

Company No.

723739	W
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AXA AFFIN LIFE INSURANCE BERHAD
(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 30 JUNE 2014

Company No.

723739	W
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AXA AFFIN LIFE INSURANCE BERHAD
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2014

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AXA AFFIN LIFE INSURANCE BERHAD
(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	<u>Note</u>	<u>30.6.2014</u> RM'000	<u>31.12.2013</u> RM'000
ASSETS			
Property and equipment		1,729	1,980
Intangible assets		101,714	102,806
Investments	8	721,378	697,304
Available-for-sale financial assets		417,664	368,626
Fair value through profit or loss financial assets		270,946	249,327
Loans and receivables		32,768	79,351
Reinsurance assets	9	25,855	24,559
Insurance receivables		14,482	8,179
Assets held for sale		7,300	7,300
Other receivables		5,113	4,661
Cash and cash equivalents		99,612	61,572
TOTAL ASSETS		<u>977,183</u>	<u>908,361</u>
EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES			
Share capital		288,000	288,000
Accumulated losses		(34,602)	(33,970)
Available-for-sale reserve		18,361	17,623
TOTAL EQUITY		<u>271,759</u>	<u>271,653</u>
LIABILITIES			
Insurance contract liabilities	10	591,173	522,237
Insurance claims liabilities		4,731	6,152
Deferred tax liabilities		4,752	4,290
Insurance payables		55,646	53,880
Reinsurance liabilities		4,012	5,140
Current tax liabilities		821	1,548
Other payables		44,289	43,461
TOTAL LIABILITIES		<u>705,424</u>	<u>636,708</u>
TOTAL EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES		<u>977,183</u>	<u>908,361</u>

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

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AXA AFFIN LIFE INSURANCE BERHAD
(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENT OF INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2014**

	<u>30.6.2014</u> RM'000	<u>30.6.2013</u> RM'000
Gross premiums	145,299	117,651
Premiums ceded to reinsurers	(8,227)	(6,515)
Net premiums	<u>137,072</u>	<u>111,136</u>
Reinsurance commission income	699	969
Investment income	12,897	19,358
Net realised gains	1,367	7,460
Net fair value gains	3,845	-
Other operating income	274	217
Other revenue	<u>19,082</u>	<u>28,004</u>
Gross benefits and claims paid	(39,422)	(190,844)
Claims ceded to reinsurers	5,500	2,301
Gross change to insurance contract liabilities	(68,135)	126,324
Changes in insurance contract liabilities ceded to reinsurers	1,632	1,863
Net claims	<u>(100,425)</u>	<u>(60,356)</u>
Net fair value losses	-	(28,281)
Commission and agency expenses	(22,712)	(17,765)
Management expenses	(31,427)	(31,895)
Other operating expenses	(690)	(1,285)
Other expenses	<u>(54,829)</u>	<u>(79,226)</u>
Profit/(loss) before taxation	900	(442)
Tax expense attributable to participating policyholders	(900)	676
Profit/(loss) before taxation attributable to Shareholders	-	234
Taxation	(1,532)	498
Tax expense attributable to participating policyholders	900	(676)
Tax expense attributable to Shareholders	(632)	(178)
Net (loss)/ profit for the financial period	<u>(632)</u>	<u>56</u>
Basic (loss)/earnings per share (sen)	<u>(0.22)</u>	<u>0.02</u>

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

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AXA AFFIN LIFE INSURANCE BERHAD
(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2014**

	<u>30.6.2014</u>	<u>30.6.2013</u>
	RM'000	RM'000
Net profit for the financial period	(632)	56
Other comprehensive income:		
Items that may be subsequently reclassified to profit or loss:		
Fair value changes on available-for-sale financial assets, net of deferred tax		
Gross fair value changes	2,550	7,000
Deferred tax	<u>(295)</u>	<u>(33)</u>
Net fair value changes	2,255	6,967
Change in insurance contract liabilities arising from unrealised net fair value changes	<u>(1,517)</u>	<u>(4,712)</u>
Other comprehensive income for the financial period, net of tax	<u>738</u>	<u>2,255</u>
Total comprehensive income for the financial period	<u><u>106</u></u>	<u><u>2,311</u></u>

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

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AXA AFFIN LIFE INSURANCE BERHAD
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**UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2014**

