

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 2014

Company No.

457556

X

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

CONTENTS

	PAGE
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF INCOME	3
STATEMENT OF COMPREHENSIVE INCOME	4
STATEMENT OF CHANGES IN EQUITY	5
STATEMENT OF CASH FLOWS	6 - 7
NOTES TO THE INTERIM FINANCIAL STATEMENTS	8 - 23

Company No.

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

INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED
30 JUNE 2014

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

	<u>Note</u>	As at <u>30.06.2014</u> RM'000	As at <u>31.12.2013</u> RM'000
ASSETS			
Property, plant and equipment		147,453	149,457
Investment properties	8	120,666	120,666
Intangible assets		12,804	18,934
Financial investments			
Available-for-sale financial assets	9a	4,374,391	4,249,866
Held-for-trading financial assets	9b	522,047	583,589
Held-to-maturity financial assets	9c	684,707	644,231
Loans and receivables	9d	532,082	623,998
Tax recoverable		-	-
Insurance receivables		21,952	24,473
Financial receivables		7,560	13,968
Other assets		3,594	2,712
Cash and cash equivalents		450,030	240,537
TOTAL ASSETS		<u><u>6,877,286</u></u>	<u><u>6,672,431</u></u>
EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES			
Share capital		100,000	100,000
Retained earnings		262,693	283,433
Available-for-sale reserve		(4,177)	(4,470)
Asset revaluation reserve		1,794	1,794
TOTAL EQUITY		<u><u>360,310</u></u>	<u><u>380,757</u></u>
Insurance contract liabilities	10	5,946,390	5,768,306
Insurance payables		364,690	335,959
Other financial liabilities		13,678	11,745
Other payables		29,277	34,230
Provision for agency long association benefits		24,163	25,270
Current tax liabilities		15,322	4,691
Deferred tax liabilities		123,456	111,473
TOTAL LIABILITIES		<u><u>6,516,976</u></u>	<u><u>6,291,674</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>6,877,286</u></u>	<u><u>6,672,431</u></u>

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

Company No.

457556

X

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED
30 JUNE 2014

UNAUDITED CONDENSED STATEMENT OF INCOME

	6 months ended <u>30.06.2014</u> RM'000	6 months ended <u>30.06.2013</u> RM'000
Gross earned premium revenue	568,102	396,890
Premiums ceded to reinsurers	(30,460)	(27,438)
Net earned revenue	<u>537,642</u>	<u>369,452</u>
Investment income	134,837	126,814
Net realised gains	18,529	13,680
Net fair value gains	13,467	26,595
Fee and commission income	1,064	682
Other operating income – net	945	124
Other income	<u>168,842</u>	<u>167,895</u>
Gross benefits and claims paid	382,468	264,255
Claims ceded to reinsurers	(18,383)	(12,202)
Gross/net change to insurance contract liabilities	177,513	154,198
Net insurance benefits and claims	<u>541,598</u>	<u>406,251</u>
Commission and agency expenses	55,756	48,215
Management expenses	62,594	53,223
Other operating expenses – net	-	-
Other expenses	<u>118,350</u>	<u>101,438</u>
Profit before taxation	46,536	29,658
Taxation	29,466	21,611
Net profit for the financial period	<u><u>17,070</u></u>	<u><u>8,047</u></u>
Basic earnings per share (sen)	<u><u>17.07</u></u>	<u><u>8.05</u></u>

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Company No.

457556

X

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

INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED
30 JUNE 2014

UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	6 months ended <u>30.06.2014</u> RM'000	6 months ended <u>30.06.2013</u> RM'000
Net profit for the financial period	17,070	8,047
Other comprehensive income:		
Fair value change on available-for-sale financial assets:		
Net unrealised gain arising during the financial period	12,371	79,137
Net realised gain transferred to statement of income	(18,040)	(13,090)
Tax effects thereon	374	(5,382)
Fair value gains, net of tax	(5,295)	60,665
Change in insurance contract liabilities arising from net fair value gains	5,588	(61,366)
	293	(701)
Total comprehensive income for the financial period	<u>17,363</u>	<u>7,346</u>

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Company No.

