



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

Unaudited Interim Financial Statements
for the six months period ended 30 June 2017

33361-W

MAYBANK AGEAS HOLDINGS BERHAD
(Incorporated in Malaysia)

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MAYBANK AGEAS HOLDINGS BERHAD
(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	Group		Company	
		30.6.2017 RM'000	31.12.2016 RM'000	30.6.2017 RM'000	31.12.2016 RM'000
Assets:					
Property, plant and equipment		124,899	129,132	-	-
Investment properties		784,160	754,870	-	-
Prepaid land lease payments		18,812	18,965	-	-
Intangible assets		77,359	71,876	-	-
Investment in subsidiaries		-	-	1,636,470	1,636,470
Investment in associates		1,238	1,238	-	-
Investments	12	26,605,637	25,719,774	192,271	188,941
Financing receivables		258,671	266,738	867	752
Reinsurance/retakaful assets	13	3,726,619	3,701,131	-	-
Insurance/takaful receivables	14	499,722	437,524	-	-
Other receivables	15	391,625	360,027	171,575	4,413
Derivative assets		9,532	56	-	-
Deferred tax assets		13,665	8,958	-	-
Current tax assets		76,083	79,843	1,229	1,251
Cash and bank balances		535,230	377,340	2,534	2,805
Total Assets		33,123,252	31,927,472	2,004,946	1,834,632
Equity:					
Share capital		660,866	252,005	660,866	252,005
Reserves	16	4,549,975	4,831,572	1,192,002	1,579,849
Total Equity		5,210,841	5,083,577	1,852,868	1,831,854
Liabilities:					
Insurance/takaful contract liabilities	17	24,103,141	23,421,288	-	-
Subordinated obligations		800,000	800,000	-	-
Expense liabilities	18	556,076	526,978	-	-
Derivative liabilities		47,441	64,204	-	-
Deferred tax liabilities		616,908	618,789	138	153
Insurance/takaful payables	19	483,206	414,741	-	-
Other payables		1,275,052	986,586	151,940	2,625
Interest/profit payable on subordinated obligations		11,144	11,309	-	-
Current tax liabilities		19,443	-	-	-
Total Liabilities		27,912,411	26,843,895	152,078	2,778
Total equity and liabilities		33,123,252	31,927,472	2,004,946	1,834,632

The accompanying notes form an integral part of the unaudited interim financial statements.

MAYBANK AGEAS HOLDINGS BERHAD
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UNAUDITED INTERIM STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017

	Note	Group		Company	
		1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000
Operating revenue		<u>3,589,679</u>	<u>3,382,027</u>	<u>172,678</u>	<u>204,159</u>
Gross earned premiums/ contributions	20(a)	2,845,906	2,797,054	-	-
Earned premiums/contributions ceded to reinsurers/retakaful	20(b)	<u>(459,180)</u>	<u>(654,129)</u>	<u>-</u>	<u>-</u>
Net earned premiums/ contributions		<u>2,386,726</u>	<u>2,142,925</u>	<u>-</u>	<u>-</u>
Fee and commission income	21	55,245	56,143	-	-
Investment income	22	617,386	539,434	172,678	204,159
Realised gains		309,830	134,748	-	45
Fair value gain		65,502	216,219	-	-
Other operating (expenses)/ income, net	23	<u>(37,665)</u>	<u>(60,011)</u>	<u>76</u>	<u>9</u>
Other revenue		<u>1,010,298</u>	<u>886,533</u>	<u>172,754</u>	<u>204,213</u>
Gross benefits and claims paid	24(a)	(1,855,138)	(2,016,133)	-	-
Claims ceded to reinsurers/ retakaful	24(b)	234,954	287,951	-	-
Gross change in contract/certificate liabilities	24(c)	(594,025)	(1,059,315)	-	-
Change in contract/certificate liabilities ceded to reinsurers/retakaful	24(d)	<u>(87,789)</u>	<u>695,285</u>	<u>-</u>	<u>-</u>
Net benefits and claims		<u>(2,301,998)</u>	<u>(2,092,212)</u>	<u>-</u>	<u>-</u>
Management expenses	25	(341,617)	(329,001)	(11,096)	(5,842)
Reimbursement of shared services		9,781	4,666	9,781	4,666
Change in expense liabilities	18	(29,488)	(49,452)	-	-
Fee and commission expenses		(247,129)	(241,013)	-	-
Interest on subordinated obligations		(16,966)	(16,966)	-	-
Tax borne by policyholders/ participants		<u>(36,875)</u>	<u>(44,558)</u>	<u>-</u>	<u>-</u>
Other expenses		<u>(662,294)</u>	<u>(676,324)</u>	<u>(1,315)</u>	<u>(1,176)</u>

The accompanying notes form an integral part of the unaudited interim financial statements.

MAYBANK AGEAS HOLDINGS BERHAD
(Incorporated in Malaysia)

UNAUDITED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (CONTD.)
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017

	Group		Company	
	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000
Profit before taxation	432,732	260,922	171,439	203,037
Taxation	(131,172)	(80,946)	(439)	(743)
Zakat	(4,825)	(3,603)	-	-
Net profit for the period	<u>296,735</u>	<u>176,373</u>	<u>171,000</u>	<u>202,294</u>
Other comprehensive (losses)/income:				
Item that may be subsequently reclassified to income statement				
Change in value of Available-for-Sale ("AFS") financial assets, net	(20,077)	34,113	(43)	(36)
- Fair value changes	194,515	98,974	(58)	(13)
- Transfer to profit or loss upon disposal	(251,485)	(54,643)	-	(45)
- Fair value adjustments on AFS financial assets backing participants' funds	29,781	5,150	-	-
Tax effect relating to AFS financial assets	7,112	(15,368)	15	22
Currency translation differences	549	(19,607)	-	-
Other comprehensive (losses)/ income for the period, net of tax	<u>(19,528)</u>	<u>14,506</u>	<u>(43)</u>	<u>(36)</u>
Total comprehensive income for the period	<u>277,207</u>	<u>190,879</u>	<u>170,957</u>	<u>202,258</u>

The accompanying notes form an integral part of the unaudited interim financial statements.

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MAYBANK AGEAS HOLDINGS BERHAD
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UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017

Group	Note	<-----Non-distributable----->				Retained Earnings			Total Equity RM'000
		Share Capital RM'000	Share Premium RM'000	AFS Reserves RM'000	Other Reserves * RM'000	Non-Distributable Non-Par Surplus RM'000	Distributable Retained Profits RM'000	Sub-total Retained Earnings RM'000	
At 1 January 2017		252,005	401,561	(1,961)	80,326	1,719,813	2,631,833	4,351,646	5,083,577
Net profit after tax for the period		-	-	-	-	120,114	176,621	296,735	296,735
Other comprehensive (losses)/income for the period		-	-	(20,077)	549	-	-	-	(19,528)
Total comprehensive (losses)/income		-	-	(20,077)	549	120,114	176,621	296,735	277,207
Transferred from revaluation reserve upon disposal		-	-	-	(233)	-	233	233	-
Transferred to share capital	2	408,861	(401,561)	-	(7,300)	-	-	-	-
Dividend on ordinary shares		-	-	-	-	-	(149,943)	(149,943)	(149,943)
At 30 June 2017		660,866	-	(22,038)	73,342	1,839,927	2,658,744	4,498,671	5,210,841

* The further breakdown and movement of other reserves are disclosed in Note 16.

The accompanying notes form an integral part of the unaudited interim condensed financial statements.

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UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017 (CONTD.)

Group	<-----Non-distributable----->				Retained Earnings			Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	AFS Reserves RM'000	Other Reserves RM'000	Non-Distributable Non-Par Surplus RM'000	Distributable Retained Profits RM'000	Sub-total Retained Earnings RM'000	
At 1 January 2016	252,005	401,561	(15,309)	86,746	1,547,254	2,449,060	3,996,314	4,721,317
Net profit after tax for the period	-	-	-	-	54,472	121,901	176,373	176,373
Other comprehensive income for the period	-	-	34,113	(19,607)	-	-	-	14,506
Total comprehensive income	-	-	34,113	(19,607)	54,472	121,901	176,373	190,879
Dividend on ordinary shares	-	-	-	-	-	(250,241)	(250,241)	(250,241)
At 30 June 2016	252,005	401,561	18,804	67,139	1,601,726	2,320,720	3,922,446	4,661,955

* The further breakdown and movement of other reserves are disclosed in Note 16.

The accompanying notes form an integral part of the unaudited interim financial statements.

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UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017

Company	Note	←----- Non-distributable ----->				Distributable Retained Profits RM'000	Total Equity RM'000
		Share Capital RM'000	Share Premium RM'000	AFS Reserve RM'000	Other Reserves* RM'000		
At 1 January 2017		252,005	401,561	484	7,300	1,170,504	1,831,854
Net profit after tax for the period		-	-	-	-	171,000	171,000
Other comprehensive losses for the period		-	-	(43)	-	-	(43)
Total comprehensive (losses)/ income		-	-	(43)	-	171,000	170,957
Transferred to share capital	1 (b)	408,861	(401,561)	-	(7,300)	-	-
Dividend on ordinary shares		-	-	-	-	(149,943)	(149,943)
At 30 June 2017		660,866	-	441	-	1,191,561	1,852,868
At 1 January 2016		252,005	401,561	566	7,300	1,121,524	1,782,956
Net profit after tax for the period		-	-	-	-	202,294	202,294
Other comprehensive losses for the period		-	-	(36)	-	-	(36)
Total comprehensive (losses)/ income		-	-	(36)	-	202,294	202,258
Dividend on ordinary shares		-	-	-	-	(250,241)	(250,241)
At 30 June 2016		252,005	401,561	530	7,300	1,323,818	1,985,214

* The further breakdown and movement of other reserves are disclosed in Note 16.

