

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 2017

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 2017

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AXA AFFIN LIFE INSURANCE BERHAD  
(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2017

	<u>Note</u>	<u>30.6.2017</u> RM'000	<u>31.12.2016</u> RM'000
<b>ASSETS</b>			
Property and equipment		1,524	1,557
Investment properties		258	261
Intangible assets		104,110	103,714
Investments	8	1,402,852	1,267,977
Available-for-sale financial assets		952,003	894,996
Fair value through profit or loss financial assets		379,710	298,146
Loans and receivables		71,139	74,835
Reinsurance assets	9	29,467	28,549
Insurance receivables		22,636	15,178
Current tax assets		3,942	4,803
Deferred tax assets		1,204	1,407
Other receivables		18,456	7,303
Cash and cash equivalents		77,846	69,700
<b>TOTAL ASSETS</b>		<u>1,662,295</u>	<u>1,500,449</u>
<b>EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES</b>			
Share capital		368,000	368,000
Accumulated losses		(72,381)	(74,489)
Available-for-sale reserve		10,613	7,946
<b>TOTAL EQUITY</b>		<u>306,232</u>	<u>301,457</u>
<b>LIABILITIES</b>			
Insurance contract liabilities	10	1,149,636	998,075
Insurance claims liabilities		15,050	14,098
Insurance payables		82,025	85,765
Reinsurance payables		6,980	8,546
Other payables		102,372	92,508
<b>TOTAL LIABILITIES</b>		<u>1,356,063</u>	<u>1,198,992</u>
<b>TOTAL EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES</b>		<u>1,662,295</u>	<u>1,500,449</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 2017

	<u>30.6.2017</u>	<u>30.6.2016</u>
	RM'000	RM'000
Gross premiums	245,296	181,101
Premiums ceded to reinsurers	<u>(11,018)</u>	<u>(11,581)</u>
Net premiums	<u>234,278</u>	<u>169,520</u>
Reinsurance commission income	598	643
Investment income	24,374	20,482
Net realised gains	6,508	215
Net fair value gains	6,323	2,278
Other operating income	<u>591</u>	<u>565</u>
Other income	<u>38,394</u>	<u>24,183</u>
Gross benefits and claims paid	(73,029)	(89,726)
Claims ceded to reinsurers	8,601	7,733
Gross change in insurance contract liabilities	(138,256)	(46,744)
Changes in insurance contract liabilities ceded to reinsurers	<u>606</u>	<u>676</u>
Net claims	<u>(202,078)</u>	<u>(128,061)</u>
Commission and agency expenses	(26,021)	(24,943)
Management expenses	(40,693)	(36,949)
Other operating expenses	<u>(1,149)</u>	<u>(1,593)</u>
Other expenses	<u>(67,863)</u>	<u>(63,485)</u>
Profit before taxation	2,731	2,157
Tax expense attributable to policyholders and unitholders	<u>(2,097)</u>	<u>(874)</u>
Profit/(loss) before taxation attributable to Shareholders	634	1,283
Taxation	<u>(623)</u>	<u>1,757</u>
Tax expense attributable to policyholders and unitholders	<u>2,097</u>	<u>874</u>
Tax income/(expense) attributable to Shareholders	1,474	2,631
Net profit/(loss) for the financial period	<u>2,108</u>	<u>3,914</u>
Basic profit/(loss) per share (sen)	<u>0.57</u>	<u>1.06</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 2017

	<u>30.6.2017</u>	<u>30.6.2016</u>
	RM'000	RM'000
Net profit/(loss) for the financial period	2,108	3,914
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	14,212	7,941
Transfer to profit or loss upon disposal	1,843	468
Gross fair value changes	16,055	8,409
Deferred taxation	1,164	128
Net fair value changes	17,219	8,537
Change in insurance contract liabilities arising from unrealised net fair value changes	(14,552)	(9,063)
Other comprehensive loss for the financial period, net of tax	2,667	(526)
Total comprehensive income/(loss) for the financial period	<u>4,775</u>	<u>3,388</u>

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

Company No.

