

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BHD
(93745-A)

(Incorporated in Malaysia)

Unaudited Interim Financial Statements

For the six months ended 30 June 2012

93745-A

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BHD
(Incorporated in Malaysia)

Interim financial statements for the six months ended 30 June 2012

CONTENTS	PAGE
Unaudited Statement of Financial Position	1
Unaudited Income Statement	2
Unaudited Statement of Comprehensive Income.....	3
Unaudited Statement of Changes in Equity	4
Unaudited Cash Flow Statement	5
Notes to the Unaudited Interim Financial Statements	6 - 31

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia) - 93745-A

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

	Note	30 June 2012 RM'000	31 December 2011 RM'000 (restated)	1 January 2011 RM'000 (restated)
ASSETS				
Property and equipment		485,879	499,718	530,958
Investment properties		519,820	519,400	510,585
Prepaid land lease payments		17,824	17,897	18,043
Investments	9	54,477,460	51,785,862	47,378,458
Malaysian Government securities		7,195,260	7,635,832	8,150,412
Debt securities		28,033,761	23,240,601	22,162,921
Equity securities		13,046,774	12,659,031	12,279,472
Unit and property trust funds		518,170	461,262	333,978
Loans		4,134,474	4,059,084	3,977,633
Deposits with financial institutions		1,536,806	3,717,168	457,552
Embedded derivatives		12,122	12,884	16,490
Derivatives		93	-	-
Reinsurance assets	10	90,073	67,370	57,395
Insurance receivables		206,525	259,809	287,902
Other receivables		539,578	379,953	485,838
Cash and bank balances		127,527	140,110	27,669
TOTAL ASSETS		56,464,686	53,670,119	49,296,848
EQUITY				
Share capital		100,000	100,000	100,000
Retained earnings		922,541	1,084,800	1,016,544
Available-for-sale fair value reserves		49,752	47,002	59,338
TOTAL EQUITY		1,072,293	1,231,802	1,175,882
LIABILITIES				
Insurance contract liabilities	11	53,191,716	50,370,579	46,188,817
Derivative financial liabilities	12	54,593	18,796	-
Agents' retirement benefit		589,336	564,165	515,111
Deferred tax liabilities	13	677,430	641,857	625,309
Other financial liabilities		24,490	14,204	94,550
Insurance payables		180,380	191,387	178,519
Tax payable		193,037	126,931	71,891
Other payables		481,411	510,398	446,769
TOTAL LIABILITIES		55,392,393	52,438,317	48,120,966
TOTAL EQUITY AND LIABILITIES		56,464,686	53,670,119	49,296,848

The Statement of Financial Position of the Company by funds is disclosed in Note 19.

The accompanying notes form an integral part of the financial statements

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia) - 93745-A

UNAUDITED INCOME STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2012

	6 months ended 30 June 2012 RM'000	6 months ended 30 June 2011 RM'000 (restated)
Operating revenue	<u>3,949,768</u>	<u>3,662,069</u>
Gross earned premiums	2,789,162	2,630,889
Premiums ceded to reinsurers	(50,802)	(42,928)
NET EARNED PREMIUMS	<u>2,738,360</u>	<u>2,587,961</u>
Investment income	1,160,606	1,031,181
Realised gains and losses	180,075	289,711
Fair value gains and losses	486,084	366,413
Increase in provision of impairment		
Quoted investments	-	(6,685)
Insurance receivables	1,987	(4,463)
Other receivables	12	(34)
Fee and commission income	19,454	18,330
Other operating revenue	938	692
OTHER REVENUE	<u>1,849,156</u>	<u>1,695,145</u>
Gross benefits and claims paid	(1,610,182)	(1,469,404)
Claims ceded to reinsurers	36,665	36,290
Gross change to contract liabilities	(2,001,290)	(1,937,586)
Change in contract liabilities ceded to reinsurers	3,088	1,040
NET BENEFITS AND CLAIMS	<u>(3,571,719)</u>	<u>(3,369,660)</u>
Fee and commission expense	(425,015)	(393,887)
Management expenses	(190,628)	(182,537)
Other operating expenses	(1,459)	(4,041)
OTHER EXPENSES	<u>(617,102)</u>	<u>(580,465)</u>
Profit before taxation	398,695	332,981
Taxation	(188,954)	(161,870)
Net profit for the period	<u>209,741</u>	<u>171,111</u>
Earnings per share (sen)		
Basic and diluted	<u>210</u>	<u>171</u>

The Income Statement of the Company by funds is disclosed in Note 19.

The accompanying notes form an integral part of the financial statements

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
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UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2012

	6 months ended 30 June 2012 RM'000	6 months ended 30 June 2011 RM'000 (restated)
Net profit for the period	209,741	171,111
Other comprehensive income:		
Available-for-sale fair value reserves:		
Net gain arising during the period	18,491	18,909
Net realised gain transferred to Income Statement	<u>(15,515)</u>	<u>(12,352)</u>
	2,976	6,557
Tax effects thereon	<u>(226)</u>	<u>(771)</u>
	<u>2,750</u>	<u>5,786</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>212,491</u>	<u>176,897</u>

The accompanying notes form an integral part of the financial statements

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
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UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2012

	Non-Distributable			Distributable		Total Equity RM'000
	Share Capital RM'000	Available-for-sale Fair Value Reserves		Retained Earnings		
		Shareholder's Funds RM'000	Non-participating Funds RM'000	Non-participating Funds RM'000	Shareholder's Funds RM'000	
At 1 January 2011	100,000	15,529	-	-	721,680	837,209
Effects due to adoption of MFRS	-	-	43,809	294,864	-	338,673
At 1 January 2011 (restated)	100,000	15,529	43,809	294,864	721,680	1,175,882
Total comprehensive income for the period	-	887	4,899	-	171,111	176,897
Dividends paid during the period	-	-	-	-	(282,000)	(282,000)
At 30 June 2011	100,000	16,416	48,708	294,864	610,791	1,070,779
At 1 January 2012	100,000	17,407	-	-	811,823	929,230
Effects due to adoption of MFRS	-	-	29,595	272,977	-	302,572
At 1 January 2012 (restated)	100,000	17,407	29,595	272,977	811,823	1,231,802
Total comprehensive income for the period	-	(353)	3,103	-	209,741	212,491
Dividends paid during the period	-	-	-	-	(372,000)	(372,000)
At 30 June 2012	100,000	17,054	32,698	272,977	649,564	1,072,293

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
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UNAUDITED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2012

