

AXA AFFIN LIFE INSURANCE BERHAD  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**

FOR THE HALF-YEAR ENDED 30 JUNE 2013

AXA AFFIN LIFE INSURANCE BERHAD  
(Incorporated in Malaysia)

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AXA AFFIN LIFE INSURANCE BERHAD  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013**

	Note	30.6.2013 RM'000	31.12.2012 RM'000
<b>ASSETS</b>			
Property and equipment		2,224	2,590
Investment properties	8	7,300	7,300
Intangible assets		103,894	105,117
Investments	9	700,351	835,416
Available-for-sale financial assets		295,454	253,655
Fair value through profit or loss financial assets		336,155	503,985
Loans and receivables		68,742	77,776
Reinsurance assets	10	23,075	21,212
Insurance receivables		10,145	5,156
Other receivables		4,894	2,756
Cash and cash equivalents		75,074	56,693
<b>TOTAL ASSETS</b>		<b>926,957</b>	<b>1,036,240</b>
<b>EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES</b>			
Share capital		288,000	288,000
Accumulated losses		(39,696)	(39,752)
Available-for-sale reserve		16,402	14,147
<b>TOTAL EQUITY</b>		<b>264,706</b>	<b>262,395</b>
<b>LIABILITIES</b>			
Insurance contract liabilities	11	556,982	679,582
Insurance claims liabilities		3,305	3,264
Deferred tax liabilities		1,826	4,232
Insurance payables		64,271	55,030
Reinsurance liabilities		5,326	6,217
Current tax liabilities		506	334
Other payables		30,035	25,186
<b>TOTAL LIABILITIES</b>		<b>662,251</b>	<b>773,845</b>
<b>TOTAL EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES</b>		<b>926,957</b>	<b>1,036,240</b>

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

AXA AFFIN LIFE INSURANCE BERHAD  
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**UNAUDITED CONDENSED STATEMENT OF INCOME  
FOR THE HALF-YEAR ENDED 30 JUNE 2013**

	<b>30.6.2013</b>	<b>30.6.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Operating revenue</b>	137,009	103,425
Gross premiums	117,651	94,449
Premiums ceded to reinsurers	(6,515)	(4,013)
<b>Net premiums</b>	111,136	90,436
Reinsurance commission income	969	125
Investment income	19,358	8,976
Realised gains and losses	7,460	5,144
Fair value gains and losses	(28,281)	13,393
Other operating income	217	1,033
<b>Other revenue</b>	(277)	28,671
Gross benefits and claims paid	(190,844)	(27,641)
Claims ceded to reinsurers	2,301	3,071
Gross change to insurance contract liabilities	126,324	(49,928)
Change in insurance contract liabilities ceded to reinsurers	1,863	3,917
<b>Net claims</b>	(60,356)	(70,581)
Commission and agency expenses	(17,765)	(17,907)
Management expenses	(31,890)	(29,398)
Other operating expenses	(1,285)	(335)
Taxation for Life fund and Investment-linked funds	297	(1,465)
<b>Other expenses</b>	(50,643)	(49,105)
<b>Loss before taxation</b>	(140)	(579)
Taxation	196	106
<b>Profit/(loss) for the financial period</b>	56	(473)
Basic earnings/(loss) per share (sen)	0.02	(0.18)

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

AXA AFFIN LIFE INSURANCE BERHAD  
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**UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 30 JUNE 2013**

	<b>30.6.2013</b>	<b>30.6.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Profit/(loss) for the financial period</b>	56	(473)
<b>Other comprehensive income:</b>		
Fair value change on available-for-sale financial assets, net of deferred tax		
Gross fair value gains	7,000	2,000
Deferred tax	(33)	374
Net fair value gains	<u>6,967</u>	<u>2,374</u>
Change in insurance contract liabilities arising from net fair value gains	<u>(4,712)</u>	<u>(2,006)</u>
	<u>2,255</u>	<u>368</u>
<b>Total comprehensive income/(loss) for the financial period</b>	<u>2,311</u>	<u>(105)</u>

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

AXA AFFIN LIFE INSURANCE BERHAD  
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**UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 30 JUNE 2013**

	Share capital RM'000	-----Non-Distributable-----  Available-for-sale reserve RM'000	Accumulated losses RM'000	Total RM'000
<b>At 1 January 2012</b>	266,000	5,256	(42,766)	228,490
Total comprehensive income/(loss) for the financial period	-	368	(473)	(105)
<b>At 30 June 2012</b>	<u>266,000</u>	<u>5,624</u>	<u>(43,239)</u>	<u>228,385</u>
<b>At 1 January 2013</b>	288,000	14,147	(39,752)	262,395
Total comprehensive income for the financial period	-	2,255	56	2,311
<b>At 30 June 2013</b>	<u>288,000</u>	<u>16,402</u>	<u>(39,696)</u>	<u>264,706</u>