	Share capital RM'000	Available-for-sale reserve RM'000	Accumulated losses RM'000	Total RM'000
At 1 January 2014	288,000	17,623	(33,970)	271,653
Total comprehensive income for the financial period	-	738	(632)	106
At 30 June 2014	<u>288,000</u>	<u>18,361</u>	<u>(34,602)</u>	<u>271,759</u>
At 1 January 2013	288,000	14,147	(39,752)	262,395
Total comprehensive income for the financial period	-	2,255	56	2,311
At 31 June 2013	<u>288,000</u>	<u>16,402</u>	<u>(39,696)</u>	<u>264,706</u>

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

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AXA AFFIN LIFE INSURANCE BERHAD
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**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2014**

	<u>Note</u>	<u>30.6.2014</u> RM'000	<u>30.6.2013</u> RM'000
<u>Operating activities</u>			
Cash flows generated from/(used in) operating activities	11	91,840	(109,801)
Proceeds from disposal of investments		32,555	180,784
Purchase of investments		(95,060)	(68,810)
Dividend income received		696	9,554
Interest income received		10,588	8,785
Rental income received on investment properties		137	135
Income tax paid		(2,092)	(1,642)
		<hr/>	<hr/>
Net cash flows generated from operating activities		38,664	19,005
		<hr/>	<hr/>
<u>Investing activities</u>			
Purchase of property and equipment		(204)	(134)
Purchase of intangible assets		(420)	(490)
		<hr/>	<hr/>
Net cash flows used in investing activities		(624)	(624)
		<hr/>	<hr/>
Net increase in cash and cash equivalents		38,040	18,381
Cash and cash equivalents at 1 January		61,572	56,693
		<hr/>	<hr/>
Cash and cash equivalents at 30 June		99,612	75,074
		<hr/> <hr/>	<hr/> <hr/>
Cash and cash equivalents comprise:			
Cash and bank balances		31,182	27,141
Fixed and call deposits		68,430	47,933
		<hr/>	<hr/>
		99,612	75,074
		<hr/> <hr/>	<hr/> <hr/>

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

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AXA AFFIN LIFE INSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30 JUNE 2014

1. BASIS OF PREPARATION

The condensed interim financial statements of the Company for the half-year ended 30 June 2014 are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 *Interim Financial Reporting*.

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 company's audited financial statements for the year ended 31 December 2013.

The explanatory notes attached to the condensed 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 Company since the financial year ended 31 December 2013.

The following MFRS and Amendments to MFRS were issued but not yet effective and have not been applied by the Company:

MFRS and Amendments to MFRS		Effective date
MFRS 132	Financial Instruments: Presentation	1 January 2014
MFRS 9	Financial Instruments: Classification and Measurement of Financial Assets and Financial Liabilities	Effective date yet to be determined by the Malaysian Accounting Standards Board

The Company is reviewing the adoption of the above accounting standards, amendments to published standards and interpretations to existing standards and will complete the process prior to the reporting requirement deadline. The Company has not finalised any financial impact of the adoption of the above accounting standards.

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AXA AFFIN LIFE INSURANCE BERHAD
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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30 JUNE 2014 (CONTINUED)

2. UNUSUAL ITEMS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Company for the half-year ended 30 June 2014.

3. CHANGES IN ESTIMATES

There were no material changes in the basis used for accounting estimates for the condensed interim financial statements for the half-year ended 30 June 2014.

4. SEASONAL OR CYCLICAL FACTORS

The business operations of the Company were not significantly affected by seasonality or cyclical factors for the period under review.

5. DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale or repayment of debt and equity securities during the half-year ended 30 June 2014.

6. DIVIDEND

No dividend has been declared or paid by the Company during the period under review.

7. SIGNIFICANT EVENTS

There were no material events subsequent to the date of the statement of financial position that require disclosure or adjustments to the condensed interim financial statements.

AXA AFFIN LIFE INSURANCE BERHAD
(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30 JUNE
2014 (CONTINUED)**

8. INVESTMENTS

The financial assets are summarised by categories as follows:

	<u>30.6.2014</u> RM'000	<u>31.12.2013</u> RM'000
Available-for-sale ("AFS") financial assets (a)	417,664	368,626
Fair value through profit or loss ("FVTPL") financial assets – designated upon initial recognition (b)	270,946	249,327
Loans and receivables ("LAR") (c)	32,768	79,351
	<u>721,378</u>	<u>697,304</u>

The following financial assets mature after 12 months:

