

Registration No.
200701032867 (790895-D)

AIA BHD.
(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2021**

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FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2021**

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UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	Group		Company	
		30.06.2021 RM'000	31.12.2020 RM'000	30.06.2021 RM'000	31.12.2020 RM'000
Property, plant and equipment		410,221	420,267	408,786	418,548
Right-of-use assets		123,252	133,504	123,125	133,388
Investment properties		345,526	345,200	345,526	345,200
Intangible assets		184,861	170,559	172,875	159,450
Investment in subsidiaries		-	-	592,859	487,859
Investment in associates		8,112	8,281	88	88
Available-for-sale financial assets	12	10,447,680	10,679,697	9,586,832	9,961,767
Fair value through profit or loss financial assets	13	43,553,288	44,582,006	41,668,800	42,856,929
Derivative financial instrument		-	7,175	-	7,175
Loans and receivables		4,076,235	4,027,682	3,983,671	4,019,503
Reinsurance/retakaful assets	15	481,407	423,369	434,200	383,804
Insurance/takaful receivables	16	175,606	218,766	136,258	180,508
Deferred tax assets		1,007	2,427	-	-
Current tax assets		238,070	184,260	228,418	177,998
Cash and cash equivalents		2,745,811	1,491,810	2,455,511	1,055,241
Total assets		62,791,076	62,695,003	60,136,949	60,187,458
Equity and liabilities					
Share capital		810,000	810,000	810,000	810,000
Retained earnings		3,604,830	3,554,520	3,627,008	3,514,927
Asset revaluation reserve		30,845	30,902	30,845	30,902
Available-for-sale fair value reserve		227,998	656,577	228,739	639,019
Total equity attributable to:					
Owners of the parent		4,673,673	5,051,999	4,696,592	4,994,848
Non-controlling interest		112,259	72,873	-	-
Total equity		4,785,932	5,124,872	4,696,592	4,994,848
Insurance/takaful contract liabilities	18	47,997,349	48,288,767	45,613,283	46,160,088
Deferred tax liabilities		742,957	877,224	735,496	854,560
Insurance/takaful payables	19	7,521,818	7,287,302	7,500,340	7,260,867
Derivative financial instrument		10,664	-	10,664	-
Current tax liabilities		6,270	4,041	-	-
Other payables		1,597,119	974,253	1,451,544	778,668
Lease liabilities		128,967	138,544	129,030	138,427
Total liabilities		58,005,144	57,570,131	55,440,357	55,192,610
Total equity and liabilities		62,791,076	62,695,003	60,136,949	60,187,458

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

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	Note	Group		Company	
		6 months period ended	6 months period ended	6 months period ended	6 months period ended
		30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Gross earned premiums/contributions	20(a)	5,547,288	5,437,899	4,675,561	4,786,719
Premiums/contributions ceded to reinsurers/retakaful operators	20(b)	(654,349)	(607,157)	(624,596)	(582,367)
Net earned premiums/contributions revenue	20	4,892,939	4,830,742	4,050,965	4,204,352
Investment income		1,182,190	1,135,485	1,200,160	1,098,990
Net realised gains		102,398	21,766	62,316	25,099
Fair value (losses)/gains		(1,485,616)	339,406	(1,357,389)	281,619
Other operating income		24,491	38,595	24,521	39,280
Total net revenue		<u>4,716,402</u>	<u>6,365,994</u>	<u>3,980,573</u>	<u>5,649,340</u>
Gross benefits and claims paid	21(a)	(3,226,863)	(3,814,572)	(2,979,678)	(3,613,707)
Claims ceded to reinsurers/retakaful operators	21(b)	376,479	371,651	354,525	378,035
Gross change to insurance/takaful contract liabilities	21(c)	293,014	(1,659,126)	546,805	(1,431,800)
Change in insurance/takaful contract liabilities ceded to reinsurers/retakaful operators	21(d)	57,614	24,727	50,396	15,596
Net insurance/takaful benefits and claims		<u>(2,499,756)</u>	<u>(5,077,320)</u>	<u>(2,027,952)</u>	<u>(4,651,876)</u>
Fee and commission expenses		(759,017)	(591,765)	(543,038)	(448,438)
Management expenses		(630,844)	(527,633)	(522,603)	(432,012)
Other expenses		<u>(1,389,861)</u>	<u>(1,119,398)</u>	<u>(1,065,641)</u>	<u>(880,450)</u>

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**UNAUDITED CONDENSED INCOME STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2021 (CONTINUED)**

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>6 months period ended 30.06.2021</u>	<u>6 months period ended 30.06.2020</u>	<u>6 months period ended 30.06.2021</u>	<u>6 months period ended 30.06.2020</u>
		<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Profit before share of (loss)/profit from associate		826,785	169,276	886,980	117,014
Share of (loss)/profit from associate		(169)	81	-	-
Profit before tax		826,616	169,357	886,980	117,014
Tax income/(expense) attributable to policyholders and unitholders		80,733	(79,258)	72,566	(73,171)
Profit before tax attributable to shareholders		907,349	90,099	959,546	43,843
Tax expense		(105,465)	(118,765)	(99,924)	(98,966)
Tax (income)/expense attributable to policyholders and unitholders		(80,733)	79,258	(72,566)	73,171
Tax expense attributable to shareholders		(186,198)	(39,507)	(172,490)	(25,795)
Profit after tax for the period		<u>721,151</u>	<u>50,592</u>	<u>787,056</u>	<u>18,048</u>
Profit/(loss) attributable to:					
Owners of the parent		725,285	50,459	787,056	18,048
Non-controlling interest		(4,134)	133	-	-
		<u>721,151</u>	<u>50,592</u>	<u>787,056</u>	<u>18,048</u>
Basic earnings per share (sen)	22	<u>378.03</u>	<u>26.30</u>		

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**UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2021**

	<u>Group</u>		<u>Company</u>	
	<u>6 months period ended 30.06.2021</u>	<u>6 months period ended 30.06.2020</u>	<u>6 months period ended 30.06.2021</u>	<u>6 months period ended 30.06.2020</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Profit after tax for the period	721,151	50,592	787,056	18,048
Other comprehensive income:				
<u>Items that may be subsequently reclassified to profit or loss:</u>				
Net (losses)/gains arising during the period	(484,005)	223,172	(466,446)	215,312
Net realised gains transferred to income statements	(69,194)	(26,085)	(63,279)	(29,418)
Deferred taxation	123,201	(43,926)	119,445	(41,934)
Change in insurance/takaful contract liabilities	(61)	74	-	-
	(430,059)	153,235	(410,280)	143,960
<u>Items that will not be subsequently reclassified to profit or loss:</u>				
Change in asset revaluation reserve				
- Deferred taxation	(57)	-	(57)	-
Post employment benefit obligations				
- Deferred taxation	25	-	25	-
Total other comprehensive income - net of tax, for the period	<u>(430,091)</u>	<u>153,235</u>	<u>(410,312)</u>	<u>143,960</u>
Total comprehensive income for the period	<u>291,060</u>	<u>203,827</u>	<u>376,744</u>	<u>162,008</u>
Total comprehensive income attributable to:				
Owners of the parent	296,674	202,799	376,744	162,008
Non-controlling interest	(5,614)	1,028	-	-
	<u>291,060</u>	<u>203,827</u>	<u>376,744</u>	<u>162,008</u>

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**UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2021**

Group	Attributable to owners of the Company							Total
	Non-Distributable			Distributable		Total	Non-controlling interest	
	Share capital	Available-for-sale fair reserve	Asset revaluation reserve	Share-based reserves	Retained earnings*			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2021	810,000	656,577	30,902	-	3,554,520	5,051,999	72,873	5,124,872
Profit after tax for the period	-	-	-	-	725,285	725,285	(4,134)	721,151
Other comprehensive income for the period	-	(428,579)	(57)	-	25	(428,611)	(1,480)	(430,091)
Total comprehensive income for the period	-	(428,579)	(57)	-	725,310	296,674	(5,614)	291,060
Share based compensation :								
- value of employee services	-	-	-	2,891	-	2,891	-	2,891
- repayment to ultimate parent company	-	-	-	(2,891)	-	(2,891)	-	(2,891)
Capital injection	-	-	-	-	-	-	45,000	45,000
Dividend payable	-	-	-	-	(675,000)	(675,000)	-	(675,000)
At 30 June 2021	<u>810,000</u>	<u>227,998</u>	<u>30,845</u>	<u>-</u>	<u>3,604,830</u>	<u>4,673,673</u>	<u>112,259</u>	<u>4,785,932</u>

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**UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY
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<u>Group</u>	<u>Attributable to owners of the Company</u>							<u>Non-controlling interest</u>	<u>Total</u>	
	<u>Non-Distributable</u>			<u>Distributable</u>		<u>Total</u>	<u>RM'000</u>			<u>RM'000</u>
	<u>Share capital</u>	<u>Available-for-sale fair reserve</u>	<u>Asset revaluation reserve</u>	<u>Share-based reserves</u>	<u>Retained earnings*</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>	<u>RM'000</u>	<u>RM'000</u>			
At 1 January 2020	810,000	480,060	32,026	-	3,365,427	4,687,513	59,548	4,747,061		
Profit after tax for the period	-	-	-	-	50,459	50,459	133	50,592		
Other comprehensive income for the period	-	152,340	-	-	-	152,340	895	153,235		
Total comprehensive income for the period	-	152,340	-	-	50,459	202,799	1,028	203,827		
Share based compensation :										
- value of employee services	-	-	-	4,678	-	4,678	-	4,678		
- repayment to ultimate parent company	-	-	-	(4,678)	-	(4,678)	-	(4,678)		
At 30 June 2020	810,000	632,400	32,026	-	3,415,886	4,890,312	60,576	4,950,888		

* Included in retained earnings is RM2,245 million (2020: RM1,796 million) which comprise surplus from the Life Non-Participating Fund (net of deferred tax). This amount is only distributable to the shareholders upon the actual transfer of surplus from the Life Non-Participating Fund to the Shareholder's Fund as approved by the Appointed Actuary and Board of Directors of the Company.

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FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2021**

<u>Company</u>	Non-Distributable			Distributable		Total RM'000
	Share capital RM'000	Available-for- sale fair value reserve RM'000	Asset revaluation reserve RM'000	Share-based reserves RM'000	Retained earnings* RM'000	
At 1 January 2021	810,000	639,019	30,902	-	3,514,927	4,994,848
Profit after tax for the period	-	-	-	-	787,056	787,056
Other comprehensive income for the period	-	(410,280)	(57)	-	25	(410,312)
Total comprehensive income for the period	-	(410,280)	(57)	-	787,081	376,744
Share based compensation :						
- value of employee services	-	-	-	2,891	-	2,891
- repayment to ultimate parent company	-	-	-	(2,891)	-	(2,891)
Dividend payable	-	-	-	-	(675,000)	(675,000)
At 30 June 2021	810,000	228,739	30,845	-	3,627,008	4,696,592

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<u>Company</u>	<u>Non-Distributable</u>				<u>Distributable</u>	<u>Total</u> <u>RM'000</u>
	<u>Share capital</u> <u>RM'000</u>	<u>Available-for-sale fair value reserve</u> <u>RM'000</u>	<u>Asset revaluation reserve</u> <u>RM'000</u>	<u>Share-based reserves</u> <u>RM'000</u>	<u>Retained earnings*</u> <u>RM'000</u>	
At 1 January 2020	810,000	467,322	32,026	-	3,369,914	4,679,262
Profit after tax for the period	-	-	-	-	18,048	18,048
Other comprehensive income for the period	-	143,960	-	-	-	143,960
Total comprehensive income for the period	-	143,960	-	-	18,048	162,008
Share based compensation :						
- value of employee services	-	-	-	4,678	-	4,678
- repayment to ultimate parent company	-	-	-	(4,678)	-	(4,678)
At 30 June 2020	<u>810,000</u>	<u>611,282</u>	<u>32,026</u>	<u>-</u>	<u>3,387,962</u>	<u>4,841,270</u>

* Included in retained earnings is RM2,245 million (2020: RM1,796 million) which comprise surplus from the Life Non-Participating Fund (net of deferred tax). This amount is only distributable to the shareholders upon the actual transfer of surplus from the Life Non-Participating Fund to the Shareholder's Fund as approved by the Appointed Actuary and Board of Directors of the Company.

