that results in the profit or loss at the end of the reporting period for the designated financial assets being the same as if an entity had applied MFRS 139 to these designated financial assets.

The Group has opted not to apply the exemptions permitted under these amendments and will fully adopt MFRS 9 effective on 1 January 2018.

**4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of unaudited interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of income, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Although these estimates and judgements are based on management's best knowledge of current events and actions, actual results may differ.

In preparing these unaudited interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements for the financial year ended 31 December 2017 except for the measurement of expected credit loss under MFRS 9 which involves increased complexity and judgement as disclosed in Note 3.

**5. AUDITOR'S REPORT ON PRECEDING AUDITED FINANCIAL STATEMENTS**

The auditor's report on the audited annual financial statements for the financial year ended 31 December 2017 was not qualified.

**6. SEASONALITY OR CYCLICALITY OF OPERATIONS**

The business of the Group and the Company was not materially affected by any seasonal or cyclical fluctuations during the interim financial period ended 30 June 2018.

However, as is common for insurer and takaful operator, surplus for life and family funds will only be transferred at the financial year end upon approval by the Appointed Actuary.

**7. UNUSUAL ITEMS**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim financial period ended 30 June 2018.

**MAYBANK AGEAS HOLDINGS BERHAD**  
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**8. CHANGES IN ESTIMATES**

There were no material changes in estimates for the interim financial period ended 30 June 2018.

**9. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES**

There was a capital repayment from the Takaful subsidiary, EFTB to the Company for the interim financial period ended 30 June 2018. On 19 December 2017, the High Court has granted approval for EFTB to reduce its issued and paid-up capital from 400,000,000 ordinary shares into 100,000,000 ordinary shares amounting from RM 400million to RM100million. Subsequently, the Company received a capital repayment of RM300 million from EFTB upon the lodgment to Companies Commission of Malaysia (“CCM”) on 21 March 2018.

**10. DIVIDENDS PAID**

No dividend has been paid by the Company since the end of the previous financial year.

**11. MATERIAL EVENTS SUBSEQUENT TO END OF REPORTING PERIOD**

There were material events subsequent to the end of the period reported that require disclosure or adjustments to the unaudited interim financial statements as below:

a) Increased in issued and paid-up share capital in EGIB

On 3 July 2018, the Company injected capital into EGIB by way of the issuance of 60,000,000 new ordinary shares for cash, amounting to a total of RM60million, this resulted in an increased in the number of ordinary share from 152,151,399 to 212,151,399 and issued and paid-up capital from RM169,878,927 to RM229,878,927.

b) Redemption on Tier-2 Capital Subordinated Bonds of RM500.0million in EGIB

On 13 June 2018, BNM approved EGIB's redemption exercise for the Tier-2 Capital Subordinated Bonds of RM500.0million (“the Bond”). Subsequently, EGIB exercised the call option to redeem the Bond on 5 July 2018. The Bond had been issued on 5 July 2013 with a tenure of ten (10) years from issue date on 10 non-callable 5 basis, with interest rate of 4.13% per annum payable semi-annually and is due on 2023.

**12. CHANGES IN THE COMPOSITION OF THE GROUP OR THE COMPANY**

There were no changes in the composition of the Group and the Company during the interim financial period ended 30 June 2018.

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**13. INVESTMENTS**

<b>Group</b>	<b>30.6.2018</b>	<b>31.12.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Malaysian government papers	1,128,980	1,210,903
Singapore government securities	481,023	402,156
Debt securities	19,542,142	19,225,711
Equity securities	2,929,911	3,184,745
Unit and property trust funds	243,279	146,963
Structured products	420,163	389,631
Negotiable certificates of deposit ("NCD")	-	145,462
Negotiable Islamic certificates of deposit ("NICD")	-	128,157
Deposits with financial institutions	3,221,332	2,318,944
	<u>27,966,830</u>	<u>27,152,672</u>

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

Fair value through profit and loss ("FVTPL")		
- Designated upon initial recognition	14,311,245	12,825,920
- Held for trading ("HFT")	3,543,485	1,378,981
Fair value through other comprehensive income ("FVOCI")	6,890,768	-
Amortised Cost ("AC")	3,221,332	-
Available-for-sale ("AFS")	-	10,628,827
Loan and receivables ("LAR")	-	2,318,944
	<u>27,966,830</u>	<u>27,152,672</u>

The following investments mature after 12 months:

FVTPL		
- Designated upon initial recognition	14,034,527	11,083,518
- Held for trading ("HFT")	304,904	353,323
FVOCI	4,495,687	-
AC	1,004,225	-
AFS	-	6,978,929
	<u>19,839,343</u>	<u>18,415,770</u>

**(a) FVTPL**

**(i) Designated upon initial recognition**

**At fair value**

Malaysian government papers	472,626	381,084
Singapore government securities	188,802	364,461
Debt securities:		
Quoted outside Malaysia	507,528	587,445
Unquoted in Malaysia	12,640,551	10,703,790
Unquoted outside Malaysia	133,146	148,645
Structured products	368,592	386,595
NCD	-	145,462
NICD	-	108,438
Total financial assets designated as FVTPL upon initial recognitions	<u>14,311,245</u>	<u>12,825,920</u>

**MAYBANK AGEAS HOLDINGS BERHAD**  
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**13. INVESTMENTS (CONTD.)**

	-	<b>30.6.2018</b>	<b>31.12.2017</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>(ii) HFT</b>			
<b><u>At fair value</u></b>			
Malaysian government papers		67,048	92,762
Unquoted debt securities in Malaysia		300,281	260,422
Equity securities			
Quoted in Malaysia		2,465,320	969,222
Quoted outside Malaysia		334,891	-
Unquoted in Malaysia		129,700	-
Unit and property trust funds:			
Quoted in Malaysia		9,068	1,740
Quoted outside Malaysia		234,211	51,799
Structured products		2,966	3,036
Total HFT financial assets		<u>3,543,485</u>	<u>1,378,981</u>
<b>(b) FVOCI</b>			
<b><u>At fair value</u></b>			
Malaysian government papers		589,306	-
Singapore government securities		292,221	-
Debt securities:			
Quoted outside Malaysia		428,236	-
Unquoted in Malaysia		5,515,863	-
Unquoted outside Malaysia		16,537	-
Structured products		48,605	-
Total FVOCI financial assets		<u>6,890,768</u>	<u>-</u>

