

Company No.

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AXA AFFIN LIFE INSURANCE BERHAD
(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 30 JUNE 2016

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 2016

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AXA AFFIN LIFE INSURANCE BERHAD
(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	<u>Note</u>	<u>30.6.2016</u> RM'000	<u>31.12.2015</u> RM'000
ASSETS			
Property and equipment		1,516	2,084
Investment properties		258	-
Intangible assets		103,474	104,278
Investments	8	1,195,389	1,066,724
Available-for-sale financial assets		763,485	671,103
Fair value through profit or loss financial assets		270,350	281,141
Loans and receivables		161,554	114,480
Reinsurance assets	9	29,862	28,235
Insurance receivables		25,907	16,941
Current tax assets		4,115	3,445
Other receivables		7,634	5,003
Cash and cash equivalents		46,104	62,648
TOTAL ASSETS		<u>1,414,259</u>	<u>1,289,358</u>
EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES			
Share capital		368,000	313,000
Accumulated losses		(54,436)	(58,350)
Available-for-sale reserve		7,790	8,316
TOTAL EQUITY		<u>321,354</u>	<u>262,966</u>
LIABILITIES			
Insurance contract liabilities	10	909,660	854,068
Insurance claims liabilities		13,306	8,147
Deferred tax liabilities		631	2,940
Insurance payables		84,046	81,454
Reinsurance payables		6,486	4,811
Other payables		78,776	74,972
TOTAL LIABILITIES		<u>1,092,905</u>	<u>1,026,392</u>
TOTAL EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES		<u>1,414,259</u>	<u>1,289,358</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 PROFIT OR LOSS
FOR THE HALF-YEAR ENDED 30 JUNE 2016

	<u>30.6.2016</u>	<u>30.6.2015</u>
	RM'000	RM'000
Gross premiums	181,101	165,905
Premiums ceded to reinsurers	<u>(11,581)</u>	<u>(9,786)</u>
Net premiums	<u>169,520</u>	<u>156,119</u>
Reinsurance commission income	643	597
Investment income	20,482	15,963
Net realised gains	215	3,563
Net fair value gains	2,278	2,943
Other operating income	<u>565</u>	<u>537</u>
Other income	<u>24,183</u>	<u>23,603</u>
Gross benefits and claims paid	(89,726)	(53,635)
Claims ceded to reinsurers	7,733	10,360
Gross change in insurance contract liabilities	(46,744)	(79,484)
Changes in insurance contract liabilities ceded to reinsurers	<u>676</u>	<u>2,007</u>
Net claims	<u>(128,061)</u>	<u>(120,752)</u>
Commission and agency expenses	(24,943)	(22,503)
Management expenses	(36,949)	(34,661)
Other operating expenses	<u>(1,593)</u>	<u>(1,571)</u>
Other expenses	<u>(63,485)</u>	<u>(58,735)</u>
Profit before taxation	2,157	235
Tax expense attributable to policyholders and unitholders	(874)	(895)
Profit/(loss) before taxation attributable to Shareholders	<u>1,283</u>	<u>(660)</u>
Taxation	<u>1,757</u>	<u>(2,261)</u>
Tax expense attributable to policyholders and unitholders	<u>874</u>	<u>895</u>
Tax income/(expense) attributable to Shareholders	2,631	(1,366)
Net profit/(loss) for the financial period	<u><u>3,914</u></u>	<u><u>(2,026)</u></u>
Basic profit/(loss) per share (sen)	<u>1.06</u>	<u>(0.65)</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 2016

	<u>30.6.2016</u>	<u>30.6.2015</u>
	RM'000	RM'000
Net profit/(loss) for the financial period	3,914	(2,026)
Other comprehensive income/(loss):		
<u>Items that may be subsequently reclassified to profit or loss:</u>		
Fair value changes on available-for-sale financial assets:		
Revaluation	7,941	2,199
Transfer to profit or loss upon disposal	468	1,128
Gross fair value changes	8,409	3,327
Deferred taxation	128	(374)
Net fair value changes	8,537	2,953
Change in insurance contract liabilities arising from unrealised net fair value changes	(9,063)	(3,877)
Other comprehensive loss for the financial period, net of tax	(526)	(924)
Total comprehensive income/(loss) for the financial period	<u>3,388</u>	<u>(2,950)</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 CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2016