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**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2021**

	Group		Company	
	6 months	6 months	6 months	6 months
	period ended	period ended	period ended	period ended
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	907,349	90,099	959,546	43,843
Tax (income)/expense attributable to policyholders and unitholders	(80,733)	79,258	(72,566)	73,171
Rental, interest and dividend income	(1,290,225)	(1,138,993)	(1,301,778)	(1,101,394)
Net amortisation of premium on investments	21,935	13,573	15,713	11,314
Realised gains	(57,899)	(26,086)	(62,316)	(29,419)
Fair value losses/(gains)	1,485,616	(339,406)	1,357,389	(281,619)
Interest expense on lease liabilities	2,588	2,934	2,571	2,926
Bad debts recovery from insurance/takaful receivable	-	1,002	-	-
Allowance for impairment losses	6,735	-	5,481	-
Writeback of allowance for impairment losses	-	(472)	-	(503)
Write off of property, plant and equipment	2	4,452	2	4,452
Write off/(Write back) of allowance for bad debts	30	(210)	-	-
Depreciation				
- property, plant and equipment	15,187	14,307	14,869	14,069
- right of use assets	10,751	10,508	10,745	10,438
Amortisation				
- intangible assets	14,075	10,204	10,943	7,567
Share of loss/(profit) from associate	169	(81)	-	-
Changes in working capital:				
Increase in AFS and FVTPL financial assets	(931,354)	(1,390,241)	(279,677)	(968,771)
Increase in reinsurance/retakaful assets	(58,038)	(24,795)	(50,396)	(15,596)
Decrease/(Increase) in insurance/takaful certificates receivables	42,019	(6,151)	43,836	(3,055)
Decrease in loans and receivables	17,276	358,887	22,931	308,607
Increase in insurance/takaful certificates payables	234,516	176,798	239,473	186,386
(Decrease)/Increase in insurance/takaful contract liabilities	(291,418)	1,668,653	(546,805)	1,431,800
Decrease/(Increase) in other payables	59,528	278,841	(2,118)	228,715
Cash generated/(used) in operating activities	<u>108,109</u>	<u>(216,919)</u>	<u>367,843</u>	<u>(77,069)</u>
Income taxes paid	(166,723)	(86,603)	(149,995)	(81,856)
Rental income received	7,085	3,513	7,085	3,513
Interest income received	916,006	920,782	863,779	886,606
Interest paid	(2,571)	(2,934)	(2,571)	(2,926)
Dividend income received	395,165	236,780	462,963	229,812
Net cash inflows from operating activities	<u>1,257,071</u>	<u>854,619</u>	<u>1,549,104</u>	<u>958,080</u>

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**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2021 (CONTINUED)**

	Group		Company	
	6 months period ended 30.06.2021	6 months period ended 30.06.2020	6 months period ended 30.06.2021	6 months period ended 30.06.2020
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of intangible assets	(28,383)	(16,242)	(24,369)	(14,409)
Purchase of property, plant and equipment	(5,137)	(10,344)	(5,112)	(10,298)
Purchase of investment properties	(4,643)	(9,807)	(4,643)	(9,807)
Settlement of derivative instruments	-	(480)	-	(480)
Proceed from disposal of property, plant and equipment	169	-	169	-
Capital injection into a subsidiary	-	-	(105,000)	-
Net cash outflows from investing activities	(37,994)	(36,873)	(138,955)	(34,994)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment for lease liabilities	(10,077)	(9,329)	(9,879)	(9,254)
Proceeds from issuance of shares of a subsidiary to non-controlling interest	45,000	-	-	-
Net cash inflows/(outflows) from financing activities	34,923	(9,329)	(9,879)	(9,254)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,254,001	808,417	1,400,270	913,832
CASH AND CASH EQUIVALENTS AT 1 JANUARY	1,491,810	1,287,050	1,055,241	799,146
CASH AND CASH EQUIVALENTS AT 30 JUNE	2,745,811	2,095,467	2,455,511	1,712,978
<u>Cash and cash equivalents comprised:</u>				
Cash and bank balances	430,780	1,083,886	318,590	866,460
Fixed and call deposits with licensed financial institutions	2,315,031	1,011,581	2,136,921	846,518
	2,745,811	2,095,467	2,455,511	1,712,978

The Group and 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.

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2021**

1 CORPORATE INFORMATION

The Company is engaged principally in the underwriting of life insurance business, including investment-linked business. The principal activities of the subsidiaries are engaged in the management of family takaful, including investment-linked business, underwriting of all classes of general insurance business, investment holding and managing private retirement scheme and asset management business.

There have been no significant changes in these activities during the financial period.

The Company is a public limited liability company, incorporated on 4 October 2007 under the Companies Act 2016 and the Financial Services Act, 2013 ("FSA") and domiciled in Malaysia. The registered office and principal place of business of the Company are located at Level 29, Menara AIA, 99 Jalan Ampang, 50450 Kuala Lumpur and Menara AIA, 99 Jalan Ampang, 50450 Kuala Lumpur respectively.

The immediate holding company of the Company is Orange Policy Sdn. Bhd. ("OPSB"), whose ultimate holding company is AIA Group Limited, a company incorporated in Hong Kong and listed on the Stock Exchange of Hong Kong Limited.

The interim financial statements are authorised for issue by the Board of Directors on 18 August 2021.

2 Basis of preparation

The condensed interim financial statements of the Group and the Company are prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting.

The Group and the Company have adopted the MFRS framework issued by the Malaysian Accounting Standards Board ("MASB") and Revised Guidelines on Financial Reporting for Insurers issued by Bank Negara Malaysia ("BNM").

The condensed 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 Group's consolidated audited financial statements for the financial year ended 31 December 2020.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and presentation adopted by the Group and the Company for the condensed interim financial statements are consistent with those adopted by the Group's consolidated audited financial statements for the financial year ended 31 December 2020, except for the adoption of the following:

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Changes in accounting policies and effects arising from adoption of revised MFRS

3.1 Standards, amendments to published standards and interpretations to existing standards that are effective and relevant to the Group's financial period beginning on or after 1 January 2021

The following accounting standards, amendments and interpretations have been adopted for the first time for the financial period beginning on 1 January 2021.

- Amendments to MFRS 9, 139, 7, 4 & 16 "Interest Rate Benchmark Reform - Phase 2"

The adoption of the above accounting standards, amendments and interpretations does not have any significant financial impact on the financial statements.

3.2 Standards, amendments to published standards and interpretations to existing standards that are relevant to the Group but not yet effective and have not been early adopted

The Group will apply the new standards, amendments to standards and interpretations in the following period:

Financial year beginning on/after 1 January 2022

- Amendments to MFRS 3 "Reference to Conceptual Framework"

Amendments to MFRS 3 "Reference to Conceptual Framework" replace the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework. The amendments did not change the current accounting for business combinations on acquisition date.

The amendments provide an exception for the recognition of liabilities and contingent liabilities should be in accordance with the principles of MFRS 137 "Provisions, contingent liabilities and contingent assets" and IC Interpretation 21 "Levies" when falls within their scope. It also clarifies that contingent assets should not be recognized at the acquisition date.

The amendments shall be applied prospectively.

- Amendments to MFRS 116 "Proceeds before intended use"
Amendments to MFRS 116 "Proceeds before intended use" prohibit an entity from deducting from the cost of a property, plant and equipment the proceeds received from selling items produced by the property, plant and equipment before it is ready for its intended use. The sales proceeds should instead be recognised in profit or loss.

The amendments also clarify that testing whether an asset is functioning properly refers to assessing the technical and physical performance of the property, plant and equipment.

The amendments shall be applied retrospectively.

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Changes in accounting policies and effects arising from adoption of revised MFRS

3.2 Standards, amendments to published standards and interpretations to existing standards that are relevant to the Group but not yet effective and have not been early adopted (continued)

- Amendments to MFRS 137 "Onerous contracts – cost of fulfilling a contract"

Amendments to MFRS 137 "Onerous contracts – cost of fulfilling a contract" clarify that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contracts as well as an allocation of other costs directly related to fulfilling contracts. The amendments also clarify that before recognizing a separate provision for an onerous contract, impairment loss that has occurred on assets used in fulfilling the contract should be recognised.

The amendments shall be applied retrospectively.

- Annual Improvements to MFRS 9 "Fees in the 10% test for derecognition of financial liabilities"

Annual Improvements to MFRS 9 "Fees in the 10% test for derecognition of financial liabilities" clarifies that only fees paid or received between the borrower and the lender, including the fees paid or received on each other's behalf, are included in the cashflow of the new loan when performing the 10% test.

An entity shall apply the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

Financial year beginning on/after 1 January 2023

- MFRS 17 "Insurance Contracts" replaces MFRS 4 "Insurance Contracts" and the related interpretations.

MFRS 17 "Insurance Contracts" replaces MFRS 4 "Insurance Contracts" applies to insurance contracts issued, to all reinsurance contracts and to investment contracts with discretionary participating features if an entity also issues insurance contracts. For fixed-fee service contracts whose primary purpose is the provision of services, an entity has an accounting policy choice to account for them in accordance with either MFRS 17 or MFRS 15 "Revenue".

An entity is allowed to account financial guarantee contracts in accordance with MFRS 17 if the entity has asserted explicitly that it regarded them as insurance contracts. Insurance contracts, (other than reinsurance) where the entity is the policyholder are not within the scope of MFRS 17. Embedded derivatives and distinct investment and service components should be unbundled and accounted for separately in accordance with the related MFRSs. Voluntary unbundling of other components is prohibited.

MFRS 17 requires a current measurement model where estimates are remeasured at each reporting period. The measurement is based on the building blocks of discounted, probability-weighted cash flows, a risk adjustment and a contractual service margin ("CSM") representing the unearned profit of the contract. An entity has a policy choice to recognise the impact of changes in discount rates and other assumptions that are related to financial risks either in profit or loss or in other comprehensive income.

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Changes in accounting policies and effects arising from adoption of revised MFRS (continued)

3.2 Standards, amendments to published standards and interpretations to existing standards that are relevant to the Group but not yet effective and have not been early adopted (continued)

- MFRS 17 “Insurance Contracts” replaces MFRS 4 “Insurance Contracts” and the related interpretations. (continued)

Alternative measurement models are provided for the different insurance coverages:

- a) Simplified premium allocation approach if the insurance coverage period is a year or less; and
- b) Variable fee approach should be applied for insurance contracts that specify a link between payments to the policyholders and the returns on the underlying items.

The requirements of MFRS 17 align the presentation of revenue with other industries. Revenue is allocated to the periods in proportion to the value of the expected coverage and other services that the insurer provides in the period, and claims are presented when incurred. Investment components are excluded from revenue and claims.

Insurers are required to disclose information about amounts, judgements and risks arising from insurance contracts.

The Group is in the midst of conducting a detailed assessment of the new standard. On 17 August 2020, the Malaysian Accounting Standards Board (“MASB”) issued the Amendments to MFRS 17 and the Amendments to MFRS 4 that defers the effective date of MFRS 17 and the temporary exemption from applying MFRS 9 to annual reporting periods beginning on or after 1 January 2023.