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

AXA AFFIN LIFE INSURANCE BERHAD  
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**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 30 JUNE 2013**

	Note	30.6.2013 RM'000	30.06.2012 RM'000
<b>Operating Activities</b>			
Cash generated from operating activities	12	(109,801)	23,126
Proceeds from disposal of investments		180,784	55,210
Purchase of investments		(68,810)	(92,834)
Dividend income received		9,554	1,924
Interest income received		8,785	5,890
Rental income on investment properties received		135	73
Income tax paid		(1,642)	(800)
<b>Net cash flows generated from/(used in) operating activities</b>		<b>19,005</b>	<b>(7,411)</b>
<b>Investing Activities</b>			
Proceeds from disposal of property and equipment		-	93
Purchase of property and equipment		(134)	(239)
Purchase of intangible assets		(490)	(1,137)
<b>Net cash flows used in investing activities</b>		<b>(624)</b>	<b>(1,283)</b>
Net increase/(decrease) in cash and cash equivalents		18,381	(8,694)
Cash and cash equivalents at 1 January		56,693	22,194
Cash and cash equivalents at 30 June		<b>75,074</b>	<b>13,500</b>
Cash and cash equivalents comprise:			
Cash and bank balances		27,141	13,500
Fixed and call deposits		47,933	-
		<b>75,074</b>	<b>13,500</b>

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

AXA AFFIN LIFE INSURANCE BERHAD  
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## NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30 JUNE 2013

### 1. BASIS OF PREPARATION

The condensed interim financial statements of the Company for the half-year ended 30 June 2013 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 2012.

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 2012.

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

<b>MFRS and Amendments to MFRS</b>	<b>Effective date</b>
MFRS 132 Financial Instruments: Presentation	1 January 2014
MFRS 9 Financial Instruments: Classification and Measurement of Financial Assets and Financial Liabilities	1 January 2015

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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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30 JUNE 2013  
(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 2013.

**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 2013.

**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 2013.

**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.

**8. INVESTMENT PROPERTIES**

Investment properties are stated at fair value, which was determined based on the last valuation performed by an external independent valuer as at 31 December 2012.

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30 JUNE 2013  
(CONTINUED)**

**9. INVESTMENTS**

The financial instruments are summarised by categories as follows:

	<b>30.6.2013</b>	<b>31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
Available-for-sale ("AFS") financial assets	295,454	253,655
Fair value through profit or loss ("FVTPL") financial assets – designated upon initial recognition	336,155	503,985
Loans and receivables ("LAR")	68,742	77,776
	<u>700,351</u>	<u>835,416</u>

The financial instruments receivable after 12 months are as follows:-

	<b>30.6.2013</b>	<b>31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
AFS financial assets	196,724	167,052
FVTPL financial assets – designated upon initial recognition	162,979	181,457
Loans and receivables	9,399	9,083
	<u>369,102</u>	<u>357,592</u>

**(a) AFS financial assets**

	<b>30.6.2013</b>	<b>31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>At fair value</u>		
Malaysian government securities	28,035	28,345
Debt securities unquoted in Malaysia	168,689	138,707
Equity securities quoted in Malaysia	33,581	29,542
Investment-linked funds (seed money)	19,195	18,743
Unit and property trust funds quoted in Malaysia	45,954	38,318
	<u>295,454</u>	<u>253,655</u>

**(b) FVTPL financial assets – designated upon  
initial recognition**

	<b>30.6.2013</b>	<b>31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>At fair value</u>		
Malaysian government securities	68,164	67,619
Equity securities quoted in Malaysia	17,130	14,612
Equity securities quoted outside Malaysia	4,819	5,570
Debt securities unquoted in Malaysia	108,993	99,874
Structured investments quoted inside Malaysia	28,156	29,743
Structured investments quoted outside Malaysia	108,732	285,645
Unit and property trust funds quoted in Malaysia	161	922
	<u>336,155</u>	<u>503,985</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30 JUNE 2013  
(CONTINUED)**

**9. INVESTMENTS (CONTINUED)**

<b>(c) Loans and receivables</b>	<b>30.6.2013 RM'000</b>	<b>31.12.2012 RM'000</b>
<u>At amortised cost</u>		
Policy loans	9,345	8,997
Mortgage loans	71	113
Fixed and call deposits	59,326	68,666
	<u>68,742</u>	<u>77,776</u>