	Share capital RM'000	Available-for- sale reserve RM'000	Accumulated losses RM'000	Total RM'000
At 1 January 2016	313,000	8,316	(58,350)	262,966
Issuance of shares during the financial period	55,000	-	-	55,000
Total comprehensive loss for the financial period	-	(526)	3,914	3,388
At 30 June 2016	<u>368,000</u>	<u>7,790</u>	<u>(54,436)</u>	<u>321,354</u>
At 1 January 2015	288,000	8,173	(29,187)	266,986
Issuance of shares during the financial period	25,000	-	-	25,000
Total comprehensive loss for the financial period	-	(924)	(2,026)	(2,950)
At 30 June 2015	<u>313,000</u>	<u>7,249</u>	<u>(31,213)</u>	<u>289,036</u>

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

AXA AFFIN LIFE INSURANCE BERHAD
(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2016

	<u>Note</u>	<u>30.6.2016</u> RM'000	<u>30.6.2015</u> RM'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash flows (used in)/generated from operating activities	11	(19,671)	18,164
Proceeds from disposal of investment properties		-	8,500
Proceeds from disposal of investments		99,676	121,335
Purchase of investments		(167,842)	(197,065)
Dividend income received		693	664
Interest income received		18,152	13,979
Rental income received on investment properties		-	68
Income tax paid		(1,705)	(1,938)
Net cash used in operating activities		<u>(70,697)</u>	<u>(36,293)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of property and equipment		-	140
Purchase of property and equipment		(279)	(768)
Purchase of intangible assets		(568)	(2,349)
Net cash used in investing activities		<u>(847)</u>	<u>(2,977)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Issuance of shares		55,000	25,000
Net cash generated from financing activities		<u>55,000</u>	<u>25,000</u>
Net decrease in cash and cash equivalents		(16,544)	(14,270)
Cash and cash equivalents at 1 January		62,648	74,978
Cash and cash equivalents at 30 June		<u>46,104</u>	<u>60,708</u>
<u>Cash and cash equivalents comprised of:</u>			
Cash and bank balances		42,906	33,498
Fixed and call deposits with maturity of less than three months		3,198	27,210
		<u>46,104</u>	<u>60,708</u>

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

AXA AFFIN LIFE INSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30 JUNE 2016

1 BASIS OF PREPARATION

The condensed interim financial statements of the Company for the half-year ended 30 June 2016 are unaudited and have been prepared in accordance with the 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 2015.

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 2015.

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 2016.

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 2016.

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 2016.

6 DIVIDEND

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

AXA AFFIN LIFE INSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30
JUNE 2016 (CONTINUED)

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.

8 INVESTMENTS

The financial assets are summarised by categories as follows:

	<u>30.6.2016</u>	<u>31.12.2015</u>
	RM'000	RM'000
Available-for-sale ("AFS") financial assets (a)	763,485	671,103
Fair value through profit or loss ("FVTPL") financial assets – designated upon initial recognition (b)	270,350	281,141
Loans and receivables ("LAR") (c)	<u>161,554</u>	<u>114,480</u>
	<u>1,195,389</u>	<u>1,066,724</u>

The following financial assets are expected to be realised
after 12 months:

AFS financial assets	532,838	471,272
FVTPL financial assets – designated upon initial recognition	176,200	165,751
LAR	<u>17</u>	<u>19</u>
	<u>709,055</u>	<u>637,042</u>

(a) AFS financial assets

At fair value

Malaysian Government Securities	133,670	131,214
Debt securities unquoted in Malaysia	450,898	384,675
Equity securities quoted in Malaysia	43,349	51,711
Investment-linked funds	17,334	17,119
Unit and property trust funds quoted in Malaysia	<u>118,234</u>	<u>86,384</u>
	<u>763,485</u>	<u>671,103</u>

AXA AFFIN LIFE INSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30
JUNE 2016 (CONTINUED)

8 INVESTMENTS (CONTINUED)

(b)	FVTPL financial assets – designated upon initial recognition	<u>30.6.2016</u>	<u>31.12.2015</u>
		RM'000	RM'000
	<u>At fair value</u>		
	Malaysian Government Securities	87,701	81,865
	Equity securities quoted in Malaysia	26,984	23,552
	Equity securities quoted outside Malaysia	6,148	5,493
	Debt securities unquoted in Malaysia	111,602	104,615
	Structured investments quoted in Malaysia	3,684	29,553
	Structured investments quoted outside Malaysia	33,576	35,567
	Unit and property trust funds quoted in Malaysia	655	496
		<u>270,350</u>	<u>281,141</u>

