

Company No.

457556	X
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TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2015

Company No.

457556

X

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

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(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED
30 JUNE 2015

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

	<u>Note</u>	As at <u>30.06.2015</u> RM'000	As at <u>31.12.2014</u> RM'000
ASSETS			
Property, plant and equipment		146,817	148,854
Investment properties	8	127,657	127,657
Intangible assets	9	114,309	729
Financial investments			
Available-for-sale financial assets	10a	4,532,607	4,332,857
Fair value through profit or loss financial assets	10b	546,023	480,329
Held-to-maturity financial assets	10c	892,706	796,390
Loans and receivables	10d	583,418	579,054
Tax recoverable		-	-
Insurance receivables		28,745	26,556
Financial receivables		9,487	16,488
Other assets		11,367	2,081
Cash and cash equivalents		395,997	520,341
TOTAL ASSETS		<u><u>7,389,133</u></u>	<u><u>7,031,336</u></u>
EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES			
Share capital	11	226,000	100,000
Retained earnings		351,069	325,334
Available-for-sale reserve		3,106	(2,603)
Asset revaluation reserve		1,794	1,794
TOTAL EQUITY		<u><u>581,969</u></u>	<u><u>424,525</u></u>
Insurance contract liabilities	12	6,181,770	5,984,985
Insurance payables		425,856	406,949
Other financial liabilities		7,684	8,810
Other payables		34,631	54,892
Provision for agency long association benefits		25,354	27,566
Current tax liabilities		9,702	7,602
Deferred tax liabilities		122,167	116,007
TOTAL LIABILITIES		<u><u>6,807,164</u></u>	<u><u>6,606,811</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>7,389,133</u></u>	<u><u>7,031,336</u></u>

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

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INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED
30 JUNE 2015

UNAUDITED CONDENSED STATEMENT OF INCOME

	6 months ended 30.06.2015 RM'000	6 months ended 30.06.2014 RM'000
Gross earned premium revenue	539,645	568,102
Premiums ceded to reinsurers	(32,994)	(30,460)
Net earned revenue	506,651	537,642
Investment income	143,271	134,837
Net realised gains	25,701	18,529
Net fair value gains	33,562	13,467
Fee and commission income	1,386	1,064
Other operating income – net	993	945
Other income	204,913	168,842
Gross benefits and claims paid	329,719	382,468
Claims ceded to reinsurers	(15,823)	(18,383)
Gross/net change to insurance contract liabilities	229,275	177,513
Net insurance benefits and claims	543,171	541,598
Commission and agency expenses	56,373	55,756
Management expenses	67,006	62,594
Other operating expenses – net	-	-
Other expenses	123,379	118,350
Profit before taxation	45,014	46,536
Taxation	(19,279)	(29,466)
Net profit for the financial period	25,735	17,070
Basic earnings per share (sen)	25.74	17.07

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INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED
30 JUNE 2015

UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	6 months ended <u>30.06.2015</u> RM'000	6 months ended <u>30.06.2014</u> RM'000
Net profit for the financial period	25,735	17,070
Other comprehensive income:		
Fair value change on available-for-sale financial assets:		
Net unrealised gain/(loss) arising during the financial period	(17,697)	12,371
Net realised loss transferred to statement of income	(10,451)	(18,040)
Tax effects thereon	2,029	374
	<hr/>	<hr/>
Fair value losses, net of tax	(26,119)	(5,295)
Change in insurance contract liabilities arising from net fair value gains	31,828	5,588
	<hr/>	<hr/>
	5,709	293
	<hr/>	<hr/>
Total comprehensive income for the financial period	<u>31,444</u>	<u>17,363</u>

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TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.