	Note	6 months ended 30 June 2012 RM'000	6 months ended 30 June 2011 RM'000 (restated)
Operating Activities			
Cash used for operating activities	14	(527,151)	(551,984)
Dividend/distribution income received		249,484	256,795
Interest/profit income received		746,855	726,210
Rental income on investment properties received		33,309	31,380
Agents' retirement benefit paid		(16,471)	(13,566)
Income tax paid		(115,151)	(117,710)
Net cash flow from operating activities		<u>370,875</u>	<u>331,125</u>
Investing Activities			
Proceeds from disposal of property and equipment		50	79
Proceeds from disposal of investment properties		-	4,873
Purchase of property and equipment		(11,176)	(9,613)
Purchase of investment properties		(420)	(11,302)
Net cash flows from investing activities		<u>(11,546)</u>	<u>(15,963)</u>
Financing Activities			
Dividends paid to equity holders		(371,912)	(280,964)
Net cash flows from financing activities		<u>(371,912)</u>	<u>(280,964)</u>
Net (decrease)/increase in cash and cash equivalents		(12,583)	34,198
Cash and cash equivalents at beginning of period		140,110	27,669
Cash and cash equivalents at end of period		<u>127,527</u>	<u>61,867</u>
Cash and cash equivalents comprise:			
Cash and bank balances		<u>127,527</u>	<u>61,867</u>

The accompanying notes form an integral part of the financial statements

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

The interim financial statements for half-year ended 30 June 2012 are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting and Guidelines/Circulars issued by Bank Negara Malaysia ("BNM"). These interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 December 2011, the Company prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

The Company has adopted the MFRS Framework issued by Malaysian Accounting Standards Board ("MASB") and Revised Guidelines on Financial Reporting for Insurers ("the Revised Guideline") issued by BNM with effect from 1 January 2012. These interim financial statements are the Company's first MFRS interim financial statements for part of the period covered by the Company's first MFRS annual financial statements for the year ending 31 December 2012. MFRS 1 First Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

The explanatory notes attached to these 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 year ended 31 December 2011.

In preparing its opening MFRS Statement of Financial Position as at 1 January 2011 (which is also the date of transition), the Company has adjusted the amounts previously reported in financial statements prepared in accordance with FRS. The transition from FRS Framework to MFRS Framework and the adoption of the revised guidelines issued by BNM does not have any significant financial impact to the financial statements of the Company, other than as described in Note 1.2 below.

1.2 CHANGES IN ACCOUNTING POLICIES

The significant accounting policies adopted in preparing these interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2011. The adoption of MFRS and the Revised Guideline which are effective in the current year do not have any material impact to the financial statements of the Company, other than as discussed below:

a) Unallocated surplus and Available-for-sale ("AFS") reserves on Non-participating fund

Prior to 1 January 2012, the Company recognised unallocated surplus and AFS reserves of non-participating funds of its insurance business as part of insurance contract liabilities as required under BNM_GL_003-28 Guidelines on Financial Reporting for Insurers issued by BNM on 22 July 2010.

On 21 February 2012, BNM issued a revised Guideline BNM_GL_003-28, which is effective for financial period commencing 1 January 2012. Under this new guideline, there is no requirement/specification to classify the unallocated surplus and AFS reserves of non-participating funds as part of insurance contract liabilities. Accordingly, the Company changed the classification of the unallocated surplus and AFS reserves of non-participating fund from insurance contract liabilities to equity as prescribed by MFRS 4 and MFRS 139 respectively. This reclassification is adopted retrospectively.

The reconciliations of equity, liabilities and total comprehensive income for comparative periods and of equity and liabilities at the date of transition as reported under FRS to those reported under MFRS are provided below:

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2012

1.2 CHANGES IN ACCOUNTING POLICIES (CONT'D.)

a) Unallocated surplus and Available-for-sale ("AFS") reserves on Non-participating fund (cont'd.)

(i) Reconciliation of equity and liabilities

	As previously stated "FRS" RM'000	Reclassifications RM'000	As restated "MFRS" RM'000
<u>As at 1 January 2011</u>			
EQUITY			
Share capital	100,000	-	100,000
Retained earnings	721,680	294,864	1,016,544
Available-for-sale fair value reserves	15,529	43,809	59,338
TOTAL EQUITY	837,209		1,175,882
LIABILITIES			
Insurance contract liabilities	46,625,778	(436,961)	46,188,817
- Unallocated surplus		(393,152)	
- AFS reserve - Fair value		(49,821)	
- AFS reserve - Deferred tax		6,012	
Agents' retirement benefit	515,111		515,111
Deferred tax liabilities	527,021	98,288	625,309
- Unallocated surplus		98,288	
Other financial liabilities	94,550		94,550
Insurance payables	178,519		178,519
Tax payable	71,891		71,891
Other payables	446,769		446,769
TOTAL LIABILITIES	48,459,639		48,120,966
TOTAL EQUITY AND LIABILITIES	49,296,848		49,296,848
<u>As at 30 June 2011</u>			
EQUITY			
Share capital	100,000	-	100,000
Retained earnings	450,033	446,645	896,678
Available-for-sale fair value reserves	16,416	48,708	65,124
TOTAL EQUITY	566,449		1,061,802
LIABILITIES			
Insurance contract liabilities	49,278,136	(644,235)	48,633,901
- Unallocated surplus		(595,527)	
- AFS reserve - Fair value		(55,147)	
- AFS reserve - Deferred tax		6,439	
Derivative financial liabilities	14,703		14,703
Agents' retirement benefit	538,664		538,664
Deferred tax liabilities	581,496	148,882	730,378
- Unallocated surplus		148,882	
Other financial liabilities	158,210		158,210
Insurance payables	143,233		143,233
Tax payable	31,444		31,444
Other payables	446,695		446,695
TOTAL LIABILITIES	51,192,581		50,697,228
TOTAL EQUITY AND LIABILITIES	51,759,030		51,759,030

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2012

1.2 CHANGES IN ACCOUNTING POLICIES (CONT'D.)

a) Unallocated surplus and Available-for-sale ("AFS") reserves on Non-participating fund (cont'd.)

(i) Reconciliation of equity and liabilities (cont'd.)