The accompanying notes form an integral part of the unaudited interim financial statements.

MAYBANK AGEAS HOLDINGS BERHAD
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UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017

	Group		Company	
	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000
CASH FLOWS FROM				
OPERATING ACTIVITIES				
Profit before taxation	432,732	260,922	171,439	203,037
<i>Adjustments for:</i>				
Amortisation of:				
- intangible assets	4,499	3,425	-	-
- prepaid land lease payments	152	152	-	-
Depreciation of property, plant and equipment	6,875	6,837	-	-
Fair value gain on:				
- investments	(65,503)	(216,216)	-	-
Gain on disposal of:				
- investments	(309,608)	(107,336)	-	(45)
- investment property	(223)	-	-	-
- property, plant and equipment	-	(27,412)	-	-
Gross dividend income	(40,101)	(28,861)	(170,923)	(201,098)
Interest/profit and rental income	(594,382)	(515,600)	(1,705)	(3,010)
Interest expense	16,966	16,966	-	-
Impairment loss/ (Reversal of impairment losses) on:				
- receivables	1,453	(1,000)	-	-
- investments	7,690	35,272	-	-
- others	1,512	(1,285)	-	-
Bad debts written off	1,075	360	-	-
Taxation of life and takaful funds	36,875	44,558	-	-
Unrealised loss on foreign exchange	27,414	19,442	-	-
Net proceed from (purchase)/ disposal of investments	(407,134)	(672,905)	-	958
Net (increase)/decrease in fixed and call deposits	(250,369)	543,813	(3,390)	44,998
<i>Operating (loss)/profit before changes in assets and liabilities</i>	(1,130,077)	(638,868)	(4,579)	44,840

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UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017 (CONTD.)

	Group		Company	
	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONTD.)				
Increase in reinsurance assets	(17,136)	(736,580)	-	-
Decrease/(increase) in financing receivables	6,881	10,151	(113)	270
Decrease in insurance receivables	(24,662)	(139,614)	-	-
(Increase)/decrease in other receivables	(136,247)	(25,606)	1,699	1,208
Increase in insurance payables	30,783	159,290	-	-
Increase/(decrease) in payables	260,872	308,993	(619)	(817)
Increase in expense liabilities	29,098	49,452	-	-
Increase in insurance/takaful contract liabilities	719,470	1,073,580	-	-
Foreign exchange effects	264	(693)	-	-
Investment income received	640,585	538,336	3,759	205,624
Tax paid	(95,945)	(111,961)	(418)	(819)
Zakat paid	(3,461)	(7,594)	-	-
Mudharabah paid	(62,811)	(37,700)	-	-
<i>Net cash generated from/(used in) operating activities</i>	<u>217,614</u>	<u>441,186</u>	<u>(271)</u>	<u>250,306</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of intangible assets	(9,172)	(13,387)	-	-
Purchase of property, plant and equipments	(4,059)	(7,277)	-	-
Proceeds from disposal of intangible assets	34	188	-	-
Purchase of investment properties	(30,180)	(15,879)	-	-
Proceeds from disposal of investment properties	1,113	-	-	-
Proceeds from disposal of property, plant and equipment	126	28,090	-	-
<i>Net cash used in investing activities</i>	<u>(42,138)</u>	<u>(8,265)</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of dividends	-	(250,241)	-	(250,241)
Interest paid on subordinated obligation	(17,134)	(17,115)	-	-
<i>Net cash used in financing activities</i>	<u>(17,134)</u>	<u>(267,356)</u>	<u>-</u>	<u>(250,241)</u>

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UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017 (CONTD.)

	Group		Company	
	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000
Net increase/(decrease) in cash and cash equivalents	158,342	165,565	(271)	65
Effects of exchange rate changes	(452)	(880)	-	-
Cash and cash equivalents at beginning of period	<u>377,340</u>	<u>289,773</u>	<u>2,805</u>	<u>866</u>
Cash and cash equivalents at end of period	<u>535,230</u>	<u>454,458</u>	<u>2,534</u>	<u>931</u>
Cash and cash equivalents comprise:				
Cash and bank balances:				
Shareholders' and general funds	155,584	116,399	2,534	931
Life fund	196,478	135,225	-	-
General takaful fund	59,786	114,004	-	-
Family takaful fund	123,382	88,830	-	-
	<u>535,230</u>	<u>454,458</u>	<u>2,534</u>	<u>931</u>

The accompanying notes form an integral part of the unaudited interim financial statements.

MAYBANK AGEAS HOLDINGS BERHAD
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2017

1. BASIS OF PREPARATION

The unaudited interim financial statements of the Group and the Company for the period ended 30 June 2017 have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 - *Interim Financial Reporting* as issued by the Malaysian Accounting Standards Board ("MASB") and International Accounting Standard ("IAS") 34-*Interim Financial Reporting* as issued by International Accounting Standards Board ("IASB"), and Guidelines/Circulars issued by Bank Negara Malaysia ("BNM").

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

The unaudited interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the audited annual consolidated financial statements of the Group and the Company for the year ended 31 December 2016.

The explanatory notes attached to the unaudited interim financial statements provide an explanation of events and transactions that are significant to gain an understanding of the changes in the financial position and performance of the Group and the Company since the year ended 31 December 2016.

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

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

The unaudited interim financial statements were approved for issue by the Board of Directors on 24 August 2017.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in preparing these unaudited interim financial statements are consistent with those of the audited annual financial statements for the financial year ended 31 December 2016 except for the application of the requirements of the Companies Act 2016 and the adoption of the following amendments to Malaysian Financial Reporting Standards ("MFRSs") and annual improvements to MFRSs which are effective for annual periods beginning on or after 1 January 2017:.

- MFRS 107 *Statement of Cash Flows* - Disclosure Initiative (Amendments to MFRS 107)
- MFRS 112 *Income Taxes* - Recognition of Deferred Tax for Unrealised Losses (Amendments to MFRS 112)
- Annual Improvements to MFRSs 2014 - 2016 Cycle

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2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

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

Companies Act 2016

The unaudited interim financial statements of the Group and the Company are prepared in accordance with the requirements of the Companies Act 2016 ("New Act"), which replaced the Companies Act 1965. Amongst the key changes introduced in the New Act which affected the financial statements of the Group and of the Company upon the commencement of the New Act on 31 January 2017 are:

- (a) the removal of the authorised share capital;
- (b) the ordinary shares of the Company will cease to have par or nominal value; and
- (c) the Company's share premium will become part of the share capital.

During the financial period ended 30 June 2017, the Company has transferred RM401 million share premium and RM7.3 million capital redemption reserve to its share capital pursuant to the transition provisions set out in Section 618(2) of the New Act.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

In preparing these unaudited interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements for the financial year ended 31 December 2016.

4. AUDITOR'S REPORT ON PRECEDING AUDITED FINANCIAL STATEMENTS

The auditor's report on the audited annual financial statements for the financial year ended 31 December 2016 was not qualified.

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5. SEASONALITY OR CYCLICALITY OF OPERATIONS

The business and operation of the Group and the Company were not materially affected by any seasonal or cyclical fluctuations during the interim financial period ended 30 June 2017.

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

6. UNUSUAL ITEMS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim financial period ended 30 June 2017.

7. CHANGES IN ESTIMATES

There were no material changes in estimates for the interim financial period ended 30 June 2017.

8. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no issuance or repayment of debt and equity securities for the interim financial period ended 30 June 2017.

9. DIVIDEND

A final single tier dividend of 59.50 sen per ordinary share on 252,005,522 ordinary shares amounting to RM149,943,286 for the financial year ended 31 December 2016 was approved at the last Annual General Meeting on 4 April 2017.

10. MATERIAL EVENTS SUBSEQUENT TO END OF REPORTING PERIOD

There were no material events subsequent to the end of the period reported that require disclosure or adjustments to the unaudited interim financial statements.

11. CHANGES IN THE COMPOSITION OF THE GROUP OR THE COMPANY

There were no changes in the composition of the Group and the Company during the interim financial period ended 30 June 2017.

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12. INVESTMENTS

Group	30.6.2017	31.12.2016
	RM'000	RM'000
Malaysian government papers	1,230,453	1,380,214
Singapore government securities	272,900	137,624
Debt securities	18,199,052	17,803,249
Equity securities	2,829,194	2,728,685
Unit and property trust funds*	299,692	225,763
Structured products	492,490	384,394
Negotiable certificates of deposit ("NCD")	145,233	144,885
Negotiable Islamic certificates of deposit ("NICD")	125,703	123,182
Deposits with financial institutions	3,010,920	2,791,778
	<u>26,605,637</u>	<u>25,719,774</u>

* Included in investments in unit trust funds are investments amounting to RM152.4 million (2016: RM152.4 million) relating to unit and property trust funds managed by entities within the MBB Group.

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

	30.6.2017	31.12.2016
	RM'000	RM'000
Available-for-sale ("AFS")	9,793,483	9,334,755
Fair value through profit and loss ("FVTPL"):		
- Designated upon initial recognition	12,588,615	12,531,159
- Held for trading ("HFT")	1,212,619	1,062,082
Loan and receivables ("LAR")	3,010,920	2,791,778
	<u>26,605,637</u>	<u>25,719,774</u>

Group

The following investments mature after 12 months:

	30.6.2017	31.12.2016
	RM'000	RM'000
AFS	6,881,267	6,964,347
FVTPL		
- Designated upon initial recognition	11,828,728	11,992,590
- HFT	348,509	354,312
	<u>19,058,504</u>	<u>19,311,249</u>

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12. INVESTMENTS (CONTD.)

