

AXA AFFIN GENERAL INSURANCE BERHAD

(Company No. 23820-W)

(Incorporated in Malaysia)

**Unaudited Interim Financial Statements
For the 6-Month Financial Period From
1 January 2012 to 30 June 2012**

AXA AFFIN GENERAL INSURANCE BERHAD
(Company No. 23820-W)
(Incorporated in Malaysia)

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AXA AFFIN GENERAL INSURANCE BERHAD

 (Company No. 23820-W)
 (Incorporated in Malaysia)

UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2012

	Note	30.06.2012		31.12.2011		01.01.2011	
		Group RM'000	Company RM'000	Group RM'000	Company RM'000	Group RM'000	Company RM'000
Assets							
Property, plant and equipment		15,416	15,416	15,844	15,844	16,557	15,164
Intangible asset - software		6,480	6,480	5,185	5,185	3,262	3,262
Goodwill		165,822	165,822	165,822	165,822	165,822	-
Investment in a subsidiary		-	268,658	-	268,658	-	453,225
Other investments	10	1,184,415	1,184,415	1,063,124	1,063,124	1,049,843	540,508
Available-for-sale financial assets		726,203	726,203	570,160	570,160	506,918	278,515
Loans and receivables		458,212	458,212	492,964	492,964	542,925	261,993
Reinsurance assets	11	194,831	194,831	159,959	159,959	235,067	123,000
Insurance receivables		122,120	122,120	122,810	122,810	80,704	39,451
Other receivables		53,552	53,552	43,810	43,810	26,313	14,748
Tax recoverable		-	-	11,219	11,219	6,969	6,969
Cash and cash equivalents		18,643	18,595	28,930	28,687	20,277	15,596
Total assets		<u>1,761,279</u>	<u>2,029,889</u>	<u>1,616,703</u>	<u>1,885,118</u>	<u>1,604,814</u>	<u>1,211,923</u>
Equity and liabilities							
Share capital		119,048	119,048	119,048	119,048	119,048	119,048
Share premiums		71,597	71,597	71,597	71,597	71,597	71,597
Retained earnings		314,652	317,131	258,739	261,202	242,158	233,519
Available-for-sale reserve		24,536	22,169	22,621	20,254	24,115	21,748
Revaluation reserve		7,917	7,917	7,917	7,917	7,917	7,917
Share option reserve		2,270	2,270	2,270	2,270	2,274	2,274
Total equity		<u>540,020</u>	<u>540,132</u>	<u>482,192</u>	<u>482,288</u>	<u>467,109</u>	<u>456,103</u>
Insurance contract liabilities	12	893,176	893,176	813,446	813,446	779,873	458,206
Deferred tax liabilities		793	793	141	141	3,563	3,251
Borrowings		150,000	150,000	150,000	150,000	205,000	205,000
Insurance payables		132,870	132,870	141,500	141,500	112,144	65,968
Other payables		37,839	306,477	29,226	297,743	34,612	23,395
Tax payable		6,581	6,441	198	-	2,513	-
Total liabilities		<u>1,221,259</u>	<u>1,489,757</u>	<u>1,134,511</u>	<u>1,402,830</u>	<u>1,137,705</u>	<u>755,820</u>
Total equity and liabilities		<u>1,761,279</u>	<u>2,029,889</u>	<u>1,616,703</u>	<u>1,885,118</u>	<u>1,604,814</u>	<u>1,211,923</u>