	As previously stated "FRS" RM'000	Reclassifications RM'000	As restated "MFRS" RM'000
<u>As at 31 December 2011</u>			
EQUITY			
Share capital	100,000	-	100,000
Retained earnings	811,823	272,977	1,084,800
Available-for-sale fair value reserves	17,407	29,595	47,002
TOTAL EQUITY	929,230		1,231,802
LIABILITIES			
Insurance contract liabilities	50,764,144	(393,565)	50,370,579
- Unallocated surplus		(363,971)	
- AFS reserve - Fair value		(34,397)	
- AFS reserve - Deferred tax		4,803	
Derivative financial liabilities	18,796		18,796
Agents' retirement benefit	564,165		564,165
Deferred tax liabilities	550,864	90,993	641,857
- Unallocated surplus		90,993	
Other financial liabilities	14,204		14,204
Insurance payables	191,387		191,387
Tax payable	126,931		126,931
Other payables	510,398		510,398
TOTAL LIABILITIES	52,740,889		52,438,317
TOTAL EQUITY AND LIABILITIES	53,670,119		53,670,119

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2012

1.2 CHANGES IN ACCOUNTING POLICIES (CONT'D.)

a) Unallocated surplus and Available-for-sale ("AFS") reserves on Non-participating fund (cont'd.)

(ii) Reconciliation of total comprehensive income

	31 December 2011	30 June 2011
	RM'000	RM'000
Total comprehensive income for the year/period (as previously stated) "FRS"	517,421	11,240
Gross change in contract liabilities		
- Unallocated surplus for Non participating funds / Profit for Non participating funds	(29,181)	202,375
Taxation		
- Deferred tax of unallocated surplus for Non participating funds / Deferred tax of profit transfer	7,295	(50,751)
- Tax rebate of Non participating funds	-	9,134
Other comprehensive income		
- Available-for-sale fair value reserves, net of tax for Non Participating funds	(14,215)	4,899
Total comprehensive income for the year/period (as restated) "MFRS"	481,320	176,897

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2012

2. SEASONALITY OF OPERATIONS

The business and operations of the Company was not materially affected by any seasonal or cyclical fluctuations during the interim financial period.

3. UNUSUAL ITEMS

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows for the interim financial period ended 30 June 2012.

4. CHANGE IN ESTIMATES

There were no change in the basis used for accounting estimates for the interim financial period.

5. DEBT AND EQUITY SECURITIES

There were no issuance, repurchase and repayment of debt and equity securities by the Company during the interim financial period.

6. DIVIDENDS

A second and final tier dividend of RM3.72 per ordinary share on 100,000,005 ordinary shares amounting to RM372,000,018 for financial year ended 31 December 2011 was approved at the last Annual General Meeting held on 27 March 2012 and dividend was paid on 4 May 2012.

7. MATERIAL EVENTS SUBSEQUENT TO THE END OF INTERIM PERIOD

There were no material events subsequent to the end of the interim reporting period that have not been reflected in the interim financial statements.

8. CHANGES IN THE COMPOSITION OF THE COMPANY

There is no change in the composition of the Company during the interim financial period.

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia) - 93745-A

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2012

9. INVESTMENTS

	As at 30 June 2012				As at 31 December 2011			
	Shareholder's Fund RM'000	Life Fund RM'000	Unit-linked RM'000	Total RM'000	Shareholder's Fund RM'000	Life Fund RM'000	Unit-linked RM'000	Total RM'000
Malaysian Government securities	61,543	7,037,211	96,506	7,195,260	61,242	7,520,046	54,544	7,635,832
Debt securities	584,978	26,591,328	857,455	28,033,761	377,375	22,368,978	494,248	23,240,601
Equity securities	45,545	11,330,377	1,670,852	13,046,774	26,481	11,148,443	1,484,107	12,659,031
Unit and property trust funds	5,098	378,068	135,004	518,170	3,761	333,948	123,553	461,262
Loans	31	4,134,443	-	4,134,474	30	4,059,054	-	4,059,084
Deposits with financial institutions	7,600	1,030,276	498,930	1,536,806	30,000	2,863,148	824,020	3,717,168
Embedded derivatives	132	3,486	8,504	12,122	130	3,935	8,819	12,884
Derivatives	16	77	-	93	-	-	-	-
	704,943	50,505,266	3,267,251	54,477,460	499,019	48,297,552	2,989,291	51,785,862

The Company's financial investments are summarised by categories as follows:

Loans and receivables ("LAR")	7,631	5,164,719	498,930	5,671,280	30,030	6,922,202	824,020	7,776,252
Available-for-sale assets ("AFS")	697,164	11,708,445	-	12,405,609	468,859	11,482,391	-	11,951,250
Fair value through profit and loss ("FVTPL")	148	33,632,102	2,768,321	36,400,571	130	29,892,959	2,165,271	32,058,360
	704,943	50,505,266	3,267,251	54,477,460	499,019	48,297,552	2,989,291	51,785,862

The following investments mature after 12 months:

FVTPL	-	30,798,981	925,903	31,724,884	-	26,656,922	530,835	27,187,757
AFS	581,105	-	-	581,105	388,765	-	-	388,765
LAR	-	575,297	-	575,297	-	587,855	-	587,855
	581,105	31,374,278	925,903	32,881,286	388,765	27,244,777	530,835	28,164,377

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia) - 93745-A

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2012

9. INVESTMENTS (CONT'D.)

(a) LAR

	As at 30 June 2012				As at 31 December 2011			
	Shareholder's Funds RM'000	Life Fund RM'000	Unit-linked RM'000	Total RM'000	Shareholder's Funds RM'000	Life Fund RM'000	Unit-linked RM'000	Total RM'000
Amortised Cost / Cost								
Fixed and call deposits with:								
Licensed banks	7,600	1,018,320	498,930	1,524,850	30,000	2,845,220	824,020	3,699,240
Others	-	11,956	-	11,956	-	17,928	-	17,928
Policy loans	-	3,559,059	-	3,559,059	-	3,471,111	-	3,471,111
Mortgage loans	-	572,749	-	572,749	-	585,375	-	585,375
Secured loans	-	2,608	-	2,608	-	2,557	-	2,557
Unsecured loans	31	27	-	58	30	11	-	41
	<u>7,631</u>	<u>5,164,719</u>	<u>498,930</u>	<u>5,671,280</u>	<u>30,030</u>	<u>6,922,202</u>	<u>824,020</u>	<u>7,776,252</u>

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia) - 93745-A

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2012

9. INVESTMENTS (CONT'D.)

(a) LAR (Cont'd)

	As at 30 June 2012				As at 31 December 2011			
	Shareholder's Funds RM'000	Life Fund RM'000	Unit-linked RM'000	Total RM'000	Shareholder's Funds RM'000	Life Fund RM'000	Unit-linked RM'000	Total RM'000
Fair value								
Fixed and call deposits with:								
Licensed banks	7,600	1,018,320	498,930	1,524,850	30,000	2,845,220	824,020	3,699,240
Others	-	11,956	-	11,956	-	17,928	-	17,928
Policy loans	-	3,559,059	-	3,559,059	-	3,471,111	-	3,471,111
Mortgage loans	-	606,658	-	606,658	-	616,946	-	616,946
Secured loans	-	2,608	-	2,608	-	2,557	-	2,557
Unsecured loans	31	27	-	58	30	11	-	41
	<u>7,631</u>	<u>5,198,628</u>	<u>498,930</u>	<u>5,705,189</u>	<u>30,030</u>	<u>6,953,773</u>	<u>824,020</u>	<u>7,807,823</u>

The fair values of the LAR have been established by comparing current market interest rates for similar financial instruments to the rates offered when the LAR were first recognised together with appropriate market credit adjustments.