Group	30.6.2017 RM'000	31.12.2016 RM'000
(a) AFS		
<u>At fair value</u>		
Malaysian government papers	767,047	896,190
Singapore government securities	29,703	34,776
Debt securities:		
Quoted outside Malaysia	169,207	170,029
Unquoted in Malaysia	6,508,722	5,935,794
Unquoted outside Malaysia	32,961	32,334
Equity securities		
Quoted in Malaysia	1,766,580	1,846,009
Quoted outside Malaysia	180,093	142,686
Unit and property trust funds:		
Quoted in Malaysia	171,623	196,712
Quoted outside Malaysia	95,955	9,020
NICD	19,341	18,954
<u>At cost</u>		
Equity securities:		
Unquoted in Malaysia		
Cost	54,539	55,032
Less: Allowance for impairment losses	(2,288)	(2,781)
	52,251	52,251
Total AFS financial assets	<u>9,793,483</u>	<u>9,334,755</u>
(b) FVTPL		
(i) Designated upon initial recognition		
<u>At fair value</u>		
Malaysian government papers	384,138	417,516
Singapore government securities	243,197	102,848
Debt securities:		
Quoted outside Malaysia	355,071	213,596
Unquoted in Malaysia	10,680,672	10,943,727
Unquoted outside Malaysia	183,452	221,601
Structured products	490,490	382,758
NCD	145,233	144,885
NICD	106,362	104,228
Total financial assets designated as FVTPL upon initial recognition	<u>12,588,615</u>	<u>12,531,159</u>

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12. INVESTMENTS (CONTD.)

Group	30.6.2017	31.12.2016
	RM'000	RM'000
(b) FVTPL (contd.)		
(ii) HFT		
<u>At fair value</u>		
Malaysian government papers	79,268	66,508
Debt securities:		
Unquoted debt securities in Malaysia	268,967	286,168
Quoted equity securities in Malaysia	830,270	687,739
Unit and property trust funds:		
Quoted in Malaysia	1,744	1,674
Quoted outside Malaysia	30,370	18,357
Structured products	2,000	1,636
Total HFT financial assets	<u>1,212,619</u>	<u>1,062,082</u>
(c) LAR		
Fixed and call deposits with:		
Licensed financial institutions	2,500,179	2,389,289
Others	510,741	402,489
Total LAR financial assets	<u>3,010,920</u>	<u>2,791,778</u>

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

Included in LAR financial assets are assets amounting to RM38,000,000 (31.12.2016: RM38,000,000) which have been pledged to obtain a banking facility with MBB and an Islamic bank guarantee facilities with Maybank Islamic Berhad.

Company	30.6.2017	31.12.2016
	RM'000	RM'000
Unit and property trust funds**	102,251	102,311
Deposits with financial institutions	90,020	86,630
	<u>192,271</u>	<u>188,941</u>

** Relates to investments in unit and property trust funds managed by entities within the Maybank ("MBB") Group.

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12. INVESTMENTS (CONTD.)

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

	30.6.2017	31.12.2016
	RM'000	RM'000
Available-for-sale ("AFS")	102,251	102,311
Loan and receivables ("LAR")	90,020	86,630
	<u>192,271</u>	<u>188,941</u>
(a) AFS		
Quoted unit and property trust funds	102,251	102,311
Total AFS financial assets	<u>102,251</u>	<u>102,311</u>
(b) LAR		
Fixed and call deposits with:		
Licensed financial institutions	90,020	86,630
Total LAR financial assets	<u>90,020</u>	<u>86,630</u>

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

Fair Value of Financial Investments

An analysis of the different fair value measurement bases used in the determination of the fair values of Investments are further disclosed in Note 29 to the financial statements.

13. REINSURANCE/RETAKAFUL ASSETS

Group	30.06.2017	31.12.2016
	RM'000	RM'000
Reinsurers' share of:	3,381,245	3,409,812
Life insurance contract liabilities	31,562	28,860
General insurance contract liabilities	3,349,683	3,380,952
Retakaful operators' share of:	347,415	291,848
Family takaful certificate liabilities	68,264	49,675
General takaful certificate liabilities	279,151	242,173
Allowance for impairment losses	(2,041)	(529)
	<u>3,726,619</u>	<u>3,701,131</u>

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14. INSURANCE/TAKAFUL RECEIVABLES

Group	30.6.2017 RM'000	31.12.2016 RM'000
Due premiums including agents/brokers and co-insurers/co-takaful balances	462,361	404,349
Due from reinsurers/retakaful operators and cedants	56,601	53,592
	<u>518,962</u>	<u>457,941</u>
Allowance for impairment losses (Note 30)	(19,240)	(20,417)
	<u>499,722</u>	<u>437,524</u>

The carrying amounts are reasonable approximations of fair values at the reporting date due to the relatively short-term maturity of these balances.

15. OTHER RECEIVABLES

Group	30.6.2017 RM'000	31.12.2016 RM'000
Sundry receivables, deposits and prepayments	38,104	27,707
Allowance for impairment losses (Note 30)	(2,952)	(1,899)
	<u>35,152</u>	<u>25,808</u>
Income and profits due and accrued	133,322	134,537
Allowance for impairment losses (Note 30)	(139)	(209)
	<u>133,183</u>	<u>134,328</u>
Investment profit receivable	134,952	134,864
Management fees	421	148
Amount due from:*		
- Ultimate holding company	189	612
- Other related companies within the MBB Group	10,052	342
Amount due from stockbrokers	18,449	2,256
Share of net assets in Malaysian Motor Insurance Pool ("MMIP")	59,227	61,669
	<u>223,290</u>	<u>199,891</u>
TOTAL RECEIVABLES	<u>391,625</u>	<u>360,027</u>

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15. OTHER RECEIVABLES (CONTD.)

Company	30.6.2017 RM'000	31.12.2016 RM'000
Sundry receivables, deposits and prepayments	9	10
Income and profits due and accrued	474	314
Dividend receivable	169,999	920
Amount due from:*		
- Subsidiaries/associates within the Maybank Ageas Holdings Berhad ("MAHB") Group	8,254	10,330
	<u>178,736</u>	<u>11,574</u>
Allowance for impairment losses (Note 30)	(7,161)	(7,161)
	<u>171,575</u>	<u>4,413</u>

* Amounts due from related companies are non-trade in nature, unsecured, interest-free and repayable on demand.

The carrying amounts (other than prepayments) are reasonable approximations of fair values due to the relatively short-term maturity of these balances.

16. OTHER RESERVES

<u>Group</u>	Revaluation reserve RM'000	Currency translation reserve RM'000	Capital redemption reserve RM'000	Total RM'000
<u>30.6.2017</u>				
At beginning of the period	11,648	61,378	7,300	80,326
Other comprehensive income	-	549	-	549
Transferred from revaluation reserve upon disposal	(233)	-	-	(233)
Transferred to share capital	-	-	(7,300)	(7,300)
At end of the period	<u>11,415</u>	<u>61,927</u>	<u>-</u>	<u>73,342</u>
<u>31.12.2016</u>				
At beginning of the year	11,648	67,798	7,300	86,746
Other comprehensive loss	-	(6,420)	-	(6,420)
At end of the year	<u>11,648</u>	<u>61,378</u>	<u>7,300</u>	<u>80,326</u>

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16. OTHER RESERVES (CONTD.)

<u>Company</u>	Capital redemption reserve RM'000
<u>30.6.2017</u>	
At beginning of the period	7,300
Transferred to share capital	(7,300)
At end of the period	<u>-</u>
<u>31.12.2016</u>	
At beginning/end of the year	<u>7,300</u>

The revaluation reserve of the Group represents the difference between the carrying amount of properties previously classified as self-occupied and transferred to investment properties upon the end of owner occupation and its fair value at the date of change in use.

The currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of the Group.

The capital redemption reserve of the Group and the Company arose from the redemption of the Redeemable Convertible Preference Shares ("RCPS") of which such shares are redeemed out of retained profits in accordance with Section 61(5) of the Companies Act, 1965.

During the financial period ended 30 June 2017, the Company has transferred RM7.3 million capital redemption reserve to its share capital pursuant to the transition provisions set out in Section 618(2) of the Companies Act 2016. (Note 2)

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17. INSURANCE/TAKAFUL CONTRACT LIABILITIES

Group	30.6.2017			31.12.2016		
	Gross RM'000	Reinsurance RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000
Life insurance/family takaful (Note A)	18,208,973	(99,826)	18,109,147	17,547,047	(78,535)	17,468,512
General insurance/takaful (Note B)	5,894,168	(3,628,835)	2,265,333	5,874,241	(3,623,125)	2,251,116
	24,103,141	(3,728,661)	20,374,480	23,421,288	(3,701,660)	19,719,628

(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

	30.6.2017			31.12.2016		
	Gross RM'000	Reinsurance RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000
Claim liabilities	225,681	(13,719)	211,962	216,303	(13,801)	202,502
Actuarial liabilities	12,928,867	(86,107)	12,842,760	12,546,078	(64,734)	12,481,344
DPF's unallocated surplus	3,770,541	-	3,770,541	3,552,592	-	3,552,592
DPF's AFS reserves	252	-	252	55,985	-	55,985
Net asset value ("NAV") attributable to unitholders	1,283,632	-	1,283,632	1,176,089	-	1,176,089
	18,208,973	(99,826)	18,109,147	17,547,047	(78,535)	17,468,512

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17. INSURANCE/TAKAFUL CONTRACT LIABILITIES (CONTD.)