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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 2017

	Share capital	Available-for- sale reserve	Accumulated losses	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2017	368,000	7,946	(74,489)	301,457
Issuance of shares during the financial period	-	-	-	-
Total comprehensive loss for the financial period	-	2,667	2,108	4,775
At 30 June 2017	<u>368,000</u>	<u>10,613</u>	<u>(72,381)</u>	<u>306,232</u>
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>

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 2017

	<u>Note</u>	<u>30.6.2017</u> RM'000	<u>30.6.2016</u> RM'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash flows (used in)/generated from operating activities	11	103,462	(19,671)
Proceeds from disposal of investments		186,883	99,676
Purchase of investments		(302,044)	(167,842)
Dividend income received		2,137	693
Interest income received		21,230	18,152
Rental income received on investment properties		-	-
Income tax paid		(1,208)	(1,705)
Net cash used in operating activities		<u>10,460</u>	<u>(70,697)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Purchase of property and equipment		(499)	(279)
Purchase of intangible assets		(1,815)	(568)
Net cash used in investing activities		<u>(2,314)</u>	<u>(847)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Issuance of shares		-	55,000
Net cash generated from financing activities		<u>-</u>	<u>55,000</u>
Net decrease in cash and cash equivalents		8,146	(16,544)
Cash and cash equivalents at 1 January		69,700	62,648
Cash and cash equivalents at 30 June		<u>77,846</u>	<u>46,104</u>
<u>Cash and cash equivalents comprised of:</u>			
Cash and bank balances		72,339	42,906
Fixed and call deposits with maturity of less than three months		<u>5,507</u>	<u>3,198</u>
		<u>77,846</u>	<u>46,104</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 2017**

**1 BASIS OF PREPARATION**

The condensed interim financial statements of the Company for the half-year ended 30 June 2017 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 2016.

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 2016.

**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 2017.

**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 2017.

**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 2017.

**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 2017 (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>30.6.2017</u>	<u>31.12.2016</u>
	RM'000	RM'000
Available-for-sale ("AFS") financial assets (a)	952,003	894,996
Fair value through profit or loss ("FVTPL")		
financial assets – designated upon initial recognition (b)	379,710	298,146
Loans and receivables ("LAR") (c)	<u>71,139</u>	<u>74,835</u>
	<u>1,402,852</u>	<u>1,267,977</u>

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

AFS financial assets	687,828	579,472
FVTPL financial assets – designated upon initial recognition	<u>224,147</u>	<u>217,928</u>
	<u>911,975</u>	<u>797,400</u>

(a) AFS financial assets

At fair value

Malaysian Government Securities	146,081	151,297
Debt securities unquoted in Malaysia	564,311	510,921
Equity securities quoted in Malaysia	34,295	47,274
Investment-linked funds	18,797	17,545
Unit and property trust funds quoted in Malaysia	<u>188,519</u>	<u>167,959</u>
	<u>952,003</u>	<u>894,996</u>

AXA AFFIN LIFE INSURANCE BERHAD  
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30  
JUNE 2017 (CONTINUED)

8 INVESTMENTS (CONTINUED)

(b)	FVTPL financial assets – designated upon initial recognition	<u>30.6.2017</u>	<u>31.12.2016</u>
		RM'000	RM'000
	<u>At fair value</u>		
	Malaysian Government Securities	95,936	89,723
	Equity securities quoted in Malaysia	49,600	29,944
	Equity securities quoted outside Malaysia	12,398	9,143
	Debt securities unquoted in Malaysia	136,125	130,254
	Structured investments quoted outside Malaysia	34,635	37,740
	Unit and property trust funds quoted in Malaysia	<u>51,016</u>	<u>1,342</u>
		<u>379,710</u>	<u>298,146</u>
(c)	LAR		
	<u>At amortised cost</u>		
	Policy loans	18,550	17,190
	Mortgage loans	4	6
	Fixed and call deposits	<u>52,585</u>	<u>57,639</u>
		<u>71,139</u>	<u>74,835</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>	<u>FVTPL</u>	<u>Total</u>
	RM'000	RM'000	RM'000
<u>30 June 2017</u>			
Level 1 - Quoted market price	241,611	147,649	389,260
Level 2 - Market observable inputs	<u>710,392</u>	<u>232,061</u>	<u>942,453</u>
	<u>952,003</u>	<u>379,710</u>	<u>1,331,713</u>
	<u>AFS</u>	<u>FVTPL</u>	<u>Total</u>
	RM'000	RM'000	RM'000
<u>31 December 2016</u>			
Level 1 - Quoted market price	232,778	78,168	310,946
Level 2 - Market observable inputs	<u>662,218</u>	<u>219,978</u>	<u>882,196</u>
	<u>894,996</u>	<u>298,146</u>	<u>1,193,142</u>