**(d) Fair values of financial instruments**

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

	<b>AFS RM'000</b>	<b>FVTPL RM'000</b>	<b>Total RM'000</b>
<b>30 June 2013</b>			
Level 1 - Quoted market price	98,730	158,998	257,728
Level 2 - Market observable inputs	196,724	177,157	373,881
	<u>295,454</u>	<u>336,155</u>	<u>631,609</u>
	<b>AFS RM'000</b>	<b>FVTPL RM'000</b>	<b>Total RM'000</b>
<b>31 December 2012</b>			
Level 1 - Quoted market price	86,603	336,492	423,095
Level 2 - Market observable inputs	167,052	167,493	334,545
	<u>253,655</u>	<u>503,985</u>	<u>757,640</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30 JUNE 2013  
(CONTINUED)**

**9. 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 instruments.

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 follow:

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.

**10. REINSURANCE ASSETS**

	<b>30.6.2013</b>	<b>31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
Reinsurance of insurance contracts (Note 11)	23,075	21,212

The carrying amounts disclosed above approximate fair values at the balance sheet date.

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30 JUNE 2013  
(CONTINUED)**

**11. INSURANCE CONTRACT LIABILITIES**

	30.6.2013			31.12.2012		
	Gross RM'000	Reinsu- -rance RM'000	Net RM'000	Gross RM'000	Reinsu- -rance RM'000	Net RM'000
Actuarial liabilities	346,369	(23,075)	323,294	301,918	(21,212)	280,706
Unallocated surplus	20,465	-	20,465	21,289	-	21,289
Available-for-sale fair value adjustment	8,923	-	8,923	4,211	-	4,211
Net asset value attributable to unitholders	181,225	-	181,225	352,164	-	352,164
	<u>556,982</u>	<u>(23,075)</u>	<u>533,907</u>	<u>679,582</u>	<u>(21,212)</u>	<u>658,370</u>

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

<b><u>30.6.2013</u></b>	<b>Gross RM'000</b>	<b>Reinsurance RM'000</b>	<b>Net RM'000</b>
Balance at 1 January 2013	679,582	(21,212)	658,370
Reserve movement for in-force policies	33,822	-	33,822
Reserve for new business	10,603	-	10,603
Change in discount rate	(324)	-	(324)
Other changes in reserving	350	-	350
Reinsurance credit	-	(1,863)	(1,863)
Increase in unallocated surplus	(824)	-	(824)
Available-for-sale fair value adjustment	4,712	-	4,712
Change in net asset value attributable to unitholders	(170,939)		(170,939)
Balance at 30 June 2013	<u>556,982</u>	<u>(23,075)</u>	<u>533,907</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30 JUNE 2013  
(CONTINUED)**

**11. INSURANCE CONTRACT LIABILITIES (CONTINUED)**

<b><u>31.12.2012</u></b>	<b>Gross RM'000</b>	<b>Reinsurance RM'000</b>	<b>Net RM'000</b>
Balance at 1 January 2012	587,638	(18,469)	569,169
Effects on adoption of MFRS	(7,019)	-	(7,019)
Balance at the beginning of the financial year – as MFRS	580,619	(18,469)	562,150
Reserve movement for in-force policies	55,301	-	55,301
Reserve for new business	23,528	-	23,528
Change in discount rate	6,412	-	6,412
Change in other assumptions	(962)	-	(962)
Change in valuation methodology	(2,559)	-	(2,559)
Adjustment of asset share	(8,199)	-	(8,199)
Other changes in reserving	2,595	-	2,595
Reinsurance credit	-	(2,743)	(2,743)
Increase in unallocated surplus	7,270	-	7,270
Available-for-sale fair value adjustment	2,887	-	2,887
Change in net asset value attributable to unitholders	12,690	-	12,690
Balance at 31 December 2012	<u>679,582</u>	<u>(21,212)</u>	<u>658,370</u>

With the Non-participating life fund's unallocated surplus and available-for-sale reserve being reclassified from insurance contract liabilities to equity effective 1 January 2011, only the associated Participating life fund's unallocated surplus and available-for-sale fair value adjustment are included in the above presentation.