AFS financial assets	291,000	256,184
FVTPL financial assets – designated upon initial recognition	139,040	140,195
LAR	44	47
	<u>430,084</u>	<u>396,426</u>

(a) AFS financial assets

At fair value

Malaysian Government securities	68,180	62,902
Debt securities unquoted in Malaysia	225,386	195,469
Equity securities quoted in Malaysia	42,997	37,899
Investment-linked funds	20,217	19,500
Unit and property trust funds quoted in Malaysia	60,884	52,856
	<u>417,664</u>	<u>368,626</u>

AXA AFFIN LIFE INSURANCE BERHAD
(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30 JUNE
2014 (CONTINUED)**

8. INVESTMENTS (CONTINUED)

(b)	FVTPL financial assets – designated upon initial recognition	<u>30.6.2014</u> RM'000	<u>31.12.2013</u> RM'000
	<u>At fair value</u>		
	Malaysian Government securities	71,173	67,883
	Equity securities quoted in Malaysia	14,960	13,730
	Equity securities quoted outside Malaysia	3,572	4,718
	Debt securities unquoted in Malaysia	115,675	100,380
	Structured investments quoted inside Malaysia	28,983	29,486
	Structured investments quoted outside Malaysia	36,364	33,013
	Unit and property trust funds quoted in Malaysia	219	117
		<u>270,946</u>	<u>249,327</u>
(c)	LAR		
	<u>At amortised cost</u>		
	Policy loans	11,579	9,757
	Mortgage loans	56	63
	Fixed and call deposits	21,133	69,531
		<u>32,768</u>	<u>79,351</u>
(d)	Fair values of financial assets		

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

	<u>AFS</u> RM'000	<u>FVTPL</u> RM'000	<u>Total</u> RM'000
<u>30 June 2014</u>			
Level 1 - Quoted market price	115,564	84,098	199,662
Level 2 - Market observable inputs	302,100	186,848	488,948
	<u>417,664</u>	<u>270,946</u>	<u>688,610</u>
	<u>AFS</u> RM'000	<u>FVTPL</u> RM'000	<u>Total</u> RM'000
<u>31 December 2013</u>			
Level 1 - Quoted market price	102,653	81,064	183,717
Level 2 - Market observable inputs	265,973	168,263	434,236
	<u>368,626</u>	<u>249,327</u>	<u>617,953</u>

AXA AFFIN LIFE INSURANCE BERHAD
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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30 JUNE 2014 (CONTINUED)

8. INVESTMENTS (CONTINUED)

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

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

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

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

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

9. REINSURANCE ASSETS

	<u>30.6.2014</u>	<u>31.12.2013</u>
	RM'000	RM'000
Reinsurance of insurance contracts:		
- Insurance contract liabilities (Note 10)	25,256	23,625
- Insurance claims liabilities	599	934
	<u>25,855</u>	<u>24,559</u>

The carrying amounts disclosed above approximate the fair values as at the date of the statement of financial position.

AXA AFFIN LIFE INSURANCE BERHAD
(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30 JUNE
2014 (CONTINUED)**

10. INSURANCE CONTRACT LIABILITIES

	30.6.2014			31.12.2013		
	<u>Gross</u>	<u>Reinsu</u>	<u>Net</u>	<u>Gross</u>	<u>Reinsu</u>	<u>Net</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Actuarial liabilities	455,802	(25,256)	430,546	396,083	(23,625)	372,458
Unallocated surplus	20,578	-	20,578	25,360	-	25,360
Available-for-sale reserve	8,602	-	8,602	7,084	-	7,084
Net asset value attributable to unitholders	126,408	-	126,408	113,210	-	113,210
	611,390	(25,256)	586,134	541,737	(23,625)	518,112
Less: Elimination of Shareholders' fund investment in investment-linked funds	(20,217)	-	(20,217)	(19,500)	-	(19,500)
	591,173	(25,256)	565,917	522,237	(23,625)	498,612

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

<u>30.6.2014</u>	<u>Gross</u>	<u>Reinsurance</u>	<u>Net</u>
	RM'000	RM'000	RM'000
Balance at 1 January 2014	522,237	(23,625)	498,612
Reserve movement for in-force policies	47,226	828	48,054
Reserve for new business	13,392	(2,721)	10,671
Change in discount rate	4,544	(293)	4,251
Change in valuation methodology	(776)	-	(776)
Adjustment of asset share	(5,867)	-	(5,867)
Other changes in reserving	1,200	555	1,755
Increase in unallocated surplus	(4,782)	-	(4,782)
Change in net asset value attributable to unitholders	13,198	-	13,198
	68,135	(1,631)	66,504
Elimination of Shareholders' fund investment in investment-linked funds	(716)	-	(716)
Available-for-sale fair value adjustment	1,517	-	1,517
Balance at 30 June 2014	591,173	(25,256)	565,917