AXA AFFIN LIFE INSURANCE BERHAD  
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30  
JUNE 2017 (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>30.6.2017</u>	<u>31.12.2016</u>
	RM'000	RM'000
Reinsurance of insurance contracts:		
-Insurance contract liabilities (Note 10)	27,175	26,568
-Insurance claims liabilities	2,292	1,981
	<u>29,467</u>	<u>28,549</u>
Receivable within 12 months	3,399	2,795
Receivable after 12 months	26,068	25,754
	<u>29,467</u>	<u>28,549</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 2017 (CONTINUED)

10 INSURANCE CONTRACT LIABILITIES

	30.6.2017			31.12.2016		
	Gross RM'000	Reinsu- rance RM'000	Net RM'000	Gross RM'000	Reinsu- rance RM'000	Net RM'000
Actuarial liabilities	946,359	(27,175)	919,184	861,085	(26,568)	834,517
Unallocated surplus	(2,599)	-	(2,599)	17,488	-	17,488
Available-for-sale reserve	10,280	-	10,280	(4,272)	-	(4,272)
Net asset value attributable to unitholders	214,389	-	214,389	141,319	-	141,319
	<u>1,168,429</u>	<u>(27,175)</u>	<u>1,141,254</u>	<u>1,015,620</u>	<u>(26,568)</u>	<u>989,052</u>
Less:						
Elimination of Shareholders' Fund investment in investment-linked funds	(18,793)	-	(18,793)	(17,545)	-	(17,545)
	<u>1,149,636</u>	<u>(27,175)</u>	<u>1,122,461</u>	<u>998,075</u>	<u>(26,568)</u>	<u>971,507</u>
Current	274,158	(1,107)	273,051	178,611	(814)	177,797
Non-current	875,478	(26,068)	849,410	819,464	(25,754)	793,710
	<u>1,149,636</u>	<u>(27,175)</u>	<u>1,122,461</u>	<u>998,075</u>	<u>(26,568)</u>	<u>971,507</u>

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

<u>30.6.2017</u>	Gross RM'000	Reinsu- rance RM'000	Net RM'000
At 1 January 2017	998,075	(26,568)	971,507
Reserve movement for inforce policies	46,107	1,395	47,502
Reserve for new business	16,569	(1,201)	15,368
Change in discount rate	6,336	(407)	5,929
Change in other assumptions	2,208	(376)	1,832
Adjustment of asset share	10,024	-	10,024
Other changes in reserving	4,030	(18)	4,012
Movement in unallocated surplus	(20,087)	-	(20,087)
Movement in net asset value attributable to unitholders	73,070	-	73,070
	138,257	(607)	137,650
Elimination of fair value losses from Shareholders' fund investment in investment-linked funds	(1,248)	-	(1,248)
Available-for-sale fair value adjustment	14,552	-	14,552
At 30 June 2017	<u>1,149,636</u>	<u>(27,175)</u>	<u>1,122,461</u>

AXA AFFIN LIFE INSURANCE BERHAD  
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30  
JUNE 2017 (CONTINUED)

10 INSURANCE CONTRACT LIABILITIES (CONTINUED)

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

<u>31.12.2016</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	111,348	2,728	114,076
Reserve for new business	36,138	(2,674)	33,464
Change in discount rate	(811)	136	(675)
Change in other assumptions	(89)	1,697	1,608
Change in valuation methodology	1,706	-	1,706
Adjustment of asset share	(2,552)	-	(2,552)
Other changes in reserving	250	(915)	(665)
Movement in unallocated surplus	12,209	-	12,209
Movement in net asset value attributable to unitholders	(9,346)	-	(9,346)
	148,853	972	149,825
Elimination of fair value losses from Shareholders' fund investment in investment-linked funds	(426)	-	(426)
Available-for-sale fair value adjustment	(4,420)	-	(4,420)
At 31 December 2016	<u>998,075</u>	<u>(26,568)</u>	<u>971,507</u>