Movements in the allowances for impairment losses on financial assets at FVOCI are as follows:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	
	<b>12 months</b>	<b>Lifetime ECL</b>	<b>Lifetime ECL</b>	<b>Total</b>
	<b>ECL</b>	<b>not credit</b>	<b>credit</b>	<b>ECL</b>
	<b>RM'000</b>	<b>impaired</b>	<b>impaired</b>	<b>RM'000</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2018	-	-	-	-
- effect of adopting MFRS 9	1,936	200	-	2,136
At 1 January 2018, as restated	1,936	200	-	2,136
Amount written off	(1)	-	-	(1)
New financial assets originated or purchased	314	-	-	314
Financial assets derecognised	(181)	-	-	(181)
At 30 June 2018	<u>2,068</u>	<u>200</u>	<u>-</u>	<u>2,268</u>

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**13. INVESTMENTS (CONTD.)**

**(c) AC**

	<b>30.6.2018</b>	<b>31.12.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>At cost</u></b>		
Fixed and call deposits with:		
Islamic investment accounts		
financial institutions	165,435	-
Licensed financial institutions	2,706,521	-
Others	349,376	-
Total financial assets designated as AC	<u>3,221,332</u>	<u>-</u>

**(d) AFS**

<b><u>At fair value</u></b>		
Malaysian government papers	-	737,057
Singapore government securities	-	37,695
Debt securities:		
Quoted outside Malaysia	-	226,476
Unquoted in Malaysia	-	7,290,153
Unquoted outside Malaysia	-	8,780
Equity securities		
Quoted in Malaysia	-	1,973,497
Quoted outside Malaysia	-	189,775
Unit and property trust funds:		
Quoted in Malaysia	-	58,963
Quoted outside Malaysia	-	34,461
NICD	-	19,719
<b><u>At cost</u></b>		
Equity securities:		
Unquoted in Malaysia		
Cost	-	55,032
Less: Allowance for impairment losses	-	(2,781)
Total AFS financial assets	<u>-</u>	<u>10,628,827</u>

**(e) LAR**

Fixed and call deposits with:		
Islamic investment accounts		
Licensed financial institutions	-	2,140,463
Others	-	178,481
Total LAR financial assets	<u>-</u>	<u>2,318,944</u>

The carrying amounts of LAR are reasonable approximations of fair values due to the short term maturity of the financial assets.

Included in LAR financial assets are assets amounting to RM38,000,000 (31.12.2017: RM38,000,000) which have been pledged to obtain a banking facility with MBB and an Islamic bank guarantee facilities with Maybank Islamic Berhad.

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**13. INVESTMENTS (CONTD.)**

<b>Company</b>	<b>30.6.2018</b> <b>RM'000</b>	<b>31.12.2017</b> <b>RM'000</b>
Deposits with financial institutions	369,042	72,148
	<u>369,042</u>	<u>72,148</u>

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

AC	369,042	-
AFS	-	102,311
LAR	-	72,148
	<u>369,042</u>	<u>174,459</u>

**(a) AC**

**At cost**

Fixed and call deposits with:  
 Licensed financial institutions

	369,042	-
	<u>369,042</u>	<u>-</u>

**(b) AFS**

**At fair value**

Unit and property trust funds:  
 Quoted in Malaysia

	-	102,311
	<u>-</u>	<u>102,311</u>

**(c) LAR**

Fixed and call deposits with:  
 Licensed financial institutions  
 Others  
 Total LAR financial assets

	-	65,265
	-	6,883
	<u>-</u>	<u>72,148</u>

The carrying amounts of AC are reasonable approximations of fair values due to the short term maturity of the financial assets.

**Fair Value of Financial Investments**

An analysis of the different fair value measurement bases used in the determination of the fair values of Investments are further disclosed in Note 18 to the financial statements.

**MAYBANK AGEAS HOLDINGS BERHAD**  
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**14. REINSURANCE/RETAKAFUL ASSETS**

**Group**

	<b>30.6.2018</b>	<b>31.12.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Reinsurers' share of:		
Life insurance contract liabilities	2,887,664	2,743,040
General insurance contract liabilities	42,751	40,472
	<u>2,844,913</u>	<u>2,702,568</u>
Retakaful operators' share of:		
Family takaful certificate liabilities	332,176	341,257
General takaful certificate liabilities	63,915	79,085
	<u>268,261</u>	<u>262,172</u>
Allowance for impairment losses	-	(1,924)
	<u>3,219,840</u>	<u>3,082,373</u>

**15. INSURANCE/TAKAFUL CONTRACT LIABILITIES**

<b>Group</b>	<b>30.6.2018</b>			<b>31.12.2017</b>		
	<b>Gross</b>	<b>Reinsurance</b>	<b>Net</b>	<b>Gross</b>	<b>Reinsurance</b>	<b>Net</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Life insurance/family takaful (Note A)	19,822,602	(106,666)	19,715,936	19,130,891	(119,557)	19,011,334
General insurance/takaful (Note B)	5,243,622	(3,113,174)	2,130,448	5,096,330	(2,964,740)	2,131,590
	<u>25,066,224</u>	<u>(3,219,840)</u>	<u>21,846,384</u>	<u>24,227,221</u>	<u>(3,084,297)</u>	<u>21,142,924</u>

**(A) Life Insurance/Family Takaful**

The life insurance/family takaful contract liabilities and its movements are further analysed as follows:

**(i) Life insurance/family takaful contract liabilities**

	<b>30.6.2018</b>			<b>31.12.2017</b>		
	<b>Gross</b>	<b>Reinsurance</b>	<b>Net</b>	<b>Gross</b>	<b>Reinsurance</b>	<b>Net</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Claim liabilities	274,178	(15,695)	258,483	233,915	(12,837)	221,078
Actuarial liabilities	15,624,198	(90,971)	15,533,227	15,116,213	(106,720)	15,009,493
DPF's unallocated surplus	2,524,268	-	2,524,268	2,355,649	-	2,355,649
DPF's AFS reserves	(80,659)	-	(80,659)	(29,784)	-	(29,784)
Net asset value ("NAV") attributable to unitholders	1,480,617	-	1,480,617	1,454,898	-	1,454,898
	<u>19,822,602</u>	<u>(106,666)</u>	<u>19,715,936</u>	<u>19,130,891</u>	<u>(119,557)</u>	<u>19,011,334</u>

**MAYBANK AGEAS HOLDINGS BERHAD**  
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**15. INSURANCE/TAKAFUL CONTRACT LIABILITIES (CONTD.)**