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

INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2014

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY

		Issued and fully paid ordinary shares of RM1.00 each					
	Note	Number of shares '000	Nominal value RM'000	Available- for-sale reserve RM'000	Asset revaluation reserve RM'000	Retained earnings RM'000	Total RM'000
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>
Balance at 31 December 2012 / 1 January 2013		100,000	100,000	14,430	1,827	217,246	333,503
Total comprehensive income for the financial period		-	-	(701)	-	8,047	7,346
Balance at 30 June 2013		<u>100,000</u>	<u>100,000</u>	<u>13,729</u>	<u>1,827</u>	<u>225,293</u>	<u>340,849</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 RM181.3 million (30 June 2013: RM 123.5 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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Company No.

457556

X

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED
30 JUNE 2014

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

	6 months ended <u>30.06.2014</u> RM'000	6 months ended <u>30.06.2013</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the financial period	17,070	8,047
Investment income	(134,837)	(126,814)
Realised gains recorded in statement of income	(18,529)	(13,680)
Fair value gains recorded in statement of income	(13,467)	(26,595)
Depreciation of property, plant and equipment	2,421	1,548
Amortisation of intangible assets	6,186	6,334
Provision for agency long association benefits	400	504
Taxation	29,466	21,611
Changes in working capital:		
Purchase of financial assets	(877,600)	(868,399)
Proceeds from maturity or disposal of financial assets	803,709	723,680
Decrease/(increase) in fixed and call deposits	96,000	(39,825)
Decrease in loans	4,661	737
Decrease/(increase) in insurance receivables	2,521	(58)
Decrease/(increase) in other receivables	5,526	(3,772)
Increase in insurance contract liabilities	174,539	164,832
(Decrease)/increase in other financial liabilities	(4,953)	2,079
Increase in insurance payables	1,933	21,226
(Decrease)/increase in other payables	(1,107)	54,293
Cash used in operating activities	<u>93,939</u>	<u>(74,252)</u>

Company No.

457556

X

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED
30 JUNE 2014

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS (CONTINUED)

	6 months ended <u>30.06.2014</u> RM'000	6 months ended <u>30.06.2013</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (continued)		
Investment income received	131,586	124,301
Agency long association benefits paid	(1,107)	(2,093)
Income tax paid	(14,425)	(9,423)
Net cash inflows from operating activities	<u>116,054</u>	<u>112,785</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(444)	(750)
Purchase of intangible assets	(56)	(44)
Net cash outflows from investing activities	<u>(500)</u>	<u>(794)</u>
Net increase/(decrease) in cash and cash equivalents	209,493	37,739
Cash and cash equivalents at the beginning of the financial period	<u>240,537</u>	<u>289,992</u>
Cash and cash equivalents at the end of the financial period	<u>450,030</u>	<u>327,731</u>
Cash and cash equivalents comprise:		
Cash and bank balances	31,085	87,886
Fixed and call deposits with maturity of less than three months	<u>418,945</u>	<u>239,845</u>
	<u>450,030</u>	<u>327,731</u>

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Company No.

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS – 30 JUNE 2014

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 2013.

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 2013.

1.2 Standards, amendments to published standards and interpretations to existing standards.

- New standards, amendments to published standards and interpretations to existing standard that are applicable and relevant to the Company and effective from 1 January 2014.

Amendment to MFRS 132, ‘Financial Instruments - Presentation’ (effective from 1 January 2014) does not change the current offsetting model in MFRS 132. It clarifies the meaning of ‘currently has a legally enforceable right of set-off’ that the right of set-off must be available today (not contingent on a future agent) and legally enforceable for all counterparties in the normal course of business. It clarifies that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the MFRS 132 offsetting criteria.

This amendment to MFRS 132 does not pose any significant impact to the Company’s financial statements.

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

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.

Company No.

457556

X

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS – 30 JUNE 2014 (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).

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.

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 10 to the interim financial statements.

Company No.

457556

X

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS – 30 JUNE 2014 (CONTINUED)

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

Dividend declared in 2013 and was paid during the current financial period.

8 INVESTMENT PROPERTIES

	<u>Market value</u> RM'000
At 30 June 2014 / 31 December 2013	120,666

The investment properties stated at valuation were appraised in 2013 by an independent professional valuer, Raine Horne International Zaki & Partners Sdn. Bhd., at open market value on an existing use basis.

Company No.