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INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2015

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY

		Issued and fully paid ordinary shares of RM1.00 each		Available- for-sale reserve	Asset revaluation reserve	Retained earnings	Total
	Note	Number of shares '000	Nominal value RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 31 December 2014 / 1 January 2015		100,000	100,000	(2,603)	1,794	325,334	424,525
Total comprehensive income for the financial period		-	-	5,709	-	25,735	31,444
Increase share capital		126,000	126,000	-	-	-	126,000
Balance at 30 June 2015		<u>226,000</u>	<u>226,000</u>	<u>3,106</u>	<u>1,794</u>	<u>351,069</u>	<u>581,969</u>
Balance at 31 December 2013 / 1 January 2014		100,000	100,000	(4,470)	1,794	283,433	380,757
Total comprehensive income for the financial period		-	-	293	-	17,070	17,363
Dividend paid	7	-	-	-	-	(37,810)	(37,810)
Balance at 30 June 2014		<u>100,000</u>	<u>100,000</u>	<u>(4,177)</u>	<u>1,794</u>	<u>262,693</u>	<u>360,310</u>

Included in the retained earnings is surplus arising from insurance contracts without Discretionary Participation Features ("DPF") in the Life Fund (net of deferred tax) of RM337.9 million (30 June 2014: RM 181.3 million). These amounts are only distributable upon the actual recommended transfer from Life Fund to the Shareholders' Fund by the Appointed Actuary.

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INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED
30 JUNE 2015

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

	6 months ended <u>30.06.2015</u> RM'000	6 months ended <u>30.06.2014</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the financial period	25,735	17,070
Investment income	(143,270)	(134,837)
Realised gains recorded in statement of income	(25,701)	(18,529)
Fair value gains recorded in statement of income	(33,562)	(13,467)
Depreciation of property, plant and equipment	2,303	2,421
Amortisation of intangible assets	12,773	6,186
Provision for agency long association benefits	307	400
Taxation	19,281	29,466
Changes in working capital:		
Purchase of financial assets	(1,069,105)	(877,600)
Proceeds from maturity or disposal of financial assets	743,966	803,709
(Increase)/decrease in fixed and call deposits	(6,299)	96,000
Decrease in loans	1,392	4,661
Decrease in insurance receivables	2,189	2,521
Decrease in other receivables	9,286	5,526
Increase in insurance contract liabilities	207,256	174,539
Decrease in other financial liabilities	(1,126)	(4,953)
Increase in insurance payables	18,907	1,933
Decrease in other payables	(19,440)	(1,107)
Cash used in operating activities	<u>(255,109)</u>	<u>93,939</u>

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INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED
30 JUNE 2015

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS (CONTINUED)

	6 months ended <u>30.06.2015</u> RM'000	6 months ended <u>30.06.2014</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (continued)		
Investment income received	145,085	131,586
Agency long association benefits paid	(2,212)	(1,107)
Income tax paid	(11,312)	(14,425)
Net cash inflows from operating activities	<u>131,561</u>	<u>116,054</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(690)	(444)
Purchase of intangible assets	(126,106)	(56)
Net cash outflows from investing activities	<u>(126,796)</u>	<u>(500)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Paid-up capital	126,000	-
Net cash outflows from financing activities	<u>126,000</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents	(124,344)	209,493
Cash and cash equivalents at the beginning of the financial period	<u>520,341</u>	<u>240,537</u>
Cash and cash equivalents at the end of the financial period	<u>395,997</u>	<u>450,030</u>
Cash and cash equivalents comprise:		
Cash and bank balances	35,276	31,085
Fixed and call deposits with maturity of less than three months	<u>360,721</u>	<u>418,945</u>
	<u>395,997</u>	<u>450,030</u>

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TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
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NOTES TO THE INTERIM FINANCIAL STATEMENTS – 30 JUNE 2015

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards, being the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities (“the MFRS”). The interim financial statements should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2014.

These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company since the financial year ended 31 December 2014.

1.2 Standards, amendments to published standards and interpretations to existing standards that are applicable and relevant to the Company but not yet effective.