**(A) Life Insurance/Family Takaful (Contd.)**

**(ii) Movements of life insurance/family takaful contract liabilities**

	Claim liabilities RM'000	Actuarial liabilities RM'000	DPF's Unallocated Surplus RM'000	DPF's AFS reserve RM'000	NAV attributable to unitholders RM'000	Gross Total liabilities RM'000	Reinsurance assets RM'000	Net Total liabilities RM'000
<b>30.6.2018</b>								
At 1 January 2018 (as previously stated)	233,915	15,116,213	2,355,649	(29,784)	1,454,898	19,130,891	(119,557)	19,011,334
Effect of adopting MFRS 9	-	-	(8,268)	8,331	-	63	-	63
At 1 January 2018 (as restated)	233,915	15,116,213	2,347,381	(21,453)	1,454,898	19,130,954	(119,557)	19,011,397
Net earned premiums	-	-	1,050,387	-	273,811	1,324,198	(35,287)	1,288,911
Other revenue	-	(164)	69,741	(29,401)	(84,114)	(43,938)	-	(43,938)
Experience/benefit variation	2,206	-	-	-	-	2,206	9,243	11,449
Net benefits and claims	38,057	8,895	(852,156)	-	(170,054)	(975,258)	23,187	(952,071)
Other expenses	-	-	(46,461)	-	(864)	(47,325)	-	(47,325)
Change in reserves :								
- Discounting	-	(103,591)	60,910	-	-	(42,681)	1,029	(41,652)
- Assumptions	-	(208,722)	178,047	-	-	(30,675)	26,051	(4,624)
- Policy Movements	-	802,708	(280,083)	-	-	522,625	(14,803)	-
Exchange differences	-	689	-	-	-	689	-	689
Changes in AFS reserves	-	-	-	(31,761)	-	(31,761)	-	(31,761)
Taxation	-	8,170	11,651	1,956	6,940	28,717	3,471	-
Transfer to shareholders' funds	-	-	(15,149)	-	-	(15,149)	-	(15,149)
At 30 June 2018	274,178	15,624,198	2,524,268	(80,659)	1,480,617	19,822,602	(106,666)	19,175,926



**MAYBANK AGEAS HOLDINGS BERHAD**  
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**15. INSURANCE/TAKAFUL CONTRACT LIABILITIES (CONTD.)**

**(A) Life Insurance/Family Takaful (Contd.)**

**(ii) Movements of life insurance/family takaful contract liabilities**

	Claim liabilities RM'000	Actuarial liabilities RM'000	DPF's Unallocated Surplus RM'000	DPF's AFS reserve RM'000	NAV attributable to unitholders RM'000	Gross Total liabilities RM'000	Reinsurance assets RM'000	Net Total liabilities RM'000
<b>31.12.2017</b>								
As at 1 January 2017	216,303	12,621,660	3,477,010	55,985	1,176,089	17,547,047	(78,535)	17,468,512
Net earned premiums	-	651,676	2,437,524	-	469,934	3,559,134	(63,031)	3,496,103
Other revenue	-	-	906,073	(109,363)	120,943	917,653	-	917,653
Experience/benefit variation	(445)	-	(12,004)	-	(9)	(12,458)	27,801	15,343
Net benefits and claims	18,057	(8,894)	(1,307,011)	-	(301,972)	(1,599,820)	36,191	(1,563,629)
Other expenses	-	-	(399,086)	-	(538)	(399,624)	-	(399,624)
Change in reserves:								
- Discounting	-	75,361	(27,011)	-	-	48,350	(2,495)	45,855
- Assumptions	-	93,515	(111,430)	-	-	(17,915)	552	(17,363)
- Policy Movements	-	448,235	(1,204,382)	-	-	(756,147)	(38,064)	(794,211)
Exchange differences	-	6,805	(341)	(88)	(245)	6,131	(1,976)	4,155
Changes in AFS reserves	-	-	-	17,334	-	17,334	-	17,334
Taxation	-	-	(18,094)	6,348	(9,304)	(21,050)	-	(21,050)
Transfer to shareholders' funds	-	-	(129,643)	-	-	(129,643)	-	(129,643)
Hibah paid to participants	-	-	(1,222,096)	-	-	(1,222,096)	-	(1,222,096)
Qard Hasan (paid)/received	-	-	-	-	-	-	-	-
Net asset value attributable to unitholders	-	1,227,855	(33,860)	-	-	1,193,995	-	1,193,995
At 31 December 2017	233,915	15,116,213	2,355,649	(29,784)	1,454,898	19,130,891	(119,557)	19,011,334

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**15. INSURANCE/TAKAFUL CONTRACT LIABILITIES (CONTD.)**

**(B) General/General takaful insurance**

	<b>30.6.2018</b>			<b>31.12.2017</b>		
	<b>Gross RM'000</b>	<b>Reinsurance RM'000</b>	<b>Net RM'000</b>	<b>Gross RM'000</b>	<b>Reinsurance RM'000</b>	<b>Net RM'000</b>
Claim liabilities (i)	3,792,213	(2,675,295)	1,116,918	3,808,752	(2,649,946)	1,158,806
Premiums/contribution liabilities (ii)	1,266,346	(437,879)	828,467	1,104,029	(314,794)	789,235
Unallocated surplus of general takaful fund	200,870	-	200,870	196,302	-	196,302
AFS reserves	(15,807)	-	(15,807)	(12,753)	-	(12,753)
	<b>5,243,622</b>	<b>(3,113,174)</b>	<b>2,130,448</b>	<b>5,096,330</b>	<b>(2,964,740)</b>	<b>2,131,590</b>

**(i) Claims liabilities**

<b>At 1 January 2018/2017</b>	3,808,752	(2,649,946)	1,158,806	4,598,159	(3,317,013)	1,281,146
Claims incurred in the current accident year	634,761	(169,623)	465,138	1,451,156	(483,689)	967,467
Adjustment to claims incurred in prior accident periods/years due to changes in assumptions (if any)	7,675	(15,220)	(7,545)	-	-	-
Movements in claims incurred in prior accident years	4,168	(3,229)	939	(464,009)	364,434	(99,575)
Claims paid during the year	(663,613)	171,275	(492,338)	(1,641,278)	668,108	(973,170)
Movements in Unallocated Loss Adjustment Expenses ("ULAE")	(450)	-	(450)	(10,305)	-	(10,305)
Movements in PRAD	4,499	(9,526)	(5,027)	(121,128)	117,169	(3,959)
Exchange differences	(3,579)	974	(2,605)	(3,843)	1,045	(2,798)
<b>At 30 June 2018/31 December 2017</b>	<b>3,792,213</b>	<b>(2,675,295)</b>	<b>1,116,918</b>	<b>3,808,752</b>	<b>(2,649,946)</b>	<b>1,158,806</b>