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

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

	Claim liabilities	Actuarial liabilities	DPF's Unallocated Surplus	DPF's AFS reserve	NAV attributable to unitholders	Gross Total liabilities	Reinsurance assets	Net Total liabilities
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30.6.2017								
At 1 January 2017	216,303	12,546,078	3,552,592	55,985	1,176,089	17,547,047	(78,535)	17,468,512
Net earned premiums	-	264,796	517,388	-	204,880	987,064	(28,623)	958,441
Other revenue	-	-	215,659	-	84,385	300,044	-	300,044
Experience/benefit variation	328	-	-	-	-	328	16,910	17,238
Net benefits and claims	9,050	(396,107)	(255,583)	-	(174,128)	(816,768)	11,795	(804,973)
Other expenses	-	-	(74,975)	-	(217)	(75,192)	-	(75,192)
Change in reserves :								
- Discounting	-	68,976	(15,351)	-	-	53,625	(258)	53,367
- Assumptions	-	12,544	(21,122)	-	-	(8,578)	1,323	(7,255)
- Policy Movements	-	382,717	(122,735)	-	(791)	259,191	(22,420)	236,771
Exchange differences	-	49,863	74	(6)	-	49,931	(18)	49,913
Changes in AFS reserves	-	-	-	(57,817)	-	(57,817)	-	(57,817)
Taxation	-	-	(10,319)	2,090	(6,586)	(14,815)	-	(14,815)
Transfer to shareholders' funds	-	-	(2,669)	-	-	(2,669)	-	(2,669)
Hibah paid to participants	-	-	(12,418)	-	-	(12,418)	-	(12,418)
At 30 June 2017	225,681	12,928,867	3,770,541	252	1,283,632	18,208,973	(99,826)	18,109,147

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17. INSURANCE/TAKAFUL CONTRACT LIABILITIES (CONTD.)

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

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

	Claim liabilities	Actuarial liabilities	DPF's Unallocated Surplus	DPF's AFS reserve	NAV attributable to unitholders	Gross Total liabilities	Reinsurance assets	Net Total liabilities
31.12.2016	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2016	184,793	12,063,902	3,154,856	93,881	1,733,328	17,230,760	(59,210)	17,171,550
Net earned premiums	-	327,235	1,962,738	-	259,135	2,549,108	(52,658)	2,496,450
Other revenue	-	-	764,539	-	18,602	783,141	-	783,141
Experience/benefit variation	2,805	-	(475,591)	-	(824,465)	(1,297,251)	28,064	(1,269,187)
Net benefits and claims	31,309	-	(878,534)	-	(8,947)	(856,172)	23,322	(832,850)
Other expenses	-	-	(289,874)	-	(360)	(290,234)	-	(290,234)
Change in reserves:						-		
- Discounting	-	(3,999)	(5,184)	-	-	(9,183)	238	(8,945)
- Assumptions	-	(6,129)	(5,029)	-	-	(11,158)	(126)	(11,284)
- Policy Movements	-	151,316	(552,236)	-	-	(400,920)	(18,077)	(418,997)
Exchange differences	(2,604)	13,753	34	36	60	11,279	(88)	11,191
Changes in AFS reserves	-	-	-	(40,009)	-	(40,009)	-	(40,009)
Taxation	-	-	(10,432)	2,077	(1,264)	(9,619)	-	(9,619)
Transfer to shareholders' funds	-	-	(92,789)	-	-	(92,789)	-	(92,789)
Hibah paid to participants	-	-	(19,906)	-	-	(19,906)	-	(19,906)
At 31 December 2016	216,303	12,546,078	3,552,592	55,985	1,176,089	17,547,047	(78,535)	17,468,512

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17. INSURANCE/TAKAFUL CONTRACT LIABILITIES (CONTD.)

(B) General/General takaful insurance

	<u>30.6.2017</u>			<u>31.12.2016</u>		
	Gross RM'000	Reinsurance RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000
Claim liabilities (i)	4,474,167	(3,211,024)	1,263,143	4,598,159	(3,317,013)	1,281,146
Premiums/contribution liabilities (ii)	1,247,759	(417,811)	829,948	1,120,761	(306,112)	814,649
Unallocated surplus of general takaful fund	183,133	-	183,133	175,393	-	175,393
AFS reserves	(10,891)	-	(10,891)	(20,072)	-	(20,072)
	5,894,168	(3,628,835)	2,265,333	5,874,241	(3,623,125)	2,251,116
(i) Claims liabilities						
At 1 January 2017/2016	4,598,159	(3,317,013)	1,281,146	4,437,167	(3,106,477)	1,330,690
Claims incurred in the current accident year	716,938	(224,931)	492,007	1,371,658	(370,895)	1,000,763
Movements in claims incurred in prior accident years	(25,352)	(11,912)	(37,264)	594,077	(636,309)	(42,232)
Claims paid during the year	(685,532)	218,816	(466,716)	(1,582,546)	683,451	(899,095)
Movements in Unallocated Loss Adjustment						
Expenses ("ULAE")	(1,049)	-	(1,049)	(675)	-	(675)
Movements in PRAD	(130,076)	124,322	(5,754)	(225,495)	114,609	(110,886)
Exchange differences	1,079	(306)	773	3,973	(1,392)	2,581
At 30 June 2017/31 December 2016	4,474,167	(3,211,024)	1,263,143	4,598,159	(3,317,013)	1,281,146
(ii) Premium/contribution liabilities						
At 1 January 2017/2016	1,120,761	(306,112)	814,649	1,273,380	(401,104)	872,276
Premiums/contributions written in the year	1,387,067	(408,718)	978,349	2,635,397	(1,013,174)	1,622,223
Premiums/contributions earned during the year	(1,260,722)	297,245	(963,477)	(2,790,380)	1,109,102	(1,681,278)
Exchange differences	653	(226)	427	2,364	(936)	1,428
At 30 June 2017/31 December 2016	1,247,759	(417,811)	829,948	1,120,761	(306,112)	814,649

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18. EXPENSE LIABILITIES

Group	30.6.2017	31.12.2016
	RM'000	RM'000
UWF of general takaful fund	143,479	135,813
UER of family takaful fund	412,597	390,775
Expense overrun of Life fund	-	390
	<u>556,076</u>	<u>526,978</u>

	General takaful fund RM'000	Family takaful fund RM'000	Life fund RM'000	Total RM'000
30.6.2017				
At beginning of the period	135,813	390,775	390	526,978
Wakalah fee received during the year	177,116	-	-	177,116
Wakalah fee earned during the year	(169,450)	-	-	(169,450)
Movement in UWF	7,666	-	-	7,666
Movement in UER	-	21,822	-	21,822
Movement in expense overrun	-	-	(390)	(390)
At end of the period	<u>143,479</u>	<u>412,597</u>	<u>-</u>	<u>556,076</u>

31.12.2016

At beginning of the year	116,199	354,332	-	470,531
Wakalah fee received during the year	351,836	-	-	351,836
Wakalah fee earned during the year	(332,222)	-	-	(332,222)
Movement in UWF	19,614	-	-	19,614
Movement in UER	-	36,443	-	36,443
Movement in expense overrun	-	-	390	390
At end of the year	<u>135,813</u>	<u>390,775</u>	<u>390</u>	<u>526,978</u>

19. INSURANCE/TAKAFUL PAYABLES

Group	30.6.2017	31.12.2016
	RM'000	RM'000
Due to agents and intermediaries	127,256	121,597
Due to reinsurers and cedants	285,404	239,902
Due to retakaful operators	70,546	53,242
	<u>483,206</u>	<u>414,741</u>

The carrying amounts are reasonable approximations of fair values due to the relatively short-term maturity of these balances.

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20. NET EARNED PREMIUMS/CONTRIBUTIONS

Group	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000
(a) Gross earned premiums/contributions		
Life insurance contracts	952,378	703,749
General insurance contracts	532,081	888,868
Family takaful contracts	654,739	618,578
General takaful contracts	629,348	600,112
Gross premiums/contributions	<u>2,768,546</u>	<u>2,811,307</u>
Change in premium/contribution liabilities	77,360	(14,253)
Gross earned premiums/contributions	<u>2,845,906</u>	<u>2,797,054</u>
(b) Earned premiums/contributions ceded to reinsurers/retakaful operators		
Life insurance contracts	(11,309)	(10,966)
General insurance contracts	(260,685)	(557,370)
Family takaful contracts	(28,623)	(26,255)
General takaful contracts	(71,921)	(49,827)
Premium/contribution ceded to reinsurers/retakaful operators	<u>(372,538)</u>	<u>(644,418)</u>
Change in premium/contribution liabilities	(86,642)	(9,711)
Earned premium/contribution ceded to reinsurers/retakaful operators	<u>(459,180)</u>	<u>(654,129)</u>
Net earned premiums/contributions	<u>2,386,726</u>	<u>2,142,925</u>

21. FEE AND COMMISSION INCOME

Group	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000
Profit commission	2,676	-
Reinsurance/retakaful commission income	52,297	55,990
Others	272	153
Fee and commission income related to insurance/takaful contracts	<u>55,245</u>	<u>56,143</u>