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia) - 93745-A

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2012

9. INVESTMENTS (CONT'D.)

(b) AFS

	As at 30 June 2012				As at 31 December 2011			
	Shareholder's Funds RM'000	Life Fund RM'000	Unit-linked RM'000	Total RM'000	Shareholder's Funds RM'000	Life Fund RM'000	Unit-linked RM'000	Total RM'000
Fair Value								
Equity securities:								
Quoted in Malaysia	45,059	9,018,041	-	9,063,100	26,189	9,224,447	-	9,250,636
Quoted outside Malaysia	194	2,197,520	-	2,197,714	-	1,815,580	-	1,815,580
Malaysian government securities	61,543	-	-	61,543	61,242	-	-	61,242
Debt securities:								
Quoted outside Malaysia	12,420	-	-	12,420	-	-	-	-
Unquoted in Malaysia	572,558	-	-	572,558	377,375	-	-	377,375
Unit and property trust funds:								
Quoted in Malaysia	5,098	279,753	-	284,851	3,761	252,421	-	256,182
Quoted outside Malaysia	-	98,315	-	98,315	-	81,527	-	81,527
	<u>696,872</u>	<u>11,593,629</u>	<u>-</u>	<u>12,290,501</u>	<u>468,567</u>	<u>11,373,975</u>	<u>-</u>	<u>11,842,542</u>
Cost								
Equity securities:								
Unquoted in Malaysia	292	114,816	-	115,108	292	108,416	-	108,708
	<u>697,164</u>	<u>11,708,445</u>	<u>-</u>	<u>12,405,609</u>	<u>468,859</u>	<u>11,482,391</u>	<u>-</u>	<u>11,951,250</u>

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia) - 93745-A

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2012

9. INVESTMENTS (CONT'D.)

(c) FVTPL

	As at 30 June 2012				As at 31 December 2011			
	Shareholder's Funds RM'000	Life Fund RM'000	Unit-linked RM'000	Total RM'000	Shareholder's Funds RM'000	Life Fund RM'000	Unit-linked RM'000	Total RM'000
Fair Value								
Held-for-Trading								
Equity securities:								
Quoted in Malaysia	-	-	1,657,183	1,657,183	-	-	1,470,789	1,470,789
Quoted outside Malaysia	-	-	13,669	13,669	-	-	13,318	13,318
Embedded derivatives	132	3,486	8,504	12,122	130	3,935	8,819	12,884
Malaysian government securities	-	-	96,506	96,506	-	-	54,544	54,544
Debt securities:								
Unquoted in Malaysia	-	-	857,455	857,455	-	-	494,248	494,248
Unit and property trust funds:								
Quoted in Malaysia	-	-	133,638	133,638	-	-	122,536	122,536
Quoted outside Malaysia	-	-	1,366	1,366	-	-	1,017	1,017
Derivatives	16	77	-	93	-	-	-	-
	<u>148</u>	<u>3,563</u>	<u>2,768,321</u>	<u>2,772,032</u>	<u>130</u>	<u>3,935</u>	<u>2,165,271</u>	<u>2,169,336</u>
Designated upon initial recognition								
Malaysian government securities	-	7,037,211	-	7,037,211	-	7,520,046	-	7,520,046
Debt securities:								
Quoted outside Malaysia	-	613,600	-	613,600	-	244,276	-	244,276
Unquoted in Malaysia	-	25,842,026	-	25,842,026	-	21,993,266	-	21,993,266
Unquoted outside Malaysia	-	135,702	-	135,702	-	131,436	-	131,436
	<u>-</u>	<u>33,628,539</u>	<u>-</u>	<u>33,628,539</u>	<u>-</u>	<u>29,889,024</u>	<u>-</u>	<u>29,889,024</u>
	<u>148</u>	<u>33,632,102</u>	<u>2,768,321</u>	<u>36,400,571</u>	<u>130</u>	<u>29,892,959</u>	<u>2,165,271</u>	<u>32,058,360</u>

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2012

10. REINSURANCE ASSETS

Life Fund

	30.06.2012	31.12.2011
	RM'000	RM'000
Reinsurance of insurance contracts (Note 11)	90,073	67,370

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia) - 93745-A

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2012

11. INSURANCE CONTRACT LIABILITIES

Life Fund	30 June 2012			31 December 2011 (Restated)			1 January 2011 (Restated)		
	Gross RM'000	Re-Insurance RM'000	Net RM'000	Gross RM'000	Re-Insurance RM'000	Net RM'000	Gross RM'000	Re-Insurance RM'000	Net RM'000
Provision for outstanding claims	4,239,162	(43,846)	4,195,316	3,956,840	(24,230)	3,932,610	3,479,616	(21,407)	3,458,209
Actuarial liabilities	33,622,962	(46,227)	33,576,735	32,381,869	(43,140)	32,338,729	29,297,652	(35,988)	29,261,664
Unallocated surplus	7,584,891	-	7,584,891	7,111,771	-	7,111,771	6,936,324	-	6,936,324
Available-for-sale fair value reserves	4,510,645	-	4,510,645	3,973,120	-	3,973,120	4,061,629	-	4,061,629
Net asset value attributable to unitholders	3,234,056	-	3,234,056	2,946,979	-	2,946,979	2,413,596	-	2,413,596
	<u>53,191,716</u>	<u>(90,073)</u>	<u>53,101,643</u>	<u>50,370,579</u>	<u>(67,370)</u>	<u>50,303,209</u>	<u>46,188,817</u>	<u>(57,395)</u>	<u>46,131,422</u>