**(ii) Premium/contribution liabilities**

<b>At 1 January 2018/2017</b>	1,104,029	(314,794)	789,235	1,120,761	(306,112)	814,649
Premiums/contributions written in the year	1,404,783	(550,136)	854,647	2,499,069	(885,897)	1,613,172
Premiums/contributions earned during the year	(1,234,669)	420,808	(813,861)	(2,513,007)	876,083	(1,636,924)
Exchange differences	(7,797)	6,243	(1,554)	(2,794)	1,132	(1,662)
<b>At 30 June 2018/31 December 2017</b>	<b>1,266,346</b>	<b>(437,879)</b>	<b>828,467</b>	<b>1,104,029</b>	<b>(314,794)</b>	<b>789,235</b>

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**16. OPERATING LEASE COMMITMENTS**

- (a) As at the reporting date, the insurance and takaful subsidiaries leases their office premises under lease agreements that are not cancellable within a year. The leases contain renewable options. Lease terms do not contain restrictions on the branch's activities concerning additional debts or further leasing.

Future minimum lease payments for the leases with initial or remaining terms of one year or more are as follows:

	<b>30.6.2018</b>	<b>31.12.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Group</b>		
Within 1 year	1,767	8,146
After 1 year but not more than 5 years	1,320	3,965
	<u>3,087</u>	<u>12,111</u>

- (b) The Group has entered into operating lease agreements on its portfolio of investment properties. The leases have remaining lease terms of between 1 and 3 years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions. The leases also include a clause that allows for early termination but requires the tenant to provide a replacement tenant or pay for the remaining unexpired lease period.

The future minimum lease payments receivable under non-cancellable operating leases contracted for as at the reporting date but not recognised as receivables, are as follows:

	<b>30.6.2018</b>	<b>31.12.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Group</b>		
Not later than 1 year	20,312	18,981
Later than 1 year but not later than 5 years	15,295	9,462
	<u>35,606</u>	<u>28,443</u>

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**17. OTHER COMMITMENTS AND CONTINGENCIES**

<b>Group</b>	<b>30.6.2018</b> <b>RM'000</b>	<b>31.12.2017</b> <b>RM'000</b>
Approved and contracted for:		
Property, plant and equipment	2,260	2,741
Investment property		
Investment Properties Under Contructions ("IPUC")	-	106,062
Intangible assets	34,265	11,321
	<u>36,525</u>	<u>120,124</u>
Approved and not contracted for:		
Investment property - IPUC	-	11,519
Intangible assets	351	4,546
	<u>351</u>	<u>16,065</u>

**18. FAIR VALUE MEASUREMENTS**

The Group and the Company classify its financial instruments measured at fair value according to the Fair Value hierarchy.

The levels of the Fair Value hierarchy as defined by the accounting standards, are an indication of the observability of prices or valuation input. It can be classified by the following hierarchies/levels:

- **Level 1 : Active Market – quoted price**  
Refers to financial instruments which are regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. Such financial instruments include actively traded government securities, listed derivatives and cash products traded on an exchange.
- **Level 2 : No Active Market – Valuation techniques using observable inputs**  
Refers to inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).  
  
Examples of level 2 financial instruments include corporate and other government bonds, less liquid equities, and OTC derivatives.
- **Level 3 : No Active Market – Valuation techniques using unobservable inputs**  
Refers to financial instruments where fair values are measured using unobservable market inputs. The valuation technique is consistent with level 2. The chosen valuation technique incorporates management's assumptions and data.  
  
Examples of level 3 instruments include corporate bonds in illiquid markets, private equity investments and investment properties.

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**18. FAIR VALUE MEASUREMENTS (CONTD.)**

**(a) Fair Value Disclosures Based on 3-Level Hierarchy**

Group	Valuation technique using :			Total RM'000
	Level 1	Level 2	Level 3	
	Quoted market prices RM'000	Using observable inputs RM'000	Using significant unobservable inputs RM'000	
<b>30.6.2018</b>				
<b><u>Assets</u></b>				
<b>Investment properties (excluding IPUC)</b>	-	-	588,224	588,224
<b>Financial assets at FVTPL</b>				
<b>(i) Designated upon initial recognition</b>				
Malaysian government papers	-	472,626	-	472,626
Singapore government securities	188,802	-	-	188,802
Other debt securities, structured products, NCDs and NICDs	507,528	13,142,289	-	13,649,817
<b>(ii) Held-for-trading</b>				
Equity securities	2,800,212	-	129,699	2,929,911
Malaysian government papers	-	67,048	-	67,048
Other debt securities, structured products, NCDs and NICDs	-	303,247	-	303,247
Unit and property trust funds	243,279	-	-	243,279
Derivative assets	-	5,276	-	5,276
<b>Financial assets at FVOCI</b>				
Malaysian government papers	-	589,306	-	589,306
Singapore government securities	292,221	-	-	292,221
Other debt securities, structured products, NCDs and NICDs	428,236	5,581,005	-	6,009,241
<b>Total assets</b>	<b>4,460,278</b>	<b>20,160,797</b>	<b>717,923</b>	<b>25,338,998</b>
<b><u>Liabilities</u></b>				
Derivative liabilities	(26,315)	(16,253)	-	(42,568)
<b>Total liabilities</b>	<b>(26,315)</b>	<b>(16,253)</b>	<b>-</b>	<b>(42,568)</b>

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**18. FAIR VALUE MEASUREMENTS (CONTD.)**

