

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

(Incorporated in Malaysia)

**Unaudited Interim Financial Statements**

**For the six months ended 30 June 2013**

93745-A

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

**Interim financial statements for the six months ended 30 June 2013**

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

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

	Note	30.06.2013 RM'000	31.12.2012 RM'000
<b>Assets</b>			
Property and equipment		458,642	470,396
Investment properties		529,650	529,650
Prepaid land lease payments		17,011	17,080
Investments	9	60,002,827	57,728,922
Malaysian government securities		7,787,616	7,396,021
Debt securities		26,464,276	27,277,063
Equity securities		14,290,100	12,568,135
Unit and property trust funds		748,100	726,354
Loans		6,606,145	6,013,100
Deposits with financial institutions		1,297,695	1,807,089
Financial instruments with embedded derivatives		2,808,895	1,940,697
Derivatives financial assets		-	463
Reinsurance assets	10	100,460	79,360
Insurance receivables		213,177	268,991
Other receivables		585,027	523,773
Cash and bank balances		111,547	17,284
<b>Total assets</b>		<b>62,018,341</b>	<b>59,635,456</b>
<b>Equity</b>			
Share capital		100,000	100,000
Retained earnings		959,982	1,171,880
Available-for-sale fair value reserves		45,102	43,666
<b>Total equity</b>		<b>1,105,084</b>	<b>1,315,546</b>
<b>Liabilities</b>			
Insurance contract liabilities	11	58,688,450	56,128,941
Derivative financial liabilities	12	57,377	66,402
Agents' retirement benefit		648,038	613,535
Deferred tax liabilities	13	676,479	646,093
Other financial liabilities		128,233	16,671
Insurance payables		136,993	189,770
Provision for taxation		85,036	131,307
Other payables		492,651	527,191
<b>Total liabilities</b>		<b>60,913,257</b>	<b>58,319,910</b>
<b>Total equity and liabilities</b>		<b>62,018,341</b>	<b>59,635,456</b>

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 2013**

	<b>6 months ended 30 June 2013 RM'000</b>	<b>6 months ended 30 June 2012 RM'000</b>
Gross earned premiums	2,915,642	2,789,162
Premiums ceded to reinsurers	(41,771)	(50,802)
<b>Net earned premiums</b>	<u>2,873,871</u>	<u>2,738,360</u>
Investment income	1,269,196	1,160,606
Realised gains and losses	199,040	180,075
Fair value gains and losses	126,796	486,084
Increase in provision for impairment		
Insurance receivables	2,370	1,987
Other receivables	134	12
Fee and commission income	17,851	19,454
Other operating revenue	1,220	938
<b>Other revenue</b>	<u>1,616,607</u>	<u>1,849,156</u>
Gross benefits and claims paid	(1,895,859)	(1,610,182)
Claims ceded to reinsurers	39,598	36,665
Gross change to contract liabilities	(1,665,944)	(2,001,291)
Change in contract liabilities ceded to reinsurers	1,079	3,088
<b>Net benefits and claims</b>	<u>(3,521,126)</u>	<u>(3,571,720)</u>
Fee and commission expense	(415,965)	(425,015)
Management expenses	(193,917)	(190,628)
Other operating expenses	(24)	(1,459)
<b>Other expenses</b>	<u>(609,906)</u>	<u>(617,102)</u>
<b>Profit before taxation</b>	359,446	398,694
Taxation	(164,344)	(188,953)
<b>Net profit for the period</b>	<u>195,102</u>	<u>209,741</u>
<b>Earnings per share (sen)</b>		
Basic and diluted	<u>195</u>	<u>210</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**  
**(Incorporated in Malaysia) - 93745-A**

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 30 JUNE 2013**

	<b>6 months ended 30 June 2013 RM'000</b>	<b>6 months ended 30 June 2012 RM'000</b>
<b>Net profit for the period</b>	195,102	209,741
<b>Other comprehensive income:</b>		
Available-for-sale fair value reserves:		
Net gain arising during the period	26,197	18,491
Net realised gain transferred to Income Statement	<u>(24,282)</u>	<u>(15,515)</u>
	1,915	2,976
Tax effects thereon	<u>(479)</u>	<u>(744)</u>
	<u>1,436</u>	<u>2,232</u>
<b>Total comprehensive income for the period</b>	<u>196,538</u>	<u>211,973</u>