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30 JUNE
2014 (CONTINUED)**

10. INSURANCE CONTRACT LIABILITIES (CONTINUED)

The insurance contract liabilities and movements therein are further analysed as follows:
(continued)

<u>31.12.2013</u>	<u>Gross</u> RM'000	<u>Reinsurance</u> RM'000	<u>Net</u> RM'000
Balance at 1 January 2013	679,582	(21,212)	658,370
Reserve movement for in-force policies	82,587	959	83,546
Reserve for new business	30,665	(3,364)	27,301
Change in discount rate	(21,188)	1,542	(19,646)
Change in other assumptions	1,650	(1,008)	642
Change in valuation methodology	(1,983)	-	(1,983)
Adjustment of asset share	(1,964)	-	(1,964)
Other changes in reserving	4,398	(542)	3,856
Increase in unallocated surplus	4,071	-	4,071
Change in net asset value attributable to unitholders	(238,954)	-	(238,954)
	(140,718)	(2,413)	(143,131)
Elimination of Shareholders' fund investment in investment-linked funds	(19,500)	-	(19,500)
Available-for-sale fair value adjustment	2,873	-	2,873
Balance at 31 December 2013	<u>522,237</u>	<u>(23,625)</u>	<u>498,612</u>

AXA AFFIN LIFE INSURANCE BERHAD
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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30 JUNE
2014 (CONTINUED)**

11. CASH FLOWS GENERATED FROM OPERATING ACTIVITIES

	<u>30.6.2014</u> RM'000	<u>30.6.2013</u> RM'000
Net (loss)/profit for the financial period	(632)	56
<u>Non-cash items:</u>		
Taxation	1,532	(493)
Investment income	(12,897)	(19,358)
Depreciation of property and equipment	456	500
Amortisation of intangible assets	1,512	1,713
Gain on disposal of investments	(1,367)	(7,460)
Fair value (gain)/loss on investments	(3,845)	28,281
Allowance for impairment on other receivables	381	439
<u>Changes in working capital:</u>		
Increase in loans	(1,413)	(348)
Decrease in fixed and call deposits	47,986	9,382
Increase in insurance receivables	(6,304)	(4,989)
Increase in other receivables	(453)	(2,577)
Increase in reinsurance assets	(1,296)	(1,863)
Increase/(decrease) in insurance contract liabilities	68,135	(126,324)
(Decrease)/increase in insurance claims liabilities	(1,421)	41
Increase in insurance payables	1,766	9,241
Decrease in reinsurance liabilities	(1,128)	(891)
Increase in other payables	828	4,849
Cash flows generated from/(used in) operating activities	<u>91,840</u>	<u>(109,801)</u>

12. NON-CANCELLABLE OPERATING LEASE COMMITMENTS

The future minimum lease payments of the non-cancellable operating lease agreements are as follows:

	<u>30.6.2014</u> RM'000	<u>30.6.2013</u> RM'000
Not later than 1 year	2,678	1,507
Later than 1 year and not later than 5 years	2,051	457
	<u>4,729</u>	<u>1,964</u>

AXA AFFIN LIFE INSURANCE BERHAD
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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30 JUNE 2014 (CONTINUED)

13. CAPITAL COMMITMENTS

There are no capital commitments for the financial period ended 30 June 2014 and financial year ended 31 December 2013.

14. RISK MANAGEMENT FRAMEWORK

The capital structure of the Company as at 30 June 2014, as prescribed under the RBC Framework, is shown below:

	<u>30.6.2014</u> RM'000	<u>31.12.2013</u> RM'000
<u>Eligible Tier 1 Capital</u>		
Share capital	288,000	288,000
Accumulated losses	(34,602)	(33,970)
Eligible contract liabilities	20,579	88,335
	<u>273,977</u>	<u>342,365</u>
<u>Tier 2 Capital</u>		
Available-for-sale	26,962	24,707
Amounts deducted from capital	(99,120)	(99,120)
	<u>201,819</u>	<u>267,952</u>

The Company has met the minimum capital requirements specified in the RBC Framework for the financial period ended 30 June 2014 and financial year ended 31 December 2013.