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30 JUNE 2013  
(CONTINUED)**

**12. CASH GENERATED FROM OPERATING ACTIVITIES**

	<b>30.6.2013</b>	<b>30.6.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Profit/(loss) for the financial period</b>	56	(473)
<b>Non-cash items:</b>		
Taxation	(493)	3,777
Investment income	(19,358)	(8,976)
Depreciation of property and equipment	500	515
Amortisation of intangible assets	1,713	1,942
Gain on disposal of investments	(7,460)	(5,144)
Gain on disposal of property and equipment	-	43
Fair value loss/(gain) on investments	28,281	(13,393)
Allowance for impairment on other receivables	439	-
<b>Changes in working capital:</b>		
Increase/decrease in loans	(348)	176
Decrease in fixed and call deposits	9,382	7,023
Increase in insurance receivables	(4,989)	(1,718)
Increase in other receivables	(2,577)	(16,929)
Increase in reinsurance assets	(1,863)	-
Decrease/increase in insurance contract liabilities	(126,324)	48,059
Decrease in provision for outstanding claims	-	(452)
Increase in insurance claims liabilities	41	-
Increase in insurance payables	9,241	3,270
Decrease in reinsurance liabilities	(891)	-
Increase in other payables	4,849	5,406
Cash (used in)/generated from operating activities	<u>(109,801)</u>	<u>23,126</u>

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30 JUNE 2013  
(CONTINUED)**

**13. NON-CANCELLABLE OPERATING LEASE COMMITMENTS**

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

	<b>30.6.2013</b>	<b>30.6.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
Not later than 1 year	1,507	2,728
Later than 1 year and not later than 5 years	457	1,500
	<u>1,964</u>	<u>4,228</u>

**14. CAPITAL COMMITMENTS**

There are no capital commitments for the financial period ended 30 June 2013 and financial year ended 31 December 2012.

**15. REGULATORY CAPITAL REQUIREMENT**

The capital structure of the Company as at 30 June 2013, as prescribed under the BNM Risk Based Capital Framework is provided below:

	<b>30.6.2013</b>	<b>31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Eligible Tier 1 Capital</b>		
Share capital	288,000	288,000
Accumulated losses	(39,696)	(39,749)
Eligible contract liabilities	58,044	57,687
	<u>306,348</u>	<u>305,938</u>
<b>Tier 2 Capital</b>		
Available-for-sale	25,324	18,354
	<u>25,324</u>	<u>18,354</u>
<b>Amounts deducted from Capital</b>	(99,120)	(99,120)
<b>Total Capital Available</b>	<u>232,552</u>	<u>225,172</u>

The Company has met the minimum capital requirements specified in the Framework for the financial period ended 30 June 2013 and financial year ended 31 December 2012.

**16. 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. The Life insurance business offers a wide range of participating and non-participating Whole Life, Term Assurance and Endowment products, as well as Investment-linked products.



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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30 JUNE 2013 (CONTINUED)

STATEMENT OF FINANCIAL POSITION BY FUNDS AS AT 30 JUNE 2013

	Shareholders' Fund		Life Fund		Investment-linked Funds		Total	
	30.6.2013	31.12.2012	30.6.2013	31.12.2012	30.6.2013	31.12.2012	30.6.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>ASSETS</b>								
Property and equipment	-	-	2,224	2,590	-	-	2,224	2,590
Investment properties	-	-	7,300	7,300	-	-	7,300	7,300
Intangible assets	99,120	99,120	4,774	5,997	-	-	103,894	105,117
Investments	105,925	103,654	421,595	382,810	172,831	348,952	700,351	835,416
AFS financial assets	72,385	66,908	223,069	186,747	-	-	295,454	253,655
FVTPL financial assets	-	-	163,324	155,033	172,831	348,952	336,155	503,985
Loans and receivables	33,540	36,746	35,202	41,030	-	-	68,742	77,776
Reinsurance assets	-	-	23,075	21,212	-	-	23,075	21,212
Insurance receivables	-	-	10,145	5,156	-	-	10,145	5,156
Other receivables	138	138	4,194	2,408	562	210	4,894	2,756
Cash and cash equivalents	2,415	2,822	64,285	48,168	8,374	5,703	75,074	56,693
<b>TOTAL ASSETS</b>	<b>207,598</b>	<b>205,734</b>	<b>537,592</b>	<b>475,641</b>	<b>181,767</b>	<b>354,865</b>	<b>926,957</b>	<b>1,036,240</b>

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30 JUNE 2013 (CONTINUED)

STATEMENT OF FINANCIAL POSITION BY FUNDS AS AT 30 JUNE 2013 (CONTINUED)