(c)	LAR		
	<u>At amortised cost</u>		
	Policy loans	15,689	14,598
	Mortgage loans	29	35
	Fixed and call deposits	145,836	99,847
		<u>161,554</u>	<u>114,480</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 2016</u>			
Level 1 - Quoted market price	178,917	71,047	249,964
Level 2 - Market observable inputs	<u>584,568</u>	<u>199,303</u>	<u>783,871</u>
	<u>763,485</u>	<u>270,350</u>	<u>1,033,835</u>
	<u>AFS</u> RM'000	<u>FVTPL</u> RM'000	<u>Total</u> RM'000
<u>31 December 2015</u>			
Level 1 - Quoted market price	155,214	94,661	249,875
Level 2 - Market observable inputs	<u>515,889</u>	<u>186,480</u>	<u>702,369</u>
	<u>671,103</u>	<u>281,141</u>	<u>952,244</u>

AXA AFFIN LIFE INSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30
JUNE 2016 (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>30.6.2016</u>	<u>31.12.2015</u>
	RM'000	RM'000
Reinsurance of insurance contracts:		
-Insurance contract liabilities (Note 10)	28,216	27,540
-Insurance claims liabilities	1,646	695
	<u>29,862</u>	<u>28,235</u>
Receivable within 12 months	1,697	717
Receivable after 12 months	28,165	27,518
	<u>29,862</u>	<u>28,235</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 2016 (CONTINUED)

10 INSURANCE CONTRACT LIABILITIES

	30.6.2016			31.12.2015		
	Gross RM'000	Reinsu- rance RM'000	Net RM'000	Gross RM'000	Reinsu- rance RM'000	Net RM'000
Actuarial liabilities	795,645	(28,216)	767,429	715,095	(27,540)	687,555
Unallocated surplus	(13,803)	-	(13,803)	5,279	-	5,279
Available-for-sale reserve	9,211	-	9,211	148	-	148
Net asset value attributable to unitholders	135,941	-	135,941	150,665	-	150,665
	926,994	(28,216)	898,778	871,187	(27,540)	843,647
Less:						
Elimination of Shareholders' Fund investment in investment- linked funds	(17,334)	-	(17,334)	(17,119)	-	(17,119)
	909,660	(28,216)	881,444	854,068	(27,540)	826,528
Current	188,960	(51)	188,909	192,083	(22)	192,061
Non-current	720,700	(28,165)	692,535	661,985	(27,518)	634,467
	909,660	(28,216)	881,444	854,068	(27,540)	826,528

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

<u>30.6.2016</u>	<u>Gross</u> RM'000	<u>Reinsu- rance</u> RM'000	<u>Net</u> RM'000
At 1 January 2016	854,068	(27,540)	826,528
Reserve movement for inforce policies	46,123	1,444	47,567
Reserve for new business	23,516	(2,162)	21,354
Change in discount rate	11,947	(1,584)	10,363
Change in other assumptions	(1,025)	1,697	672
Change in valuation methodology	-	-	-
Adjustment of asset share	1,980	-	1,980
Other changes in reserving	(1,991)	(71)	(2,062)
Movement in unallocated surplus	(19,082)	-	(19,082)
Movement in net asset value attributable to unitholders	(14,724)	-	(14,724)
	46,744	(676)	46,068
Elimination of fair value losses from Shareholders' fund investment in investment-linked funds	(215)	-	(215)
Available-for-sale fair value adjustment	9,063	-	9,063
At 30 June 2016	909,660	(28,216)	881,444

AXA AFFIN LIFE INSURANCE BERHAD
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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30
JUNE 2016 (CONTINUED)