The accompanying notes form an integral part of the financial statements

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

**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 JUNE 2013**

	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	Sub-total RM'000	Non- participating Funds RM'000	Shareholder's Funds RM'000		Sub-total RM'000
<b>At 1 January 2012</b>	100,000	17,407	25,798	43,205	272,977	811,823	1,084,800	1,228,005
Total comprehensive income for the period	-	(353)	2,585	2,232	183,527	26,214	209,741	211,973
Estimated transfer from non-participating surplus	-	-	-	-	(183,527)	183,527	-	-
Dividends paid during the period	-	-	-	-	-	(372,000)	(372,000)	(372,000)
<b>At 30 June 2012</b>	100,000	17,054	28,383	45,437	272,977	649,564	922,541	1,067,978
<b>At 1 January 2013</b>	100,000	17,557	26,109	43,666	322,657	849,223	1,171,880	1,315,546
Total comprehensive income for the period	-	5,950	(4,514)	1,436	175,380	19,722	195,102	196,538
Estimated transfer from non-participating surplus	-	-	-	-	(175,380)	175,380	-	-
Dividends paid during the period	-	-	-	-	-	(407,000)	(407,000)	(407,000)
<b>At 30 June 2013</b>	100,000	23,507	21,595	45,102	322,657	637,325	959,982	1,105,084

\* Non-distributable retained earnings includes surplus from non-participating life funds of the insurance business (net of deferred tax). This amount is only distributable upon the actual recommended transfer from the life insurance fund into the shareholder's fund by the Appointed Actuary.

**GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD**  
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**UNAUDITED CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 30 JUNE 2013**

	Note	6 months ended 30 June 2013 RM'000	6 months ended 30 June 2012 RM'000
<b>Operating Activities</b>			
Cash used in operating activities	13	(529,141)	(527,152)
Dividend/distribution income received		257,456	249,484
Interest/profit income received		958,663	746,855
Rental income on investment properties received		45,257	33,309
Agents' retirement benefit paid		(10,539)	(16,471)
Income tax paid		(206,700)	(115,151)
<b>Net cash flow generated from operating activities</b>		<u>514,996</u>	<u>370,874</u>
<b>Investing Activities</b>			
Proceeds from disposal of property and equipment		11	50
Purchase of property and equipment		(13,468)	(11,176)
Purchase of investment properties		(474)	(420)
<b>Net cash flows used in investing activities</b>		<u>(13,931)</u>	<u>(11,546)</u>
<b>Financing Activity</b>			
Dividends paid to equity holders		(406,802)	(371,912)
<b>Net cash flows used in financing activities</b>		<u>(406,802)</u>	<u>(371,912)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		94,263	(12,584)
<b>Cash and cash equivalents at beginning of period</b>		17,284	140,110
<b>Cash and cash equivalents at end of period</b>		<u>111,547</u>	<u>127,526</u>
<b>Cash and cash equivalents comprise:</b>			
Cash and bank balances		<u>111,547</u>	<u>127,526</u>

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2013**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**1.1 BASIS OF PREPARATION**

The interim financial statements for half-year ended 30 June 2013 are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting, International Accounting Standards Board and the Companies Act, 1965 in Malaysia. At the beginning of the current financial period, the Company adopted new and revised MFRS which are mandatory for financial periods beginning on or 1 January 2013 as described fully in Note 1.2.

The financial statements of the Company have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The Company has met the minimum capital requirements as prescribed by the RBC (Risk Based Capital) Framework issued by Bank Negara Malaysia (BNM).

The interim financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

**1.2 CHANGES IN ACCOUNTING POLICIES**

The accounting policies and methods of computation adopted by the Company in this interim financial report are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2012 except for the newly-issued Malaysian Accounting Standards Board approved accounting framework - Malaysian Financial Reporting Standards ("MFRS"), Amendments to standards and IC Interpretations ("IC Int.") to be applied by all Entities Other Than Private Entities for the financial periods beginning on or after 1 January 2013:

- MFRS 3 Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)
- MFRS 10 Consolidated Financial Statements
- MFRS 11 Joint Arrangements
- MFRS 12 Disclosure of Interests in Other Entities
- MFRS 13 Fair Value Measurements
- MFRS 119 Employee Benefits
- MFRS 127 Separate Financial Statements
- MFRS 127 Consolidated and Separate Financial Statements (IAS27 as revised by IASB in December 2003)
- MFRS 128 Investments in Associates and Joint Ventures
- Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standard Government Loans
- Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)
- Amendments to MFRS 7 Disclosure – Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 10 Consolidated Financial Statements: Transition Guidance
- Amendments to MFRS 11 Joint Arrangements: Transition Guidance
- Amendments to MFRS 12 Disclosure of Interests in Other Entities: Transition Guidance
- Amendments to MFRS 101 Presentation of Items of Other Comprehensive Income (Amendments to MFRS 101)
- Amendments to MFRS 101 Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)
- Amendments to MFRS 116 Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)
- Amendments to MFRS 132 Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)
- Amendments to MFRS 134 Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)
- Amendments to IC Int.2 Members' Shares in Co-operative Entities and Similar Instruments (Annual Improvements 2009-2011 Cycle)

The adoption of the above did not have any significant effects on the interim financial report upon their initial application.