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22. INVESTMENT INCOME

	Group		Company	
	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000
AFS financial assets				
Interest/profit income	192,468	157,337	-	-
Dividend/distribution income				
(i) Equity securities:				
- quoted in Malaysia	24,236	16,295	-	6
- quoted outside Malaysia	3,547	1,312	-	-
- unit and property trusts	2,471	3,047	924	1,013
(ii) From subsidiaries	-	-	169,999	200,079
Financial assets at FVTPL				
(i) Designated upon initial recognition				
Interest/profit income	318,560	277,243	-	-
(ii) HFT				
Interest/profit income	8,320	7,585	-	-
Dividend/distribution income				
- equity securities quoted in Malaysia	9,780	8,069	-	-
- unit and property trusts	67	138	-	-
LAR				
Interest/profit income	47,831	63,766	1,692	2,992
Interest/profit income from financing receivables and other loans	9,992	9,669	13	19
Rental income	17,211	19,433	-	-
Rental expense	(7,546)	(8,539)	-	-
Net amortisation of premiums	(8,753)	(15,254)	-	-
Other investment income	3,221	1,755	50	50
Investment related expenses	(4,019)	(2,422)	-	-
	<u>617,386</u>	<u>539,434</u>	<u>172,678</u>	<u>204,159</u>

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23. OTHER OPERATING INCOME/(EXPENSES), NET

	Group		Company	
	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000
<u>Other income</u>				
Gain on foreign exchange				
- realised	2,391	338	-	-
- unrealised	613	894	-	-
Processing income	24	18	-	-
Reversal of impairment losses on:				
- financing receivables	3	1	-	-
- insurance receivables	2,396	2,749	-	-
- reinsurance assets	-	1,418	-	-
- other receivables	71	70	-	-
Surrender charges	17	16	-	-
Sundry income	5,708	5,018	76	41
	<u>11,223</u>	<u>10,522</u>	<u>76</u>	<u>41</u>
<u>Other expenses</u>				
Bad debts written off	(1,075)	(360)	-	-
Impairment losses on:				
- financing receivables	(1,662)	(280)	-	-
- insurance receivables	(1,213)	(1,431)	-	-
- reinsurance assets	(1,512)	(133)	-	-
- AFS debt securities	(7,690)	(35,272)	-	-
- other receivables	(1,048)	(109)	-	-
Losses on foreign exchange				
- realised	(5,775)	(12,130)	-	(32)
- unrealised	(28,027)	(20,336)	-	-
Sundry expenditure	(886)	(482)	-	-
	<u>(48,888)</u>	<u>(70,533)</u>	<u>-</u>	<u>(32)</u>
TOTAL OTHER OPERATING (EXPENSES)/INCOME, NET	<u>(37,665)</u>	<u>(60,011)</u>	<u>76</u>	<u>9</u>

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24. NET BENEFITS AND CLAIMS

Group	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000
(a) Gross Benefits and Claims Paid		
Life insurance	(779,195)	(910,675)
General insurance	(303,151)	(411,670)
Family takaful	(390,411)	(396,002)
General takaful	(382,381)	(297,786)
	<u>(1,855,138)</u>	<u>(2,016,133)</u>
(b) Claims Ceded to Reinsurers/Retakaful		
Life insurance	4,425	11,771
General insurance	160,582	251,243
Family takaful	11,713	10,472
General takaful	58,234	14,465
	<u>234,954</u>	<u>287,951</u>
(c) Gross Change in Contract/Certificate Liabilities		
Life insurance	(278,864)	99,198
General insurance	166,356	(695,507)
Family takaful	(399,287)	(375,610)
General takaful	(82,230)	(87,396)
	<u>(594,025)</u>	<u>(1,059,315)</u>
(d) Change in Contract/Certificate Liabilities Ceded to Reinsurers/Retakaful		
Life insurance	(84)	1,157
General insurance	(133,967)	699,439
Family takaful	18,589	8,093
General takaful	27,673	(13,404)
	<u>(87,789)</u>	<u>695,285</u>

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25. MANAGEMENT EXPENSES

	Group		Company	
	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000
Employee benefits expense (a)	181,955	183,103	8,600	4,850
Directors' remuneration (Note 25)	2,201	2,032	258	276
Shariah Committee's remuneration (Note 26)	112	110	-	-
Auditors' remuneration:				
- statutory audits	884	988	38	33
- other services	203	204	6	6
Amortisation of intangible assets	4,499	3,425	-	-
Amortisation of prepaid land lease payments	152	152	-	-
Auto assist service	6,068	3,571	-	-
Assured medical fees	1,926	1,338	-	-
Bank charges	11,830	14,063	2	1
Depreciation of property, plant and equipment	6,875	6,837	-	-
Other management fees	9,847	11,186	51	(51)
Professional fees	4,050	4,250	5	-
Rental of offices/premises	5,640	5,021	51	61
Office facilities expenses	4,921	1,838	1,777	-
Electronic data processing expenses	8,569	8,969	-	-
Outsourcing services	1,707	1,003	55	126
Maybank Shared Service	9,580	12,357	51	242
Postage and stamp duties	3,495	2,840	-	-
Printing and stationery	2,902	3,866	14	15
Promotional and marketing cost	28,042	24,480	-	-
Training expenses	3,846	1,571	17	16
Utilities, assessment and maintenance	5,490	5,363	121	136
Entertainment	697	629	2	3
Travelling expenses	2,258	2,010	38	85
Legal fees	697	890	1	-
Other expenses	33,171	26,905	9	43
TOTAL MANAGEMENT EXPENSES	341,617	329,001	11,096	5,842

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25. MANAGEMENT EXPENSES (CONTD.)

	Group		Company	
	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000
(a) Employee Benefits Expense:				
Wages, salaries and bonuses	138,522	134,177	6,708	3,753
EPF, CPF and TAP	20,082	20,022	769	409
SOCSSO	789	643	11	7
Share based compensation	888	1,554	273	266
Other benefits	21,674	26,706	839	415
	<u>181,955</u>	<u>183,103</u>	<u>8,600</u>	<u>4,850</u>

(b) The details of remuneration receivable by the CEO during the year are as follows:

	Company	
	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000
Salary and allowances	642	462
Directors fees	70	97
Bonus	840	385
EPF and Pension Scheme	237	136
Share based compensation	687	165
Other emoluments	8	23
	<u>2,484</u>	<u>1,268</u>

26. DIRECTORS' REMUNERATION

	Group		Company	
	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000
Executive directors:				
Fees	232	168	58	57
Other emoluments	25	20	3	2
	<u>257</u>	<u>188</u>	<u>61</u>	<u>59</u>
Non-executive directors:				
Fees	1,698	1,612	165	194
Other emoluments	246	232	32	23
	<u>1,944</u>	<u>1,844</u>	<u>197</u>	<u>217</u>
	<u>2,201</u>	<u>2,032</u>	<u>258</u>	<u>276</u>

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26. DIRECTORS' REMUNERATION (CONTD.)

The total remuneration of the directors of the Group are as follows:

	←----- Company -----→			----- Subsidiaries -----			Group Grand Total RM'000
	Fees RM'000	Other emoluments RM'000	Total RM'000	Fees RM'000	Other emoluments RM'000	Total RM'000	
1.1.2016 to 30.6.2017							
Executive director(s):							
Datuk Abdul Farid Alias	58	3	61	14	2	16	77
Puan Nora Abdul Manaf	-	-	-	58	4	62	62
Encik Kamaludin bin Ahmad	-	-	-	102	16	118	118
	<u>58</u>	<u>3</u>	<u>61</u>	<u>174</u>	<u>22</u>	<u>196</u>	<u>257</u>
Non-executive directors:							
Mr. Koh Heng Kong	27	11	38	128	18	146	184
Mr. Loh Lee Soon	41	16	57	129	13	142	199
Datuk R Karunakaran	58	3	61	158	8	166	227
Encik Kamaludin bin Ahmad	-	-	-	12	1	13	13
Y Bhg Tan Sri Dato' Megat Zaharuddin	39	2	41	-	-	-	41
Y Bhg Dato' Mohd Salleh Hj Harun	-	-	-	77	9	86	86
Y Bhg Dato' Johan Ariffin	-	-	-	72	9	81	81
Mr. Philippe Pol Arthur Latour	-	-	-	129	8	137	137
Wong Pakshong Kat Jeong Colin Steward	-	-	-	100	25	125	125
Encik Zainal Abidin Jamal	-	-	-	72	9	81	81
Mr. Frank Van Kempen	-	-	-	289	55	344	344
Dr. Ismail Mohd @ Abu Hassan	-	-	-	58	4	62	62
Encik Sulaiman Salleh	-	-	-	18	1	19	19
Datuk Lim Hong Tat	-	-	-	121	25	146	146
Mr Hj Sallim Bin Abdul Kadir	-	-	-	100	25	125	125
Y Bhg Dato' Mohamed Rafique Merican	-	-	-	70	4	74	74
	<u>165</u>	<u>32</u>	<u>197</u>	<u>1,533</u>	<u>214</u>	<u>1,747</u>	<u>1,944</u>
	<u>223</u>	<u>35</u>	<u>258</u>	<u>1,707</u>	<u>236</u>	<u>1,943</u>	<u>2,201</u>

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26. DIRECTORS' REMUNERATION (CONTD.)