The Company will apply the new standards, amendments to published standards and interpretations that are issued but not yet effective in the following financial years:

Financial year beginning on/after 1 January 2016

- Amendment to MFRS 116 ‘Property, Plant and Equipment’ and MFRS 138 ‘Intangible Assets’ (effective from 1 January 2016) clarify that the use of revenue-based methods to calculate the depreciation and amortisation of an item of property, plant and equipment and intangible are not appropriate. This is because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

The amendments to MFRS 138 also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption can be overcome only in the limited circumstances where the intangible asset is expressed as a measure of revenue or where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS – 30 JUNE 2015
(CONTINUED)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 1.2 Standards, amendments to published standards and interpretations to existing standards that are applicable and relevant to the Company but not yet effective (continued).

Financial year beginning on/after 1 January 2018

- MFRS 9, 'Financial Instruments - Classification and Measurement of Financial Assets and Financial Liabilities' (effective from 1 January 2015) replaces the multiple classification and measurement models in MFRS 139 with a single model that has only two classification categories: amortised cost and fair value. The basis of classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The accounting and presentation for financial liabilities and for de-recognising financial instruments has been relocated from MFRS 139, without change, except for financial liabilities that are designated at fair value through profit or loss ('FVTPL'). Entities with financial liabilities designated at FVTPL recognise changes in the fair value due to changes in the liability's credit risk directly in OCI. There is no subsequent recycling of the amounts in OCI to profit or loss, but accumulated gains or losses may be transferred within equity.

The guidance in MFRS 139 on impairment of financial assets and hedge accounting continues to apply.

MFRS 7 requires disclosures on transition from MFRS 139 to MFRS 9.

The Company is reviewing the adoption of the above accounting standards, amendments to published standards and interpretation to existing standards and will complete the process prior to the reporting requirement deadline. Notwithstanding, the above standards, amendments to published standards and interpretations to existing standards are not anticipated to have any significant impact on the financial statements of the Company in the year of initial application.

2 SEASONAL OR CYCLICAL FACTORS

There were no significant seasonal or cyclical factors that affect the business of the Company for the six months period under review.

3 UNUSUAL ITEMS

There are no unusual items affecting assets, liabilities, equity, net income and cash flows for the six months period under review.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS – 30 JUNE 2015
(CONTINUED)

4 CHANGE IN ESTIMATES

There are no changes in estimates of amounts reported in prior financial year that have a material effect in the current financial period other than those disclosed in Note 12 to the interim financial statements.

5 DEBT AND EQUITY SECURITIES

There were no issuances, cancellation, repurchases, resale and repayment of debt and equity securities during the current financial period.

6 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE PERIOD

There is no material event subsequent to the end of the period under review that has not been reflected in the interim financial statements.

7 DIVIDENDS

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2015.

8 INVESTMENT PROPERTIES

Market
value
RM'000

At 30 June 2015 / 31 December 2014

127,657

The investment properties of the Company were valued in 2014 by an independent professional valuer on the properties' highest-and best use basis using sales comparison approach at the date. Under the sale comparison approach, the recent sales prices of properties in close proximity are adjusted for differences in key attributes such as tenure, location and condition of the properties. The most significant input into this valuation approach is selling price per square foot.

9 INTANGIBLE ASSETS

The intangible assets represent exclusive bancassurance agreement which provides the Company with an exclusive right to the use of the bancassurance network of RHB Bank for a period of 10 years from 1 January 2015 and ending on 31 December 2024 with a total facilitation fee of RM210 million.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 JUNE 2015
(CONTINUED)

10 FINANCIAL INVESTMENTS

	As at <u>30.06.2015</u> RM'000	As at <u>31.12.2014</u> RM'000
Malaysian Government securities	440,557	437,847
Malaysian Government guaranteed bonds	923,606	853,618
Government Investment Issues	128,166	127,043
Corporate debt securities	2,622,979	2,401,812
Equity securities	1,442,330	1,438,389
Collective investment schemes	408,343	345,766
Structured investment products	-	-
Investment linked funds	5,355	5,101
Loans	533,119	535,054
Fixed and call deposits	50,299	44,000
	<u>6,554,754</u>	<u>6,188,630</u>