AXA AFFIN LIFE INSURANCE BERHAD  
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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30  
JUNE 2017 (CONTINUED)

11 CASH FLOWS GENERATED FROM OPERATING ACTIVITIES

	<u>30.6.2017</u>	<u>30.6.2016</u>
	RM'000	RM'000
Net loss for the financial period	2,116	3,914
<u>Non-cash items:</u>		
Taxation	622	(1,757)
Investment income	(24,375)	(20,482)
Depreciation of property and equipment	535	590
Amortisation of intangible assets	1,419	1,372
Gain on disposal of investments	(6,508)	(215)
Net fair value gains on investments	(6,323)	(2,278)
Allowance for impairment on other receivables	14	154
<u>Changes in working capital:</u>		
Increase in loans	(812)	(627)
Decrease/(increase) in fixed and call deposits	5,038	(46,763)
Increase in insurance receivables	(8,012)	(8,966)
Increase in other receivables	(1,144)	(2,530)
Increase in reinsurance assets	(918)	(1,627)
Increase in insurance contract liabilities	135,747	46,314
Increase in insurance claims liabilities	952	5,159
(Decrease)/increase in insurance payables	(3,740)	2,592
(Decrease)/increase in reinsurance payables	(1,012)	1,675
Increase in other payables	9,863	3,804
Cash flows generated/(used in) from operating activities	<u>103,462</u>	<u>(19,671)</u>

12 NON-CANCELLABLE OPERATING LEASE COMMITMENTS

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

	<u>30.6.2017</u>	<u>30.6.2016</u>
	RM'000	RM'000
Not later than 1 year	2,868	2,534
Later than 1 year and not later than 5 years	2,182	3,488
	<u>5,050</u>	<u>6,022</u>

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AXA AFFIN LIFE INSURANCE BERHAD  
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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30  
JUNE 2017 (CONTINUED)

13 CAPITAL COMMITMENTS

There are no capital commitments for the financial period ended 30 June 2017 and financial year ended 31 December 2016.

14 RISK MANAGEMENT FRAMEWORK

The capital structure of the Company as at 30 June 2017, as prescribed under the RBC Framework, is shown below:

	<u>30.6.2017</u> RM'000	<u>31.12.2016</u> RM'000
<u>Eligible Tier 1 Capital</u>		
Share capital	368,000	368,000
Accumulated losses	(72,381)	(74,489)
Eligible contract liabilities	82,453	109,231
	<u>378,072</u>	<u>402,742</u>
<u>Tier 2 Capital</u>		
Available-for-sale	20,893	3,674
Amounts deducted from capital	(102,572)	(101,222)
Total capital available	<u>296,393</u>	<u>305,194</u>

The Company has met the minimum capital requirements specified in the RBC Framework for the financial period ended 30 June 2017 and financial year ended 31 December 2016.

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  
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30 JUNE 2017 (CONTINUED)

15 INSURANCE FUNDS (CONTINUED)

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION BY FUNDS AS AT 30 JUNE 2017