Financial year beginning on/after 1 January 2023 (continued)

- Amendments to MFRS 101 ‘Classification of liabilities as current or non-current’

Amendments to MFRS 101 ‘Classification of liabilities as current or non-current’ clarify that a liability is classified as non-current if an entity has a substantive right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. If the right to defer settlement of a liability is subject to the entity complying with specified conditions (for example, debt covenants), the right exists at the end of the reporting period only if the entity complies with those conditions at that date. The amendments further clarify that the entity must comply with the conditions at the end of the reporting period even if the lender does not test compliance until a later date.

The assessment of whether an entity has the right to defer settlement of a liability at reporting date is not affected by expectations of the entity or events after the reporting date.

The amendments shall be applied retrospectively.

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4 SEASONALITY OR CYCLICALITY

The business operations of the Group and of the Company were not significantly affected by seasonality or cyclical factors during the interim financial period.

5 UNUSUAL ITEMS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current financial period ended 30 June 2021.

6 CHANGES IN ESTIMATES

There were no material changes in the basis used for the accounting estimates for the current financial period ended 30 June 2021.

7 ISSUES, REPURCHASES AND REPAYMENTS OF DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase and repayment of debt and equity securities during the current financial period ended 30 June 2021.

8 DIVIDEND

The Directors had, on 24 June 2021, approved a final dividend for the financial year ended 31 December 2020 as follows:

In respect of the financial year ended 31 December 2020:

Final single-tier dividend of 352%% (RM3.52 per ordinary share) on 191,859,543
shares, payable on 12 July 2021, 11 August 2021 and 8 September 2021

RM'000

675,000

9 CHANGES IN THE COMPOSITION OF THE GROUP

There was no change in the composition of the Group and the Company during the period under review.

10 SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

On 29 March 2021, the Company has acquired the equity interest of RM105 million in AIA PUBLIC Takaful Bhd. ("APTB"), increasing the Company's investments in APTB from RM210 million to RM 315 million, maintaining a 70% effective interest in APTB.

11 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE PERIOD

There were no material events subsequent to the end of the period under review that has not been reported in the interim financial statements for the current financial period to date, except for the Board has approved on the proposed further acquisition of equity interest in AIA Pension Assets Management Sdn Bhd ("APAM"), a wholly-owned subsidiary of the Company. The payment of the capital injection amounting to RM5 million was completed on 15 July 2021.

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12 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group		Company	
	<u>30.06.2021</u>	<u>31.12.2020</u>	<u>30.06.2021</u>	<u>31.12.2020</u>
	RM'000	RM'000	RM'000	RM'000
<u>At fair value</u>				
Malaysian government securities	3,522,248	3,093,053	2,346,590	2,127,409
Cagamas papers	136,314	145,966	131,303	135,884
Unquoted corporate debt securities	6,672,968	7,218,387	6,029,149	6,715,394
Unquoted equity securities	4,295	4,295	4,295	4,295
Controlled Structured Entities (Note 14)	-	-	980,808	776,540
Deposits with licensed bank	-	100,450	-	100,450
Accrued interest	111,855	117,546	94,687	101,795
	<u>10,447,680</u>	<u>10,679,697</u>	<u>9,586,832</u>	<u>9,961,767</u>
<u>Carrying values of financial instruments</u>				
At 1 January	10,679,697	9,243,675	9,961,767	8,652,624
Purchases	1,641,453	3,447,746	1,243,707	2,421,870
Maturities	(244,613)	(255,116)	(232,613)	(267,425)
Disposals at amortised cost	(1,064,671)	(1,984,392)	(848,973)	(1,059,069)
Fair value (losses)/gains recorded in:				
Other comprehensive income	(553,260)	232,927	(529,725)	223,873
Unrealised foreign exchange gain/(loss)	4,269	(4,401)	4,269	(4,401)
Movement in accrued interest	(5,691)	12,315	(7,108)	2,093
Net amortisation of premiums	(9,504)	(13,057)	(4,492)	(7,798)
At 30 June/31 December	<u>10,447,680</u>	<u>10,679,697</u>	<u>9,586,832</u>	<u>9,961,767</u>
Current	1,264,888	421,403	94,687	1,144,904
Non current	9,182,792	10,258,294	9,492,145	8,816,863
	<u>10,447,680</u>	<u>10,679,697</u>	<u>9,586,832</u>	<u>9,961,767</u>

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12 AVAILABLE-FOR-SALE FINANCIAL ASSETS (CONTINUED)

Fair value of financial instruments

The following tables show the financial instruments recorded at fair value analysed by the different basis of fair values as follows:

Group

	Carrying amount		Level 1		Level 2		Level 3
	RM'000		RM'000		RM'000		RM'000
<u>At 30 June 2021</u>							
Malaysian government securities	3,522,248		-		3,522,248		-
Cagamas papers	136,314		-		136,314		-
Unquoted equity securities	4,295		-		-		4,295
Unquoted corporate debt securities	6,672,968		-		6,672,968		-
Deposits with licensed bank	-		-		-		-
Accrued interest	111,855		-		111,855		-
Total assets on a recurring fair value measurement basis	<u>10,447,680</u>		<u>-</u>		<u>10,443,385</u>		<u>4,295</u>
<u>At 31 December 2020</u>							
Malaysian government securities	3,093,053		-		3,093,053		-
Cagamas papers	145,966		-		145,966		-
Unquoted equity securities	4,295		-		-		4,295
Unquoted corporate debt securities	7,218,387		-		7,218,387		-
Deposits with licensed bank	100,450		-		100,450		-
Accrued interest	117,546		-		117,546		-
Total assets on a recurring fair value measurement basis	<u>10,679,697</u>		<u>-</u>		<u>10,675,402</u>		<u>4,295</u>

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12 AVAILABLE-FOR-SALE FINANCIAL ASSETS (CONTINUED)

Fair value of financial instruments (continued)

Company

	Carrying	Level 1	Level 2	Level 3
	RM'000	RM'000	RM'000	RM'000
<u>At 30 June 2021</u>				
Malaysian government securities	2,346,590	-	2,346,590	-
Cagamas papers	131,303	-	131,303	-
Unquoted equity securities	4,295	-	-	4,295
Unquoted corporate debt securities	6,029,149	-	6,029,149	-
Controlled Structured Entities (Note 14)	980,808	-	980,808	-
Deposits with licensed bank	-	-	-	-
Accrued interest	94,687	-	94,687	-
Total assets on a recurring fair value measurement basis	<u>9,586,832</u>	<u>-</u>	<u>9,582,537</u>	<u>4,295</u>
<u>At 31 December 2020</u>				
Malaysian government securities	2,127,409	-	2,127,409	-
Cagamas papers	135,884	-	135,884	-
Unquoted equity securities	4,295	-	-	4,295
Unquoted corporate debt securities	6,715,394	-	6,715,394	-
Controlled Structured Entities	776,540	-	776,540	-
Deposits with licensed bank	100,450	-	100,450	-
Accrued interest	101,795	-	101,795	-
Total assets on a recurring fair value measurement basis	<u>9,961,767</u>	<u>-</u>	<u>9,957,472</u>	<u>4,295</u>

There was no change in level 3 fair value for financial assets for the period ended 30 June 2021.

	Group and Company
	Unquoted equity securities
	RM'000
At 1 January 2021/30 June 2021	<u>4,295</u>

Fair value hierarchy for financial and non-financial instruments

A level is assigned to each fair value measurement based on the significance of the input to the fair value measurement in its entirety. The three-level hierarchy is defined as per Note 17 to the condensed financial statements.

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13 FAIR VALUE THROUGH PROFIT OR LOSS FINANCIAL ASSETS

	Group		Company	
	<u>30.06.2021</u>	<u>31.12.2020</u>	<u>30.06.2021</u>	<u>31.12.2020</u>
	RM'000	RM'000	RM'000	RM'000
<u>At fair value</u>				
Malaysian government securities	5,947,146	6,388,948	5,715,561	6,112,813
Cagamas papers	885,363	917,738	885,363	917,738
Equity securities of corporations				
- Quoted	13,497,679	12,808,579	12,880,147	12,236,759
- Unquoted	686,074	528,832	636,735	494,036
Quoted real estate investment trust funds	240,566	319,492	232,535	311,006
Unquoted corporate debt securities	18,097,985	20,088,507	17,153,691	19,278,764
Mutual funds				
- Quoted	2,678,233	2,477,846	2,659,559	2,466,763
- Unquoted	1,251,475	765,505	1,251,475	765,505
Accrued interest	268,767	286,559	253,734	273,545
	<u>43,553,288</u>	<u>44,582,006</u>	<u>41,668,800</u>	<u>42,856,929</u>
<u>Carrying values of financial instruments</u>				
At 1 January	44,582,006	40,109,127	42,856,929	39,021,935
Purchases	9,413,977	12,762,869	8,751,055	11,828,949
Maturities	(295,526)	(917,400)	(295,526)	(917,400)
Disposals at fair value	(8,659,124)	(9,833,771)	(8,283,035)	(9,386,069)
Fair value (losses)/gains recorded in income statements	(1,463,477)	2,485,912	(1,335,235)	2,337,186
Unrealised foreign exchange gain/(loss)	5,655	(4,667)	5,644	(4,667)
Movement in accrued interest	(17,792)	(363)	(19,811)	(5,019)
Net amortisation of premiums	(12,431)	(19,701)	(11,221)	(17,986)
At 30 June/31 December	<u>43,553,288</u>	<u>44,582,006</u>	<u>41,668,800</u>	<u>42,856,929</u>
Current	17,742,304	17,302,998	17,663,393	17,218,139
Non current	25,810,984	27,279,008	24,005,407	25,638,790
	<u>43,553,288</u>	<u>44,582,006</u>	<u>41,668,800</u>	<u>42,856,929</u>

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13 FAIR VALUE THROUGH PROFIT OR LOSS FINANCIAL ASSETS (CONTINUED)

Fair value of financial instruments

The following tables show the financial instruments recorded at fair value analysed by the different basis of fair values as follows:

Group

	Carrying amount	Level 1	Level 2	Level 3
	RM'000	RM'000	RM'000	RM'000
<u>At 30 June 2021</u>				
Malaysian government securities	5,947,146	-	5,947,146	-
Cagamas papers	885,363	-	885,363	-
Equity securities of corporations				
- Quoted	13,497,679	13,478,453	19,226	-
- Unquoted	686,074	-	686,041	33
Quoted real estate investment trust funds	240,566	240,566	-	-
Unquoted corporate debt securities	18,097,985	-	18,097,985	-
Mutual funds				
- Quoted	2,678,233	2,678,233	-	-
- Unquoted	1,251,475	585,182	-	666,293
Accrued interest	268,767	520	268,247	-
Total assets on a recurring fair value measurement basis	<u>43,553,288</u>	<u>16,982,954</u>	<u>25,904,008</u>	<u>666,326</u>

	Carrying amount	Level 1	Level 2	Level 3
	RM'000	RM'000	RM'000	RM'000
<u>At 30 June 2020</u>				
Malaysian government securities	5,693,473	-	5,693,473	-
Cagamas papers	1,298,404	-	1,298,404	-
Equity securities of corporations				
- Quoted	10,732,623	10,731,996	627	-
- Unquoted	709,840	-	709,807	33
Quoted real estate investment trust funds	440,374	440,374	-	-
Unquoted corporate debt securities	19,976,309	-	19,976,309	-
Mutual funds				
- Quoted	1,847,197	1,847,197	-	-
- Unquoted	530,291	-	-	530,291
Accrued interest	283,533	520	283,013	-
Total assets on a recurring fair value measurement basis	<u>41,512,044</u>	<u>13,020,087</u>	<u>27,961,633</u>	<u>530,324</u>

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13 FAIR VALUE THROUGH PROFIT OR LOSS FINANCIAL ASSETS (CONTINUED)