The total remuneration of the directors of the Group are as follows:

	Company			Subsidiaries			Group Grand Total RM'000
	Fees RM'000	Other emoluments RM'000	Total RM'000	Fees RM'000	Other emoluments RM'000	Total RM'000	
1.1.2016 to 30.6.2016							
Executive director(s):							
Datuk Abdul Farid Alias	57	2	59	14	2	16	75
Encik Kamaludin bin Ahmad	-	-	-	97	16	113	113
	<u>57</u>	<u>2</u>	<u>59</u>	<u>111</u>	<u>18</u>	<u>129</u>	<u>188</u>
Non-executive directors:							
Mr. Koh Heng Kong	22	10	32	128	19	147	179
Mr. Loh Lee Soon	26	10	36	127	16	143	179
Datuk R Karunakaran	39	1	40	125	9	134	174
Encik Sulaiman Salleh	-	-	-	17	1	18	18
Mr. Gary Lee Crist	-	(1)	(1)	115	8	123	122
Y Bhg Dato' Mohamed Rafique Merican	-	-	-	2	-	2	2
Y Bhg Dato' Mohd Salleh Hj Harun	35	1	36	118	8	126	162
Y Bhg Dato' Johan Ariffin	19	1	20	91	9	100	120
Encik Zainal Abidin Jamal	-	-	-	91	11	102	102
Mr. Frank Van Kempen	-	-	-	264	47	311	311
Dr. Ismail Mohd @ Abu Hassan	-	-	-	57	5	62	62
Datuk Lim Hong Tat	-	-	-	95	27	122	122
Tan Sri Dato' Megat Zaharuddin							
Megat Mohd Nor	53	1	54	-	-	-	54
Dato' Mohamed Rafique Merican							
Bin Mohd Wahiduddin Merican	-	-	-	10	1	11	11
Mr Hj Sallim Bin Abdul Kadir	-	-	-	82	24	106	106
Wong Pakshong Kat Jeong Colin Steward	-	-	-	96	24	120	120
	<u>194</u>	<u>23</u>	<u>217</u>	<u>1,418</u>	<u>209</u>	<u>1,627</u>	<u>1,844</u>
	<u>251</u>	<u>25</u>	<u>276</u>	<u>1,529</u>	<u>227</u>	<u>1,756</u>	<u>2,032</u>

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27. SHARIAH COMMITTEE'S REMUNERATION

	Group	
	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000
Fees	84	85
Other emoluments	28	25
	112	110

The total remuneration of the Shariah Committee of the takaful subsidiary are as follows:

	1.1.2017 to 30.6.2017			1.1.2016 to 30.6.2016		
	Fees	Other	Total	Fees	Other	Total
	RM'000	emoluments	RM'000	RM'000	emoluments	RM'000
		RM'000			RM'000	
Shariah committee:						
Dr. Ahcene Lahsasna	18	6	24	17	5	22
Dr. Ismail Bin Mohd @ Abu Hassan	18	6	24	17	5	22
Dr. Mohammad Deen Bin Mohd Napiah	18	6	24	17	5	22
Dr. Sarip Bin Adul	18	6	24	17	5	22
Dr. Rusni Hassan	6	2	8	-	-	-
Prof Abdul Rahim Abdul Rahman	6	2	8	-	-	-
Ahmad Jailani Bin Abdul Ghani	-	-	-	17	5	22
	84	28	112	85	25	110

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28. OPERATING LEASE COMMITMENTS

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

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

	30.6.2017	31.12.2016
	RM'000	RM'000
Group		
Within 1 year	4,828	8,450
After 1 year but not more than 5 years	10,043	9,558
	<u>14,871</u>	<u>18,008</u>

Rental expenses recognised in income statement during the financial year is disclosed in Note 24.

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

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

	30.6.2017	31.12.2016
	RM'000	RM'000
Group		
Not later than 1 year	26,031	27,856
Later than 1 year but not later than 5 years	14,942	15,163
	<u>40,973</u>	<u>43,019</u>

Rental income on investment properties recognised in income statement during the financial year is disclosed in Note 22.

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29. OTHER COMMITMENTS AND CONTINGENCIES

Group	30.6.2017 RM'000	31.12.2016 RM'000
Approved and contracted for:		
Property, plant and equipment	5,779	4,967
Investment property		
Investment Properties Under Contructions ("IPUC")	160,356	207,107
Intangible assets	12,998	11,028
	<u>179,133</u>	<u>223,102</u>
Approved and not contracted for:		
Investment property - IPUC	11,519	12,477
Intangible assets	3,868	3,600
	<u>15,387</u>	<u>16,077</u>

30. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

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

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

- **Level 1 : Active Market – quoted price**
 Refers to financial instruments which are regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. Such financial instruments include actively traded government securities, listed derivatives and cash products traded on an exchange.
- **Level 2 : No Active Market – Valuation techniques using observable inputs**
 Refers to inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

 Examples of level 2 financial instruments include corporate and other government bonds, less liquid equities, and OTC derivatives.
- **Level 3 : No Active Market – Valuation techniques using unobservable inputs**
 Refers to financial instruments where fair values are measured using unobservable market inputs. The valuation technique is consistent with level 2. The chosen valuation technique incorporates management's assumptions and data.

 Examples of level 3 instruments include corporate bonds in illiquid markets, private equity investments and investment properties.

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30. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTD.)

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

Group	Valuation technique using :			Total RM'000
	Level 1	Level 2	Level 3	
	Quoted market prices RM'000	Using observable inputs RM'000	Using significant unobservable inputs RM'000	
<u>30.6.2017</u>				
<u>Assets</u>				
Investment properties	-	-	677,289	677,289
AFS financial investments				
Equity securities	1,946,673	-	-	1,946,673
Malaysian government papers	-	767,047	-	767,047
Singapore government securities	-	29,703	-	29,703
Other debt securities, structured products, NCDs and NICDs	169,207	6,561,024	-	6,730,231
Unit and property trust funds	267,578	-	-	267,578
Financial investments at FVTPL				
(i) Designated upon initial recognition				
Malaysian government papers	-	384,138	-	384,138
Singapore government securities	-	243,197	-	243,197
Other debt securities, structured products, NCDs and NICDs	355,071	11,606,209	-	11,961,280
(ii) Held-for-trading (HFT)				
Equity securities	830,270	-	-	830,270
Malaysian government papers	-	79,268	-	79,268
Other debt securities, structured products and NCDs	-	270,967	-	270,967
Unit and property trust funds	32,114	-	-	32,114
Derivative assets	4,302	5,230	-	9,532
Total assets	3,605,215	19,946,783	677,289	24,229,287
<u>Liabilities</u>				
Derivative liabilities	-	(47,441)	-	(47,441)
Total liabilities	-	(47,441)	-	(47,441)

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30. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTD.)

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

Group	Valuation technique using :			Total RM'000
	Level 1	Level 2	Level 3	
	Quoted market prices RM'000	Using observable inputs RM'000	Using significant unobservable inputs RM'000	
<u>31.12.2016</u>				
<u>Assets</u>				
Investment properties	-	-	678,179	678,179
AFS financial investments				
Equity securities	1,988,695	-	-	1,988,695
Malaysian government papers	-	896,190	-	896,190
Singapore government securities	-	34,776	-	34,776
Other debt securities, structured products				
NCDs and NICDs	170,027	5,878,317	108,767	6,157,111
Unit and property trust funds	205,732	-	-	205,732
Financial investments at FVTPL				
(i) Designated upon initial recognition				
Malaysian government papers	-	417,516	-	417,516
Singapore government securities	-	102,848	-	102,848
Other debt securities, structured products				
NCDs and NICDs	213,593	11,716,389	80,813	12,010,795
(ii) Held-for-trading (HFT)				
Equity securities	687,739	-	-	687,739
Malaysian government papers	-	66,508	-	66,508
Other debt securities, structured products and NCDs	-	287,804	-	287,804
Unit and property trust funds	20,031	-	-	20,031
Derivative assets	-	56	-	56
Total assets	3,285,817	19,400,404	189,580	23,553,980
<u>Liabilities</u>				
Derivative liabilities	-	(64,204)	-	(64,204)
Total liabilities	-	(64,204)	-	(64,204)

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30. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTD.)

(a) Fair Value Disclosures Based on 3-Level Hierarchy (cont'd.)

Group

Unquoted equities securities of RM52,251,154 (2016: RM52,251,154) as disclosed in Note 11 and IPUC of RM106,871,442 (2016: RM76,691,493) are not included in the above analysis as they are carried at cost less impairment.

Company	Valuation technique using :			Total RM'000
	Level 1	Level 2	Level 3	
	Quoted market prices RM'000	Using observable inputs RM'000	Using significant unobservable inputs RM'000	
<u>30.6.2017</u>				
<u>Assets</u>				
AFS financial investments				
Unit and property trust funds	102,251	-	-	102,251
Total assets	102,251	-	-	102,251
<u>31.12.2016</u>				
<u>Assets</u>				
AFS financial investments				
Unit and property trust funds	102,311	-	-	102,311
Total assets	102,311	-	-	102,311

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

Assets and liabilities of the Group and the Company are recognised in the financial statements on a recurring basis. The Group and the Company determine whether transfers have occurred between fair value hierarchy levels by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There were no transfer between Level 1 and Level 2 for the Group and the Company during the financial period ended 30 June 2017.

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30. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTD.)

(c) Reconciliation of level 3 fair value hierarchy

Group

30.6.2017

	Financial instruments measured at fair value			Total RM'000
	AFS RM'000	Designated at FVTPL RM'000	Investment Properties RM'000	
As at 1 January 2017	108,766	80,814	678,179	867,759
Recognised in income statement:				
Realised loss	4,761	3,540	-	8,301
Fair value gain	-	(21,753)	-	(21,753)
Recognised in other comprehensive income as fair value gain	(29,278)	-	-	(29,278)
Purchases	-	-	-	-
Disposal	(84,249)	(62,601)	(890)	(146,850)
As at 30 June 2017	-	(0)	677,289	678,179
Total gains or losses recognised in income statement for financial instruments measured at fair value at the end of the reporting period	4,761	(18,213)	-	(13,452)
Total gains or losses recognised in other comprehensive income for financial instruments measured at fair value at the end of the reporting period	(29,278)	-	-	(29,278)

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30. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTD.)

(c) Reconciliation of level 3 fair value hierarchy (cont'd.)