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

**UNAUDITED STATEMENTS OF INCOME
FOR THE 6-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2012**

	30.06.2012		30.06.2011	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
Operating revenue	407,801	407,801	378,270	378,270
Gross written premiums	423,301	423,301	354,762	354,762
Change in unearned premiums provision	(35,522)	(35,522)	7,526	7,526
Gross earned premiums	387,779	387,779	362,288	362,288
Gross written premiums ceded to reinsurers	(91,014)	(91,014)	(92,649)	(92,649)
Change in unearned premiums provision	44,622	44,622	(33,599)	(33,599)
Premiums ceded to reinsurers	(46,393)	(46,393)	(126,248)	(126,248)
Net earned premiums	341,387	341,387	236,040	236,040
Investment income	20,022	20,022	15,982	15,982
Realised gains and losses	2,840	2,840	1,644	1,644
Reinsurance commission income	17,398	17,398	16,484	16,484
Other operating revenue	154	154	-	-
Other revenue	40,414	40,414	34,110	34,110
Gross claims paid	(177,473)	(177,473)	(182,478)	(182,478)
Claims ceded to reinsurance	39,298	39,298	46,327	46,327
Gross change to contract liabilities	(44,208)	(44,208)	(24,886)	(24,886)
Change to contract liabilities ceded to reinsurance	(9,749)	(9,749)	6,555	6,555
Net claims incurred	(192,132)	(192,132)	(154,482)	(154,482)
Commission expense	(52,637)	(52,637)	(44,983)	(44,983)
Management expenses	(56,465)	(56,444)	(60,121)	(60,121)
Finance costs	(6,016)	(6,016)	(7,191)	(7,191)
Other expenses	(115,118)	(115,097)	(112,295)	(112,295)
Profit before taxation	74,550	74,572	3,373	3,373
Taxation	(18,637)	(18,643)	(844)	(844)
Net profit for the financial period	55,913	55,929	2,529	2,529
Basic earnings per share (sen)	46.97	46.98	2.12	2.12

**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE 6-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2012**

	30.06.2012		30.06.2011	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
Net profit for the financial period	55,913	55,929	2,529	2,529
Other comprehensive income				
Available-for-sale reserve:				
Net gain arising during the financial period	2,554	2,554	468	468
Tax effect thereon	(639)	(639)	(117)	(117)
	1,915	1,915	351	351
Total comprehensive income for the financial period	57,828	57,844	2,880	2,880

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

AXA AFFIN GENERAL INSURANCE BERHAD

(Company No. 23820-W)
(Incorporated in Malaysia)

**UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE 6-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2012**

GROUP	Note	Share capital	Share premiums	Revaluation reserve	Share option reserve	AFS reserve	Retained earnings	Total
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At January 2012		119,048	71,597	7,917	2,270	22,621	258,739	482,192
Total comprehensive income for the financial period		-	-	-	-	1,915	55,913	57,828
At 30 June 2012		119,048	71,597	7,917	2,270	24,536	314,652	540,020
At January 2011		119,048	71,597	7,917	2,274	24,115	242,158	467,109
Total comprehensive income for the financial period		-	-	-	-	351	2,529	2,880
At 30 June 2011		119,048	71,597	7,917	2,274	24,466	244,687	469,989

COMPANY	Note	Non-distributable				Distributable		Total
		Share capital	Share premiums	Revaluation reserve	Share option reserve	AFS reserve	Retained earnings	
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At January 2012		119,048	71,597	7,917	2,270	20,254	261,202	482,288
Total comprehensive income for financial year		-	-	-	-	1,915	55,929	57,844
At 30 June 2012		119,048	71,597	7,917	2,270	22,169	317,131	540,132
At January 2011		119,048	71,597	7,917	2,274	21,748	233,519	456,103
Total comprehensive income for financial year		-	-	-	-	351	2,529	2,880
At 30 June 2011		119,048	71,597	7,917	2,274	22,099	236,048	458,983

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

AXA AFFIN GENERAL INSURANCE BERHAD

(Company No. 23820-W)

(Incorporated in Malaysia)

UNAUDITED STATEMENTS OF CASH FLOWS**FOR THE 6-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2012**

	30.06.2012		30.06.2011	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
Operating Activities				
Net profit for the financial period	55,913	55,929	2,529	2,529
Investment income	(20,022)	(20,022)	(15,982)	(15,982)
Realised gains and losses	(2,840)	(2,840)	(1,644)	(1,644)
Taxation	18,637	18,643	844	844
Purchase of AFS financial assets	(201,953)	(201,953)	(82,526)	(82,526)
Proceeds from disposal of AFS financial assets	13,432	13,432	14,039	14,039
Proceeds from maturity of AFS financial assets	38,000	38,000	48,000	48,000
Non-cash items:				
Depreciation of property, plant and equipment	1,081	1,081	1,119	1,119
Amortisation of intangible asset - software	1,310	1,310	878	878
Allowance of impairment of insurance receivables	110	110	3,047	3,047
Changes in working capital:				
Decrease in loans and receivables	32,237	32,237	64,251	64,251
Increase in reinsurance assets	(34,872)	(34,872)	(72,940)	(72,940)
Decrease/(increase) in insurance receivables	580	580	(64,992)	(64,992)
Increase in other receivables	(9,740)	(9,740)	(33,657)	(45,222)
Increase in insurance contract liabilities	79,730	79,730	117,341	117,341
(Decrease)/increase in insurance payables	(8,630)	(8,630)	48,111	48,111
Increase in other payables	8,942	9,062	12,142	23,882
Cash generated from operating activities	(28,085)	(27,943)	40,560	40,735
Dividend income received	1,575	1,575	1,377	1,377
Interest income received	20,505	20,505	14,957	14,957
Income tax paid	(1,021)	(968)	(6,554)	(6,554)
Net cash inflows from operating activities	(7,026)	(6,831)	50,340	50,515