The Company's financial investments are summarised by the following categories:

Available-for-sale financial assets ("AFS")	4,532,607	4,332,857
Fair-value-through-profit-and-loss – Held-for-trading financial assets ("FVTPL – HFT")	546,023	480,329
Held-to-maturity financial assets ("HTM")	892,706	796,390
Loans and receivables ("LAR")	583,418	579,054
	<u>6,554,754</u>	<u>6,188,630</u>

10a AFS FINANCIAL ASSETS

At fair value:		
Malaysian Government securities	194,927	192,281
Malaysian Government guaranteed bonds	591,497	597,236
Government Investment Issues	66,005	65,003
Corporate debt securities	2,267,652	2,082,486
Equity securities	1,295,252	1,280,092
Collective investment schemes	111,919	110,658
Investment-linked funds	5,355	5,101
	<u>4,532,607</u>	<u>4,332,857</u>
Current	207,859	219,190
Non-current	4,324,748	4,113,667
	<u>4,532,607</u>	<u>4,332,857</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 JUNE 2015
(CONTINUED)

10	FINANCIAL INVESTMENTS (CONTINUED)		
		As at	As at
		<u>30.06.2015</u>	<u>31.12.2014</u>
		RM'000	RM'000
10b	FVTPL FINANCIAL ASSETS		
	At fair value:		
	Government investment issues	10,294	-
	Corporate debt securities	87,648	86,925
	Equity securities	147,078	158,297
	Collective investment schemes	301,003	135,107
	Structured investment products	-	-
	Investment-linked funds	-	-
		<u>546,023</u>	<u>480,329</u>
	Current	11,143	-
	Non-current	534,880	480,329
		<u>546,023</u>	<u>480,329</u>
10c	HTM FINANCIAL ASSETS		
	At amortised cost:		
	Malaysian Government securities	245,631	245,566
	Malaysian Government guaranteed bonds	332,110	256,383
	Government Investment Issues	51,866	62,040
	Corporate debt securities	263,100	232,401
		<u>892,706</u>	<u>796,390</u>
	Current	47,459	27,366
	Non-current	845,248	769,024
		<u>892,706</u>	<u>796,390</u>
	At fair value:		
	Malaysian Government securities	251,656	246,929
	Malaysian Government guaranteed bonds	336,103	256,624
	Government Investment Issues	53,154	81,886
	Corporate debt securities	273,070	220,270
		<u>913,982</u>	<u>805,709</u>

The fair values of HTM financial assets are their quoted prices on the stock exchanges or broker/dealer price quotations. Where this information is not available, fair value has been estimated using quoted market prices for securities with similar credit, maturity and yield characteristic.

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10 FINANCIAL INVESTMENTS (CONTINUED)

10d LOANS AND RECEIVABLES

	As at <u>30.06.2015</u> RM'000	As at <u>31.12.2014</u> RM'000
At amortised cost:		
Secured:		
Policy loans	516,476	518,048
Mortgage loans	1,257	994
Other loans	841	927
Accrued interest income	14,545	15,085
Fixed and call deposits	50,299	44,000
	<u>583,418</u>	<u>579,054</u>

The carrying values of loans and receivables approximate the fair values at the balance sheet date.

Current	50,299	44,000
Non-current	533,119	535,054
	<u>583,418</u>	<u>579,054</u>

10e CARRYING VALUES OF FINANCIAL INSTRUMENTS

	AFS RM'000	FVTPL RM'000	HTM RM'000	LAR RM'000	Total RM'000
At 1 January 2015	4,332,857	480,329	796,390	579,054	6,188,630
Purchases	870,856	93,249	105,000	-	1,069,105
Maturities	(405,476)	-	(10,000)	-	(415,476)
Disposals	(264,710)	(63,780)	-	-	(328,490)
Decrease in loans	-	-	-	(1,392)	(1,392)
Increase in fixed and call deposits	-	-	-	6,299	6,299
Movement of investment income accrued	1,241	235	1,188	(543)	2,121
Fair value gains recorded in:					
Statement of income	-	35,990	-	-	35,990
Other comprehensive income	(17,697)	-	-	-	(17,697)
Movement in impairment allowance	12,934	-	-	-	12,934
Amortisation adjustment	2,602	-	128	-	2,730
At 30 June 2015	<u>4,532,607</u>	<u>546,023</u>	<u>892,706</u>	<u>583,418</u>	<u>6,554,754</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 JUNE 2015
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10 FINANCIAL INVESTMENTS (CONTINUED)