10 INSURANCE CONTRACT LIABILITIES (CONTINUED)

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

<u>31.12.2015</u>	<u>Gross</u> RM'000	<u>Reinsu- rance</u> RM'000	<u>Net</u> RM'000
At 1 January 2015	674,068	(26,100)	647,968
Reserve movement for inforce policies	107,449	2,644	110,093
Reserve for new business	36,653	(4,053)	32,600
Change in discount rate	(4,098)	618	(3,480)
Change in other assumptions	3,213	243	3,456
Change in valuation methodology	22,307	-	22,307
Adjustment of asset share	(5,537)	-	(5,537)
Other changes in reserving	14,040	(892)	13,148
Movement in unallocated surplus	(12,209)	-	(12,209)
Movement in net asset value attributable to unitholders	20,100	-	20,100
	181,918	(1,440)	180,478
Elimination of fair value losses from Shareholders' fund investment in investment-linked funds	(556)	-	(556)
Available-for-sale fair value adjustment	(1,362)	-	(1,362)
At 31 December 2015	<u>854,068</u>	<u>(27,540)</u>	<u>826,528</u>

AXA AFFIN LIFE INSURANCE BERHAD
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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30
JUNE 2016 (CONTINUED)

11 CASH FLOWS GENERATED FROM OPERATING ACTIVITIES

	<u>30.6.2016</u>	<u>30.6.2015</u>
	RM'000	RM'000
Net loss for the financial period	3,914	(2,026)
<u>Non-cash items:</u>		
Taxation	(1,757)	2,261
Investment income	(20,482)	(16,031)
Depreciation of property and equipment	590	424
Amortisation of intangible assets	1,372	1,243
Gain on disposal of investments	(215)	(3,563)
(Loss)/gain on disposal of investment properties	-	(1,200)
Gain on disposal of property and equipment	-	(134)
Net fair value gains on investments	(2,278)	(2,943)
Allowance for impairment on other receivables	154	142
<u>Changes in working capital:</u>		
Increase in loans	(627)	(50)
Increase in fixed and call deposits	(46,763)	(44,532)
Increase in insurance receivables	(8,966)	(8,519)
Increase in other receivables	(2,530)	(2,460)
Increase in reinsurance assets	(1,627)	(2,852)
Increase in insurance contract liabilities	46,314	79,482
Increase in insurance claims liabilities	5,159	4,440
Increase in insurance payables	2,592	19,339
Increase/(decrease) in reinsurance payables	1,675	(1,658)
Increase/(decrease) in other payables	3,804	(3,199)
Cash flows (used in)/generated from operating activities	<u>(19,671)</u>	<u>18,164</u>

12 NON-CANCELLABLE OPERATING LEASE COMMITMENTS

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

	<u>30.6.2016</u>	<u>30.6.2015</u>
	RM'000	RM'000
Not later than 1 year	2,534	1,823
Later than 1 year and not later than 5 years	3,488	789
	<u>6,022</u>	<u>2,612</u>

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AXA AFFIN LIFE INSURANCE BERHAD
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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30
JUNE 2016 (CONTINUED)

13 CAPITAL COMMITMENTS

There are no capital commitments for the financial period ended 30 June 2016 and financial year ended 31 December 2015.

14 RISK MANAGEMENT FRAMEWORK

The capital structure of the Company as at 30 June 2016, as prescribed under the RBC Framework, is shown below:

	<u>30.6.2016</u> RM'000	<u>31.12.2015</u> RM'000
<u>Eligible Tier 1 Capital</u>		
Share capital	368,000	313,000
Accumulated losses	(54,436)	(58,350)
Eligible contract liabilities	56,468	80,328
	<u>370,032</u>	<u>334,978</u>
<u>Tier 2 Capital</u>		
Available-for-sale	16,155	8,465
Amounts deducted from capital	(99,120)	(99,120)
Total capital available	<u>287,067</u>	<u>244,323</u>

The Company has met the minimum capital requirements specified in the RBC Framework for the financial period ended 30 June 2016 and financial year ended 31 December 2015.

15 INSURANCE FUNDS

The Company's activities are organised by funds and segregated into the Life and Shareholders' funds in accordance with the Financial Services Act, 2013 and Insurance Regulations, 1996.

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

Company No.