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AXA AFFIN GENERAL INSURANCE BERHAD

(Company No. 23820-W)

(Incorporated in Malaysia)

**UNAUDITED STATEMENTS OF CASH FLOWS
FOR 6-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2012 (CONTINUED)**

	30.06.2012		30.06.2011	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
Investing Activities				
Purchase of property, plant and equipment	(657)	(657)	(2,161)	(2,161)
Purchase of intangible asset - software	(2,604)	(2,604)	(2,228)	(2,228)
Net cash outflows from investing activities	<u>(3,261)</u>	<u>(3,261)</u>	<u>(4,389)</u>	<u>(4,389)</u>
Financing Activities				
Cash transferred upon business transfer (Note 8(b))	-	-	-	1,681
Repayment of borrowings	<u>-</u>	<u>-</u>	<u>(55,000)</u>	<u>(55,000)</u>
Net cash (outflows)/inflows from financing activities	<u>-</u>	<u>-</u>	<u>(55,000)</u>	<u>(53,319)</u>
Net increase in cash and cash equivalents	(10,287)	(10,092)	(9,049)	(7,193)
Cash and cash equivalents at the beginning of the financial year	<u>28,930</u>	<u>28,687</u>	<u>20,277</u>	<u>15,596</u>
Cash and cash equivalents at the end of the financial year	<u>18,643</u>	<u>18,595</u>	<u>11,228</u>	<u>8,403</u>
Cash and cash equivalents comprise:				
Cash and bank balances	<u>18,643</u>	<u>18,595</u>	<u>11,228</u>	<u>8,403</u>

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

Notes to the financial statements

1. Basis of preparation

The interim financial statements of AXA Affin General Insurance Berhad (“the Company”) are unaudited and have been prepared in accordance with Malaysia Financial reporting Standards (“MFRS”) as modified by Guidelines/Circulars issued by Bank Negara Malaysia (“BNM”). They do not include all information required for full annual financial statements, and should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2011. The financial statements of the Company as at and for the year ended 31 December 2011 were prepared in accordance with Financial Reporting Standards (“FRS”) as modified by Guidelines/Circulars issued by BNM.

These are the Company’s interim financial statements for part of the period covered by the Company’s first MFRS framework annual financial statements and MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards* has been applied. The transition to MFRS framework does not have any financial impact to the financial statements of the Company.

2. Comments on seasonality or cyclicity

The business operations of the Company were not significantly affected by seasonality or cyclical factors for the financial period ended 30 June 2012.

3. Unusual item affecting assets, liabilities, equity, net income or cash flows

There were no items affecting assets, liabilities, equity, net income, or cash flows which are unusual because of their nature, size, or incidence for the financial period ended 30 June 2012.

4. Changes in estimates

The Company has changed the estimates of the provisions of unearned premium reserves (“UPR”) from the 1/24th method and booking dates to 1/365th method and inception dates for all classes of insurance. This is with the exception of marine cargo, aviation cargo and transit business which continue to be computed using the 25% method and other non-annual policies which continue to be computed using the time-apportionment method.

This change in estimates of UPR had a positive financial impact of approximately RM52 million in the financial statements.

Notes to the financial statements (CONTINUED)

5. Issues, repurchases and repayments of debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities by the Company for the financial period ended 30 June 2012.

6. Dividend paid

No dividend was paid during the financial period ended 30 June 2012.

7. Events after the interim period

There were no material events after the financial period that had not been reflected in the financial statements for the financial period ended 30 June 2012.

8. Effect of changes in the composition of the Company

There were no changes in the composition of the Company for the financial period ended 30 June 2012.