	Shareholders' fund		Life fund		Investment-linked funds		Elimination		Total	
	30.6.2017	31.12.2016	30.6.2017	31.12.2016	30.6.2017	31.12.2016	30.6.2017	31.12.2016	30.6.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>ASSETS</b>										
Property and equipment	-	-	1,524	1,557	-	-	-	-	1,524	1,557
Investment properties	-	-	258	261	-	-	-	-	258	261
Intangible assets	99,120	99,120	4,990	4,594	-	-	-	-	104,110	103,714
Investments	133,236	185,553	1,088,434	976,381	199,975	123,588	(18,793)	(17,545)	1,402,852	1,267,977
AFS financial assets	119,612	184,458	832,391	710,538	-	-	-	-	952,003	894,996
FVTPL financial assets	-	-	198,528	192,103	199,975	123,588	(18,793)	(17,545)	379,710	298,146
Loans and receivables	13,624	1,095	57,515	73,740	-	-	-	-	71,139	74,835
Reinsurance assets	-	-	29,467	28,549	-	-	-	-	29,467	28,549
Insurance receivables	-	-	22,636	15,178	-	-	-	-	22,636	15,178
Current tax assets	2,610	2,609	2,494	3,894	(1,162)	(1,700)	-	-	3,942	4,803
Deferred tax assets	3,452	1,776	(1,504)	(37)	(744)	(332)	-	-	1,204	1,407
Other receivables	12,264	12,847	16,511	28,052	8,048	5,652	(18,367)	(39,248)	18,456	7,303
Cash and cash equivalents	55,924	150	12,409	54,384	9,513	15,166	-	-	77,846	69,700
<b>TOTAL ASSETS</b>	<b>306,606</b>	<b>302,055</b>	<b>1,177,219</b>	<b>1,112,813</b>	<b>215,630</b>	<b>142,374</b>	<b>(37,160)</b>	<b>(56,793)</b>	<b>1,662,295</b>	<b>1,500,449</b>



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AXA AFFIN LIFE INSURANCE BERHAD  
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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30 JUNE 2017 (CONTINUED)

15 INSURANCE FUNDS (CONTINUED)

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION BY FUNDS AS AT 30 JUNE 2017 (CONTINUED)

	Shareholders' fund		Life fund		Investment-linked funds		Elimination		Total	
	30.6.2017	31.12.2016	30.6.2017	31.12.2016	30.6.2017	31.12.2016	30.6.2017	31.12.2016	30.6.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES</b>										
Share capital	368,000	368,000	-	-	-	-	-	-	368,000	368,000
Accumulated losses	(72,381)	(74,489)	-	-	-	-	-	-	(72,381)	(74,489)
Available-for-sale reserve	10,613	7,946	-	-	-	-	-	-	10,613	7,946
<b>TOTAL EQUITY</b>	<b>306,232</b>	<b>301,457</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>306,232</b>	<b>301,457</b>
<b>LIABILITIES</b>										
Insurance contract liabilities	-	-	954,041	874,301	214,388	141,319	(18,793)	(17,545)	1,149,636	998,075
Insurance claims liabilities	-	-	15,050	14,098	-	-	-	-	15,050	14,098
Insurance payables	-	-	82,025	85,765	-	-	-	-	82,025	85,765
Reinsurance payables	-	-	6,980	8,546	-	-	-	-	6,980	8,546
Other payables	373	598	119,124	130,103	1,242	1,055	(18,367)	(39,248)	102,372	92,508
<b>TOTAL LIABILITIES</b>	<b>373</b>	<b>598</b>	<b>1,177,220</b>	<b>1,112,813</b>	<b>215,630</b>	<b>142,374</b>	<b>(37,160)</b>	<b>(56,793)</b>	<b>1,356,063</b>	<b>1,198,992</b>
<b>TOTAL EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES</b>	<b>306,605</b>	<b>302,055</b>	<b>1,177,220</b>	<b>1,112,813</b>	<b>215,630</b>	<b>142,374</b>	<b>(37,160)</b>	<b>(56,793)</b>	<b>1,662,295</b>	<b>1,500,449</b>

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AXA AFFIN LIFE INSURANCE BERHAD  
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## NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30 JUNE 2017 (CONTINUED)

## 15 INSURANCE FUNDS (CONTINUED)

## UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS BY FUNDS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017