**(a) Fair Value Disclosures Based on 3-Level Hierarchy (contd.)**

Group	Valuation technique using :			Total RM'000
	Level 1	Level 2	Level 3	
	Quoted market prices RM'000	Using observable inputs RM'000	Using significant unobservable inputs RM'000	
<b>31.12.2017</b>				
<b><u>Assets</u></b>				
<b>Investment properties (excluding IPUC)</b>	-	-	588,224	588,224
<b>AFS financial investments</b>				
Equity securities	2,163,272	-	6,749	2,170,021
Malaysian government papers	19,901	717,156	-	737,057
Singapore government securities	37,695	-	-	37,695
Other debt securities, structured products NCDs and NICDs	937,673	6,607,455	-	7,545,128
Unit and property trust funds	93,424	-	-	93,424
<b>Financial investments at FVTPL</b>				
<b>(i) Designated upon initial recognition</b>				
Malaysian government papers	-	381,084	-	381,084
Singapore government securities	364,461	-	-	364,461
Other debt securities, structured products NCDs and NICDs	585,879	11,494,496	-	12,080,375
<b>(ii) Held-for-trading (HFT)</b>				
Equity securities	969,222	-	-	969,222
Malaysian government papers	-	92,762	-	92,762
Other debt securities, structured products and NCDs	-	263,458	-	263,458
Unit and property trust funds	53,539	-	-	53,539
Derivative assets	-	12,733	-	12,733
<b>Total assets</b>	<b>5,225,066</b>	<b>19,569,144</b>	<b>594,973</b>	<b>25,389,183</b>
<b><u>Liabilities</u></b>				
Derivative liabilities	-	(25,806)	-	(25,806)
<b>Total liabilities</b>	<b>-</b>	<b>(25,806)</b>	<b>-</b>	<b>(25,806)</b>

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**18. FAIR VALUE MEASUREMENTS (CONTD.)**

**(b) Transfer between Level 1 and Level 2 in the fair value hierarchy**

Assets and liabilities of the Group and the Company are recognised in the financial statements on a recurring basis. The Group and the Company determine whether transfers have occurred between fair value hierarchy levels by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There were no transfer between Level 1 and Level 2 for the Group and the Company during the financial period ended 30 June 2018.

**(c) Reconciliation of level 3 fair value hierarchy**

**Group**

**30.6.2018**

	<b>Financial instruments measured at fair value</b>			
	<b>Investment Properties RM'000</b>	<b>Designated at FVTPL RM'000</b>	<b>Designated at AFS RM'000</b>	<b>Total RM'000</b>
As at 1 January 2018	588,224	6,749	-	594,973
- as previously restated	-	45,502	-	45,502
- Effect of adopting MFRS 9	-	77,448	-	77,448
As at 1 January (restated)/ 30 June 2018	588,224	129,699	-	717,923
Total gains or losses recognised in income statement for financial instruments measured at fair value at the end of the reporting period	-	-	-	-
Total gains or losses recognised in other comprehensive income for financial instruments measured at fair value at the end of the reporting	-	-	-	-

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**18. FAIR VALUE MEASUREMENTS (CONTD.)**

**(c) Reconciliation of level 3 fair value hierarchy (contd.)**

**31.12.2017**

	<b>Financial instruments measured at fair value</b>			
	<b>Investment Properties RM'000</b>	<b>Designated at FVTPL RM'000</b>	<b>Designated at AFS RM'000</b>	<b>Total RM'000</b>
As at 1 January 2017	678,179	80,814	108,766	867,759
Recognised in income statement:				
Realised loss	-	3,540	4,761	8,301
Fair value gain	1,935	(21,754)	-	(19,819)
Recognised in other comprehensive income as fair value gain	-	-	(29,277)	(29,277)
Disposal	(91,890)	(55,851)	(84,250)	(231,991)
As at 31 December 2017	<u>588,224</u>	<u>6,749</u>	<u>-</u>	<u>594,973</u>

Total gains or losses recognised in income statement for financial instruments measured at fair value at the end of the reporting period	<u>1,935</u>	<u>(18,214)</u>	<u>4,761</u>	<u>(11,518)</u>
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Total gains or losses recognised in other comprehensive income for financial instruments measured at fair value at the end of the reporting period	<u>-</u>	<u>-</u>	<u>(29,277)</u>	<u>(29,277)</u>
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**(d) Sensitivity of fair value measurements to changes in unobservable input assumptions**

The Group's exposure to financial instruments measured with valuation techniques using significant unobservable inputs comprised a small number of financial instruments which constitute an insignificant component of the Group's portfolio of financial instruments. Hence, changing one or more of the inputs to reasonable alternative assumptions would not change the value significantly for the financial assets in Level 3 of the fair value hierarchy.

Recent sale transactions transacted in the real estate market would result in a significant change of estimated fair value for investment properties.



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**19. SIGNIFICANT RELATED PARTY DISCLOSURES**

For the purpose of these financial statements, parties are considered to be related to the Group and the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel, defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel includes the Directors and Chief Executive Officers of the Group and of the Company.

The Group and the Company have related party relationships with its shareholders, subsidiaries, associates, key management personnel and the subsidiaries and associates of a company with significant influence over its shareholders.

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions and balances of the Group and of the Company are as follows:

- (i) Significant transactions of the Group and of the Company with related parties during the financial year were as follows:

	<b>Group</b>		<b>Company</b>	
	<b>1.1.2018 to 30.6.2018 RM'000</b>	<b>1.1.2017 to 30.6.2017 RM'000</b>	<b>1.1.2018 to 30.6.2018 RM'000</b>	<b>1.1.2017 to 30.6.2017 RM'000</b>
<b><u>Income/(expenses):</u></b>				
Ultimate holding company:				
Gross premium/contribution income	13,958	14,313	-	-
Commission and fee expenses	(73,972)	(73,671)	-	-
Claims paid	(1,257)	(613)	-	-
Interest/profit income	4,300	7,325	2,117	157
Rental income	1,795	1,660	-	-
Other expenses	(107)	-	(11)	(2)
Net hedging income	-	163	-	-

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**19. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)**

- (i) Significant transactions of the Group and of the Company with related parties during the financial year were as follows (Contd.):

	<b>Group</b>		<b>Company</b>	
	<b>1.1.2018 to 30.6.2018 RM'000</b>	<b>1.1.2017 to 30.6.2017 RM'000</b>	<b>1.1.2018 to 30.6.2018 RM'000</b>	<b>1.1.2017 to 30.6.2017 RM'000</b>
<b><u>Income/(expenses):</u></b>				
Fellow subsidiaries/associates within the MAHB Group:				
Gross dividend income	-	-	-	169,999
Reimbursement of shared services	-	-	16,875	9,714
Shared service costs	-	-	-	-
Rental expense	-	-	(272)	(51)
Other related companies within the MBB Group:				
Gross premium/contribution income	2,891	2,765	-	-
Commission and fee expenses	(48,429)	22	-	-
Dividend income	-	1,640	-	924
Other investment income	8	66	6	51
Management fee	(1,102)	42	-	-
Maybank shared services - Information Technology	(5,677)	(9,529)	-	-
Interest/profit income	5,809	13,576	-	373
Rental income (net)	2,114	6,928	-	-
Investment advisory fee	(556)	(93)	-	-
Other (expenses)/income, net	(636)	249	-	-
Shareholders of MAHB:				
Dividend paid	(250,241)	(149,944)	(250,241)	(149,944)
Reimbursement of expenses	(145)	(946)	2	-