457556

X

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 JUNE 2014

(CONTINUED)

9 FINANCIAL INVESTMENTS

	As at <u>30.06.2014</u> RM'000	As at <u>31.12.2013</u> RM'000
Malaysian Government securities	412,700	405,658
Malaysian Government guaranteed bonds	775,627	730,692
Government Investment Issues	105,743	105,500
Corporate debt securities	2,353,010	2,348,058
Equity securities	1,596,750	1,560,706
Collective investment schemes	332,340	320,932
Structured investment products	-	-
Investment linked funds	4,975	6,140
Loans	532,082	527,998
Fixed and call deposits	-	96,000
	<u>6,113,227</u>	<u>6,101,684</u>

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

Available-for-sale financial assets ("AFS")	4,374,391	4,249,866
Fair-value-through-profit-and-loss – Held-for-trading financial assets ("FVTPL – HFT")	522,047	583,589
Held-to-maturity financial assets ("HTM")	684,707	644,231
Loans and receivables ("LAR")	532,082	623,998
	<u>6,113,227</u>	<u>6,101,684</u>

9a AFS FINANCIAL ASSETS

At fair value:

Malaysian Government securities	193,517	171,400
Malaysian Government guaranteed bonds	583,185	558,333
Government Investment Issues	64,897	64,637
Corporate debt securities	2,043,912	2,078,796
Equity securities	1,375,673	1,266,472
Collective investment schemes	108,232	104,088
Investment-linked funds	4,975	6,140
	<u>4,374,391</u>	<u>4,249,866</u>
Current	216,323	184,468
Non-current	4,158,068	4,065,398
	<u>4,374,391</u>	<u>4,249,866</u>

Company No.

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 JUNE 2014
(CONTINUED)

9	FINANCIAL INVESTMENTS (CONTINUED)		
		As at	As at
		<u>30.06.2014</u>	<u>31.12.2013</u>
		RM'000	RM'000
9b	FVTPL - HFT FINANCIAL ASSETS		
	At fair value:		
	Corporate debt securities	76,862	72,511
	Equity securities	221,078	294,234
	Collective investment schemes	224,107	216,844
	Structured investment products	-	-
	Investment-linked funds	-	-
		<u>522,047</u>	<u>583,589</u>
	Current	1,040	441
	Non-current	521,007	583,148
		<u>522,047</u>	<u>583,589</u>
9c	HTM FINANCIAL ASSETS		
	At amortised cost:		
	Malaysian Government securities	219,184	234,258
	Malaysian Government guaranteed bonds	192,442	172,359
	Government Investment Issues	40,847	40,863
	Corporate debt securities	232,234	196,751
		<u>684,707</u>	<u>644,231</u>
	Current	17,815	20,161
	Non-current	666,892	624,070
		<u>684,707</u>	<u>644,231</u>
	At fair value:		
	Malaysian Government securities	222,648	232,224
	Malaysian Government guaranteed bonds	187,392	169,890
	Government Investment Issues	40,299	40,269
	Corporate debt securities	238,882	194,381
		<u>689,221</u>	<u>636,764</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.

Company No.

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 JUNE 2014
(CONTINUED)

9 FINANCIAL INVESTMENTS (CONTINUED)

9d LOANS AND RECEIVABLES

	As at <u>30.06.2014</u> RM'000	As at <u>31.12.2013</u> RM'000
At amortised cost:		
Secured:		
Policy loans	508,240	512,891
Mortgage loans	1,061	1,082
Other loans	889	878
Accrued interest income	21,892	13,147
Fixed and call deposits	-	96,000
	<u>532,082</u>	<u>623,998</u>

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

Current	-	96,000
Non-current	532,082	527,998
	<u>532,082</u>	<u>623,998</u>

9e CARRYING VALUES OF FINANCIAL INSTRUMENTS

	<u>AFS</u> RM'000	<u>HFT</u> RM'000	<u>HTM</u> RM'000	<u>LAR</u> RM'000	<u>Total</u> RM'000
At 1 January 2014	4,249,866	583,589	644,231	623,998	6,101,684
Purchases	773,756	43,844	60,000	-	877,600
Maturities	(586,746)	(11,467)	(20,000)	-	(618,213)
Disposals	(78,127)	(107,369)	-	-	(185,496)
Decrease in loans	-	-	-	(4,661)	(4,661)
Increase in fixed and call deposits	-	-	-	(96,000)	(96,000)
Movement of investment income accrued	965	(13)	(206)	8,745	9,491
Fair value gains recorded in:					
Statement of income	-	13,463	590	-	14,053
Other comprehensive income	12,371	-	-	-	12,371
Movement in impairment allowance	-	-	-	-	-
Amortisation adjustment	2,306	-	92	-	2,398
At 30 June 2014	<u>4,374,391</u>	<u>522,047</u>	<u>684,707</u>	<u>532,082</u>	<u>6,113,227</u>

Company No.