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AXA AFFIN LIFE INSURANCE BERHAD
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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30 JUNE 2016 (CONTINUED)

15 INSURANCE FUNDS (CONTINUED)

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION BY FUNDS AS AT 30 JUNE 2016

	Shareholders' fund		Life fund		Investment-linked funds		Elimination		Total	
	30.6.2016	31.12.2015	30.6.2016	31.12.2015	30.6.2016	31.12.2015	30.6.2016	31.12.2015	30.6.2016	31.12.2015
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS										
Property and equipment	-	-	1,516	2,084	-	-	-	-	1,516	2,084
Investment properties	-	-	258	-	-	-	-	-	258	-
Intangible assets	99,120	99,120	4,354	5,158	-	-	-	-	103,474	104,278
Investments	188,911	163,715	911,003	789,314	112,809	130,814	(17,334)	(17,119)	1,195,389	1,066,724
AFS financial assets	163,756	137,854	599,729	533,249	-	-	-	-	763,485	671,103
FVTPL financial assets	-	-	174,875	167,446	112,809	130,814	(17,334)	(17,119)	270,350	281,141
Loans and receivables	25,155	25,861	136,399	88,619	-	-	-	-	161,554	114,480
Reinsurance assets	-	-	29,862	28,235	-	-	-	-	29,862	28,235
Insurance receivables	-	-	25,907	16,941	-	-	-	-	25,907	16,941
Current tax assets	2,610	2,609	3,121	2,430	(1,616)	(1,594)	-	-	4,115	3,445
Other receivables	30,389	22,834	6,865	4,844	9,066	4,820	(38,686)	(27,495)	7,634	5,003
Cash and cash equivalents	64	1,800	28,242	42,784	17,798	18,064	-	-	46,104	62,648
TOTAL ASSETS	321,094	290,078	1,011,128	891,790	138,057	152,104	(56,020)	(44,614)	1,414,259	1,289,358

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AXA AFFIN LIFE INSURANCE BERHAD
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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30 JUNE 2016 (CONTINUED)

15 INSURANCE FUNDS (CONTINUED)

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION BY FUNDS AS AT 30 JUNE 2016 (CONTINUED)

	Shareholders' fund		Life fund		Investment-linked funds		Elimination		Total	
	30.6.2016	31.12.2015	30.6.2016	31.12.2015	30.6.2016	31.12.2015	30.6.2016	31.12.2015	30.6.2016	31.12.2015
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES										
Share capital	368,000	313,000	-	-	-	-	-	-	368,000	313,000
Accumulated losses	(54,436)	(58,350)	-	-	-	-	-	-	(54,436)	(58,350)
Available-for-sale reserve	7,790	8,316	-	-	-	-	-	-	7,790	8,316
TOTAL EQUITY	321,354	262,966	-	-	-	-	-	-	321,354	262,966
LIABILITIES										
Insurance contract liabilities	-	-	791,053	720,522	135,941	150,665	(17,334)	(17,119)	909,660	854,068
Insurance claims liabilities	-	-	13,306	8,147	-	-	-	-	13,306	8,147
Deferred tax liabilities	(605)	2,364	1,092	322	144	254	-	-	631	2,940
Insurance payables	-	-	84,046	81,454	-	-	-	-	84,046	81,454
Reinsurance payables	-	-	6,486	4,811	-	-	-	-	6,486	4,811
Other payables	345	604	115,145	100,678	1,972	1,185	(38,686)	(27,495)	78,776	74,972
TOTAL LIABILITIES	(260)	2,968	1,011,128	915,934	138,057	152,104	(56,020)	(44,614)	1,092,905	1,026,392
TOTAL EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES	321,094	265,934	1,011,128	915,934	138,057	152,104	(56,020)	(44,614)	1,414,259	1,289,358

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AXA AFFIN LIFE INSURANCE BERHAD
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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30 JUNE 2016 (CONTINUED)

15 INSURANCE FUNDS (CONTINUED)

UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS BY FUNDS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016