Fair value of financial instruments (continued)

Company

	Carrying amount	Level 1	Level 2	Level 3
	RM'000	RM'000	RM'000	RM'000
<u>At 30 June 2021</u>				
Malaysian government securities	5,715,561	-	5,715,561	-
Cagamas papers	885,363	-	885,363	-
Equity securities of corporations				
- Quoted	12,880,147	12,860,921	19,226	-
- Unquoted	636,735	-	636,702	33
Quoted real estate investment trust funds	232,535	232,535	-	-
Unquoted corporate debt securities	17,153,691	-	17,153,691	-
Mutual funds				
- Quoted	2,659,559	2,659,559	-	-
- Unquoted	1,251,475	585,182	-	666,293
Accrued interest	253,734	-	253,734	-
Total assets on a recurring fair value measurement basis	<u>41,668,800</u>	<u>16,338,197</u>	<u>24,664,277</u>	<u>666,326</u>

	Carrying amount	Level 1	Level 2	Level 3
	RM'000	RM'000	RM'000	RM'000
<u>At 30 June 2020</u>				
Malaysian government securities	5,478,968	-	5,478,968	-
Cagamas papers	1,298,404	-	1,298,404	-
Equity securities of corporations				
- Quoted	10,290,217	10,289,590	627	-
- Unquoted	667,735	-	667,702	33
Quoted real estate investment trust funds	432,259	432,259	-	-
Unquoted corporate debt securities	19,294,228	-	19,294,228	-
Mutual funds				
- Quoted	1,837,005	1,837,005	-	-
- Unquoted	530,291	-	-	530,291
Accrued interest	273,335	-	273,335	-
Total assets on a recurring fair value measurement basis	<u>40,102,442</u>	<u>12,558,854</u>	<u>27,013,264</u>	<u>530,324</u>

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13 FAIR VALUE THROUGH PROFIT OR LOSS FINANCIAL ASSETS (CONTINUED)

Fair value of financial instruments (continued)

The tables below set out the summary of changes in level 3 fair value for financial assets for the financial period.

	Group and Company		
	Malaysian government guaranteed loans	Equity securities	Mutual funds
	RM'000	RM'000	RM'000
At 31 December 2019	-	33	501,687
Acquisition during the financial year	-	-	28,093
Disposal during the financial year	-	-	(2,049)
Fair value gains recorded in income statements	-	-	28,814
At 31 December 2020	-	33	556,545
Acquisition during the financial period	-	-	11,294
Disposal during the financial period	-	-	(2,768)
Fair value gains recorded in income statements	-	-	101,222
At 30 June 2021	-	33	666,293

Fair value hierarchy for financial and non-financial instruments

A level is assigned to each fair value measurement based on the significance of the input to the fair value measurement in its entirety. The three-level hierarchy is defined as per Note 17 to the condensed financial statements.

14 CONTROLLED STRUCTURED ENTITIES

The Company has determined that its investment in wholesale unit trust funds amounting to RM1,000,686,445 as disclosed in Note 12 to the financial statements as investment in structured entities ("investee funds"). The Company invests in a investee fund whose objective is to achieve medium to long-term returns while preserving capital and whose investment strategy does not include the use of leverage. The investee fund is managed by Affin Hwang Asset Management Berhad and applies various investment strategies to accomplish the investment objectives. The investee fund finances its operations through the creation of investee fund units which entitles the holder to variable returns and available for sale value in the investee fund's net assets.

The Company holds 84.82% of the Affin Hwang Income Fund 4, a fund established in Malaysia, and thus has control over the investee fund. The remaining investment of 15.18% is by virtue of the shareholding through the Company's wholly-owned subsidiary company, AIA General Berhad. The Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The investee fund is classified as available-for-sale investment and the change in fair value of the investee fund is included in the statement of financial position in the Company's financial statements.

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14 CONTROLLED STRUCTURED ENTITIES (CONTINUED)

The Company's exposure to investments in the investee fund is disclosed below.

	<u>2021</u>
Number of wholesale unit trust funds	1
Average net asset value per unit of wholesale unit trust funds:	
Affin Hwang Income Fund 4 (RM)	0.9956
Fair value of underlying net assets:	RM'000
Malaysian Government Securities	1,084,094
Unquoted corporate debt securities	58,688
Cash and cash equivalents	9,865
	<u>1,152,647</u>
Total fair value gain for the financial period	<u>151,961</u>

The Company's maximum exposure to loss from its interests in the investee fund is equal to the fair value of its investment in the investee fund.

As the Company has control over the investee fund which is considered a controlled structured entity, the structured entity is consolidated at the Group level. The underlying assets of the structured entity are duly consolidated in the financial statements.

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15 REINSURANCE/RETAKAFUL ASSETS

	<u>30.06.2021</u>	<u>31.12.2020</u>
	<u>RM'000</u>	<u>RM'000</u>
<u>Group</u>		
Reinsurance/retakaful of insurance contracts	<u>481,407</u>	<u>423,369</u>
Receivable within 12 months	469,249	411,909
Receivable after 12 months	<u>12,158</u>	<u>11,460</u>
	<u>481,407</u>	<u>423,369</u>
<u>Company</u>		
Reinsurance of insurance contracts	<u>434,200</u>	<u>383,804</u>
Receivable within 12 months	<u>434,200</u>	<u>383,804</u>

16 INSURANCE/TAKAFUL RECEIVABLES

<u>Group</u>		
Outstanding premiums/contributions including agents' balances	173,815	199,149
Amount due from reinsurers/retakaful operators	28,814	46,921
	<u>202,629</u>	<u>246,070</u>
Allowance for impairment losses	<u>(27,023)</u>	<u>(27,304)</u>
	<u>175,606</u>	<u>218,766</u>
Receivable within 12 months	<u>175,606</u>	<u>218,766</u>
<u>Company</u>		
Outstanding premiums including agents' balances	128,864	156,317
Amount due from reinsurers	28,677	45,297
	<u>157,541</u>	<u>201,614</u>
Allowance for impairment losses	<u>(21,283)</u>	<u>(21,106)</u>
	<u>136,258</u>	<u>180,508</u>
Receivable within 12 months	<u>136,258</u>	<u>180,508</u>

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16 INSURANCE/TAKAFUL RECEIVABLES (CONTINUED)

Offsetting of financial assets and financial liabilities

The following table shows the assets and liabilities that are subject to offsetting, enforceable master netting agreements and similar arrangements at each financial period end:

	Gross amount of recognised financial assets/ (liabilities)	Gross amount of recognised financial assets/(liabilities) set off in the statements of financial position	Net amount of financial assets/(liabilities) presented in the statements of financial position
	RM'000	RM'000	RM'000
<u>Group</u>			
<u>At 30 June 2021</u>			
Insurance/takaful receivables	353,547	(150,918)	202,629
Insurance/takaful payables	(7,672,737)	150,918	(7,521,819)
	<u>(7,319,190)</u>	<u>-</u>	<u>(7,319,190)</u>
<u>At 31 December 2020</u>			
Insurance/takaful receivables	365,621	(119,551)	246,070
Insurance/takaful payables	(7,406,853)	119,551	(7,287,302)
	<u>(7,041,232)</u>	<u>-</u>	<u>(7,041,232)</u>
<u>Company</u>			
<u>At 30 June 2021</u>			
Insurance receivables	297,354	(139,813)	157,541
Insurance payables	(7,640,153)	139,813	(7,500,340)
	<u>(7,342,799)</u>	<u>-</u>	<u>(7,342,799)</u>
<u>At 31 December 2020</u>			
Insurance receivables	310,060	(108,446)	201,614
Insurance payables	(7,369,313)	108,446	(7,260,867)
	<u>(7,059,253)</u>	<u>-</u>	<u>(7,059,253)</u>

Certain amount due from reinsurers/retakaful operators and amount due to reinsurers/retakaful operators were set off for presentation purpose because they have enforceable right to set off and they intend either to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

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17 FAIR VALUE MEASUREMENTS

Fair value measurements on a recurring basis

The Group measures at fair value for financial instruments classified at fair value through profit or loss, available for sale and investments in non-consolidated investment funds on a recurring basis. The fair value of a financial instrument is the amount that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The degree of judgement used in measuring the fair value of financial instruments generally correlates with the level of pricing observability. Financial instruments with quoted prices in active markets generally have more pricing observability and less judgement is used in measuring fair value. Conversely, financial instruments traded in other than active markets or that do not have quoted prices have less observability and are measured at fair value using valuation models or other pricing techniques that require more judgement. An active market is one in which transactions for the asset or liability being valued occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

An other than active market is one in which there are few transactions, the prices are not current, price quotations vary substantially either over time or among market makers, or in which little information is released publicly for the asset or liability being valued. Pricing observability is affected by a number of factors, including the type of financial instrument, whether the financial instrument is new to the market and not yet established, the characteristics specific to the transaction and general market conditions.

The Group does not have assets or liabilities measured at fair value on a non-recurring basis during the period ended 30 June 2021.

The following methods and assumptions were used by the Group to estimate the fair value of financial instruments:

Level 1 - Financial instruments measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, secondary market via dealer and broker, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2 - Financial instruments measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions for which pricing is obtained via pricing services but where prices have not been determined in an active market, instruments with fair values based on broker quotes, investment in unit and property trusts with fair values obtained via fund managers and instruments that are valued using the Group's own models whereby the majority of assumptions are market observable.

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17 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair value measurements on a recurring basis (continued)

Level 3 - Financial instruments measured in whole or in part using a valuation technique based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. The main asset class in this category is unquoted equity securities. Valuation techniques are used to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the instrument at the measurement date. However, the fair value measurement objective remains the same, that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability. Therefore, unobservable inputs reflect the Group's own assumptions about the assumptions that market participants would use in pricing the instrument (including assumptions about risk). These inputs are developed based on the best information available, which might include the Group's own data.

The Group's policy is to recognise transfers of assets and liabilities between Level 1 and Level 2 at their fair values as at the end of each reporting period, consistent with the date of the determination of fair value. Assets are transferred out of Level 1 when they are no longer transacted with sufficient frequency and volume in an active market. During the period ended 30 June 2021, there is no transfer of assets measured at fair value from Level 1 to Level 2. Conversely, assets are transferred from Level 2 to Level 1 when transaction volume and frequency are indicative of an active market. There is no transfer of assets from Level 2 to Level 1 during the period ended 30 June 2021.

The Group's Level 2 financial instruments include debt securities and deposits with licensed bank. The fair values of Level 2 financial instruments are estimated using values obtained from private pricing services and brokers corroborated with internal review as necessary. When the quotes from third-party pricing services and brokers are not available, internal valuation techniques and observable inputs will be used to derive the fair value for the financial instruments.

Significant unobservable inputs for level 3 fair value measurements

The following table shows the valuation techniques used in determination of fair values within level 3, as well as the significant unobservable inputs used in the valuation models:

<u>Description</u>	<u>Valuation techniques</u>	<u>Valuation unobservable inputs</u>
Private equity funds	Net asset value	Net asset value
Common and preferred shares of private companies	Cost	Cost
Investment properties and properties held for own use	Discounted cash flows	Expected market rental growth, discount rate and yield

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17 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair value measurements on a recurring basis (continued)

Valuation processes

The Group has the valuation policies, procedures and analyses in place to govern the valuation of financial assets required for financial reporting purposes, including level 3 fair values. In determining the fair values of financial assets, the Group in general uses third party pricing providers and, only in rare cases when no third-party prices exist, will use prices derived from internal models. Chief Investment Officers of the Group are required to review the reasonableness of the prices used and report price exceptions, if any. The Group's investment team analyses reported price exceptions and reviews price challenge responses from third party pricing providers and provides the final recommendation on the appropriate price to be used. Any changes in valuation policies are reviewed and approved by the Group Pricing Committee ("GPC") which is part of the Group's wider financial risk governance processes. Changes in level 2 and 3 fair values are analysed at each reporting date.