457556	X
--------	---

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 JUNE 2014

(CONTINUED)

9 FINANCIAL INVESTMENTS (CONTINUED)

9f 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>HFT</u> RM'000	<u>Total</u> RM'000
<u>31 June 2014</u>			
Level 1	1,412,994	221,077	1,634,071
Level 2	2,955,019	300,970	3,255,989
Level 3	6,378	-	6,378
	<u>4,374,391</u>	<u>522,047</u>	<u>4,896,438</u>
<u>30 December 2013</u>			
Level 1	1,361,725	293,990	1,655,715
Level 2	2,873,167	289,355	3,162,522
Level 3	14,974	244	15,218
	<u>4,249,866</u>	<u>583,589</u>	<u>4,833,455</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.

Company No.

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 JUNE 2014
(CONTINUED)

10 INSURANCE CONTRACT LIABILITIES

	<u>Gross/net</u>	
	As at <u>30.06.2014</u> RM'000	As at <u>31.12.2013</u> RM'000
Life insurance contract liabilities	5,946,390	5,768,306

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

	<u>Gross/net</u>	
	As at <u>30.06.2014</u> RM'000	As at <u>31.12.2013</u> RM'000
Actuarial liabilities	4,471,115	4,327,016
Unallocated surplus	773,317	749,038
Provision for outstanding claims	45,888	39,728
AFS reserve	531,879	537,467
Asset revaluation reserve	17,410	17,410
Net asset value attributable to unitholders	106,781	97,647
	<u>5,946,390</u>	<u>5,768,306</u>

Company No.

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 JUNE 2014
(CONTINUED)

10 INSURANCE CONTRACT LIABILITIES (CONTINUED)

	<u>Gross/net</u>		
	<u>With</u> <u>DPF</u> RM'000	<u>Without</u> <u>DPF</u> RM'000	<u>Total</u> RM'000
At 1 January 2014	5,175,379	592,927	5,768,306
Premiums received	335,655	233,510	569,165
Liabilities paid for death, maturities, surrenders, benefits and claims	(296,469)	(85,999)	(382,468)
Net investment income	126,306	14,721	141,027
Benefits and claims experience variation	(29,484)	(44,078)	(73,562)
Fees deducted	(51,059)	(66,827)	(117,886)
Net other income	2,631	445	3,076
Adjustments due to changes in assumptions:			
Discount rate	-	6,443	6,443
Others	562	83	645
Movement in unallocated surplus	24,279	-	24,279
Net asset value attributable to unitholders	-	6,792	6,792
Movement in provision for outstanding claims	3,162	2,999	6,161
AFS fair value adjustment	(5,588)	-	(5,588)
At 30 June 2014	<u>5,285,374</u>	<u>661,016</u>	<u>5,946,390</u>

11 CAPITAL COMMITMENTS

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

	<u>As at</u> <u>30.06.2014</u> RM'000	<u>As at</u> <u>31.12.2013</u> RM'000
Authorised and contracted for:		
-Plant and equipment	692	1,144
-Software	10,054	-
	<u>10,746</u>	<u>1,144</u>

Company No.

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 JUNE 2014
(CONTINUED)

12 OPERATING LEASE COMMITMENTS

	As at <u>30.06.2014</u> RM'000	As at <u>31.12.2013</u> RM'000
Commitments under non-cancellable operating leases where the Company is a lessee:		
Payable within one year	324	481
Payable after one year	693	840
	<u>1,017</u>	<u>1,321</u>
Commitments under non-cancellable operating leases where the Company is a lessor:		
Receivable within one year	5,770	6,252
Receivables after one year	2,869	1,580
	<u>8,639</u>	<u>7,832</u>

13 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>30.06.2014</u> RM'000	As at <u>31.12.2013</u> RM'000
Eligible Tier 1 Capital		
Share capital (paid-up)	100,000	100,000
Reserves, including retained earnings	1,833,069	1,823,696
Tier 2 Capital	546,545	552,203
Amount deducted from capital	(12,080)	(18,120)
Total capital available	<u>2,467,534</u>	<u>2,457,779</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 2014 and for the financial year ended 31 December 2013.

Company No.