	Shareholders' fund		Life fund		Investment-linked funds		Total	
	30.6.2016 RM'000	30.6.2015 RM'000	30.6.2016 RM'000	30.6.2015 RM'000	30.6.2016 RM'000	30.6.2015 RM'000	30.6.2016 RM'000	30.6.2015 RM'000
Gross premiums	-	-	157,602	147,371	23,499	18,534	181,101	165,905
Premiums ceded to reinsurers	-	-	(11,581)	(9,786)	-	-	(11,581)	(9,786)
Net premiums	-	-	146,021	137,585	23,499	18,534	169,520	156,119
Reinsurance commission income	-	-	643	597	-	-	643	597
Investment income	2,920	2,233	17,016	12,987	546	743	20,482	15,963
Net realised gains	-	-	662	2,521	(447)	1,042	215	3,563
Net fair value gains	-	-	2,687	1,653	(409)	1,290	2,278	2,943
Other operating income	14	18	652	287	(101)	232	565	537
Other revenue	2,934	2,251	21,660	18,045	(411)	3,307	24,183	23,603
Gross benefits and claims paid	-	-	(51,843)	(42,092)	(37,883)	(11,543)	(89,726)	(53,635)
Claims ceded to reinsurers	-	-	7,733	10,360	-	-	7,733	10,360
Gross change to insurance contract liabilities	-	-	(61,468)	(69,454)	14,724	(10,030)	(46,744)	(79,484)
Changes in insurance contract liabilities ceded to reinsurers	-	-	676	2,007	-	-	676	2,007
Net claims	-	-	(104,902)	(99,179)	(23,159)	(21,573)	(128,061)	(120,752)
Fee and commission expenses	-	-	(24,943)	(22,503)	-	-	(24,943)	(22,503)
Management expenses	(2,136)	(3,643)	(34,796)	(30,990)	(17)	(28)	(36,949)	(34,661)
Other operating expenses	-	-	(1,593)	(1,571)	-	-	(1,593)	(1,571)
Other expenses	(2,136)	(3,643)	(61,332)	(55,064)	(17)	(28)	(63,485)	(58,735)

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AXA AFFIN LIFE INSURANCE BERHAD
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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30 JUNE 2016 (CONTINUED)

15 INSURANCE FUNDS (CONTINUED)

UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS BY FUNDS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016 (CONTINUED)

	Shareholders' fund		Life fund		Investment-linked funds		Total	
	<u>30.6.2016</u> RM'000	<u>30.6.2015</u> RM'000	<u>30.6.2016</u> RM'000	<u>30.6.2015</u> RM'000	<u>30.6.2016</u> RM'000	<u>30.6.2015</u> RM'000	<u>30.6.2016</u> RM'000	<u>30.6.2015</u> RM'000
Profit before taxation	798	(1,392)	1,447	1,387	(88)	240	2,157	235
Tax expense attributable to policyholders and unitholders	-	-	(962)	(655)	88	(240)	(874)	(895)
Profit/(loss) before taxation attributable to Shareholders	798	(1,392)	485	732	-	-	1,283	(660)
Taxation	3,116	(634)	(1,447)	(1,387)	88	(240)	1,757	(2,261)
Tax expense attributable to policyholders and unitholders	-	-	962	655	(88)	240	874	895
Tax expense attributable to Shareholders	3,116	(634)	(485)	(732)	-	-	2,631	(1,366)
Net profit/(loss) for the financial period	3,914	(2,026)	-	-	-	-	3,914	(2,026)

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30 JUNE 2016 (CONTINUED)

15 INSURANCE FUNDS (CONTINUED)

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS BY FUNDS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016

	Shareholders' Fund		Life Fund		Investment-linked Funds		Total	
	<u>30.6.2016</u>	<u>30.6.2015</u>	<u>30.6.2016</u>	<u>30.6.2015</u>	<u>30.6.2016</u>	<u>30.6.2015</u>	<u>30.6.2016</u>	<u>30.6.2015</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Cash flows from:</u>								
Operating activities	(56,736)	(19,615)	(13,696)	(13,822)	(265)	(2,856)	(70,697)	(36,293)
Investing activities	-	-	(847)	(2,977)	-	-	(847)	(2,977)
Financing activities	55,000	25,000	-	-	-	-	55,000	25,000
	<u>(1,736)</u>	<u>5,385</u>	<u>(14,543)</u>	<u>(16,799)</u>	<u>(265)</u>	<u>(2,856)</u>	<u>(16,544)</u>	<u>(14,270)</u>
<u>Cash and cash equivalents:</u>								
Net decrease in cash and cash equivalents	(1,736)	5,385	(14,543)	(16,799)	(265)	(2,856)	(16,544)	(14,270)
At beginning of the financial period	1,800	2,057	42,785	55,123	18,063	17,798	62,648	74,978
At end of the financial period	<u>64</u>	<u>7,442</u>	<u>28,242</u>	<u>38,324</u>	<u>17,798</u>	<u>14,942</u>	<u>46,104</u>	<u>60,708</u>