	Shareholders' fund		Life fund		Investment-linked funds		Total	
	<u>30.6.2017</u>	<u>30.6.2016</u>	<u>30.6.2017</u>	<u>30.6.2016</u>	<u>30.6.2017</u>	<u>30.6.2016</u>	<u>30.6.2017</u>	<u>30.6.2016</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Gross premiums	-	-	156,970	157,602	88,326	23,499	245,296	181,101
Premiums ceded to reinsurers	-	-	(11,018)	(11,581)	-	-	(11,018)	(11,581)
Net premiums	-	-	145,952	146,021	88,326	23,499	234,278	169,520
Reinsurance commission income	-	-	598	643	-	-	598	643
Investment income	2,762	2,920	20,196	17,016	1,416	546	24,374	20,482
Net realised gains	-	-	4,556	662	1,952	(447)	6,508	215
Net fair value gains	-	-	3,183	2,687	3,140	(409)	6,323	2,278
Other operating income	43	14	556	652	(8)	(101)	591	565
Other revenue	2,805	2,934	29,089	21,660	6,500	(411)	38,394	24,183
Gross benefits and claims paid	-	-	(51,979)	(51,843)	(21,050)	(37,883)	(73,029)	(89,726)
Claims ceded to reinsurers	-	-	8,601	7,733	-	-	8,601	7,733
Gross change to insurance contract liabilities	-	-	(65,187)	(61,468)	(73,069)	14,724	(138,256)	(46,744)
Changes in insurance contract liabilities ceded to reinsurers	-	-	606	676	-	-	606	676
Net claims	-	-	(107,959)	(104,902)	(94,119)	(23,159)	(202,078)	(128,061)
Fee and commission expenses	-	-	(26,021)	(24,943)	-	-	(26,021)	(24,943)
Management expenses	(2,808)	(2,136)	(37,814)	(34,796)	(71)	(17)	(40,693)	(36,949)
Other operating expenses	-	-	(1,149)	(1,593)	-	-	(1,149)	(1,593)
Other expenses	(2,808)	(2,136)	(64,984)	(61,332)	(71)	(17)	(67,863)	(63,485)

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AXA AFFIN LIFE INSURANCE BERHAD  
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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30 JUNE 2017 (CONTINUED)

15 INSURANCE FUNDS (CONTINUED)

UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS BY FUNDS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017 (CONTINUED)

	Shareholders' fund		Life fund		Investment-linked funds		Total	
	<u>30.6.2017</u> RM'000	<u>30.6.2016</u> RM'000	<u>30.6.2017</u> RM'000	<u>30.6.2016</u> RM'000	<u>30.6.2017</u> RM'000	<u>30.6.2016</u> RM'000	<u>30.6.2017</u> RM'000	<u>30.6.2016</u> RM'000
Profit before taxation	(3)	798	2,098	1,447	636	(88)	2,731	2,157
Tax expense attributable to policyholders and unitholders	-	-	(1,461)	(962)	(636)	88	(2,097)	(874)
Profit/(loss) before taxation attributable to Shareholders	(3)	798	637	485	-	-	634	1,283
Taxation	2,111	3,116	(2,098)	(1,447)	(636)	88	(623)	1,757
Tax expense attributable to policyholders and unitholders	-	-	1,461	962	636	(88)	2,097	874
Tax expense attributable to Shareholders	2,111	3,116	(637)	(485)	-	-	1,474	2,631
Net profit/(loss) for the financial period	2,108	3,914	-	-	-	-	2,108	3,914

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30 JUNE 2017 (CONTINUED)

15 INSURANCE FUNDS (CONTINUED)

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS BY FUNDS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017

	Shareholders' Fund		Life Fund		Investment-linked Funds		Total	
	<u>30.6.2017</u>	<u>30.6.2016</u>	<u>30.6.2017</u>	<u>30.6.2016</u>	<u>30.6.2017</u>	<u>30.6.2016</u>	<u>30.6.2017</u>	<u>30.6.2016</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Cash flows from:</u>								
Operating activities	55,774	(56,736)	(39,661)	(13,696)	(5,653)	(265)	10,460	(70,697)
Investing activities	-	-	(2,314)	(847)	-	-	(2,314)	(847)
Financing activities	-	55,000	-	-	-	-	-	55,000
	<u>55,774</u>	<u>(1,736)</u>	<u>(41,975)</u>	<u>(14,543)</u>	<u>(5,653)</u>	<u>(265)</u>	<u>8,146</u>	<u>(16,544)</u>
<u>Cash and cash equivalents:</u>								
Net decrease in cash and cash equivalents	55,774	(1,736)	(41,975)	(14,543)	(5,653)	(265)	8,146	(16,544)
At beginning of the financial period	150	1,800	54,384	42,785	15,166	18,063	69,700	62,648
At end of the financial period	<u>55,924</u>	<u>64</u>	<u>12,409</u>	<u>28,242</u>	<u>9,513</u>	<u>17,798</u>	<u>77,846</u>	<u>46,104</u>