457556	X
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TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 JUNE 2014 (CONTINUED)

14 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 2014

	<u>Shareholders' Fund</u>		<u>Life Fund</u>		<u>Inter-fund elimination</u>		<u>Total</u>	
	As at <u>30.06.2014</u> RM'000	As at <u>31.12.2013</u> RM'000	As at <u>30.06.2014</u> RM'000	As at <u>31.12.2013</u> RM'000	As at <u>30.06.2014</u> RM'000	As at <u>31.12.2013</u> RM'000	As at <u>30.06.2014</u> RM'000	As at <u>31.12.2013</u> RM'000
ASSETS								
Property, plant and equipment	-	-	147,453	149,457	-	-	147,453	149,457
Investment properties	-	-	120,666	120,666	-	-	120,666	120,666
Intangible assets	4,000	6,000	8,804	12,934	-	-	12,804	18,934
Financial investments								
AFS financial assets	166,384	179,973	4,208,007	4,069,893	-	-	4,374,391	4,249,866
HFT financial assets	6,586	6,587	515,461	577,002	-	-	522,047	583,589
HTM financial assets	-	-	684,707	644,231	-	-	684,707	644,231
Loans and receivables	-	2,000	532,082	621,998	-	-	532,082	623,998
Tax recoverable	-	909	-	-	-	(909)	-	-
Insurance receivables	-	-	21,952	24,473	-	-	21,952	24,473
Financial receivables	2	19,525	7,558	12,737	-	(18,294)	7,560	13,968
Other assets	-	-	3,594	2,712	-	-	3,594	2,712
Cash and cash equivalents	4,729	6,685	445,301	233,852	-	-	450,030	240,537
TOTAL ASSETS	181,701	221,679	6,695,585	6,469,955	-	(19,203)	6,877,286	6,672,431

Company No.

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 JUNE 2014 (CONTINUED)

14 **INSURANCE FUNDS (CONTINUED)**

Unaudited Statement of Financial Position by Funds as at 30 June 2014 (continued)

	<u>Shareholders' Fund</u>		<u>Life Fund</u>		<u>Inter-fund elimination</u>		<u>Total</u>	
	As at	As at	As at	As at	As at	As at	As at	As at
	<u>30.06.2014</u>	<u>31.12.2013</u>	<u>30.06.2014</u>	<u>31.12.2013</u>	<u>30.06.2014</u>	<u>31.12.2013</u>	<u>30.06.2014</u>	<u>31.12.2013</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES								
Share capital	100,000	100,000	-	-	-	-	100,000	100,000
Retained earnings	81,425	118,947	181,267	164,486	-	-	262,693	283,433
AFS reserve	2,122	2,131	(6,298)	(6,601)	-	-	(4,177)	(4,470)
Asset revaluation reserve	-	-	1,794	1,794	-	-	1,794	1,794
TOTAL EQUITY	183,547	221,078	176,763	159,679	-	-	360,310	380,757
Insurance contract liabilities	-	-	5,946,390	5,768,306	-	-	5,946,390	5,768,306
Insurance payables	-	-	364,690	335,959	-	-	364,690	335,959
Other financial liabilities	-	-	13,678	30,039	-	(18,294)	13,678	11,745
Other payables	-	-	29,277	34,230	-	-	29,277	34,230
Provision for agency long association benefit	-	-	24,163	25,270	-	-	24,163	25,270
Current tax liabilities	(2,285)	-	17,607	5,600	-	(909)	15,322	4,691
Deferred tax liabilities	544	601	122,912	110,872	-	-	123,456	111,473
TOTAL POLICYHOLDERS' FUNDS AND LIABILITIES	(1,741)	601	6,518,717	6,310,276	-	(19,203)	6,516,976	6,291,674
TOTAL EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES	181,806	221,679	6,695,480	6,469,955	-	(19,203)	6,877,286	6,672,431

Company No.

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 JUNE 2014 (CONTINUED)

14 **INSURANCE FUNDS (CONTINUED)**

Unaudited Statement of Income by Funds for the six months period ended 30 June 2014