10f FAIR VALUES OF FINANCIAL INSTRUMENTS

The following tables show financial investments 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>HTM</u> RM'000	<u>Total</u> RM'000
<u>30 June 2015</u>				
Level 1	1,333,066	147,078	-	1,480,144
Level 2	3,192,140	398,945	913,982	4,505,067
Level 3	7,401	-	-	7,401
	<u>4,532,607</u>	<u>546,023</u>	<u>913,982</u>	<u>5,992,612</u>
<u>31 December 2014</u>				
Level 1	1,317,743	158,297	-	1,476,040
Level 2	3,007,712	322,032	805,709	4,135,453
Level 3	7,402	-	-	7,402
	<u>4,332,857</u>	<u>480,329</u>	<u>805,709</u>	<u>5,618,895</u>

Level 1 financial instruments are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, secondary market via dealer and broker, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2 financial instruments are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions are instruments for which pricing is obtained via pricing services but where prices have not been determined in an active market, instruments with fair values based on broker quotes, investment in unit and property trusts with fair values obtained via fund managers and instruments that are valued using the Company's own models whereby the majority of assumptions are market observable.

Level 3 financial instruments are determined in whole or in part using a valuation technique based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. The main asset class in this category are unquoted equity securities. Valuation techniques are used to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the instrument at the measurement date. However, the fair value measurement objective remains the same, that is, an exit price from the perspective of the Company. Therefore, unobservable inputs reflect the Company's own assumptions about the assumptions that market participants would use in pricing the instrument (including assumptions about risk). These inputs are developed based on the best information available, which might include the Company's own data.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 JUNE 2015
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11 SHARE CAPITAL

The paid-up share capital of the Company has increased from RM100 million to RM226 million via an issuance of 126 million shares of RM1 each which had been approved by the Directors of the Company in January 2015.

12 INSURANCE CONTRACT LIABILITIES

	<u>Gross/net</u>	
	As at <u>30.06.2015</u> RM'000	As at <u>31.12.2014</u> RM'000
Life insurance contract liabilities	<u>6,181,770</u>	<u>5,984,985</u>

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

	<u>Gross/net</u>	
	As at <u>30.06.2015</u> RM'000	As at <u>31.12.2014</u> RM'000
Actuarial liabilities	4,919,890	4,741,783
Unallocated surplus	637,672	598,370
Provision for outstanding claims	52,098	53,811
AFS reserve	430,733	462,562
Asset revaluation reserve	17,410	17,410
Net asset value attributable to unitholders	123,967	111,049
	<u>6,181,770</u>	<u>5,984,985</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 JUNE 2015
(CONTINUED)

12 INSURANCE CONTRACT LIABILITIES (CONTINUED)

	With DPE RM'000	Without DPE RM'000	Gross/net Total RM'000
At 1 January 2015	5,280,214	704,771	5,984,985
Premiums received	304,143	236,888	541,031
Liabilities paid for death, maturities, surrenders, benefits and claims	(201,413)	(128,306)	(329,719)
Net investment income	157,504	24,863	182,367
Benefits and claims experience variation	(44,222)	(48,939)	(93,161)
Fees deducted	(47,686)	(78,455)	(126,141)
Net other income	(2,710)	590	(2,120)
Adjustments due to changes in assumptions:			
Discount rate	-	11,517	11,517
Others	190	(674)	(484)
Movement in unallocated surplus	39,302	-	39,302
Net asset value attributable to unitholders	-	7,734	7,734
Movement in provision for outstanding claims	(762)	(951)	(1,713)
AFS fair value adjustment	(31,828)	-	(31,828)
At 30 June 2015	<u>5,452,732</u>	<u>729,038</u>	<u>6,181,770</u>