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia) - 93745-A

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2012

11. INSURANCE CONTRACT LIABILITIES

	With DPF RM'000	Gross Without DPF RM'000	Total RM'000	With DPF RM'000	Reinsurance Without DPF RM'000	Total RM'000	Net RM'000
At 1 January 2012 (as previously stated)	45,260,786	5,503,358	50,764,144	(10,888)	(56,482)	(67,370)	50,696,774
Effects due to adoption of MFRS:							
Unallocated surplus of Non Participating Funds	-	(363,971)	(363,971)	-	-	-	(363,971)
Available-for-sale fair value reseves of Non Participating Funds (net of deferred tax)	-	(29,594)	(29,594)	-	-	-	(29,594)
At 1 January 2012 (restated)	45,260,786	5,109,793	50,370,579	(10,888)	(56,482)	(67,370)	50,303,209
Premiums received	1,771,273	247,644	2,018,917	(30,155)	(20,647)	(50,802)	1,968,115
Liabilities paid for death, maturities, surrenders, benefits and claims	(1,215,188)	(101,985)	(1,317,173)	16,383	20,282	36,665	(1,280,508)
Policy movement	1,161,358	44,167	1,205,525	-	(2,643)	(2,643)	1,202,882
Interest rate	760	34,807	35,567	-	(445)	(445)	35,122
Claims benefit experience variation	284,889	(2,567)	282,322	2,003	(7,481)	(5,478)	276,844
Net asset value attributable to unitholders	-	141,420	141,420	-	-	-	141,420
Available-for-sale fair value reserves	584,344	-	584,344	-	-	-	584,344
Deferred tax effects:							
- Available-for-sale fair value reserves	(46,820)	-	(46,820)	-	-	-	(46,820)
Unallocated surplus	(82,965)	-	(82,965)	-	-	-	(82,965)
At 30 June 2012	47,718,437	5,473,279	53,191,716	(22,657)	(67,416)	(90,073)	53,101,643

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia) - 93745-A

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2012

11. INSURANCE CONTRACT LIABILITIES (CONT'D.)

	With DPF RM'000	Gross Without DPF RM'000	Total RM'000	With DPF RM'000	Reinsurance Without DPF RM'000	Total RM'000	Net RM'000
At 1 January 2011 (as previously stated)	41,826,550	4,799,228	46,625,778	(10,786)	(46,609)	(57,395)	46,568,383
Effects due to adoption of MFRS:							
Unallocated surplus of Non Participating Funds	-	(393,152)	(393,152)	-	-	-	(393,152)
Available-for-sale fair value reseves of Non Participating Funds (net of deferred tax)	-	(43,809)	(43,809)	-	-	-	(43,809)
At 1 January 2011 (restated)	41,826,550	4,362,267	46,188,817	(10,786)	(46,609)	(57,395)	46,131,422
Premiums received	3,728,758	551,486	4,280,244	(59,164)	(55,771)	(114,935)	4,165,309
Liabilities paid for death, maturities, surrenders, benefits and claims	(2,426,480)	(173,486)	(2,599,966)	24,975	43,178	68,153	(2,531,813)
Policy movement	2,220,279	111,340	2,331,619	-	(2,313)	(2,313)	2,329,306
Interest rate	580	72,247	72,827	-	(793)	(793)	72,034
<i>Adjustments due to changes in assumptions:</i>							
<i>Mortality/morbidity</i>	1,418	2,221	3,639	-	2,337	2,337	5,976
<i>Expenses</i>	228,879	44,822	273,701	-	(6,244)	(6,244)	267,457
<i>Lapse</i>	84,598	1,697	86,295	-	-	-	86,295
<i>Others</i>	18,108	(39,914)	(21,806)	-	-	-	(21,806)
Other reserves - TIPS*	323,266	14,674	337,940	-	(139)	(139)	337,801
Claims benefit experience variation	470,172	7,052	477,224	34,087	9,872	43,959	521,183
Net asset value attributable to unitholders	-	155,387	155,387	-	-	-	155,387
Available-for-sale fair value reserves	(96,009)	-	(96,009)	-	-	-	(96,009)
Unallocated surplus	(1,126,833)	-	(1,126,833)	-	-	-	(1,126,833)
Deferred tax effects:							
Available-for-sale fair value reserves	7,500	-	7,500	-	-	-	7,500
At 31 December 2011	45,260,786	5,109,793	50,370,579	(10,888)	(56,482)	(67,370)	50,303,209

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2012

12. DERIVATIVE FINANCIAL LIABILITIES

	30 June 2012			31 December 2011		
	Notional Principal RM'000	Derivative Asset (Note 10) RM'000	Derivative Financial Liabilities RM'000	Notional Principal RM'000	Derivative Asset (Note 10) RM'000	Derivative Financial Liabilities RM'000
Non-hedging derivatives:						
Life Fund:						
Currency swaps	650,020	-	54,593	362,240	-	18,796
Forward Currency	62,593	77	-	-	-	-
Shareholder's Fund:						
Forward Currency	12,518	16	-	-	-	-
		<u>93</u>	<u>54,593</u>		<u>-</u>	<u>18,796</u>

13. DEFERRED TAXATION

	Shareholder's Fund RM'000	Life Fund RM'000	Unit-linked RM'000	Total RM'000
At 1 January 2011	7,689	495,428	23,904	527,021
Effects due to adoption of MFRS				
- Deferred Tax on Unallocated Surplus	98,288	-	-	98,288
- Deferred Tax on AFS	6,012	(6,012)	-	-
At 1 January 2011 (restated)	<u>111,989</u>	<u>489,416</u>	<u>23,904</u>	<u>625,309</u>
Recognised in:				
Profit or loss	407	34,573	(3,115)	31,865
Effects due to adoption of MFRS	(7,295)	-	-	(7,295)
Other comprehensive income	(522)	-	-	(522)
Insurance contract liabilities	-	(7,500)	-	(7,500)
At 31 December 2011 (restated)	<u>104,579</u>	<u>516,489</u>	<u>20,789</u>	<u>641,857</u>
At 1 January 2012	8,784	521,291	20,789	550,864
Effects due to adoption of MFRS				
- Deferred Tax on Unallocated Surplus	90,993	-	-	90,993
- Deferred Tax on AFS	4,802	(4,802)	-	-
At 1 January 2012 (restated)	<u>104,579</u>	<u>516,489</u>	<u>20,789</u>	<u>641,857</u>
Recognised in:				
Profit or loss	(1,870)	(15,667)	6,064	(11,473)
Other comprehensive income	226	-	-	226
Insurance contract liabilities	-	46,820	-	46,820
At 30 June 2012	<u>102,935</u>	<u>547,642</u>	<u>26,853</u>	<u>677,430</u>