A significant increase/(decrease) in any of the unobservable input may result in a significantly lower/(higher) fair value measurement. The Group has subscriptions to private pricing services for gathering such information. If the information from private pricing services is not available, the Group uses the proxy pricing method based on internally-developed valuation inputs.

Fair value for assets and liabilities for which fair value is disclosed at reporting date

A summary of the fair value hierarchy of assets and liabilities not carried at fair value but for which fair value is disclosed as at 30 June 2021 is set out below.

Group

	<u>Level 1</u> <u>RM'000</u>	<u>Level 2</u> <u>RM'000</u>	<u>Level 3</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>
<u>At 30 June 2021</u>				
Financial assets				
Loans and receivables	-	570,735	3,552,644	4,123,379
Financial liabilities				
Insurance payables	-	-	7,521,818	7,521,818
Other payables	-	1,597,119	-	1,597,119
	-	1,597,119	7,521,818	9,118,937

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17 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair value for assets and liabilities for which fair value is disclosed at reporting date (continued)

A summary of the fair value hierarchy of assets and liabilities not carried at fair value but for which fair value is disclosed as at 30 June 2021 is set out below. (continued)

Group

	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
<u>At 31 December 2020</u>				
Financial assets				
Loans and receivables	-	362,773	3,717,593	4,080,366
Financial liabilities				
Insurance payables	-	-	7,287,302	7,287,302
Other payables	-	978,980	-	978,980
	-	978,980	7,287,302	8,266,282

Company

	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
<u>At 30 June 2021</u>				
Financial assets				
Loans and receivables	-	490,348	3,550,122	4,040,470
Financial liabilities				
Insurance payables	-	-	7,500,340	7,500,340
Other payables	-	1,451,544	-	1,451,544
	-	1,451,544	7,500,340	8,951,884
<u>At 31 December 2020</u>				
Financial assets				
Loans and receivables	-	357,126	3,713,961	4,071,087
Financial liabilities				
Insurance payables	-	-	7,260,867	7,260,867
Other payables	-	778,668	-	778,668
	-	778,668	7,260,867	8,039,535

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18 INSURANCE/TAKAFUL CONTRACT LIABILITIES

<u>Group</u>	<u>Gross</u> <u>RM'000</u>	<u>Reinsurance</u> <u>RM'000</u>	<u>Net</u> <u>RM'000</u>
<u>At 30 June 2021</u>			
Life insurance/family takaful	47,664,913	(461,598)	47,203,315
General insurance	316,865	(19,809)	297,056
Expense liabilities	15,571	-	15,571
	<u>47,997,349</u>	<u>(481,407)</u>	<u>47,515,942</u>
<u>At 31 December 2020</u>			
Life insurance/family takaful	47,969,857	(404,695)	47,565,162
General insurance	305,337	(18,674)	286,663
Expense liabilities	13,573	-	13,573
	<u>48,288,767</u>	<u>(423,369)</u>	<u>47,865,398</u>
<u>Company</u>			
<u>At 30 June 2021</u>			
Life insurance	<u>45,613,283</u>	<u>(434,200)</u>	<u>45,179,083</u>
<u>At 31 December 2020</u>			
Life insurance	<u>46,160,088</u>	<u>(383,804)</u>	<u>45,776,284</u>
	<u>30.06.2021</u>	<u>31.12.2020</u>	<u>30.06.2021</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current	1,308,334	1,296,280	968,950
Non-current	46,689,015	46,992,487	44,644,333
	<u>47,997,349</u>	<u>48,288,767</u>	<u>45,613,283</u>
			<u>46,160,088</u>

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18 INSURANCE/TAKAFUL CONTRACT LIABILITIES (CONTINUED)

(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

Group

	<u>Gross</u> RM'000	<u>Reinsurance</u> RM'000	<u>Net</u> RM'000
<u>At 30 June 2021</u>			
Claims liabilities	477,286	(176,937)	300,349
Actuarial liabilities	32,323,860	(284,661)	32,039,199
Unallocated surplus	2,009,856	-	2,009,856
Asset revaluation reserve	158,387	-	158,387
Available for sales reserve	90	-	90
Net asset value attributable to unitholders	12,695,434	-	12,695,434
	<u>47,664,913</u>	<u>(461,598)</u>	<u>47,203,315</u>

At 31 December 2020

Claims liabilities	461,615	(161,682)	299,933
Actuarial liabilities	32,682,148	(243,013)	32,439,135
Unallocated surplus	2,876,243	-	2,876,243
Asset revaluation reserve	158,386	-	158,386
Available for sales reserve	150	-	150
Net asset value attributable to unitholders	11,776,319	-	11,776,319
Surplus attributable to participants	14,996	-	14,996
	<u>47,969,857</u>	<u>(404,695)</u>	<u>47,565,162</u>

Company

	<u>Gross</u> RM'000	<u>Reinsurance</u> RM'000	<u>Net</u> RM'000
<u>At 30 June 2021</u>			
Claims liabilities	380,328	(149,970)	230,358
Actuarial liabilities	32,063,680	(284,230)	31,779,450
Unallocated surplus	1,748,161	-	1,748,161
Asset revaluation reserve	158,387	-	158,387
Net asset value attributable to unitholders	11,262,727	-	11,262,727
	<u>45,613,283</u>	<u>(434,200)</u>	<u>45,179,083</u>

At 31 December 2020

Claims liabilities	374,067	(141,286)	232,781
Actuarial liabilities	32,434,249	(242,518)	32,191,731
Unallocated surplus	2,689,180	-	2,689,180
Asset revaluation reserve	158,386	-	158,386
Net asset value attributable to unitholders	10,504,206	-	10,504,206
	<u>46,160,088</u>	<u>(383,804)</u>	<u>45,776,284</u>

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18 INSURANCE/TAKAFUL CONTRACT LIABILITIES (CONTINUED)

(A) Life Insurance/family takaful (continued)

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

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

<u>Group</u>	<u>Gross</u>		
	<u>With Discretionary Participation Features ("DPF") RM'000</u>	<u>Without DPF RM'000</u>	<u>Total RM'000</u>
<u>At 30 June 2021</u>			
At 1 January 2021	30,385,120	17,584,737	47,969,857
Policy movement	(168,785)	358,581	189,796
Movement in claims liabilities	9,182	6,489	15,671
Model refinement	179,954	(1,352)	178,602
Adjustments due to changes in assumptions:			
Discount rate	(381,641)	(490,523)	(872,164)
Others	3,765	141,713	145,478
Change in net asset value attributable to unitholders	160,594	758,521	919,115
Change in available-for-sale fair value reserves	(60)	-	(60)
Unallocated surplus	(866,386)	-	(866,386)
Surplus attributable to participants	(14,996)	-	(14,996)
At 30 June 2021	<u>29,306,747</u>	<u>18,358,166</u>	<u>47,664,913</u>
		<u>Reinsurance/Retakaful</u>	
	<u>With DPF RM'000</u>	<u>Without DPF RM'000</u>	<u>Total RM'000</u>
At 1 January 2021	29,308	375,387	404,695
Policy movement	(576)	42,224	41,648
Movement in claims liabilities	5,996	9,259	15,255
At 30 June 2021	<u>34,728</u>	<u>426,870</u>	<u>461,598</u>

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18 INSURANCE/TAKAFUL CONTRACT LIABILITIES (CONTINUED)

(A) Life Insurance/family takaful (continued)

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

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

Group

			Gross
	<u>With DPF</u>	<u>Without DPF</u>	<u>Total</u>
	RM'000	RM'000	RM'000
<u>At 31 December 2020</u>			
At 1 January 2020	29,557,017	14,007,772	43,564,789
Policy movement	(444,594)	446,227	1,633
Movement in claims liabilities	19,803	(14,214)	5,589
Model refinement	(21)	119	98
Adjustments due to changes in assumptions:			
Lapse and surrender rates	-	68,883	68,883
Discount rate	300,358	254,453	554,811
Fund growth rate	-	1,412	1,412
Mortality/morbidity	-	294	294
M&H and accident claim development	-	(2,412)	(2,412)
Expenses	-	30,551	30,551
Change in bonus	(697,124)	-	(697,124)
Others	(155,783)	272,428	116,645
Change in net asset value attributable to unitholders	-	2,519,224	2,519,224
Change in net asset value attributable to participants	347,071	-	347,071
Change in asset revaluation reserve	(6,553)	-	(6,553)
Surplus attributable to participants	2,746	-	2,746
Unallocated surplus	1,462,200	-	1,462,200
At 31 December 2020	<u>30,385,120</u>	<u>17,584,737</u>	<u>47,969,857</u>
Reinsurance/Retakaful			
	<u>With DPF</u>	<u>Without DPF</u>	<u>Total</u>
	RM'000	RM'000	RM'000
At 1 January 2020	22,287	366,747	389,034
Movement in claims liabilities	(952)	1,581	629
Acquisition of subsidiaries	7,973	7,059	15,032
At 31 December 2020	<u>29,308</u>	<u>375,387</u>	<u>404,695</u>

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18 INSURANCE/TAKAFUL CONTRACT LIABILITIES (CONTINUED)

(A) Life Insurance/family takaful (continued)

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

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

Company

			Gross
	<u>With DPF</u>	<u>Without DPF</u>	<u>Total</u>
	RM'000	RM'000	RM'000
<u>At 30 June 2021</u>			
At 1 January 2020	28,575,351	17,584,737	46,160,088
Policy movement	(181,066)	358,581	177,515
Movement in claims liabilities	(228)	6,489	6,261
Model refinement	179,954	(1,352)	178,602
Adjustments due to changes in assumptions:			
Discount rate	(381,641)	(490,523)	(872,164)
Others	3,765	141,713	145,478
Change in net asset value attributable to unitholders	-	758,521	758,521
Unallocated surplus	(941,018)	-	(941,018)
At 30 June 2020	<u>27,255,117</u>	<u>18,358,166</u>	<u>45,613,283</u>

			Reinsurance
	<u>With DPF</u>	<u>Without DPF</u>	<u>Total</u>
	RM'000	RM'000	RM'000
At 1 January 2020	8,417	375,387	383,804
Policy movement	(512)	42,224	41,712
Movement in claims liabilities	(575)	9,259	8,684
At 30 June 2020	<u>7,330</u>	<u>426,870</u>	<u>434,200</u>

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18 INSURANCE/TAKAFUL CONTRACT LIABILITIES (CONTINUED)

(A) Life Insurance/family takaful (continued)

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

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

Company

			Gross
	<u>With DPF</u>	<u>Without DPF</u>	<u>Total</u>
	RM'000	RM'000	RM'000
<u>At 31 December 2020</u>			
At 1 January 2020	28,257,401	14,007,772	42,265,173
Policy movement	(521,093)	446,227	(74,866)
Movement in claims liabilities	3,068	(14,214)	(11,146)
Model refinement	(21)	119	98
Adjustments due to changes in assumptions:			
Lapse and surrender rates	-	68,883	68,883
Discount rate	300,358	254,453	554,811
Fund growth rate	-	1,412	1,412
M&H and accident claim development	-	(2,412)	(2,412)
Mortality/morbidity	-	294	294
Expenses	-	30,551	30,551
Change in bonus	(697,124)	-	(697,124)
Others	(155,783)	272,428	116,645
Change in net asset value attributable to unitholders	-	2,519,224	2,519,224
Change in asset revaluation reserve	(6,642)	-	(6,642)
Surplus arising during the year	1,395,187	-	1,395,187
At 31 December 2020	<u>28,575,351</u>	<u>17,584,737</u>	<u>46,160,088</u>