Group

31.12.2016

	Financial instruments measured at fair value			
	AFS RM'000	Designated at FVTPL RM'000	Investment Properties RM'000	Total RM'000
As at 1 January 2016	109,628	81,455	669,255	860,338
Recognised in income statement:				
Realised loss	502	372	-	874
Fair value gain	-	426	8,924	9,350
Recognised in other comprehensive income as fair value gain	572	-	-	572
Disposal	(1,936)	(1,439)	-	(3,375)
Transfer into Level 3	-	-	-	-
As at 31 December 2016	<u>108,766</u>	<u>80,814</u>	<u>678,179</u>	<u>867,759</u>
Total gains or losses recognised in income statement for financial instruments measured at fair value at the end of the reporting period	<u>502</u>	<u>798</u>	<u>8,924</u>	<u>10,224</u>
Total gains or losses recognised in other comprehensive income for financial instruments measured at fair value at the end of the reporting period	<u>572</u>	<u>-</u>	<u>-</u>	<u>572</u>

(d) Sensitivity of fair value measurements to changes in unobservable input assumptions

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

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

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31. MOVEMENT IN ALLOWANCES FOR IMPAIRMENT LOSSES

Group

30.6.2017

Individual allowance

	Financing receivables RM'000	Reinsurance assets RM'000	Insurance receivables RM'000	Other receivables RM'000	Total RM'000
At 1 January 2017	5,609	529	15,122	2,108	23,368
Impairment/(reversal of impairment losses) during the period	1,659	1,512	(3,279)	977	869
Exchange differences	-	-	6	6	12
At 30 June 2017	<u>7,268</u>	<u>2,041</u>	<u>11,849</u>	<u>3,091</u>	<u>24,249</u>

Collective allowance

At 1 January 2017	-	-	5,295	-	5,295
Impairment losses during the period	-	-	2,128	-	2,128
Amount written off	-	-	(31)	-	(31)
Exchange differences	-	-	(2)	-	(2)
At 30 June 2017	<u>-</u>	<u>-</u>	<u>7,391</u>	<u>-</u>	<u>7,391</u>

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31. MOVEMENT IN ALLOWANCES FOR IMPAIRMENT LOSSES (CONTD.)

Group

<u>31.12.2016</u>	Financing receivables RM'000	Reinsurance assets RM'000	Insurance receivables RM'000	Other receivables RM'000	Total RM'000
<u>Individual allowance</u>					
At 1 January 2016	9,579	5,963	20,428	2,240	38,210
(Reversal of impairment losses)/impairment losses during the year	(771)	(5,434)	914	(132)	(5,423)
Amount written off	(3,199)	-	(6,236)	-	(9,435)
Exchange differences	-	-	16	-	16
At 31 December 2016	<u>5,609</u>	<u>529</u>	<u>15,122</u>	<u>2,108</u>	<u>23,368</u>
<u>Collective allowance</u>					
At 1 January 2016	-	-	24,022	24	24,046
Reversal of impairment losses during the year	-	-	(18,751)	(24)	(18,775)
Exchange differences	-	-	24	-	24
At 31 December 2016	<u>-</u>	<u>-</u>	<u>5,295</u>	<u>-</u>	<u>5,295</u>

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MAYBANK AGEAS HOLDINGS BERHAD
(Incorporated in Malaysia)

31. MOVEMENT IN ALLOWANCES FOR IMPAIRMENT LOSSES (CONTD.)

Company

30.6.2017

Individual allowance

At beginning/end of period

Financing receivables RM'000	Other receivables RM'000	Total RM'000
1	7,161	7,162

31.12.2016

Individual allowance

At beginning/end of period

Financing receivables RM'000	Other receivables RM'000	Total RM'000
1	7,161	7,162

MAYBANK AGEAS HOLDINGS BERHAD
(Incorporated in Malaysia)

32. SIGNIFICANT RELATED PARTY DISCLOSURES

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

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

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

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

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

	Group		Company	
	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000
<u>Income/(expenses):</u>				
Ultimate holding company:				
Gross premium/contribution income	14,313	14,608	-	-
Commission and fee expenses	(73,671)	(60,207)	-	-
Claims paid	(613)	(5,529)	-	-
IT services	-	-	-	-
Interest/profit income	7,325	11,086	157	385
Rental income	1,660	1,904	-	-
Other expenses	(1,523)	(972)	(2)	(1)
Net hedging income	163	434	-	-

MAYBANK AGEAS HOLDINGS BERHAD
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32. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)

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

	Group		Company	
	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000
<u>Income/(expenses):</u>				
Fellow subsidiaries/associates within the MAHB Group:				
Gross dividend income	-	-	169,999	200,079
Reimbursement of shared services	-	-	9,714	3,847
Rental expense	-	-	(51)	(61)
Other related companies within the MBB Group:				
Gross premium/contribution income	2,765	4,195	-	-
Commission and fee income	22	22	-	-
Dividend income	1,640	1,976	924	1,029
Other investment income	66	64	51	51
Management fee	42	42	-	-
Maybank shared services				
- Information Technology	(9,529)	(8,267)	-	-
Interest/profit income	13,576	17,573	373	1,283
Rental income (net)	6,928	7,147	-	-
Investment advisory fee	(93)	-	-	-
Other income/(expenses),net	249	(96)	-	-
Shareholders of MAHB:				
Dividend paid	(149,944)	(250,241)	(149,944)	(250,241)
Reimbursement of expenses	(946)	-	-	-
Other expenses	-	-	-	-

MAYBANK AGEAS HOLDINGS BERHAD
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32. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)

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

	Group		Company	
	1.1.2017 to 30.6.2017	1.1.2016 to 30.6.2016	1.1.2017 to 30.6.2017	1.1.2016 to 30.6.2016
<u>Income/(expenses) (contd.):</u>	RM'000	RM'000	RM'000	RM'000
Companies related to a company with significant influence over MBB Group:				
Claims paid	(8)	(558)	-	-
Gross premium/contribution income	9	3,081	-	-
Interest on subordinated obligations	(5,430)	(5,435)	-	-

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

	Group		Company	
	30.6.2017	31.12.2016	30.6.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Ultimate holding company:				
Bank balances	388,880	206,828	2,533	2,805
Fixed deposits	474,512	397,331	-	-
Structured deposits	50,010	50,155	-	-
Debt securities	9,974	35,421	-	-
Derivative liabilities, net	(47,441)	(56,603)	-	-
Income and profits due and accrued	773	1,144	-	-
Insurance/takaful receivables	184	-	-	-
Insurance/takaful payables	-	(256)	-	-
Claim liabilities	(82,746)	(11,587)	-	-
Outstanding premium/contributions	10,851	9,868	-	-
Other receivables	4,815	2,801	-	-
Other payables	(18,082)	(19,375)	(290)	(298)

MAYBANK AGEAS HOLDINGS BERHAD
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32. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)

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

	Group		Company	
	30.6.2017	31.12.2016	30.6.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Fellow subsidiaries/associates within the MAHB Group:				
Other receivables	-	-	171,092	3,169
Other payables	-	-	-	-
Other related companies within the MBB Group:				
Bank balances	504	1,196	-	-
Fixed and call deposits	671,630	1,107,989	31,474	21,807
Debt securities	-	59,811	-	-
Income and profits due and accrued	1,980	4,284	51	45
Insurance/takaful receivables	7,018	293	-	-
Outstanding premiums/contributions	-	14	-	-
Other receivables	10,799	3,944	-	-
Other payables	(1,319)	(2,626)	-	-
Insurance/takaful payables	-	(4)	-	-
Companies related to a company with significant influence over MBB Group:				
Insurance/takaful receivables	-	72	-	-
Outstanding premiums/contributions	-	40	-	-
Claims liabilities	(2,038)	(22)	-	-
Insurance/takaful payables	-	(744)	-	-
Other payables	(1,639)	-	-	-
Subordinated obligations	(270,276)	(350,681)	-	-

MAYBANK AGEAS HOLDINGS BERHAD
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32. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)

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

	Group		Company	
	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000
Short-term employee benefits				
- Fees	70	97	70	97
- Salaries, allowances and bonuses	1,976	1,853	1,482	847
- Contribution to EPF and pension scheme	316	297	237	136
- Share option granted under ESOS and RSU	860	288	687	165
- Other emoluments	20	74	8	23
	<u>3,242</u>	<u>2,609</u>	<u>2,484</u>	<u>1,268</u>

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

	Group		Company	
	30.6.2017 '000	30.6.2016 '000	30.6.2017 '000	30.6.2016 '000
At beginning of the period	4,439	3,999	2,242	1,942
Vested	730	730	500	500
Exercised	(194)	-	-	(200)
Expired	-	(290)	(125)	-
Forfeited	(31)	-	-	-
Resignation of key management personnel	(185)	-	-	-
At end of the period	<u>4,759</u>	<u>4,439</u>	<u>2,617</u>	<u>2,242</u>

MAYBANK AGEAS HOLDINGS BERHAD
(Incorporated in Malaysia)

33. INSURANCE FUNDS

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

The Life and Family Takaful insurance businesses offer a wide range of participating and non-participating Whole Life, Term Assurance, Endowment and Annuity products, as well as Unit-linked products.

The General Insurance and General Takaful insurance businesses offer general insurance/takaful products which include Motor, Fire, Marine, Aviation and Transit ("MAT") and Miscellaneous products.

UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION BY FUNDS

	Total		* Consolidation elimination		Shareholders' and General Funds		Life Fund		General Takaful Fund		Family Takaful Fund	
	30.6.2017 RM'000	31.12.2016 RM'000	30.6.2017 RM'000	31.12.2016 RM'000	30.6.2017 RM'000	31.12.2016 RM'000	30.6.2017 RM'000	31.12.2016 RM'000	30.6.2017 RM'000	31.12.2016 RM'000	30.6.2017 RM'000	31.12.2016 RM'000
Assets:												
Property, plant and equipment	124,899	129,132			47,719	51,593	77,180	77,539	-	-	-	-
Investment properties	784,160	754,870			95,439	96,329	688,721	658,541	-	-	-	-
Prepaid land lease payments	18,812	18,965			7,297	7,360	11,515	11,605	-	-	-	-
Intangible assets	77,359	71,876			51,228	49,195	26,131	22,681	-	-	-	-
Investment in associates	1,238	1,238			1,238	1,238	-	-	-	-	-	-
Investments	26,605,637	25,719,774	(24,744)	(23,373)	5,330,582	4,948,409	10,243,049	9,815,636	1,698,929	1,760,659	9,357,821	9,218,443
Financing receivables	258,671	266,738			51,703	53,107	206,968	213,631	-	-	-	-
Reinsurance assets	3,726,619	3,701,131			3,347,659	3,380,423	31,563	28,860	279,133	242,173	68,264	49,675
Insurance receivables	499,722	437,524			284,087	260,669	26,757	26,758	84,736	65,101	104,142	84,996
Other receivables	391,625	360,027			124,764	101,389	153,183	142,455	14,555	15,260	99,123	100,923
Derivative assets	9,532	56			555	6	8,977	50	-	-	-	-
Deferred tax assets	13,665	8,958			7,244	4,956	-	3,471	4,248	(276)	2,173	807
Current tax assets	76,083	79,843			43,523	47,175	8,495	8,503	3,883	3,883	20,182	20,282
Cash and bank balances	535,230	377,340			155,584	106,447	196,478	130,353	59,786	69,694	123,382	70,846
Total Assets	33,123,252	31,927,472			9,548,622	9,108,296	11,679,017	11,140,083	2,145,270	2,156,494	9,775,087	9,545,972
Equity and liabilities:												
Share capital	660,866	252,005			660,866	252,005	-	-	-	-	-	-
Reserves	4,549,975	4,831,572	(3,744)	(2,373)	4,553,719	4,833,945	-	-	-	-	-	-
Total Equity	5,210,841	5,083,577			5,214,585	5,085,950	-	-	-	-	-	-
Liabilities:												
Insurance/takaful contract liabilities	24,103,141	23,421,288	(21,000)	(21,000)	4,104,276	4,159,198	8,711,457	8,402,731	1,789,891	1,715,045	9,518,517	9,165,314
Subordinated obligations	800,000	800,000			800,000	800,000	-	-	-	-	-	-
Expense liabilities	556,076	526,978			556,076	526,978	-	-	-	-	-	-
Derivative liabilities	47,441	64,204			-	213	47,441	63,991	-	-	-	-
Deferred tax liabilities	616,908	618,789			587,540	555,580	29,368	68,950	-	(7,062)	-	1,321
Insurance payables	483,206	414,741			332,011	290,767	28,735	23,985	75,382	61,776	47,078	38,213
Other payables	1,275,052	986,586			(2,076,453)	(2,321,699)	2,862,016	2,580,426	279,997	386,735	209,492	341,124
Interest/profit payable on subordinated obligations	11,144	11,309			11,144	11,309	-	-	-	-	-	-
Current tax liabilities	19,443	-			19,443	-	-	-	-	-	-	-
Total Liabilities	27,912,411	26,843,895			4,334,037	4,022,346	11,679,017	11,140,083	2,145,270	2,156,494	9,775,087	9,545,972
Total equity and liabilities	33,123,252	31,927,472			9,548,622	9,108,296	11,679,017	11,140,083	2,145,270	2,156,494	9,775,087	9,545,972

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

MAYBANK AGEAS HOLDINGS BERHAD
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33. INSURANCE FUNDS (CONTD.)

UNAUDITED CONDENSED INCOME STATEMENT/REVENUE ACCOUNTS BY FUND

	Total		Consolidation elimination		Shareholder Funds		General fund		Life Fund		General Takaful Fund		Family Takaful Fund	
	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000	1.1.2017 to 30.6.2017 RM'000	1.1.2016 to 30.6.2016 RM'000
Operating revenue	3,589,679	3,382,027	(533,521)	(514,953)	608,419	589,414	780,671	941,210	1,190,907	920,199	666,194	634,949	877,009	811,208
Gross earned premiums/contributions	2,845,906	2,797,054	(89)	(49)	-	-	626,170	882,489	952,378	703,749	612,708	592,288	654,739	618,577
Earned premiums/contributions ceded to reinsurers/retakaful	(459,180)	(654,129)			-	-	(356,632)	(574,337)	(11,309)	(10,966)	(62,616)	(42,571)	(28,623)	(26,255)
Net earned premiums/contributions	<u>2,386,726</u>	<u>2,142,925</u>			<u>-</u>	<u>-</u>	<u>269,538</u>	<u>308,152</u>	<u>941,069</u>	<u>692,783</u>	<u>550,092</u>	<u>549,717</u>	<u>626,116</u>	<u>592,322</u>
Fee and commission income	55,245	56,143	(336,867)	(309,820)	336,867	309,820	40,691	47,675	441	594	11,348	7,785	2,765	89
Investment income	617,386	539,434			96,841	74,461	22,900	21,081	238,529	216,424	36,846	34,837	222,270	192,631
Realised gains and losses	309,830	134,748			37,113	6,617	15,728	32,781	167,821	54,998	3,077	8,025	86,091	32,327
Fair value (losses)/gains	65,502	216,219			-	(1,732)	766	5,939	78,838	106,571	-	(369)	(14,102)	105,810
Other operating (expenses) /income, net	(37,665)	(60,011)			(2,497)	(5,087)	(2,158)	(6,627)	(29,895)	(38,567)	1,093	(1,100)	(4,208)	(8,630)
Other revenue	<u>1,010,298</u>	<u>886,533</u>			<u>468,324</u>	<u>384,079</u>	<u>77,927</u>	<u>100,849</u>	<u>455,734</u>	<u>340,020</u>	<u>52,364</u>	<u>49,178</u>	<u>292,816</u>	<u>322,227</u>
Gross benefits and claims paid	(1,855,138)	(2,016,133)			-	-	(303,151)	(411,670)	(779,195)	(910,675)	(382,381)	(297,786)	(390,411)	(396,002)
Claims ceded to reinsurers	234,954	287,951			-	-	160,582	251,243	4,425	11,771	58,234	14,465	11,713	10,472
Gross change in contract/certificate liabilities	(594,025)	(1,059,315)			-	-	166,356	(695,507)	(278,864)	99,198	(82,230)	(87,396)	(399,287)	(375,610)
Change in contract/certificate liabilities ceded to reinsurers/retakaful	(87,789)	695,285			-	-	(133,967)	699,439	(84)	1,157	27,673	(13,404)	18,589	8,093
Net benefits and claims	<u>(2,301,998)</u>	<u>(2,092,212)</u>			<u>-</u>	<u>-</u>	<u>(110,180)</u>	<u>(156,495)</u>	<u>(1,053,718)</u>	<u>(798,549)</u>	<u>(378,704)</u>	<u>(384,121)</u>	<u>(759,396)</u>	<u>(753,047)</u>
Management expenses	(341,617)	(329,001)	89	49	(148,171)	(144,740)	(97,685)	(94,594)	(82,983)	(76,828)	-	(497)	(12,867)	(12,391)
Reimbursement of Shared Services	9,781	4,666			9,781	4,666	-	-	-	-	-	-	-	-
Change in expense liabilities	(29,488)	(49,452)			(29,488)	(49,452)	-	-	-	-	-	-	-	-
Fee and commission expenses	(247,129)	(241,013)	336,867	309,820	(121,670)	(110,649)	(60,741)	(70,731)	(63,594)	(57,024)	(190,909)	(177,116)	(147,082)	(135,313)
Interest on subordinated obligations	(16,966)	(16,966)			(16,966)	(16,966)	-	-	-	-	-	-	-	-
Tax borne by policyholders/participants	(36,875)	(44,558)			-	-	-	-	(37,650)	(32,685)	362	1,925	413	(13,798)
Other expenses	<u>(662,294)</u>	<u>(676,324)</u>			<u>(306,514)</u>	<u>(317,141)</u>	<u>(158,426)</u>	<u>(165,325)</u>	<u>(184,227)</u>	<u>(166,537)</u>	<u>(190,547)</u>	<u>(175,688)</u>	<u>(159,536)</u>	<u>(161,502)</u>
Surplus transfer from/(to):	432,732	260,922			161,810	66,938	78,859	87,181	158,858	67,717	33,205	39,086	-	-
- General Fund	-	-			62,005	71,113	(62,005)	(71,113)	-	-	-	-	-	-
- Life Par Fund	-	-			2,669	(2,655)	-	-	(2,669)	2,655	-	-	-	-
- Life Non Par Fund	-	-			156,189	70,372	-	-	(156,189)	(70,372)	-	-	-	-
- General Takaful Fund	-	-			33,205	39,086	-	-	-	-	(33,205)	(39,086)	-	-
Profit before taxation	<u>432,732</u>	<u>260,922</u>			<u>415,878</u>	<u>244,854</u>	<u>16,854</u>	<u>16,068</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Taxation	(131,172)	(80,946)			(114,318)	(64,878)	(16,854)	(16,068)	-	-	-	-	-	-
Zakat	(4,825)	(3,603)			(4,825)	(3,603)	-	-	-	-	-	-	-	-
Net profit for the period	<u>296,735</u>	<u>176,373</u>			<u>296,735</u>	<u>176,373</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>