15. INSURANCE FUNDS

The Company's activities are organised by funds and segregated into the Life and Shareholders' funds in accordance with the Insurance Act, 1996 and Insurance Regulations, 1996.

The Company's statement of financial position and statement of income have been further analysed by funds.

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30 JUNE 2014 (CONTINUED)

15. INSURANCE FUNDS (CONTINUED)

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION BY FUNDS AS AT 30 JUNE 2014

	Shareholders' fund		Life fund		Investment-linked funds		Elimination		Total	
	30.6.2014	31.12.2013	30.6.2014	31.12.2013	30.6.2014	31.12.2013	30.6.2014	31.12.2013	30.6.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS										
Property and equipment	-	-	1,729	1,980	-	-	-	-	1,729	1,980
Intangible assets	99,120	99,120	2,594	3,686	-	-	-	-	101,714	102,806
Investments	109,743	107,876	516,455	500,523	115,397	108,405	(20,217)	(19,500)	721,378	697,304
AFS financial assets	88,609	88,027	329,055	280,599	-	-	-	-	417,664	368,626
FVTPL financial assets	-	-	175,766	160,422	115,397	108,405	(20,217)	(19,500)	270,946	249,327
Loans and receivables	21,134	19,849	11,634	59,502	-	-	-	-	32,768	79,351
Reinsurance assets	-	-	25,855	24,559	-	-	-	-	25,855	24,559
Insurance receivables	-	-	14,482	8,179	-	-	-	-	14,482	8,179
Assets held for sale	-	-	7,300	7,300	-	-	-	-	7,300	7,300
Other receivables	66,547	68,250	4,690	4,411	1,492	477	(67,616)	(68,477)	5,113	4,661
Cash and cash equivalents	2,017	2,134	84,484	52,912	13,111	6,526	-	-	99,612	61,572
TOTAL ASSETS	277,427	277,380	657,589	603,550	130,000	115,408	(87,833)	(87,977)	977,183	908,361

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30 JUNE 2014 (CONTINUED)

15. INSURANCE FUNDS (CONTINUED)

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION BY FUNDS AS AT 30 JUNE 2014 (CONTINUED)

	Shareholders' fund		Life fund		Investment-linked funds		Elimination		Total	
	30.6.2014 RM'000	31.12.2013 RM'000	30.6.2014 RM'000	31.12.2013 RM'000	30.6.2014 RM'000	31.12.2013 RM'000	30.6.2014 RM'000	31.12.2013 RM'000	30.6.2014 RM'000	31.12.2013 RM'000
EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES										
Share capital	288,000	288,000	-	-	-	-	-	-	288,000	288,000
Accumulated losses	(34,602)	(33,970)	-	-	-	-	-	-	(34,602)	(33,970)
Available-for-sale reserve	18,361	17,623	-	-	-	-	-	-	18,361	17,623
TOTAL EQUITY	271,759	271,653	-	-	-	-	-	-	271,759	271,653
LIABILITIES										
Insurance contract liabilities	-	-	484,982	428,528	126,408	113,209	(20,217)	(19,500)	591,173	522,237
Insurance claims liabilities	-	-	4,731	6,152	-	-	-	-	4,731	6,152
Deferred tax liabilities	2,609	2,449	1,746	1,801	397	40	-	-	4,752	4,290
Insurance payables	-	-	55,646	53,880	-	-	-	-	55,646	53,880
Reinsurance liabilities	-	-	4,012	5,140	-	-	-	-	4,012	5,140
Current tax liabilities	2,788	2,717	(3,065)	(2,159)	1,098	990	-	-	821	1,548
Other payables	271	561	109,537	110,208	2,097	1,169	(67,616)	(68,477)	44,289	43,461
TOTAL LIABILITIES	5,668	5,727	657,589	603,550	130,000	115,408	(87,833)	(87,977)	705,424	636,708
TOTAL EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES	277,427	277,380	657,589	603,550	130,000	115,408	(87,833)	(87,977)	977,183	908,361

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30 JUNE 2014 (CONTINUED)