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

	Shareholder's Fund RM'000	Life Fund RM'000	Unit-linked RM'000	Total RM'000
At 31 December 2011				
Presented after appropriate offsetting as follows:				
Deferred tax liabilities	104,579	524,132	20,789	649,500
Deferred tax assets	-	(7,643)	-	(7,643)
	<u>104,579</u>	<u>516,489</u>	<u>20,789</u>	<u>641,857</u>
At 30 June 2012				
Presented after appropriate offsetting as follows:				
Deferred tax liabilities	102,935	554,153	26,853	683,941
Deferred tax assets	-	(6,511)	-	(6,511)
	<u>102,935</u>	<u>547,642</u>	<u>26,853</u>	<u>677,430</u>

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2012

13. DEFERRED TAXATION (CONT'D.)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred Tax Liabilities

	Fair value of investment properties RM'000	Fair value of investments assets RM'000	Accelerated capital allowance on property, plant and equipment RM'000	Accretion of discounts on investments RM'000	Unallocated Surplus RM'000	Total RM'000
Shareholder's Funds						
At 1 January 2012	-	8,944	-	(160)	-	8,784
Effects due to adoption of MFRS						
- Deferred tax on unallocated surplus	-	-	-	-	90,993	90,993
- Deferred tax on AFS	-	4,802	-	-	-	4,802
At 1 January 2012 (restated)	-	13,746	-	(160)	90,993	104,579
Recognised in other comprehensive income	-	226	-	-	-	226
Recognised in income statement	-	5	-	(1,875)	-	(1,870)
At 30 June 2012	-	13,977	-	(2,035)	90,993	102,935
At 1 January 2011	-	8,206	-	(517)	-	7,689
Effects due to adoption of MFRS						
- Deferred tax on unallocated surplus	-	-	-	-	90,993	90,993
- Deferred tax on AFS	-	6,012	-	-	-	6,012
At 1 January 2011 (restated)	-	14,218	-	(517)	90,993	104,694
Recognised in other comprehensive income	-	(522)	-	-	-	(522)
Recognised in income statement	-	50	-	357	-	407
At 31 December 2011	-	13,746	-	(160)	90,993	104,579
Life Fund						
At 1 January 2012	14,964	501,692	12,278	-	-	528,934
Effects due to adoption of MFRS	-	(4,802)	-	-	-	(4,802)
Recognised in insurance contract liabilities	-	46,820	-	-	-	46,820
Recognised in income statement	27	(15,723)	(1,103)	-	-	(16,799)
At 30 June 2012	14,991	527,987	11,175	-	-	554,153
At 1 January 2011	14,786	473,964	13,854	-	-	502,604
Effects due to adoption of MFRS	-	(6,012)	-	-	-	(6,012)
Recognised in insurance contract liabilities	-	(7,500)	-	-	-	(7,500)
Recognised in income statement	178	36,438	(1,576)	-	-	35,040
At 31 December 2011	14,964	496,890	12,278	-	-	524,132
Unit-linked						
At 1 January 2012	-	20,789	-	-	-	20,789
Recognised in income statement	-	6,064	-	-	-	6,064
At 30 June 2012	-	26,853	-	-	-	26,853
At 1 January 2011	-	23,904	-	-	-	23,904
Recognised in income statement	-	(3,115)	-	-	-	(3,115)
At 31 December 2011	-	20,789	-	-	-	20,789

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2012

13. DEFERRED TAXATION (CONT'D.)

Deferred Tax Assets

	Amortisation of premium on investments RM'000	Provision for investments RM'000	Total RM'000
Life Fund			
At 1 January 2012	-	(7,643)	(7,643)
Recognised in income statement	-	1,132	1,132
At 30 June 2012	-	(6,511)	(6,511)
At 1 January 2011	-	(7,176)	(7,176)
Recognised in income statement	-	(467)	(467)
At 31 December 2011	-	(7,643)	(7,643)

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2012

14. CASH FLOWS

	30 June 2012 RM'000	30 June 2011 RM'000 (restated)
Profit before tax	398,695	332,981
Investment income	(1,188,318)	(1,053,442)
Realised gains recorded in profit and loss	(180,075)	(289,941)
Fair value gains recorded in profit and loss	(486,084)	(366,413)
Purchases of FVTPL financial investments	(12,813,995)	(5,625,933)
Proceeds from sale/maturity of FVTPL financial investments	9,021,766	7,041,755
Purchases of AFS financial investments	(714,483)	(1,238,959)
Proceeds from sale/maturity of AFS financial investments	1,001,321	729,405
Decrease/(increase) in LAR	2,104,972	(2,463,494)
Non-cash items		
Depreciation of property and equipment	24,993	25,117
Amortisation of prepaid land lease payments	73	73
Accretion of discounts - net	(240)	(1,547)
Impairment losses on financial investments	-	6,916
Provision for agents' retirement benefit	41,643	37,118
Write-off for depreciation of property and equipment	-	-
Realised foreign exchange (gain)/loss on receipts of dividend	-	1
Realised foreign exchange loss on disposal of investments	546	2,665
Unrealised swap foreign exchange	17,878	1,758
Unrealised foreign bond foreign exchange	(20,115)	-
Changes in working capital:		
Increase in reinsurance assets	(22,703)	(16,906)
Decrease in insurance receivables	53,284	79,288
(Increase)/decrease in other receivables	(20,111)	94,789
Increase in insurance contract liabilities	2,283,611	2,125,519
Increase in other financial liabilities	10,285	63,660
Decrease in insurance payables	(11,007)	(35,287)
Decrease in other payables	(29,087)	(1,107)
Cash generated from operations activities	<u>(527,151)</u>	<u>(551,984)</u>

The Company classifies the cash flows from the acquisition and disposal of financial assets as operating cash flows, as the purchases are funded from cash flows associated with the origination of insurance contract, net of the cash flows for payments of benefits and claim incurred for insurance contracts, which are respectively treated under operating activities.