			Reinsurance
	<u>With DPF</u>	<u>Without DPF</u>	<u>Total</u>
	RM'000	RM'000	RM'000
At 1 January 2020	8,932	366,747	375,679
Policy movement	(875)	1,581	706
Movement in claims liabilities	360	7,059	7,419
At 31 December 2020	<u>8,417</u>	<u>375,387</u>	<u>383,804</u>

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18 INSURANCE CONTRACT LIABILITIES (CONTINUED)

(B) General Insurance

Group

	Gross RM'000	Reinsurance RM'000	Net RM'000
<u>At 30 June 2021</u>			
Provision for claims reported by policyholders	127,021	(11,099)	115,922
Provision for incurred but not reported ("IBNR") claims	73,414	(5,385)	68,029
Claims liabilities (i)	200,435	(16,484)	183,951
Premium liabilities (ii)	116,430	(3,325)	113,105
	<u>316,865</u>	<u>(19,809)</u>	<u>297,056</u>
<u>At 31 December 2020</u>			
Provision for claims reported by policyholders	121,566	(10,979)	110,587
Provision for incurred but not reported ("IBNR") claims	69,557	(4,794)	64,763
Claims liabilities (i)	191,123	(15,773)	175,350
Premium liabilities (ii)	114,214	(2,901)	111,313
	<u>305,337</u>	<u>(18,674)</u>	<u>286,663</u>

(i) Claims liabilities

Group

	Gross RM'000	Reinsurance RM'000	Net RM'000
<u>At 30 June 2021</u>			
At 1 January 2021	191,123	(15,773)	175,350
Claims incurred in the current accident year	42,454	(2,008)	40,446
Movement in claims incurred in prior accident years	4,287	(2,257)	2,030
Claims paid during the financial period	(35,145)	3,606	(31,539)
Others	(4,113)	-	(4,113)
Change in expense liabilities and risk margin	1,829	(52)	1,777
At 30 June 2021	<u>200,435</u>	<u>(16,484)</u>	<u>183,951</u>

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18 INSURANCE CONTRACT LIABILITIES (CONTINUED)

(B) General Insurance (continued)

(i) Claims liabilities (continued)

Group

	<u>Gross</u> RM'000	<u>Reinsurance</u> RM'000	<u>Net</u> RM'000
<u>At 31 December 2020</u>			
At 1 January 2020	192,065	(13,911)	178,154
Claims incurred in the current accident year	60,073	(3,624)	56,449
Movement in claims incurred in prior accident years	16,885	(430)	16,455
Claims paid during the financial year	(73,862)	2,312	(71,550)
Others	(3,887)	-	(3,887)
Change in expense liabilities and risk margin	(151)	(120)	(271)
At 31 December 2020	<u>191,123</u>	<u>(15,773)</u>	<u>175,350</u>

(ii) Premium liabilities

Group

	<u>Gross</u> RM'000	<u>Reinsurance</u> RM'000	<u>Net</u> RM'000
<u>At 30 June 2021</u>			
At 1 January 2021	114,214	(2,901)	111,313
Premium written during the financial period (Note 20)	148,731	(9,416)	139,315
Premium earned during the financial period	(146,515)	8,992	(137,523)
At 30 June 2021	<u>116,430</u>	<u>(3,325)</u>	<u>113,105</u>
<u>At 31 December 2020</u>			
At 1 January 2020	111,346	(2,883)	108,463
Premium written during the financial period	293,999	(17,951)	276,048
Premium earned during the financial period	(291,131)	17,933	(273,198)
At 31 December 2020	<u>114,214</u>	<u>(2,901)</u>	<u>111,313</u>

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19 INSURANCE/TAKAFUL PAYABLES

	<u>30.06.2021</u>	<u>31.12.2020</u>
	RM'000	RM'000
<u>Group</u>		
Dividend payable to policyholders	6,629,974	6,436,584
Due to reinsurers /retakaful operators	353,401	248,680
Due to agents and insureds	358,501	415,849
Premium deposits	179,942	186,189
	<u>7,521,818</u>	<u>7,287,302</u>
<u>Company</u>		
Dividend payable to policyholders	6,629,347	6,436,098
Due to reinsurers	348,371	241,439
Due to agents and insureds	352,384	411,396
Premium deposits	170,238	171,934
	<u>7,500,340</u>	<u>7,260,867</u>

The carrying amounts disclosed above approximate their fair values as at the date of the statements of financial position. All amounts are payable within one year.

Offsetting of financial assets and financial liabilities

Certain amounts due from reinsurers and amounts due to reinsurers were set off for presentation purpose because they have the enforceable right to set off and they intend either to settle on a net basis, or to realise the assets and settle the liabilities simultaneously as disclosed in Note 16 to the financial statements.

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20 NET EARNED PREMIUMS/CONTRIBUTIONS REVENUE

	Group		Company	
	<u>30.06.2021</u>	<u>30.06.2020</u>	<u>30.06.2021</u>	<u>30.06.2020</u>
	RM'000	RM'000	RM'000	RM'000
(a) Gross earned premiums/contributions				
Insurance/takaful contracts:				
Life/family takaful	5,400,773	5,292,364	4,675,561	4,786,719
General (Note 18(B)(ii))	148,731	148,426	-	-
Gross premium/contributions	<u>5,549,504</u>	<u>5,440,790</u>	<u>4,675,561</u>	<u>4,786,719</u>
Change in premium liabilities	(2,216)	(2,891)	-	-
	<u>5,547,288</u>	<u>5,437,899</u>	<u>4,675,561</u>	<u>4,786,719</u>
(b) Premiums/contributions ceded to reinsurers/ retakaful operators				
Insurance/takaful contracts:				
Life/family takaful	(645,357)	(598,419)	(624,596)	(582,367)
General (Note 18(B)(ii))	(9,416)	(8,805)	-	-
Gross premium/contributions ceded	<u>(654,773)</u>	<u>(607,224)</u>	<u>(624,596)</u>	<u>(582,367)</u>
Change in premium liabilities	424	67	-	-
	<u>(654,349)</u>	<u>(607,157)</u>	<u>(624,596)</u>	<u>(582,367)</u>
Net earned premiums/contributions revenue	<u>4,892,939</u>	<u>4,830,742</u>	<u>4,050,965</u>	<u>4,204,352</u>

21 NET INSURANCE/TAKAFUL BENEFITS AND CLAIMS

(a) Gross benefits and claims paid

Insurance/takaful contracts:				
Life/family takaful	(3,191,718)	(3,789,736)	(2,979,678)	(3,613,707)
General	(35,145)	(24,836)	-	-
	<u>(3,226,863)</u>	<u>(3,814,572)</u>	<u>(2,979,678)</u>	<u>(3,613,707)</u>

(b) Claims ceded to reinsurers/ retakaful operators

Insurance/takaful contracts:				
Life/family takaful	372,873	370,957	354,525	378,035
General	3,606	694	-	-
	<u>376,479</u>	<u>371,651</u>	<u>354,525</u>	<u>378,035</u>

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21 NET INSURANCE/TAKAFUL BENEFITS AND CLAIMS (CONTINUED)

	Group		Company	
	<u>30.06.2021</u>	<u>30.06.2020</u>	<u>30.06.2021</u>	<u>30.06.2020</u>
	RM'000	RM'000	RM'000	RM'000
(c) Gross change to insurance/ takaful contract liabilities:				
Insurance/takaful contracts:				
Life/family takaful	302,326	(1,642,938)	546,805	(1,431,800)
General	(9,312)	(16,188)	-	-
	<u>293,014</u>	<u>(1,659,126)</u>	<u>546,805</u>	<u>(1,431,800)</u>
(d) Change in insurance/takaful liabilities ceded to reinsurers/ retakaful operators				
Insurance/takaful contracts:				
Life/family takaful	56,903	22,232	50,396	15,596
General	711	2,495	-	-
	<u>57,614</u>	<u>24,727</u>	<u>50,396</u>	<u>15,596</u>

22 BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the financial period attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares in issue during the financial period.

In the financial year ended 31 December 2019, the Company reduced its issued share capital from RM1,450,890,000 to RM810,000,000 by cancelling RM640,890,000 as confirmed in the Court order and consolidated every 4 ordinary shares into 1 ordinary share ("Share Consolidation"). The fractional entitlements of shares were disregarded. Upon completion of Share Consolidation, the number of issued and paid-up shares of the Company reduced from 767,438,174 to 191,859,543. The comparative basic earnings per share has been adjusted retrospectively based on current period's new number of shares.

	Group	
	<u>30.06.2021</u>	<u>30.06.2020</u>
	RM'000	RM'000
Profit after tax attributable to the shareholder	725,285	50,459
Weighted average number of shares in issue during the financial period	191,860	191,860
Basic earnings per share (sen)	<u>378.03</u>	<u>26.30</u>

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23 CAPITAL COMMITMENTS

	<u>Group</u>		<u>Company</u>	
	<u>30.06.2021</u>	<u>30.06.2020</u>	<u>30.06.2021</u>	<u>30.06.2020</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Capital expenditure				
Approved and contracted for:				
Property and equipment	9,349	3,211	9,349	3,211
Investment properties	13,358	18,567	13,358	18,567
Intangible assets	33,852	17,484	25,176	14,959
Investments	255,139	154,025	255,139	154,025
	<u>311,698</u>	<u>193,287</u>	<u>303,022</u>	<u>190,762</u>
Approved but not contracted for:				
Property and equipment	1,576	2,708	1,576	2,708
Intangible assets	3,308	9,629	3,308	9,540
	<u>4,885</u>	<u>12,337</u>	<u>4,884</u>	<u>12,248</u>
Total	<u>316,583</u>	<u>205,624</u>	<u>307,906</u>	<u>203,010</u>

24 REGULATORY CAPITAL REQUIREMENT

The capital structure of the Company as at 30 June 2021, as prescribed under the RBC Framework is provided below:

	<u>Company</u>	
	<u>30.06.2021</u>	<u>31.12.2020</u>
	<u>RM'000</u>	<u>RM'000</u>
<u>Eligible Tier 1 Capital</u>		
Share capital (paid up)	810,000	810,000
Reserves, including retained earnings	11,317,798	11,612,806
	<u>12,127,798</u>	<u>12,422,806</u>
<u>Tier 2 Capital</u>		
Revaluation reserves	195,579	195,579
Available-for-sale fair value	274,702	761,342
	<u>470,281</u>	<u>956,921</u>
Amount deducted from capital	<u>(765,734)</u>	<u>(647,309)</u>
Total capital available	<u>11,832,345</u>	<u>12,732,418</u>

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25 INSURANCE/TAKAFUL FUNDS

The Group's principal activities are organised by funds and segregated into Shareholders, General, Life, Family Takaful and Investment-linked funds in accordance with the FSA.

The Group's statements of financial position and income statements analysed by Life/Family Takaful Fund, Shareholders' and General Funds have been presented together as one fund.

The life insurance business offers a wide range of participating and non-participating whole life, term assurance, endowment as well as investment-linked products.

The General insurance business offers general insurance products which include personal accident, motor, fire and other classes.

Individual fund's revenue, expense, assets and liabilities are those amounts resulting from the operating activities of the respective funds that are directly attributable to the respective funds and the relevant portion that can be allocated on a reasonable basis to the respective funds. Individual fund's revenue, expense, assets and liabilities are determined before inter-fund balances and inter-fund transactions are eliminated as part of the consolidation process.