15. INSURANCE FUNDS (CONTINUED)

UNAUDITED CONDENSED STATEMENT OF INCOME BY FUNDS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

	Shareholders' fund		Life fund		Investment-linked funds		Total	
	30.6.2014 RM'000	30.6.2013 RM'000	30.6.2014 RM'000	30.6.2013 RM'000	30.6.2014 RM'000	30.6.2013 RM'000	30.6.2014 RM'000	30.6.2013 RM'000
Gross premiums	-	-	127,968	107,706	17,331	9,945	145,299	117,651
Premiums ceded to reinsurers	-	-	(8,227)	(6,515)	-	-	(8,227)	(6,515)
Net premiums	-	-	119,741	101,191	17,331	9,945	137,072	111,136
Reinsurance commission income	-	-	699	969	-	-	699	969
Investment income	1,650	1,584	10,817	7,939	430	9,835	12,897	19,358
Net realised gains	-	365	493	942	874	6,153	1,367	7,460
Net fair value gains	-	-	-	-	3,845	-	3,845	-
Other operating income	22	-	281	195	(29)	22	274	217
Other revenue	1,672	1,949	12,290	10,045	5,120	16,010	19,082	28,004
Gross benefits and claims paid	-	-	(29,641)	(20,486)	(9,781)	(170,358)	(39,422)	(190,844)
Claims ceded to reinsurers	-	-	5,500	2,301	-	-	5,500	2,301
Gross change to contract liabilities	-	-	(55,947)	(44,615)	(12,188)	170,939	(68,135)	126,324
Change in contract liabilities ceded to reinsurers	-	-	1,632	1,863	-	-	1,632	1,863
Net claims	-	-	(78,456)	(60,937)	(21,969)	581	(100,425)	(60,356)
Net fair value losses	-	-	-	(867)	-	(27,414)	-	(28,281)
Fee and commission expense	-	-	(22,712)	(17,765)	-	-	(22,712)	(17,765)
Management expenses	(1,869)	(2,089)	(29,543)	(29,791)	(15)	(15)	(31,427)	(31,895)
Other operating expenses	-	-	(690)	(1,260)	-	(25)	(690)	(1,285)
Other expenses	(1,869)	(2,089)	(52,945)	(49,683)	(15)	(27,454)	(54,829)	(79,226)

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30 JUNE 2014 (CONTINUED)

15. INSURANCE FUNDS (CONTINUED)

UNAUDITED CONDENSED STATEMENT OF INCOME BY FUNDS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014 (CONTINUED)

	Shareholders' fund		Life fund		Investment-linked funds		Total	
	<u>30.6.2014</u> RM'000	<u>30.6.2013</u> RM'000	<u>30.6.2014</u> RM'000	<u>30.6.2013</u> RM'000	<u>30.6.2014</u> RM'000	<u>30.6.2013</u> RM'000	<u>30.6.2014</u> RM'000	<u>30.6.2013</u> RM'000
Profit before taxation	(197)	(140)	630	616	467	(918)	900	(442)
Tax expense attributable to participating policyholders	-	-	(433)	(242)	(467)	918	(900)	676
Profit before taxation attributable to Shareholders	(197)	(140)	197	374	-	-	-	234
Taxation	(435)	196	(630)	(616)	(467)	918	(1,532)	498
Tax expense attributable to participating policyholders	-	-	433	242	467	(918)	900	(676)
Tax expense attributable to Shareholders	(435)	196	(197)	(374)	-	-	(632)	(178)
Net profit for the financial period	<u>(632)</u>	<u>56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(632)</u>	<u>56</u>

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30 JUNE 2014 (CONTINUED)

15. INSURANCE FUNDS (CONTINUED)

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS BY FUNDS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

	Shareholders' Fund		Life Fund		Investment-linked Funds		Total	
	30.6.2014 RM'000	30.6.2013 RM'000	30.6.2014 RM'000	30.6.2013 RM'000	30.6.2014 RM'000	30.6.2013 RM'000	30.6.2014 RM'000	30.6.2013 RM'000
Cash flows from:								
Operating activities	(116)	(407)	32,195	16,741	6,585	2,671	38,664	19,005
Investing activities	-	-	(624)	(624)	-	-	(624)	(624)
Financing activities	-	-	-	-	-	-	-	-
	(116)	(407)	31,571	16,117	6,585	2,671	38,040	18,381
<u>Cash and cash equivalents:</u>								
Net (decrease)/increase in cash and cash equivalents	(116)	(407)	31,571	16,117	6,585	2,671	38,040	18,381
At beginning of the financial period	2,134	2,822	52,912	48,168	6,526	5,703	61,572	56,693
At end of the financial period	2,018	2,415	84,483	64,285	13,111	8,374	99,612	75,074