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**19. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)**

- (i) Significant transactions of the Group and of the Company with related parties during the financial year were as follows (Contd.):

	Group		Company	
	1.1.2018 to 30.6.2018	1.1.2017 to 30.6.2017	1.1.2018 to 30.6.2018	1.1.2017 to 30.6.2017
<u>Income/(expenses) (contd.):</u>	RM'000	RM'000	RM'000	RM'000
Companies related to a company with significant influence over MBB Group:				
Claims paid	(128)	(8)	-	-
Commission and fee expenses	(53)	-	-	-
Gross premium/contribution income	9,596	9	-	-
Interest on subordinated obligations	(7,222)	(5,430)	-	-

- (ii) Included in the statements of financial position of the Group and of the Company are amounts due from/(to) related companies as follows:

	Group		Company	
	1.1.2018 to 30.6.2018	1.1.2017 to 30.6.2017	1.1.2018 to 30.6.2018	1.1.2017 to 30.6.2017
	RM'000	RM'000	RM'000	RM'000
Ultimate holding company:				
Bank balances	292,158	388,880	68,159	2,533
Fixed deposits	598,461	474,512	-	-
Structured deposits	49,133	50,010	-	-
Debt securities	4,997	9,974	-	-
Derivative liabilities, net	(7,260)	(47,441)	-	-
Income and profits due and accrued	1,960	773	80	-
Insurance/takaful receivables	-	184	-	-
Claim liabilities	(60,529)	(82,746)	-	-
Outstanding premium/contributions	8,494	10,851	-	-
Other receivables	1,545	4,815	-	-
Other payables	(8,445)	(18,082)	(51)	(290)

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**19. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)**

(ii) Included in the statement of financial position of the Group and of the Company are amounts due from/(to) related companies as follows (Contd.):

	Group		Company	
	1.1.2018 to 30.6.2018 RM'000	1.1.2017 to 30.6.2017 RM'000	1.1.2018 to 30.6.2018 RM'000	1.1.2017 to 30.6.2017 RM'000
Fellow subsidiaries/associates within the MAHB Group:				
Other receivables	-	-	3,802	171,092
Other related companies within the MBB Group:				
Bank balances	55,106	504	-	-
Claim liabilities	(50)	-	-	-
Fixed and call deposits	411,739	671,630	121,897	31,474
Income and profits due and accrued	1,259	1,980	155	51
Insurance/takaful receivables	-	7,018	-	-
Other receivables	168	10,799	-	-
Other payables	(544)	(1,319)	-	-
Companies related to a company with significant influence over MBB Group:				
Outstanding premiums/ contributions	505	-	-	-
Claims liabilities	(884)	(2,038)	-	-
Insurance/takaful payables	(5)	-	-	-
Subordinated obligations	(340,042)	(270,276)	-	-
Other payables	-	(1,639)	-	-

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**19. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)**

(iii) The remuneration of key management personnel compensation during the year was as follows:

	<b>Group</b>		<b>Company</b>	
	<b>1.1.2018 to 30.6.2018 RM'000</b>	<b>1.1.2017 to 30.6.2017 RM'000</b>	<b>1.1.2018 to 30.6.2018 RM'000</b>	<b>1.1.2017 to 30.6.2017 RM'000</b>
<b>Short-term employee benefits</b>				
- Fees	73	70	73	70
- Salaries, allowances and bonuses	4,151	1,976	1,962	1,482
- Contribution to EPF and pension scheme	587	316	314	237
- Share option granted under ESOS	898	860	844	687
- Other emoluments	70	20	13	8
	<u>5,780</u>	<u>3,242</u>	<u>3,206</u>	<u>2,484</u>

(iv) The movements in the number of ESOS granted and vested to key management personnel are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>30.6.2018 '000</b>	<b>31.12.2017 '000</b>	<b>30.6.2018 '000</b>	<b>31.12.2017 '000</b>
At 1 January	2,989	4,255	1,291	2,242
Vested and exercisable	380	960	380	700
Exercised	(3,359)	(1,135)	(1,671)	(375)
Expired	(10)	-	-	-
Resignation of key management personnel	-	(1,526)	-	(1,526)
Appointment of key management personnel	-	435	-	250
At 30 June	<u>-</u>	<u>2,989</u>	<u>-</u>	<u>1,291</u>

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**20. FINANCIAL EFFECTS ARISING FROM ADOPTION OF MFRS 9 FINANCIAL INSTRUMENTS**

- (i) The adoption of MFRS 9 resulted in the following financial effects to the related statement of financial position items of the Group:

<b>Group</b>	<b>31 December 2017 RM'000</b>	<b>Classification and measurement RM'000</b>	<b>Expected credit losses RM'000</b>	<b>1 January 2018 RM'000</b>
<b><u>Assets:</u></b>				
Investments	27,152,672	77,449	(2,769)	27,227,352
Financing receivables	257,778	-	(16)	257,762
Insurance/Takaful receivables	615,300	-	(3,749)	611,551
Other receivables	860,158	-	(887)	859,271
Deferred tax assets	9,789	-	211	10,000
<b><u>Liabilities:</u></b>				
Insurance/takaful contract liabilities	24,227,221	2,642	(2,965)	24,226,898
Deferred tax liabilities	630,356	20,305	(437)	650,224
Current tax liabilities	7,532	-	-	7,532
<b><u>Equities</u></b>				
AFS Reserve	(30,656)	30,656	-	-
FVOCI Reserve	-	(4,956)	924	(4,032)
Retained earnings	4,847,318	29,308	(3,388)	4,873,238

- (i) The following table analyses the impact, net of tax, of transition to MFRS 9 on the opening balance of reserve, retained earnings and Insurance/Takaful certificates liabilities of the

	<b>RM'000</b>
<b><u>AFS/FVOCI Reserve</u></b>	
Closing balance as at 31 December 2017	(30,656)
Transfer to retained earnings	25,700
Recognition of expected credit loss	1,051
Deferred tax in respect of expected credit loss	(127)
Opening balance as at 1 January 2018	<u>(4,032)</u>

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**20. FINANCIAL EFFECTS ARISING FROM ADOPTION OF MFRS 9 *FINANCIAL INSTRUMENTS***  
**(CONTD.)**