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25 INSURANCE/TAKAFUL FUNDS (CONTINUED)

STATEMENTS OF FINANCIAL POSITION BY FUNDS AS AT 30 JUNE 2021

At 30 June 2021

<u>Group</u>	Shareholders' and General Fund	Life/Family Takaful Fund	Inter-fund Elimination	Total
	RM'000	RM'000	RM'000	RM'000
<u>Assets</u>				
Property, plant and equipment	2,481	407,740	-	410,221
Investment properties	-	345,526	-	345,526
Intangible assets	11,986	172,875	-	184,861
Investment in subsidiary	-	-	-	-
Right-of-use assets	127	123,125	-	123,252
Investment in associates	-	8,112	-	8,112
Available-for-sale financial assets	2,439,481	8,023,489	(15,290)	10,447,680
Fair value through profit or loss financial assets	18,967	43,534,321	-	43,553,288
Loans and receivables	3,145,084	3,989,561	(3,058,410)	4,076,235
Reinsurance/retakaful assets	19,809	461,598	-	481,407
Insurance/takaful receivables	35,797	139,809	-	175,606
Deferred tax assets	2,380	-	(1,373)	1,007
Current tax assets	144,919	93,151	-	238,070
Cash and cash equivalents	717,692	2,028,119	-	2,745,811
Total assets	6,538,723	59,327,426	(3,075,073)	62,791,076
<u>Equity and liabilities</u>				
Total equity	4,854,486	(67,380)	(1,174)	4,785,932
Insurance/takaful contract liabilities	332,436	47,679,031	(14,118)	47,997,349
Deferred tax liabilities	530,223	214,107	(1,373)	742,957
Insurance/takaful payables	8,203	7,513,615	-	7,521,818
Derivative	-	10,664	-	10,664
Current tax liabilities	1,802	4,468	-	6,270
Other payables	811,636	3,843,891	(3,058,408)	1,597,119
Lease liabilities	(63)	129,030	-	128,967
Total liabilities	1,684,237	59,394,806	(3,073,899)	58,005,144
Total equity and liabilities	6,538,723	59,327,426	(3,075,073)	62,791,076

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25 INSURANCE/TAKAFUL FUNDS (CONTINUED)

STATEMENTS OF FINANCIAL POSITION BY FUNDS AS AT 30 JUNE 2021 (CONTINUED)

At 31 December 2020

<u>Group</u>	Shareholders' and General Fund	Life/Family Takaful Fund	Inter-fund Elimination	Total
	RM'000	RM'000	RM'000	RM'000
<u>Assets</u>				
Property, plant and equipment	2,779	417,488	-	420,267
Investment properties	116	133,388	-	133,504
Right-of-use assets	-	345,200	-	345,200
Intangible assets	11,109	159,450	-	170,559
Investment in associates	-	8,281	-	8,281
Available-for-sale financial assets	2,313,772	8,395,393	(29,468)	10,679,697
Fair value through profit or loss financial assets	13,487	44,568,519	-	44,582,006
Derivative financial instrument	-	7,175	-	7,175
Loans and receivables	3,337,959	4,037,728	(3,348,005)	4,027,682
Reinsurance/retakaful assets	18,674	404,695	-	423,369
Insurance/takaful receivables	36,189	182,577	-	218,766
Deferred tax assets	3,146	-	(719)	2,427
Current tax assets	51,724	132,536	-	184,260
Cash and cash equivalents	302,271	1,189,539	-	1,491,810
Total assets	6,091,226	59,981,969	(3,378,192)	62,695,003
<u>Equity and liabilities</u>				
Total equity	5,192,624	(67,325)	(427)	5,124,872
Insurance/takaful contract liabilities	318,910	47,998,898	(29,041)	48,288,767
Deferred tax liabilities	466,474	411,469	(719)	877,224
Insurance/takaful payables	6,392	7,280,910	-	7,287,302
Derivative	-	-	-	-
Current tax liabilities	4,041	-	-	4,041
Other payables	102,668	4,219,590	(3,348,005)	974,253
Lease liabilities	117	138,427	-	138,544
Total liabilities	898,602	60,049,294	(3,377,765)	57,570,131
Total equity and liabilities	6,091,226	59,981,969	(3,378,192)	62,695,003

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25 INSURANCE/TAKAFUL FUNDS (CONTINUED)

STATEMENTS OF FINANCIAL POSITION BY FUNDS AS AT 30 JUNE 2021 (CONTINUED)

At 30 June 2021

<u>Company</u>	Shareholders' Fund	Life Fund	Inter-fund Elimination	Total
	RM'000	RM'000	RM'000	RM'000
<u>Assets</u>				
Property, plant and equipment	1,046	407,740	-	408,786
Right-of-use assets	-	123,125	-	123,125
Investment properties	-	345,526	-	345,526
Intangible assets	-	172,875	-	172,875
Investment in subsidiaries	592,859	-	-	592,859
Investment in associates	-	88	-	88
Available-for-sale financial assets	1,581,943	8,020,178	(15,289)	9,586,832
Fair value through profit or loss financial assets	760	41,668,040	-	41,668,800
Loans and receivables	3,017,044	3,980,558	(3,013,931)	3,983,671
Reinsurance assets	-	434,200	-	434,200
Insurance receivables	-	136,258	-	136,258
Current tax assets	135,267	93,151	-	228,418
Cash and cash equivalents	618,941	1,836,570	-	2,455,511
Total assets	5,947,860	57,218,309	(3,029,220)	60,136,949
<u>Equity and liabilities</u>				
Total equity	4,697,766	-	(1,174)	4,696,592
Insurance contract liabilities	-	45,627,401	(14,118)	45,613,283
Deferred tax liabilities	525,543	209,953	-	735,496
Insurance payables	-	7,500,340	-	7,500,340
Derivative	-	10,664	-	10,664
Other payables	724,551	3,740,921	(3,013,928)	1,451,544
Lease liabilities	-	129,030	-	129,030
Total liabilities	1,250,094	57,218,309	(3,028,046)	55,440,357
Total equity and liabilities	5,947,860	57,218,309	(3,029,220)	60,136,949

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25 INSURANCE/TAKAFUL FUNDS (CONTINUED)

STATEMENTS OF FINANCIAL POSITION BY FUNDS AS AT 30 JUNE 2021 (CONTINUED)

At 31 December 2020

<u>Company</u>	<u>Shareholders' Fund</u>	<u>Life Fund</u>	<u>Inter-fund Elimination</u>	<u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>Assets</u>				
Property, plant and equipment	1,060	417,488	-	418,548
Right-of-use assets	-	133,388	-	133,388
Investment properties	-	345,200	-	345,200
Intangible assets	-	159,450	-	159,450
Investment in subsidiaries	487,859	-	-	487,859
Investment in associates	-	88	-	88
Available-for-sale financial assets	1,599,216	8,392,019	(29,468)	9,961,767
Fair value through profit or loss financial assets	-	42,856,929	-	42,856,929
Derivative	-	7,175	-	7,175
Loans and receivables	3,240,150	4,015,230	(3,235,877)	4,019,503
Reinsurance assets	-	383,804	-	383,804
Insurance receivables	-	180,508	-	180,508
Current tax assets	44,208	133,790	-	177,998
Cash and cash equivalents	106,343	948,898	-	1,055,241
Total assets	5,478,836	57,973,967	(3,265,345)	60,187,458
<u>Equity and liabilities</u>				
Total equity	4,995,275	-	(427)	4,994,848
Insurance contract liabilities	-	46,189,129	(29,041)	46,160,088
Deferred tax liabilities	458,631	395,929	-	854,560
Insurance payables	-	7,260,867	-	7,260,867
Other payables	24,930	3,989,615	(3,235,877)	778,668
Lease liabilities	-	138,427	-	138,427
Total liabilities	483,561	57,973,967	(3,264,918)	55,192,610
Total equity and liabilities	5,478,836	57,973,967	(3,265,345)	60,187,458

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25 INSURANCE/TAKAFUL FUNDS (CONTINUED)

INCOME STATEMENTS BY FUNDS FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2021

6 months period ended 30 June 2021

<u>Group</u>	Shareholders' and General Fund	Life/Family Takaful Fund	Inter-fund Elimination	Total
	RM'000	RM'000	RM'000	RM'000
Gross earned premiums/contributions	146,515	5,400,773	-	5,547,288
Premiums/contributions ceded to reinsurers/retakaful operators	(8,992)	(645,357)	-	(654,349)
Net earned premiums/contributions revenue	137,523	4,755,416	-	4,892,939
Investment income	48,717	1,133,473	-	1,182,190
Net realised gains	7,378	100,232	(5,212)	102,398
Fair value losses	(306)	(1,485,310)	-	(1,485,616)
Fee and commission income	224,693	-	(224,693)	-
Other operating income/(expenses)	42,088	(17,597)	-	24,491
Total net revenue	460,093	4,486,214	(229,905)	4,716,402
Gross benefits and claims paid	(35,145)	(3,206,930)	15,212	(3,226,863)
Claims ceded to reinsurers/retakaful operators	3,606	372,873	-	376,479
Gross change to insurance/takaful contract liabilities	(9,312)	317,249	(14,923)	293,014
Change in insurance/takaful contract liabilities ceded to reinsurers/retakaful operators	711	56,903	-	57,614
Net insurance/takaful benefits and claims	(40,140)	(2,459,905)	289	(2,499,756)
Fee and commission expenses	(215,979)	(767,731)	224,693	(759,017)
Management expenses	(166,502)	(464,342)	-	(630,844)
Other expenses	(382,481)	(1,232,073)	224,693	(1,389,861)
Profit before share of loss from associate	37,472	794,236	(4,923)	826,785
Share of loss from associate	-	(169)	-	(169)
Profit before tax	37,472	794,067	(4,923)	826,616
Tax income attributable to policyholders and unitholders	-	80,733	-	80,733
Profit before tax attributable to shareholders	37,472	874,800	(4,923)	907,349
Transfer from Revenue Accounts	874,800	(874,800)	-	-
Profit before tax attributable to shareholders	912,272	-	(4,923)	907,349
Tax expense attributable to shareholders	(186,198)	-	-	(186,198)
Profit after tax for the period	726,074	-	(4,923)	721,151

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25 INSURANCE/TAKAFUL FUNDS (CONTINUED)

STATEMENTS OF COMPREHENSIVE INCOME BY FUNDS FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2021

6 months period ended 30 June 2021

<u>Group</u>	<u>Shareholders' and General Fund</u> RM'000	<u>Life/Family Takaful Fund</u> RM'000	<u>Inter-fund Elimination</u> RM'000	<u>Total</u> RM'000
Profit after tax for the period	726,074	-	(4,923)	721,151
Other comprehensive income:				
<u>Items that may be subsequently reclassified to profit or loss</u>				
Net lossess arising during the period	(484,005)	-	-	(484,005)
Net realised gains transferred to income statements	(69,194)	-	-	(69,194)
Deferred taxation	123,201	-	-	123,201
Change in takaful contract liabilities	(61)	-	-	(61)
Change in available-for-sale fair value reserves	(430,059)	-	-	(430,059)
<u>Items that will not be subsequently reclassified to profit or loss:</u>				
Change in asset revaluation reserve - Deferred taxation	(57)	-	-	(57)
Post employment benefit obligations - Deferred taxation	25	-	-	25
Total other comprehensive income - net of tax, for the period	<u>(430,091)</u>	<u>-</u>	<u>-</u>	<u>(430,091)</u>
Total comprehensive income for the period	<u>295,983</u>	<u>-</u>	<u>(4,923)</u>	<u>291,060</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2021 (CONTINUED)**

25 INSURANCE/TAKAFUL FUNDS (CONTINUED)

INCOME STATEMENTS BY FUNDS FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2021