13 CAPITAL COMMITMENTS

Capital expenditure not provided for in the financial statements are as follows:

	As at <u>30.06.2015</u> RM'000	As at <u>31.12.2014</u> RM'000
Authorised and contracted for:		
-Plant and equipment	268	552
-Software / intangible assets	8,839	126,000
	<u>9,107</u>	<u>126,552</u>

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14 OPERATING LEASE COMMITMENTS

	As at <u>30.06.2015</u> RM'000	As at <u>31.12.2014</u> RM'000
Commitments under non-cancellable operating leases where the Company is a lessee:		
Payable within one year	269	282
Payable after one year	600	728
	<u>869</u>	<u>1,010</u>
Commitments under non-cancellable operating leases where the Company is a lessor:		
Receivable within one year	6,665	7,647
Receivables after one year	3,223	6,226
	<u>9,888</u>	<u>13,873</u>

15 REGULATORY CAPITAL FRAMEWORK

Regulatory capital is the minimum amount of assets that must be held throughout the financial year to meet statutory solvency requirements governed under the RBC Framework. As part of the statutory requirements, the Company is required to provide its capital position on a quarterly basis to BNM.

The capital structure of the Company, consisting of all funds, as prescribed under the RBC Framework is provided below:

	As at <u>30.06.2015</u> RM'000	As at <u>31.12.2014</u> RM'000
Eligible Tier 1 Capital		
Share capital (paid-up)	226,000	100,000
Reserves, including retained earnings	1,830,677	1,766,726
Tier 2 Capital	453,044	479,163
Amount deducted from capital	(113,636)	-
Total capital available	<u>2,396,085</u>	<u>2,345,889</u>

The Company has met both the minimum and internal capital requirements specified in the RBC Framework for the six months period ended 30 June 2015 and for the financial year ended 31 December 2014.

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16 INSURANCE FUNDS

The Company's activities are organised by funds and segregated into the Life Fund and Shareholders' Fund ("SHF") 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 which includes Life Fund and the SHF. The Life insurance business offers a wide range of participating and non-participating Whole Life, Term Assurance, Endowment and Unit-linked products.

Unaudited Statement of Financial Position by Funds as at 30 June 2015

	Shareholders' Fund		Life Fund		Inter-fund elimination		Total	
	As at 30.06.2015 RM'000	As at 31.12.2014 RM'000	As at 30.06.2015 RM'000	As at 31.12.2014 RM'000	As at 30.06.2015 RM'000	As at 31.12.2014 RM'000	As at 30.06.2015 RM'000	As at 31.12.2014 RM'000
ASSETS								
Property, plant and equipment	-	-	146,817	148,854	-	-	146,817	148,854
Investment properties	-	-	127,657	127,657	-	-	127,657	127,657
Intangible assets	-	-	114,309	729	-	-	114,309	729
Financial investments								
AFS financial assets	174,143	164,526	4,358,464	4,168,331	-	-	4,532,607	4,332,857
HFT financial assets	4,578	6,597	541,445	473,732	-	-	546,023	480,329
HTM financial assets	-	-	892,706	796,390	-	-	892,706	796,390
Loans and receivables	-	-	583,418	579,054	-	-	583,418	579,054
Tax recoverable	-	2,192	-	-	-	(2,192)	-	-
Insurance receivables	-	-	28,745	26,556	-	-	28,745	26,556
Financial receivables	5	17,606	9,482	16,488	-	(17,606)	9,487	16,488
Other assets	-	-	11,367	2,081	-	-	11,367	2,081
Cash and cash equivalents	14,487	7,775	381,510	512,566	-	-	395,997	520,341
TOTAL ASSETS	193,213	198,696	7,195,920	6,852,438	-	(19,798)	7,389,133	7,031,336