- (i) The following table analyses the impact, net of tax, of transition to MFRS 9 on the opening balance of reserve, retained earnings and Insurance/Takaful certificates liabilities of the

	<b>RM'000</b>
<b><u>Retained earnings</u></b>	
Closing balance as at 31 December 2017	4,847,318
Transfer from AFS reserve	(25,700)
Unrealised gain on financial assets at FVTPL	75,082
Recognition of expected credit loss	(3,826)
Deferred tax in respect of:	
- unrealised gain on FVTPL	(11,529)
- expected credit loss	438
- non-par unallocated surplus	(8,545)
Opening balance as at 1 January 2018	<u>4,873,238</u>
<b><u>Insurance contract liabilities</u></b>	
Closing balance as at 31 December 2017	24,227,221
Unrealised gain on financial assets at FVTPL	2,873
Recognition of expected credit loss	(3,054)
Deferred tax in respect of:	
- unrealised gain on FVTPL	(231)
- expected credit loss	89
Opening balance as at 1 January 2018	<u>24,226,898</u>

**MAYBANK AGEAS HOLDINGS BERHAD**  
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**21. INSURANCE FUNDS**

The Group's statement of financial position and Income Statement have been further analysed by funds.

The Life and Family Takaful insurance businesses offer a wide range of participating and non-participating Whole Life, Term Assurance, Endowment and Annuity products, as well as Unit-linked products. The General Insurance and General Takaful insurance businesses offer general insurance/takaful products which include Motor, Fire, Marine, Aviation and Transit ("MAT") and Miscellaneous products.

**STATEMENTS OF FINANCIAL POSITION BY FUNDS**  
**AS AT 30 JUNE 2018**

	Total		* Consolidation elimination		Shareholders' and General Funds		Life Fund		General Takaful Fund		Family Takaful Fund	
	30.6.2018 RM'000	31.12.2017 RM'000	30.6.2018 RM'000	31.12.2017 RM'000	30.6.2018 RM'000	31.12.2017 RM'000	30.6.2018 RM'000	31.12.2017 RM'000	30.6.2018 RM'000	31.12.2017 RM'000	30.6.2018 RM'000	31.12.2017 RM'000
<b>Assets:</b>												
Property, plant and equipment	115,540	123,331			44,430	47,789	71,110	75,542	-	-	-	-
Investment properties	821,933	749,432			113,719	113,723	708,214	635,709	-	-	-	-
Prepaid land lease payments	18,403	18,557			7,070	7,133	11,333	11,424	-	-	-	-
Intangible assets	84,861	83,730			49,993	50,756	34,868	32,974	-	-	-	-
Investment in subsidiaries	-	-			-	-	-	-	-	-	-	-
Investment in associates	1,238	1,238			1,238	1,238	-	-	-	-	-	-
Investments	27,966,830	27,152,672	(24,978)	(25,233)	5,620,531	4,982,632	11,039,280	10,794,727	1,598,306	1,697,348	9,733,691	9,703,198
Financing receivables	258,120	257,778			50,676	48,981	207,444	208,797	-	-	-	-
Reinsurance assets	3,219,840	3,082,373			2,844,913	2,700,648	42,751	40,472	268,261	262,168	63,915	79,085
Insurance receivables	570,297	615,300			356,784	402,550	38,557	33,458	53,827	100,620	121,129	78,672
Other receivables	976,363	860,158			325,337	314,684	334,989	269,394	17,876	15,897	298,161	260,183
Derivative assets	5,276	12,733			1,252	2,453	4,024	10,280	-	-	-	-
Deferred tax assets	41,137	9,789			16,752	4,534	-	3,473	6,575	88	17,810	1,694
Current tax assets	68,195	25,955			44,099	1,842	-	-	3,883	3,883	20,213	20,230
Cash and bank balances	419,194	411,832			106,728	126,672	186,126	205,782	48,732	33,959	77,608	45,419
<b>Total Assets</b>	<b>34,567,227</b>	<b>33,404,878</b>			<b>9,583,522</b>	<b>8,805,635</b>	<b>12,678,696</b>	<b>12,322,032</b>	<b>1,997,460</b>	<b>2,113,963</b>	<b>10,332,527</b>	<b>10,188,481</b>
<b>Equity and liabilities:</b>												
Share capital	660,866	660,866			660,866	660,866	-	-	-	-	-	-
Reserves	4,805,371	4,868,831	(3,978)	(4,233)	4,809,349	4,873,064	-	-	-	-	-	-
<b>Total Equity</b>	<b>5,466,237</b>	<b>5,529,697</b>			<b>5,470,215</b>	<b>5,533,930</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities:</b>												
Insurance/takaful contract liabilities	25,066,224	24,227,221	(21,000)	(21,000)	3,549,155	3,405,680	9,799,310	9,354,386	1,694,468	1,690,649	10,044,291	9,797,506
Subordinated obligations	800,000	800,000			800,000	800,000	-	-	-	-	-	-
Expense liabilities	511,539	517,710			511,539	517,710	-	-	-	-	-	-
Derivative liabilities	42,568	25,806			3,406	-	39,162	25,806	-	-	-	-
Deferred tax liabilities	590,378	630,356			588,012	541,281	2,366	96,234	-	(4,980)	-	(2,179)
Insurance payables	540,362	499,019			443,203	334,967	17,460	36,367	43,865	82,465	35,834	45,220
Other payables	1,507,676	1,156,229			(1,810,145)	(2,346,773)	2,806,292	2,809,239	259,127	345,829	252,402	347,934
Interest/profit payable on subordinated obligations	11,141	11,308			11,141	11,308	-	-	-	-	-	-
Current tax liabilities	31,102	7,532			16,996	7,532	14,106	-	-	-	-	-
<b>Total Liabilities</b>	<b>29,100,990</b>	<b>27,875,181</b>			<b>4,113,307</b>	<b>3,271,705</b>	<b>12,678,696</b>	<b>12,322,032</b>	<b>1,997,460</b>	<b>2,113,963</b>	<b>10,332,527</b>	<b>10,188,481</b>
<b>Total equity and liabilities</b>	<b>34,567,227</b>	<b>33,404,878</b>			<b>9,583,522</b>	<b>8,805,635</b>	<b>12,678,696</b>	<b>12,322,032</b>	<b>1,997,460</b>	<b>2,113,963</b>	<b>10,332,527</b>	<b>10,188,481</b>

\* The consolidation elimination indicated the group inter-fund elimination.



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## 21. INSURANCE FUNDS (CONTD.)