9. Changes in contingent liabilities or contingent assets

The Company did not have any contingent assets or liabilities at or arisen after the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2012

10 OTHER INVESTMENTS

	30.06.2012		31.12.2011		01.01.2011	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000	Group RM'000	Company RM'000
Available-for-sale ("AFS") financial assets	726,203	726,203	570,160	570,160	506,918	278,515
Loans and receivables ("LAR")	458,212	458,212	492,964	492,964	542,925	261,993
	<u>1,184,415</u>	<u>1,184,415</u>	<u>1,063,124</u>	<u>1,063,124</u>	<u>1,049,843</u>	<u>540,508</u>
Maturing after 12 months:						
AFS financial assets	590,767	590,767	417,331	417,331	338,501	154,682
LAR	1,135	1,135	1,142	1,142	1,663	-
	<u>591,902</u>	<u>591,902</u>	<u>418,473</u>	<u>418,473</u>	<u>340,164</u>	<u>154,682</u>
(a) AFS financial assets:						
<u>At fair value</u>						
Malaysian Government Securities						
- unquoted in Malaysia	439,146	439,146	347,130	347,130	304,480	133,688
Corporate debt securities						
- unquoted in Malaysia	230,574	230,574	163,934	163,934	126,918	81,829
Equity securities						
- quoted in Malaysia	56,233	56,233	58,846	58,846	74,562	62,290
- unquoted in Malaysia	250	250	250	250	250	-
REITs/unit trusts						
- quoted in Malaysia	-	-	-	-	708	708
	<u>726,203</u>	<u>726,203</u>	<u>570,160</u>	<u>570,160</u>	<u>506,918</u>	<u>278,515</u>
(b) LAR						
<u>At amortised cost</u>						
Loans	1,330	1,330	1,765	1,765	2,583	898
Fixed and call deposits	456,882	456,882	491,199	491,199	540,342	261,095
	<u>458,212</u>	<u>458,212</u>	<u>492,964</u>	<u>492,964</u>	<u>542,925</u>	<u>261,993</u>
(c) Carrying value of financial instruments						
	AFS RM'000	LAR RM'000	Total RM'000			
Group						
At 1 January 2011	506,918	542,925	1,049,843			
Purchases	189,999	1,483,565	1,673,564			
Maturities	(85,000)	(1,538,226)	(1,623,226)			
Disposals	(37,138)	-	(37,138)			
Fair value gains recorded in other comprehensive income	(1,992)	-	(1,992)			
Movement in impairment allowance	(982)	-	(982)			
Amortisation adjustment	(2,647)	-	(2,647)			
Movement in interest income accrued	1,002	4,700	5,702			
At 31 December 2011	570,160	492,964	1,063,124			
Purchases	201,953	583,199	785,152			
Maturities	(38,000)	(615,437)	(653,437)			
Disposals	(10,593)	-	(10,593)			
Fair value gains recorded in other comprehensive income	2,554	-	2,554			
Amortisation adjustment	(1,481)	-	(1,481)			
Movement in interest income accrued	1,610	(2,514)	(904)			
At 30 June 2012	<u>726,203</u>	<u>458,212</u>	<u>1,184,415</u>			
	AFS RM'000	LAR RM'000	Total RM'000			
Company						
At 1 January 2011	278,515	261,993	540,508			
Business transfer	228,403	280,932	509,335			
Purchases	189,999	1,483,564	1,673,563			
Maturities	(85,000)	(1,538,225)	(1,623,225)			
Disposals	(37,138)	-	(37,138)			
Fair value gains recorded in other comprehensive income	(1,992)	-	(1,992)			
Movement in impairment allowance	(982)	-	(982)			
Amortisation adjustment	(2,647)	-	(2,647)			
Movement in interest income accrued	1,002	4,700	5,702			
At 31 December 2011	570,160	492,964	1,063,124			
Purchases	201,953	583,199	785,152			
Maturities	(38,000)	(615,437)	(653,437)			
Disposals	(10,593)	-	(10,593)			
Fair value gains recorded in other comprehensive income	2,554	-	2,554			
Amortisation adjustment	(1,481)	-	(1,481)			
Movement in interest income accrued	1,610	(2,514)	(904)			
At 30 June 2012	<u>726,203</u>	<u>458,212</u>	<u>1,184,415</u>			

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2012 (CONTINUED)