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2012

15. CAPITAL COMMITMENTS

	30 June 2012 RM'000	31 December 2011 RM'000
Capital expenditure		
Approved and contracted for:		
- Investment properties	419	484
- Property and equipment	8,086	6,309
Approved but not contracted for:		
Investment properties	95,569	95,569
	<u>104,074</u>	<u>102,362</u>

16. CONTINGENT LIABILITIES

	30 June 2012 RM'000	31 December 2011 RM'000
Unsecured:		
Arising from litigation cases	<u>1,226</u>	<u>849</u>

As at end of the period, the Company has a few outstanding litigation claims that may incur potential liabilities for the Company. These outstanding litigation claims arise mainly from disputes on claims settlement, agency and staff industrial relation ma

17. REGULATORY CAPITAL REQUIREMENT

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

	30 June 2012 RM'000	31 December 2011 RM'000
Eligible Tier 1 Capital		
Share capital (paid-up)	100,000	100,000
Reserves, including retained earnings	17,549,920	16,943,383
	<u>17,649,920</u>	<u>17,043,383</u>
Tier 2 Capital		
Eligible reserves	<u>4,560,397</u>	<u>4,020,123</u>
Total Capital Available	<u>22,210,317</u>	<u>21,063,506</u>

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia) - 93745-A

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2012

18. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The following table shows an analysis of financial instruments that are carried at fair value by level of fair value hierarchy:

30 June 2012	Level 1 - Quoted market price RM'000	Level 2 - Valuation Techniques - Market Observable Inputs RM'000	Level 3 - Valuation Techniques - Unobservable Inputs RM'000	Total Fair Value RM'000
<u>Financial Assets</u>				
FVTPL - Held for Trading				
Equity securities:				
Quoted in Malaysia	1,657,183	-	-	1,657,183
Quoted outside Malaysia	13,669	-	-	13,669
Embedded derivatives	12,122	-	-	12,122
Malaysian government securities	-	96,506	-	96,506
Debt securities:				
Unquoted in Malaysia	-	857,455	-	857,455
Unit and property trust funds:				
Quoted in Malaysia	133,638	-	-	133,638
Quoted outside Malaysia	1,366	-	-	1,366
Derivative asset				
Forward Currency	-	93	-	93
FVTPL - Designated Upon Initial Recognition				
Malaysian government securities	-	7,037,211	-	7,037,211
Debt securities:				
Quoted outside Malaysia	613,600	-	-	613,600
Unquoted in Malaysia	-	25,842,026	-	25,842,026
Unquoted outside Malaysia	-	135,702	-	135,702
AFS financial assets				
Equity securities:				
Quoted in Malaysia	9,063,100	-	-	9,063,100
Quoted outside Malaysia	2,197,714	-	-	2,197,714
Malaysian government securities	-	61,543	-	61,543
Debt securities:				
Quoted outside Malaysia	12,420	-	-	12,420
Unquoted in Malaysia	-	572,558	-	572,558
Unit and property trust funds:				
Quoted in Malaysia	284,851	-	-	284,851
Quoted outside Malaysia	98,315	-	-	98,315
	<u>14,087,978</u>	<u>34,603,094</u>	<u>-</u>	<u>48,691,072</u>
<u>Financial Liabilities</u>				
Derivative financial liabilities				
Currency swaps	-	54,593	-	54,593

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2012

18. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONT'D.)

31 December 2011	Level 1 - Quoted market price RM'000	Level 2 - Valuation Techniques - Market Observable Inputs RM'000	Level 3 - Valuation Techniques - Unobservable Inputs RM'000	Total Fair Value RM'000
<u>Financial Assets</u>				
FVTPL - Held for Trading				
Equity securities:				
Quoted in Malaysia	1,470,789	-	-	1,470,789
Quoted outside Malaysia	13,318	-	-	13,318
Embedded derivatives	12,884	-	-	12,884
Malaysian government securities	-	54,544	-	54,544
Debt securities:				
Unquoted in Malaysia	-	494,248	-	494,248
Unit and property trust funds:				
Quoted in Malaysia	122,536	-	-	122,536
Quoted outside Malaysia	1,017	-	-	1,017
FVTPL - Designated Upon Initial Recognition				
Malaysian government securities	-	7,520,046	-	7,520,046
Debt securities:				
Quoted outside Malaysia	244,276	-	-	244,276
Unquoted in Malaysia	-	21,993,266	-	21,993,266
Unquoted outside Malaysia	-	131,436	-	131,436
AFS financial assets				
Equity securities:				
Quoted in Malaysia	9,250,636	-	-	9,250,636
Quoted outside Malaysia	1,815,580	-	-	1,815,580
Malaysian government securities	-	61,242	-	61,242
Debt securities:				
Unquoted in Malaysia	-	377,375	-	377,375
Unit and property trust funds:				
Quoted in Malaysia	256,182	-	-	256,182
Quoted outside Malaysia	81,527	-	-	81,527
	13,268,745	30,632,157	-	43,900,902
<u>Financial Liabilities</u>				
Derivative financial liabilities				
Currency swaps	-	18,796	-	18,796

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2012

18. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONT'D.)

Fair value Hierarchy

The Company classifies fair value measurement using a fair value hierarchy that reflects the significant of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 assets/liabilities are those which market values are determined 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, dealer, broker, industry group, pricing service or regulatory agency and those process represent actual and regularly occurring market transactions on an arm's length basis.

Level 2 assets/liabilities are those which market values are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. These type of assets/liabilities includes assets/liabilities which pricing is obtained via pricing services but where prices have not been determined in an active market, financial assets/financial liabilities with fair values based on broker quotes, investments in private equity funds with fair values obtained from counterparties and assets/liabilities that are valued using the Company's own model whereby the majority of assumptions are market observable.

Level 3 assets/liabilities are those which market values are measured using a valuation technique based on assumptions formed from unobservable inputs. Unobservable inputs are inputs not supported by market data, but which are set on the basis that they represent what is reasonable given the prevailing market conditions.

No transfers between any levels of the fair value hierarchy took place during the current interim period and the comparative period. There were also no changes in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia) - 93745-A

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2012

19. INSURANCE FUNDS

The Company's activities are organised by funds and segregated into Life, Shareholders and Unit-Linked funds in accordance with the Insurance Act 1996 and Insurance Regulations 1996. The Income Statement and Balance Sheet by funds are presented as follows:

Statement of Financial Position by Funds
As at 30 June 2012

	Shareholder's Funds			Life Fund			Unit-linked			Elimination*		Total			
	30.06.2012	31.12.2011	01.01.2011	30.06.2012	31.12.2011	01.01.2011	30.06.2012	31.12.2011	01.01.2011	30.06.2012	31.12.2011	01.01.2011	30.06.2012	31.12.2011	01.01.2011
	(restated)	(restated)	(restated)	(restated)	(restated)	(restated)	(restated)	(restated)	(restated)	(restated)	(restated)	(restated)	(restated)	(restated)	(restated)
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets															
Financial investments	704,943	499,019	493,117	50,505,266	48,297,552	44,450,116	3,267,251	2,989,291	2,435,225	-	-	-	54,477,460	51,785,862	47,378,458
Reinsurance assets	-	-	-	90,073	67,370	57,395	-	-	-	-	-	-	90,073	67,370	57,395
Insurance receivables	-	-	-	206,525	259,809	287,902	-	-	-	-	-	-	206,525	259,809	287,902
Other assets	571,266	928,156	856,025	1,651,776	1,535,474	1,542,827	35,244	22,869	28,631	(567,658)	(929,421)	(854,390)	1,690,628	1,557,078	1,573,093
	1,276,209	1,427,175	1,349,142	52,453,640	50,160,205	46,338,240	3,302,495	3,012,160	2,463,856	(567,658)	(929,421)	(854,390)	56,464,686	53,670,119	49,296,848
Equity and Liabilities															
Total Equity	1,072,293	1,231,802	1,175,882	-	-	-	-	-	-	-	-	-	1,072,293	1,231,802	1,175,882
Insurance contract liabilities	-	-	-	49,957,660	47,423,599	43,775,221	3,234,056	2,946,980	2,413,596	-	-	-	53,191,716	50,370,579	46,188,817
Other liabilities	203,916	195,373	173,260	2,495,980	2,736,606	2,563,019	68,439	65,180	50,260	(567,658)	(929,421)	(854,390)	2,200,677	2,067,738	1,932,149
Total Liabilities	203,916	195,373	173,260	52,453,640	50,160,205	46,338,240	3,302,495	3,012,160	2,463,856	(567,658)	(929,421)	(854,390)	55,392,393	52,438,317	48,120,966
	1,276,209	1,427,175	1,349,142	52,453,640	50,160,205	46,338,240	3,302,495	3,012,160	2,463,856	(567,658)	(929,421)	(854,390)	56,464,686	53,670,119	49,296,848

Comparative figures have been restated following the reclassification of the composition of business segments in the current financial period.

* Refers to elimination of Interfund balances.

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia) - 93745-A

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2012

19. INSURANCE FUNDS (CONT'D.)

Income Statement / Revenue Accounts by Funds
For the six months period ended 30 June

	Shareholder's Funds		Life Fund		Total	
	6 months ended 30.06.2012	6 months ended 30.06.2011 (restated)	6 months ended 30.06.2012	6 months ended 30.06.2011 (restated)	6 months ended 30.06.2012	6 months ended 30.06.2011 (restated)
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Operating revenue	13,458	11,967	3,936,310	3,650,102	3,949,768	3,662,069
Gross premiums	-	-	2,789,162	2,630,889	2,789,162	2,630,889
Premiums ceded to reinsurers	-	-	(50,802)	(42,928)	(50,802)	(42,928)
Net earned premiums	-	-	2,738,360	2,587,961	2,738,360	2,587,961
Fee and commission income	-	-	19,454	18,330	19,454	18,330
Investment income	13,458	11,968	1,147,148	1,019,213	1,160,606	1,031,181
Gains and losses and other operating revenue	8,142	1,369	660,954	644,265	669,096	645,634
Other revenue	21,600	13,337	1,827,556	1,681,808	1,849,156	1,695,145
Gross benefits and claims paid	-	-	(1,610,182)	(1,469,404)	(1,610,182)	(1,469,404)
Claims ceded to reinsurers	-	-	36,665	36,290	36,665	36,290
Gross change to contract liabilities	-	-	(2,001,290)	(1,937,586)	(2,001,290)	(1,937,586)
Change in contract liabilities ceded to reinsurers	-	-	3,088	1,040	3,088	1,040
Net claims	-	-	(3,571,719)	(3,369,660)	(3,571,719)	(3,369,660)
Depreciation and amortisation	-	-	(25,066)	(25,190)	(25,066)	(25,190)
Other operating and management expenses	(560)	(50)	(591,476)	(555,225)	(592,036)	(555,275)
Other expenses	(560)	(50)	(616,542)	(580,415)	(617,102)	(580,465)
	21,040	13,287	377,655	319,694	398,695	332,981
Transfer from Revenue Accounts *	244,703	202,375	(244,703)	(202,375)	-	-
Profit/Surplus before Tax	265,743	215,662	132,952	117,319	398,695	332,981
Taxation	(56,002)	(44,551)	(132,952)	(117,319)	(188,954)	(161,870)
Net profit/surplus after Tax	209,741	171,111	-	-	209,741	171,111

* The amount transferred from the Life Fund's Revenue Accounts to the Shareholders' Fund's Income Statement is net of tax.

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia) - 93745-A

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2012

19. INSURANCE FUNDS (CONT'D.)

Investment-linked Statement of Financial Position
As at 30 June 2012

	30.06.2012	31.12.2011
	RM'000	RM'000
Assets		
Financial investments	3,267,251	2,989,292
Other assets	35,244	22,869
	<u>3,302,495</u>	<u>3,012,161</u>
Liabilities		
Other liabilities	68,439	65,182
	<u>68,439</u>	<u>65,182</u>
Net asset value of funds (Note 11)	<u>3,234,056</u>	<u>2,946,979</u>

Investment-linked Fund Income Statement
For the six months period ended 30 June

	6 months	6 months
	ended	ended
	30.06.2012	30.06.2011
	RM'000	RM'000
Investment income	54,279	60,147
Realised gains and losses	9,543	(5,015)
Fair value gains and losses	105,267	151,177
	<u>169,089</u>	<u>206,309</u>
Fee and commission expense	(17,377)	(14,406)
Management expenses	(64)	(52)
Surplus before taxation	<u>151,648</u>	<u>191,851</u>
Taxation	(10,228)	(12,099)
Net profit for the period	<u>141,420</u>	<u>179,752</u>

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia) - 93745-A

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2012

19. INSURANCE FUNDS (CONT'D.)

Information on Cash Flows by Funds
For the six months period ended 30 June

	Shareholder's Funds		Life Fund		Unit-linked		Total	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011	30.06.2012	30.06.2011	30.06.2012	30.06.2011
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
		(restated)		(restated)		(restated)		(restated)
Cash flow from:								
Operating activities	12,398	(231,017)	361,555	565,022	(3,078)	(2,880)	370,875	331,125
Investing activities	-	-	(11,546)	(15,963)	-	-	(11,546)	(15,963)
Financing activities	(371,912)	(280,964)	-	-	-	-	(371,912)	(280,964)
(Decrease)/increase in cash and cash equivalents	(359,514)	(511,981)	350,009	549,059	(3,078)	(2,880)	(12,583)	34,198
Cash and cash equivalents:								
At beginning of year	124	59	135,648	26,640	4,338	970	140,110	27,669
At end of period	(359,390)	(511,922)	485,657	575,699	1,260	(1,910)	127,527	61,867