INCOME STATEMENTS/REVENUE ACCOUNTS BY FUNDS  
UNAUDITED INTERIM INCOME STATEMENT/REVENUE ACCOUNTS BY FUND

	Total		Consolidation elimination		Shareholder Funds		General fund		Life Fund		General Takaful Fund		Family Takaful Fund	
	30.6.2018 RM'000	30.6.2017 RM'000	30.6.2018 RM'000	30.6.2017 RM'000	30.6.2018 RM'000	30.6.2017 RM'000	30.6.2018 RM'000	30.6.2017 RM'000	30.6.2018 RM'000	30.6.2017 RM'000	30.6.2018 RM'000	30.6.2017 RM'000	30.6.2018 RM'000	30.6.2017 RM'000
<b>Operating revenue</b>	4,090,415	3,589,679	(418,965)	(533,521)	468,297	608,419	783,788	780,671	1,486,168	1,190,907	681,939	666,194	1,089,188	877,009
Gross earned premiums/contributions	3,321,066	2,845,906	(23)	(89)	-	-	604,816	626,170	1,239,237	952,378	618,392	612,708	858,644	654,739
Earned premiums/contributions ceded to reinsurers/retakaful	(455,502)	(459,180)			-	-	(344,176)	(356,632)	(10,867)	(11,309)	(65,172)	(62,616)	(35,287)	(28,623)
<b>Net earned premiums/contributions</b>	<b>2,865,564</b>	<b>2,386,726</b>			<b>-</b>	<b>-</b>	<b>260,640</b>	<b>269,538</b>	<b>1,228,370</b>	<b>941,069</b>	<b>553,220</b>	<b>550,092</b>	<b>823,357</b>	<b>626,116</b>
Fee and commission income	51,936	55,245	(389,951)	(336,867)	389,952	336,867	43,122	40,691	(157)	441	8,788	11,348	182	2,765
Investment income	620,536	617,386			90,905	96,841	19,105	22,900	246,931	238,529	33,051	36,846	230,544	222,270
Realised (losses)/gains	(52,027)	309,830			(8,346)	37,113	1,656	15,728	8,827	167,821	239	3,077	(54,403)	86,091
Fair value (losses)/gains	(488,704)	65,502			(32,869)	-	(13,696)	766	(325,690)	78,838	(6,558)	-	(109,891)	(14,102)
Other operating income/(expenses), net	16,955	(37,665)			42	(2,497)	11,966	(2,158)	4,883	(29,895)	800	1,093	(736)	(4,208)
<b>Other revenue</b>	<b>148,696</b>	<b>1,010,298</b>			<b>439,684</b>	<b>468,324</b>	<b>62,153</b>	<b>77,927</b>	<b>(65,206)</b>	<b>455,734</b>	<b>36,320</b>	<b>52,364</b>	<b>65,696</b>	<b>292,816</b>
Gross benefits and claims paid	(1,616,420)	(1,855,138)			-	-	(297,746)	(303,151)	(528,577)	(779,195)	(365,867)	(382,381)	(424,230)	(390,411)
Claims ceded to reinsurers	201,810	234,954			-	-	156,482	160,582	4,491	4,425	14,793	58,234	26,044	11,713
Gross change in contract/certificate liabilities	(716,817)	(594,025)			-	-	(6,443)	166,356	(412,353)	(278,864)	(14,033)	(82,230)	(283,988)	(399,287)
Change in contract/certificate liabilities ceded to reinsurers/retakaful	13,591	(87,789)			-	-	25,057	(133,967)	2,434	(84)	1,270	27,673	(15,170)	18,589
<b>Net benefits and claims</b>	<b>(2,117,836)</b>	<b>(2,301,998)</b>			<b>-</b>	<b>-</b>	<b>(122,650)</b>	<b>(110,180)</b>	<b>(934,005)</b>	<b>(1,053,718)</b>	<b>(363,837)</b>	<b>(378,704)</b>	<b>(697,344)</b>	<b>(759,396)</b>
Management expenses	(416,536)	(341,617)	23	89	(212,709)	(148,171)	(92,643)	(97,685)	(99,633)	(82,983)	-	-	(11,574)	(12,867)
Reimbursement of Shared Services	25,087	9,781			25,087	9,781	-	-	-	-	-	-	-	-
Change in expense liabilities	6,171	(29,488)			6,171	(29,488)	-	-	-	-	-	-	-	-
Fee and commission expenses	(268,220)	(247,129)	389,951	336,867	(123,458)	(121,670)	(62,273)	(60,741)	(82,017)	(63,594)	(198,443)	(190,909)	(191,980)	(147,082)
Interest on subordinated obligations	(16,968)	(16,966)			(16,968)	(16,966)	-	-	-	-	-	-	-	-
Tax borne by policyholders/participants	3,751	(36,875)			-	-	-	-	(8,148)	(37,650)	54	362	11,845	413
<b>Other expenses</b>	<b>(666,715)</b>	<b>(662,294)</b>			<b>(321,877)</b>	<b>(306,514)</b>	<b>(154,916)</b>	<b>(158,426)</b>	<b>(189,798)</b>	<b>(184,227)</b>	<b>(198,389)</b>	<b>(190,547)</b>	<b>(191,709)</b>	<b>(159,536)</b>
	229,709	432,732			117,807	161,810	45,227	78,859	39,361	158,858	27,314	33,205	-	-
<b>Surplus transfer from/(to):</b>														
- General Fund	-	-			33,116	62,005	(33,116)	(62,005)	-	-	-	-	-	-
- Life Par Fund	-	-			(2,004)	2,669	-	-	2,004	(2,669)	-	-	-	-
- Life Non Par Fund	-	-			41,365	156,189	-	-	(41,365)	(156,189)	-	-	-	-
- General Takaful Fund	-	-			27,314	33,205	-	-	-	-	(27,314)	(33,205)	-	-
- Family Fund	-	-			-	-	-	-	-	-	-	-	-	-
<b>Profit before taxation</b>	<b>229,709</b>	<b>432,732</b>			<b>217,598</b>	<b>415,878</b>	<b>12,111</b>	<b>16,854</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Taxation	(73,626)	(131,172)			(61,515)	(114,318)	(12,111)	(16,854)	-	-	-	-	-	-
Zakat	(5,347)	(4,825)			(5,347)	(4,825)	-	-	-	-	-	-	-	-
<b>Net profit for the period</b>	<b>150,736</b>	<b>296,735</b>			<b>150,736</b>	<b>296,735</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>