11 REINSURANCE ASSETS

	30.06.2012		31.12.2011		01.01.2011	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000	Group RM'000	Company RM'000
Claims liabilities	136,972	136,972	146,721	146,721	173,642	91,659
Premium liabilities	57,859	57,859	13,238	13,238	61,425	31,341
	<u>194,831</u>	<u>194,831</u>	<u>159,959</u>	<u>159,959</u>	<u>235,067</u>	<u>123,000</u>

12 INSURANCE CONTRACT LIABILITIES

GROUP	30.06.2012			31.12.2011			01.01.2011		
	Gross RM'000	Reinsurance RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000
Provision for claims reported by policyholders	421,366	(100,381)	320,985	444,225	(150,309)	293,916	465,149	(175,085)	290,064
Provision for IBNR claims	146,353	(36,591)	109,762	79,286	3,588	82,874	23,357	1,443	24,800
Claims liabilities	567,719	(136,971)	430,747	523,511	(146,721)	376,790	488,506	(173,642)	314,864
Premium liabilities	325,457	(57,859)	267,598	289,935	(13,238)	276,697	291,367	(61,425)	229,942
	<u>893,176</u>	<u>(194,830)</u>	<u>698,344</u>	<u>813,446</u>	<u>(159,959)</u>	<u>653,487</u>	<u>779,873</u>	<u>(235,067)</u>	<u>544,806</u>

COMPANY	30.06.2012			31.12.2011			01.01.2011		
	Gross RM'000	Reinsurance RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000
Provision for claims reported by policyholders	421,366	(100,381)	320,985	444,225	(150,309)	293,916	276,546	(99,418)	177,128
Provision for IBNR claims	146,353	(36,591)	109,762	79,286	3,588	82,874	(5,921)	7,759	1,838
Claims liabilities	567,719	(136,971)	430,747	523,511	(146,721)	376,790	270,625	(91,659)	178,966
Premium liabilities	325,457	(57,859)	267,598	289,935	(13,238)	276,697	187,581	(31,341)	156,240
	<u>893,176</u>	<u>(194,830)</u>	<u>698,344</u>	<u>813,446</u>	<u>(159,959)</u>	<u>653,487</u>	<u>458,206</u>	<u>(123,000)</u>	<u>335,206</u>

(i) Claims liabilities

GROUP	30.06.2012			31.12.2011			01.01.2011		
	Gross RM'000	RI RM'000	Net RM'000	Gross RM'000	RI RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000
At 1 January	523,511	(146,721)	376,790	488,506	(173,642)	314,864	263,629	(117,043)	146,586
Acquisition of a subsidiary	-	-	-	-	-	-	202,917	(85,860)	117,057
Claims incurred in the current accident year	223,259	(40,121)	183,138	401,286	(83,231)	318,055	317,473	(67,339)	250,134
Movement in claims incurred in prior years	(3,483)	8,144	4,661	7,289	9,150	16,439	21,185	2,517	23,702
Movement in PRAD	1,572	2,428	4,000	(4,882)	4,885	3	(2,853)	4,273	1,420
Movement in claims handling expenses	333	-	333	(698)	-	(698)	1,474	-	1,474
Claims paid during the financial year	(177,473)	39,298	(138,175)	(367,990)	96,117	(271,873)	(315,319)	89,810	(225,509)
At 30 June/31 December	<u>567,719</u>	<u>(136,972)</u>	<u>430,747</u>	<u>523,511</u>	<u>(146,721)</u>	<u>376,790</u>	<u>488,506</u>	<u>(173,642)</u>	<u>314,864</u>

COMPANY	30.06.2012			31.12.2011			01.01.2011		
	Gross RM'000	RI RM'000	Net RM'000	Gross RM'000	RI RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000
At 1 January	523,511	(146,721)	376,790	270,625	(91,659)	178,966	263,629	(117,043)	146,586
Business transfer	-	-	-	217,881	(81,983)	135,898	-	-	-
Claims incurred in the current accident year	223,259	(40,121)	183,138	401,286	(83,231)	318,055	234,884	(54,437)	180,447
Movement in claims incurred in prior years	(3,483)	8,144	4,661	7,289	9,150	16,439	2,524	14,700	17,224
Movement in PRAD	1,572	2,428	4,000	(4,882)	4,885	3	(5,251)	4,273	(978)
Movement in claims handling expenses	333	-	333	(698)	-	(698)	913	-	913
Claims paid during the financial year	(177,473)	39,298	(138,175)	(367,990)	96,117	(271,873)	(226,074)	60,848	(165,226)
At 30 June/31 December	<u>567,719</u>	<u>(136,972)</u>	<u>430,747</u>	<u>523,511</u>	<u>(146,721)</u>	<u>376,790</u>	<u>270,625</u>	<u>(91,659)</u>	<u>178,966</u>