	Shareholders' Fund		Life Fund		Investment-linked Funds		Total	
	30.6.2013	31.12.2012	30.6.2013	31.12.2012	30.6.2013	31.12.2012	30.6.2013	31.12.2012
	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	288,000	288,000	-	-	-	-	288,000	288,000
Accumulated losses	(39,696)	(39,752)	-	-	-	-	(39,696)	(39,752)
Available-for-sale reserve	16,402	14,147	-	-	-	-	16,402	14,147
<b>TOTAL EQUITY</b>	<b>264,706</b>	<b>262,395</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>264,706</b>	<b>262,395</b>
<b>LIABILITIES</b>								
Insurance contract liabilities	-	-	375,757	327,418	181,225	352,164	556,982	679,582
Insurance claims liabilities	-	-	3,305	3,264	-	-	3,305	3,264
Deferred tax liabilities	-	1,022	1,486	676	340	2,534	1,826	4,232
Insurance payables	-	-	64,271	55,030	-	-	64,271	55,030
Reinsurance liabilities	-	-	5,326	6,217	-	-	5,326	6,217
Current tax liabilities	-	-	(3,679)	(776)	4,185	1,110	506	334
Other payables	348	560	29,465	24,520	222	106	30,035	25,186
Inter-fund	(57,456)	(58,243)	61,661	59,292	(4,205)	(1,049)	-	-
<b>TOTAL LIABILITIES</b>	<b>(57,108)</b>	<b>(56,661)</b>	<b>537,592</b>	<b>475,641</b>	<b>181,767</b>	<b>354,865</b>	<b>662,251</b>	<b>773,845</b>
<b>TOTAL EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES</b>	<b>207,598</b>	<b>205,734</b>	<b>537,592</b>	<b>475,641</b>	<b>181,767</b>	<b>354,865</b>	<b>926,957</b>	<b>1,036,240</b>

AXA AFFIN LIFE INSURANCE BERHAD  
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - 30 JUNE 2013 (CONTINUED)

STATEMENT OF INCOME BY FUNDS FOR THE HALF-YEAR ENDED 30 JUNE 2013

	Shareholders' Fund		Life Fund		Investment-linked Funds		Total	
	30.6.2013 RM'000	30.6.2012 RM'000	30.6.2013 RM'000	30.6.2012 RM'000	30.6.2013 RM'000	30.6.2012 RM'000	30.6.2013 RM'000	30.6.2012 RM'000
<b>Operating revenue</b>	1,584	1,212	115,645	93,334	19,780	8,879	137,009	103,425
Gross premiums	-	-	107,706	87,180	9,945	7,269	117,651	94,449
Premiums ceded to reinsurers	-	-	(6,515)	(4,013)	-	-	(6,515)	(4,013)
<b>Net premiums</b>	-	-	101,191	83,167	9,945	7,269	111,136	90,436
Reinsurance commission income	-	-	969	125	-	-	969	125
Investment income	1,584	1,212	7,939	6,154	9,835	1,610	19,358	8,976
Realised gains and losses	365	730	942	3,061	6,153	1,353	7,460	5,144
Fair value gains and losses	-	-	(867)	210	(27,414)	13,183	(28,281)	13,393
Other operating income	-	-	195	967	22	66	217	1,033
<b>Other revenue</b>	1,949	1,942	9,178	10,517	(11,404)	16,212	(277)	28,671
Gross benefits and claims paid	-	-	(20,486)	(27,641)	(170,358)	-	(190,844)	(27,641)
Claims ceded to reinsurers	-	-	2,301	3,071	-	-	2,301	3,071
Gross change to contract liabilities	-	-	(44,615)	(27,746)	170,939	(22,182)	126,324	(49,928)
Change in contract liabilities ceded to reinsurers	-	-	1,863	3,917	-	-	1,863	3,917
<b>Net claims</b>	-	-	(60,937)	(48,399)	581	(22,182)	(60,356)	(70,581)
Fee and commission expense	-	-	(17,765)	(17,907)	-	-	(17,765)	(17,907)
Management expenses	(2,089)	(2,521)	(29,791)	(26,867)	(10)	(10)	(31,890)	(29,398)
Other operating expenses	-	-	(1,260)	(316)	(25)	(19)	(1,285)	(335)
Taxation for Life fund and Investment-linked funds	-	-	(616)	(195)	913	(1,270)	297	(1,465)
<b>Other expenses</b>	(2,089)	(2,521)	(49,432)	(45,285)	878	(1,299)	(50,643)	(49,105)
<b>Loss before taxation</b>	(140)	(579)	-	-	-	-	(140)	(579)
Taxation	196	106	-	-	-	-	196	106
<b>Profit/(loss) for the financial period</b>	56	(473)	-	-	-	-	56	(473)