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 JUNE 2015 (CONTINUED)

16 INSURANCE FUNDS (CONTINUED)

Unaudited Statement of Financial Position by Funds as at 30 June 2015 (continued)

	Shareholders' Fund		Life Fund		Inter-fund elimination		Total	
	As at 30.06.2015 RM'000	As at 31.12.2014 RM'000	As at 30.06.2015 RM'000	As at 31.12.2014 RM'000	As at 30.06.2015 RM'000	As at 31.12.2014 RM'000	As at 30.06.2015 RM'000	As at 31.12.2014 RM'000
EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES								
Share capital	226,000	100,000	-	-	-	-	226,000	100,000
Retained earnings	(30,381)	94,224	381,450	231,110	-	-	351,069	325,334
AFS reserve	2,627	1,683	479	(4,286)	-	-	3,106	(2,603)
Asset revaluation reserve	-	-	1,794	1,794	-	-	1,794	1,794
TOTAL EQUITY	198,246	195,907	383,723	228,618	-	-	581,969	424,525
Insurance contract liabilities	-	-	6,181,770	5,984,985	-	-	6,181,770	5,984,985
Insurance payables	-	-	425,856	406,949	-	-	425,856	406,949
Other financial liabilities	-	-	7,684	26,416	-	(17,606)	7,684	8,810
Other payables	(2,294)	2,373	36,925	52,519	-	-	34,631	54,892
Provision for agency long association benefit	-	-	25,354	27,566	-	-	25,354	27,566
Current tax liabilities	(3,565)	-	13,267	9,794	-	(2,192)	9,702	7,602
Deferred tax liabilities	826	417	121,341	115,590	-	-	122,167	116,007
TOTAL POLICYHOLDERS' FUNDS AND LIABILITIES	(5,033)	2,790	6,812,197	6,623,819	-	(19,798)	6,807,164	6,606,811
TOTAL EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES	193,213	198,697	7,195,920	6,852,437	-	(19,798)	7,389,133	7,031,336

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 JUNE 2015 (CONTINUED)

16 INSURANCE FUNDS (CONTINUED)

Unaudited Statement of Income by Funds for the six months period ended 30 June 2015

	<u>Shareholders' Fund</u>		<u>Life Fund</u>		<u>Inter-fund elimination</u>		<u>Total</u>	
	6 months ended <u>30.06.2015</u> RM'000	6 months ended <u>30.06.2014</u> RM'000	6 months ended <u>30.06.2015</u> RM'000	6 months ended <u>30.06.2014</u> RM'000	6 months ended <u>30.06.2015</u> RM'000	6 months ended <u>30.06.2014</u> RM'000	6 months ended <u>30.06.2015</u> RM'000	6 months ended <u>30.06.2014</u> RM'000
Gross earned premium revenue	-	-	539,645	568,102	-	-	539,645	568,102
Premiums ceded to reinsurers	-	-	(32,994)	(30,460)	-	-	(32,994)	(30,460)
Net earned revenue	-	-	506,651	537,642	-	-	506,651	537,642
Investment income	1,817	3,066	141,454	131,771	-	-	143,271	134,837
Net realised gains	67	520	25,634	18,009	-	-	25,701	18,529
Net fair value gains/(losses)	108	(63)	33,454	13,530	-	-	33,562	13,467
Fee and commission income	-	-	1,386	1,064	-	-	1,386	1,064
Other operating income – net	-	-	993	945	-	-	993	945
Other income	1,992	3,523	202,921	165,319	-	-	204,913	168,842

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 JUNE 2015 (CONTINUED)

16 INSURANCE FUNDS (CONTINUED)

Unaudited Statement of Income by Funds for the six months period ended 30 June 2015 (continued)