(ii) Premium liabilities

GROUP	30.06.2012			31.12.2011			01.01.2011		
	Gross RM'000	Reinsurance RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000
At 1 January	289,935	(13,238)	276,697	291,367	(61,425)	229,942	166,044	(30,916)	135,128
Acquisition of a subsidiary	-	-	-	-	-	-	120,018	(40,418)	79,600
Premiums written in the financial period	423,301	(91,014)	332,287	700,437	(161,878)	538,559	592,643	(157,247)	435,396
Premiums earned during the financial period	(387,779)	46,393	(341,386)	(701,869)	210,065	(491,804)	(587,338)	167,156	(420,182)
At 30 June/31 December	<u>325,457</u>	<u>(57,859)</u>	<u>267,598</u>	<u>289,935</u>	<u>(13,238)</u>	<u>276,697</u>	<u>291,367</u>	<u>(61,425)</u>	<u>229,942</u>

COMPANY	30.06.2012			31.12.2011			01.01.2011		
	Gross RM'000	Reinsurance RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000
At 1 January	289,935	(13,238)	276,697	187,581	(31,341)	156,240	166,044	(30,916)	135,128
Business Transfer	-	-	-	103,786	(30,084)	73,702	-	-	-
Premiums written in the financial period	423,301	(91,014)	332,287	700,437	(161,878)	538,559	404,102	(91,012)	313,090
Premiums earned during the financial period	(387,779)	46,393	(341,386)	(701,869)	210,065	(491,804)	(382,565)	90,587	(291,978)
At 30 June/31 December	<u>325,457</u>	<u>(57,859)</u>	<u>267,598</u>	<u>289,935</u>	<u>(13,238)</u>	<u>276,697</u>	<u>187,581</u>	<u>(31,341)</u>	<u>156,240</u>

AXA AFFIN GENERAL INSURANCE BERHAD

(Company No. 23820-W)

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2012 (CONTINUED)**13 OPERATING LEASE REQUIREMENTS**

The Group and Company (as lessee) have entered into non-cancellable operating lease agreements on the rental of offices for branch operations. These leases have remaining non-cancellable lease terms not later than 5 years.

	30.06.2012		31.12.2011		01.01.2011	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000	Group RM'000	Company RM'000
Not later than 1 year	3,805	3,805	2,471	2,471	3,729	3,729
Later than 1 year and not later than 5 years	1,860	1,860	687	687	2,297	2,297
	<u>5,665</u>	<u>5,665</u>	<u>3,158</u>	<u>3,158</u>	<u>6,026</u>	<u>6,026</u>

14 CAPITAL COMMITMENTS

	30.06.2012		31.12.2011		01.01.2011	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000	Group RM'000	Company RM'000
Capital expenditure approved and contracted for: Property, plant and equipment	<u>3,128</u>	<u>3,128</u>	<u>3,736</u>	<u>3,736</u>	<u>3,459</u>	<u>3,459</u>

15 CAPITAL STRUCTURE

The capital structure of the Company as at 30 June 2012, as prescribed under the RBC Framework is provided below:

	30.06.2012 RM'000	31.12.2011 RM'000	01.01.2011 RM'000
<u>Eligible Tier 1 capital</u>			
Share capital (paid up)	119,048	119,048	119,048
Share premium	71,597	71,597	71,597
Retained earnings	317,128	261,202	233,519
	<u>507,773</u>	<u>451,847</u>	<u>424,164</u>
<u>Tier 2 capital</u>			
AFS reserve	22,169	20,254	21,748
Revaluation reserve	7,917	7,917	7,917
Share option reserve	2,271	2,270	2,274
Subordinated loan	150,000	150,000	150,000
	<u>182,357</u>	<u>180,441</u>	<u>181,939</u>
<u>Deductions</u>			
Goodwill	(165,822)	(165,822)	-
Investment in a subsidiary	-	-	(453,225)
Total capital available	<u>524,308</u>	<u>466,466</u>	<u>152,878</u>