6 months period ended 30 June 2020

<u>Group</u>	Shareholders' and General Fund	Life/Family Takaful Fund	Inter-fund Elimination	Total
	RM'000	RM'000	RM'000	RM'000
Gross earned premiums/contributions	145,535	5,312,364	(20,000)	5,437,899
Premiums/contributions ceded to reinsurers/retakaful operators	(8,738)	(598,419)	-	(607,157)
Net earned premiums	136,797	4,713,945	(20,000)	4,830,742
Investment income	38,388	1,097,097	-	1,135,485
Net realised gains	21,913	(147)	-	21,766
Fair value gains	(1)	339,407	-	339,406
Fee and commission income	163,542	-	(163,542)	-
Other operating income/(expenses)	44,206	(5,611)	-	38,595
Total net revenue	404,845	6,144,691	(183,542)	6,365,994
Gross benefits and claims paid	(24,836)	(3,789,736)	-	(3,814,572)
Claims ceded to reinsurers/retakaful operators	694	370,957	-	371,651
Gross change to insurance/takaful contract liabilities	(16,188)	(1,664,273)	21,335	(1,659,126)
Change in insurance/takaful contract liabilities ceded to reinsurers/retakaful operators	2,495	22,232	-	24,727
Net insurance benefits and claims	(37,835)	(5,060,820)	21,335	(5,077,320)
Fee and commission expenses	(143,328)	(611,979)	163,542	(591,765)
Management expenses	(144,453)	(383,180)	-	(527,633)
Other expenses	(287,781)	(995,159)	163,542	(1,119,398)
Profit before share of profit from associate	79,229	88,712	1,335	169,276
Share of profit from associate	-	81	-	81
Profit before tax	79,229	88,793	1,335	169,357
Tax expense attributable to policyholders and unitholders	-	(79,258)	-	(79,258)
Profit before tax attributable to shareholders	79,229	9,535	1,335	90,099
Transfer from Revenue Accounts	9,535	(9,535)	-	-
Profit before tax attributable to shareholders	88,764	-	1,335	90,099
Tax expense attributable to shareholders	(39,507)	-	-	(39,507)
Profit after tax for the period	49,257	-	1,335	50,592

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2021 (CONTINUED)**

25 INSURANCE/TAKAFUL FUNDS (CONTINUED)

STATEMENTS OF COMPREHENSIVE INCOME BY FUNDS FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2021

6 months period ended 30 June 2020

<u>Group</u>	<u>Shareholders' and General Fund</u> RM'000	<u>Life/Family Takaful Fund</u> RM'000	<u>Inter-fund Elimination</u> RM'000	<u>Total</u> RM'000
Profit after tax for the period	50,592	-	-	50,592
Other comprehensive income:				
<u>Items that may be subsequently reclassified to profit or loss</u>				
Net gains arising during the period	223,172	-	-	223,172
Net realised gains transferred to income statements	(26,085)	-	-	(26,085)
Deferred taxation	(43,926)	-	-	(43,926)
Change in takaful contract liabilities	74	-	-	74
Change in available-for-sale fair value reserves	153,235	-	-	153,235
Total other comprehensive income - net of tax, for the period	<u>153,235</u>	<u>-</u>	<u>-</u>	<u>153,235</u>
Total comprehensive income for the period	<u><u>203,827</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>203,827</u></u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2021 (CONTINUED)**

25 INSURANCE/TAKAFUL FUNDS (CONTINUED)

INCOME STATEMENTS BY FUNDS FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2021

6 months period ended 30 June 2021

<u>Company</u>	Shareholders'		Inter-fund	Total
	Fund	Life Fund	Elimination	
	RM'000	RM'000	RM'000	RM'000
Gross earned premiums	-	4,675,561	-	4,675,561
Premiums ceded to reinsurers	-	(624,596)	-	(624,596)
Net earned premiums	-	4,050,965	-	4,050,965
Investment income	101,419	1,098,741	-	1,200,160
Net realised gains	11,040	56,488	(5,212)	62,316
Fair value gains/(losses)	2	(1,357,391)	-	(1,357,389)
Other operating income/(expenses)	36,802	(12,281)	-	24,521
Total net revenue	149,263	3,836,522	(5,212)	3,980,573
Gross benefits and claims paid	-	(2,994,891)	15,213	(2,979,678)
Claims ceded to reinsurers	-	354,525	-	354,525
Gross change to insurance contract liabilities	-	561,728	(14,923)	546,805
Change in insurance contract liabilities ceded to reinsurers	-	50,396	-	50,396
Net insurance benefits and claims	-	(2,028,242)	290	(2,027,952)
Fee and commission expenses	-	(543,038)	-	(543,038)
Management expenses	(59,595)	(463,008)	-	(522,603)
Other expenses	(59,595)	(1,006,046)	-	(1,065,641)
Profit before tax	89,668	802,234	(4,922)	886,980
Tax income attributable to policyholders and unitholders	-	72,566	-	72,566
Profit before tax attributable to shareholders	89,668	874,800	(4,922)	959,546
Transfer from Revenue Accounts	874,800	(874,800)	-	-
Profit before tax attributable to shareholders	964,468	-	(4,922)	959,546
Tax expense attributable to shareholders	(172,490)	-	-	(172,490)
Profit after tax for the period	791,978	-	(4,922)	787,056

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2021 (CONTINUED)**

25 INSURANCE/TAKAFUL FUNDS (CONTINUED)

STATEMENTS OF COMPREHENSIVE INCOME BY FUNDS FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2021

6 months period ended 30 June 2021

<u>Company</u>	<u>Shareholders' Fund RM'000</u>	<u>Life Fund RM'000</u>	<u>Inter-fund Elimination</u>	<u>Total RM'000</u>
Profit after tax for the period	791,978	-	(4,922)	787,056
Other comprehensive income:				
<u>Items that may be subsequently reclassified to profit or loss</u>				
Net losses arising during the period	(466,446)	-	-	(466,446)
Net realised gains transferred to income statements	(63,279)	-	-	(63,279)
Deferred taxation	119,445	-	-	119,445
Change in available-for-sale fair value reserves	(410,280)	-	-	(410,280)
<u>Items that will not be subsequently reclassified to profit or loss:</u>				
Change in asset revaluation reserve				
- Deferred taxation	(57)	-	-	(57)
Post employment benefit obligations				
- Deferred taxation	25	-	-	25
Total comprehensive income for the period	381,666	-	(4,922)	376,744

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
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25 INSURANCE FUNDS (CONTINUED)

INCOME STATEMENTS BY FUNDS FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2021

6 months period ended 30 June 2020

<u>Company</u>	<u>Shareholders' Fund</u> RM'000	<u>Life Fund</u> RM'000	<u>Inter-fund Elimination</u> RM'000	<u>Total</u> RM'000
Gross earned premiums	-	4,806,719	(20,000)	4,786,719
Premiums ceded to reinsurers	-	(582,367)	-	(582,367)
Net earned premiums	-	4,224,352	(20,000)	4,204,352
Investment income	16,674	1,082,316	-	1,098,990
Net realised gains	25,246	(147)	-	25,099
Fair value gains	-	281,619	-	281,619
Other operating income/(expenses)	41,105	(1,825)	-	39,280
Total net revenue	83,025	5,586,315	(20,000)	5,649,340
Gross benefits and claims paid	-	(3,613,707)	-	(3,613,707)
Claims ceded to reinsurers	-	378,035	-	378,035
Gross change to insurance contract liabilities	-	(1,453,135)	21,335	(1,431,800)
Change in insurance contract liabilities ceded to reinsurers	-	15,596	-	15,596
Net insurance benefits and claims	-	(4,673,211)	21,335	(4,651,876)
Fee and commission expenses	-	(448,438)	-	(448,438)
Management expenses	(50,054)	(381,958)	-	(432,012)
Other expenses	(50,054)	(830,396)	-	(880,450)
Profit before tax	32,971	82,708	1,335	117,014
Tax expense attributable to policyholders and unitholders	-	(73,171)	-	(73,171)
Profit before tax attributable to shareholders	32,971	9,537	1,335	43,843
Transfer from Revenue Accounts	9,537	(9,537)	-	-
Profit before tax attributable to shareholders	42,508	-	1,335	43,843
Tax expense attributable to shareholders	(25,795)	-	-	(25,795)
Profit after tax for the period	16,713	-	1,335	18,048

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
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25 INSURANCE/TAKAFUL FUNDS (CONTINUED)

STATEMENTS OF COMPREHENSIVE INCOME BY FUNDS FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2020

6 months period ended 30 June 2020

<u>Company</u>	<u>Shareholders' Fund</u> RM'000	<u>Life Fund</u> RM'000	<u>Inter-fund Elimination</u> RM'000	<u>Total</u> RM'000
Profit after tax for the period	16,713	-	1,335	18,048
Other comprehensive income:				
<u>Items that may be subsequently reclassified to profit or loss</u>				
Net gains arising during the period	215,312	-	-	215,312
Net realised gains transferred to income statements	(29,418)	-	-	(29,418)
Deferred taxation	(41,934)	-	-	(41,934)
Change in available-for-sale fair value reserves	143,960	-	-	143,960
Total comprehensive income for the period	160,673	-	1,335	162,008

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2021 (CONTINUED)**

25 INSURANCE/TAKAFUL FUNDS (CONTINUED)

Included in the Income Statements for the period ended 30 June 2021 and 2020, and the Statements of Financial Position as at 30 June 2021 and 31 December 2020 of the Life fund are the segmental information for the Investment-Linked funds.

**STATEMENTS OF FINANCIAL POSITION FOR INVESTMENT-LINKED FUNDS
AS AT 30 JUNE 2021**

	30.06.2021	Group 31.12.2020
	RM'000	RM'000
Assets		
Fair value through profit or loss financial assets	11,289,317	10,614,705
Other receivables	56,944	48,058
Current tax assets	-	3
Cash and cash equivalents	891,559	783,385
Total assets	12,237,820	11,446,151
Less: Liabilities		
Other payables	41,745	44,707
Deferred tax liabilities	78,285	122,976
Current tax liabilities	44,830	16,908
Total liabilities	164,860	184,591
Net asset value	12,072,961	11,261,560

**INCOME STATEMENTS FOR INVESTMENT-LINKED FUNDS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2021**

	30.06.2021	Group 30.06.2020
	RM'000	RM'000
Investment income	190,480	141,786
Fair value (losses)/gains	(145,607)	135,957
Other operating (expenses)/income	(874)	194
	43,999	277,937
Management expenses	(59,125)	(42,619)
(Loss)/Profit before tax	(15,126)	235,318
Tax income/(expense)	10,088	(13,591)
(Loss)/Profit after tax	(5,038)	221,727

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2021 (CONTINUED)**

25 INSURANCE/TAKAFUL FUNDS (CONTINUED)

Included in the Income Statements for the period ended 30 June 2021 and 2020, and the Statements of Financial Position as at 30 June 2021 and 31 December 2020 of the Life fund are the segmental information for the Investment-Linked funds.

**STATEMENTS OF FINANCIAL POSITION FOR INVESTMENT-LINKED FUNDS
AS AT 30 JUNE 2021**

	30.06.2021	Company 31.12.2020
	RM'000	RM'000
Assets		
Fair value through profit or loss financial assets	10,595,932	9,975,240
Other receivables	56,873	48,046
Cash and cash equivalents	780,139	683,490
Total assets	11,432,944	10,706,776
Less: Liabilities		
Other payables	39,426	42,987
Deferred tax liabilities	75,698	113,634
Current tax liabilities	40,974	16,908
Total liabilities	156,098	173,529
Less: Interfund Elimination	(14,118)	(29,041)
Net asset value	11,262,728	10,504,206

**INCOME STATEMENTS FOR INVESTMENT-LINKED FUNDS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2021**

	30.06.2021	Company 30.06.2020
	RM'000	RM'000
Investment income	177,110	133,780
Fair value (losses)/gains	(106,210)	103,746
Other operating income	4,059	3,337
	74,959	240,863
Management expenses	(59,125)	(42,619)
Profit before tax	15,834	198,244
Tax income/(expense)	7,191	(10,796)
Profit after tax	23,025	187,448