	<u>Shareholders' Fund</u>		<u>Life Fund</u>		<u>Inter-fund elimination</u>		<u>Total</u>	
	6 months ended <u>30.06.2015</u> RM'000	6 months ended <u>30.06.2014</u> RM'000	6 months ended <u>30.06.2015</u> RM'000	6 months ended <u>30.06.2014</u> RM'000	6 months ended <u>30.06.2015</u> RM'000	6 months ended <u>30.06.2014</u> RM'000	6 months ended <u>30.06.2015</u> RM'000	6 months ended <u>30.06.2014</u> RM'000
Gross benefits and claims paid	-	-	329,719	382,468	-	-	329,719	382,468
Claims ceded to reinsurers	-	-	(15,823)	(18,383)	-	-	(15,823)	(18,383)
Gross/net change to insurance contract liabilities	-	-	229,275	177,513	-	-	229,275	177,513
Net insurance benefits and claims	-	-	543,171	541,598	-	-	543,171	541,598
Commission and agency expenses	-	-	56,373	55,756	-	-	56,373	55,756
Management expenses	-	2,000	67,006	60,594	-	-	67,006	62,594
Other operating expenses - net	-	-	-	-	-	-	-	-
Other expenses	-	2,000	123,379	116,350	-	-	123,379	118,350
Profit before taxation	1,992	1,524	43,022	45,012	-	-	45,014	46,536
Taxation	(597)	(1,234)	(18,682)	(28,232)	-	-	(19,279)	(29,466)
Net profit for the financial period	1,395	290	24,340	16,780	-	-	25,735	17,070

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17 INVESTMENT-LINKED FUND

The balance sheet and statement of income of investment-linked fund in Note 16 to the interim financial statements represent the assets, liabilities and net asset values of TokioMarine Orient Fund (“TMOF”), TokioMarine Enterprise Fund (“TMEF”), TokioMarine Bond Fund (“TMBF”), TokioMarine Dana Ikhtiar (“TMDI”) and TokioMarine Luxury Fund (“TMLX”). The balance sheet of the investment-linked fund is represented by:

	As at <u>30.06.2015</u> RM'000	As at <u>31.12.2014</u> RM'000
UNITHOLDERS' LIABILITIES		
At the beginning of the financial period	111,049	97,647
Net creation of units	31,728	53,794
Net cancellation of units	(26,544)	(43,373)
Net surplus for the financial period after taxation	7,734	2,981
	<hr/>	<hr/>
At the end of the financial period	<u>123,967</u>	<u>111,049</u>

The balance sheet of investment-linked fund in Note 14 to the interim financial statements has been adjusted for the following assets, liabilities and net asset value of TokioMarine Managed Fund (“TMMF”) which have been eliminated as TMMF invested mainly in TMEF and TMBF during the financial period:

	As at <u>30.06.2015</u> RM'000	As at <u>31.12.2014</u> RM'000
ASSETS		
Investments in other linked funds of insurer	21,645	19,668
Cash and cash equivalents	1	1
	<hr/>	<hr/>
NET ASSET VALUE OF TMMF	<u>21,646</u>	<u>19,669</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 JUNE 2015
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17 INVESTMENT-LINKED FUND (CONTINUED)

The statement of income of investment-linked fund in Note 14 to the interim financial statements has been adjusted for the following income and expenditure of TMMF which have been eliminated as TMMF invested mainly in TMEF and TMBF during the financial period:

	As at <u>30.06.2015</u> RM'000	As at <u>31.12.2014</u> RM'000
Net asset value of TMMF at the beginning of the financial period	19,669	16,589
Net creation of units – included in gross earned premiums	5,632	9,105
Net cancellation of units – included in gross benefits paid	(4,486)	(6,462)
	<u>20,815</u>	<u>19,232</u>
Realised gains on investments	323	725
Fair value gain/(loss) on investments	510	(286)
Management expenses:		
Auditors' remuneration	(2)	(3)
Net profit for the financial period	<u>831</u>	<u>437</u>
Net asset value of TMMF at the end of the financial period	<u><u>21,646</u></u>	<u><u>19,669</u></u>