	<u>Shareholders' Fund</u>		<u>Life Fund</u>		<u>Inter-fund elimination</u>		<u>Total</u>	
	6 months ended <u>30.06.2014</u> RM'000	6 months ended <u>30.06.2013</u> RM'000	6 months ended <u>30.06.2014</u> RM'000	6 months ended <u>30.06.2013</u> RM'000	6 months ended <u>30.06.2014</u> RM'000	6 months ended <u>30.06.2013</u> RM'000	6 months ended <u>30.06.2014</u> RM'000	6 months ended <u>30.06.2013</u> RM'000
Gross earned premium revenue	-	-	568,102	396,890	-	-	568,102	396,890
Premiums ceded to reinsurers	-	-	(30,460)	(27,438)	-	-	(30,460)	(27,438)
Net earned revenue	-	-	537,642	369,452	-	-	537,642	369,452
Investment income	3,066	2,710	131,771	124,104	-	-	134,837	126,814
Net realised gains	520	10	18,009	13,670	-	-	18,529	13,680
Net fair value gains/(losses)	(63)	10	13,530	26,585	-	-	13,467	26,595
Fee and commission income	-	-	1,064	682	-	-	1,064	682
Other operating income – net	-	-	945	124	-	-	945	124
Other income	3,523	2,730	165,319	165,165	-	-	168,842	167,895

Company No.

457556

X

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 JUNE 2014 (CONTINUED)

14 INSURANCE FUNDS (CONTINUED)

Unaudited Statement of Income by Funds for the six months period ended 30 June 2014 (continued)

	Shareholders' Fund		Life Fund		Inter-fund elimination		Total	
	6 months ended 30.06.2014 RM'000	6 months ended 30.06.2013 RM'000	6 months ended 30.06.2014 RM'000	6 months ended 30.06.2013 RM'000	6 months ended 30.06.2014 RM'000	6 months ended 30.06.2013 RM'000	6 months ended 30.06.2014 RM'000	6 months ended 30.06.2013 RM'000
Gross benefits and claims paid	-	-	382,468	264,255	-	-	382,468	264,255
Claims ceded to reinsurers	-	-	(18,383)	(12,202)	-	-	(18,383)	(12,202)
Gross/net change to insurance contract liabilities	-	-	177,513	154,198	-	-	177,513	154,198
Net insurance benefits and claims	-	-	541,598	406,251	-	-	541,598	406,251
Commission and agency expenses	-	-	55,756	48,215	-	-	55,756	48,215
Management expenses	2,000	2,000	60,594	51,223	-	-	62,594	53,223
Other operating expenses - net	-	-	-	-	-	-	-	-
Other expenses	2,000	2,000	116,350	99,438	-	-	118,350	101,438
Profit before taxation	1,524	730	45,012	28,928	-	-	46,536	29,658
Taxation	(1,234)	(681)	(28,232)	(20,930)	-	-	(29,466)	(21,611)
Net profit for the financial period	290	49	16,780	7,998	-	-	17,070	8,047

Company No.

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 JUNE 2014 (CONTINUED)

15 INVESTMENT-LINKED FUND

The balance sheet and statement of income of investment-linked fund in Note 14 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”) and TokioMarine Dana Ikhtiar (“TMDI”) and TokioMarine Luxury Fund (“TMLX”). The balance sheet of the investment-linked fund is represented by:

	As at <u>30.06.2014</u> RM'000	As at <u>31.12.2013</u> RM'000
UNITHOLDERS' LIABILITIES		
At the beginning of the financial period	97,647	118,859
Net creation of units	23,555	38,017
Net cancellation of units	(21,214)	(32,845)
Maturity of Asia Jade Fund (“AJF”)	-	(37,888)
Net surplus for the financial period after taxation	6,793	11,504
	<u>106,781</u>	<u>97,647</u>
At the end of the financial period	<u><u>106,781</u></u>	<u><u>97,647</u></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>30.06.2014</u> RM'000	As at <u>31.12.2013</u> RM'000
ASSETS		
Investments in other linked funds of insurer	18,297	16,588
Cash and cash equivalents	1	1
	<u>18,298</u>	<u>16,589</u>
NET ASSET VALUE OF TMMF	<u><u>18,298</u></u>	<u><u>16,589</u></u>

Company No.

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 JUNE 2014 (CONTINUED)

15 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>30.06.2014</u> RM'000	As at <u>31.12.2013</u> RM'000
Net asset value of TMMF at the beginning of the financial period	13,728	13,728
Net creation of units – included in gross earned premiums	2,229	5,697
Net cancellation of units – included in gross benefits paid	(2,354)	(4,869)
	<u>13,603</u>	<u>14,556</u>
Realised gains on investments	315	526
Fair value gain/(loss) on investments	770	1,510
Management expenses:		
Auditors' remuneration	(1)	(3)
Net profit for the financial period	<u>1,084</u>	<u>2,033</u>
Net asset value of TMMF at the end of the financial period	<u><u>14,687</u></u>	<u><u>16,589</u></u>