**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 2013.

**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 single tier dividend of RM4.07 per ordinary share on 100,000,005 ordinary shares amounting to RM407,000,020 for financial year ended 31 December 2012 was approved at the last Annual General Meeting held on 25 March 2013 and dividend was paid on 29 April 2013.

**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**  
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**9. INVESTMENTS**

	30.06.2013				31.12.2012			
	Shareholder's	Life Insurance			Shareholder's	Life Insurance		
	Fund	Fund	Unit-linked	Total	Fund	Fund	Unit-linked	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Malaysian Government securities	45,572	7,722,367	19,677	7,787,616	25,797	7,281,587	88,637	7,396,021
Debt securities	424,228	25,295,971	744,077	26,464,276	376,943	26,158,409	741,711	27,277,063
Equity securities	97,805	11,651,512	2,540,783	14,290,100	41,147	10,662,270	1,864,718	12,568,135
Unit and property trust funds	14,899	555,014	178,187	748,100	8,094	535,875	182,385	726,354
Loans	39,857	6,566,288	-	6,606,145	30,063	5,983,037	-	6,013,100
Deposits with financial institutions	12,710	840,625	444,360	1,297,695	9,920	1,228,809	568,360	1,807,089
Financial instruments with embedded derivatives	18,829	2,549,437	240,629	2,808,895	-	1,701,639	239,058	1,940,697
Derivatives financial assets	-	-	-	-	-	463	-	463
	<b>653,900</b>	<b>55,181,214</b>	<b>4,167,713</b>	<b>60,002,827</b>	<b>491,964</b>	<b>53,552,089</b>	<b>3,684,869</b>	<b>57,728,922</b>

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

LAR	52,567	7,406,913	444,360	7,903,840	39,983	7,211,846	568,360	7,820,189
AFS	582,504	12,206,526	-	12,789,030	451,981	11,198,145	-	11,650,126
FVTPL	18,829	35,567,775	3,723,353	39,309,957	-	35,142,098	3,116,509	38,258,607
	<b>653,900</b>	<b>55,181,214</b>	<b>4,167,713</b>	<b>60,002,827</b>	<b>491,964</b>	<b>53,552,089</b>	<b>3,684,869</b>	<b>57,728,922</b>

The following investments mature after 12 months:

LAR	39,824	2,770,882	-	2,810,706	15,000	1,078,693	-	1,093,693
AFS	459,793	-	-	459,793	382,696	-	-	382,696
FVTPL	18,829	33,766,749	698,474	34,484,052	-	33,555,951	752,191	34,308,142
	<b>518,446</b>	<b>36,537,631</b>	<b>698,474</b>	<b>37,754,551</b>	<b>397,696</b>	<b>34,634,644</b>	<b>752,191</b>	<b>35,784,531</b>

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**9. INVESTMENTS (CONT'D.)**

**(a) LAR**

	<b>30.06.2013</b>				<b>31.12.2012</b>			
	<b>Shareholder's Funds</b>		<b>Life Insurance</b>		<b>Shareholder's Funds</b>		<b>Life Insurance</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>Unit-linked RM'000</b>	<b>Total RM'000</b>	<b>RM'000</b>	<b>Fund RM'000</b>	<b>Unit-linked RM'000</b>	<b>Total RM'000</b>
<b>At Amortised Cost / Cost:</b>								
Deposits with financial institutions:								
Licensed banks	12,710	810,625	444,360	1,267,695	9,920	1,189,980	568,360	1,768,260
Others	-	30,000	-	30,000	-	38,829	-	38,829
Policy loans	-	3,704,672	-	3,704,672	-	3,635,967	-	3,635,967
Mortgage loans	24,800	1,291,257	-	1,316,057	15,000	1,076,018	-	1,091,018
Secured loans	15,018	1,570,351	-	1,585,369	15,024	1,271,033	-	1,286,057
Unsecured loans	39	8	-	47	39	19	-	58
	<b>52,567</b>	<b>7,406,913</b>	<b>444,360</b>	<b>7,903,840</b>	<b>39,983</b>	<b>7,211,846</b>	<b>568,360</b>	<b>7,820,189</b>

**GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD**  
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**9. INVESTMENTS (CONT'D.)**

**(a) LAR (Cont'd.)**

	<b>30.06.2013</b>				<b>31.12.2012</b>			
	<b>Shareholder's</b>		<b>Life Insurance</b>		<b>Shareholder's</b>		<b>Life Insurance</b>	
	<b>Funds</b>	<b>Fund</b>	<b>Unit-linked</b>	<b>Total</b>	<b>Funds</b>	<b>Fund</b>	<b>Unit-linked</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At Fair Value:</b>								
Deposits with financial institutions:								
Licensed banks	12,710	810,625	444,360	1,267,695	9,920	1,189,980	568,360	1,768,260
Others	-	30,000	-	30,000	-	38,829	-	38,829
Policy loans	-	3,704,673	-	3,704,673	-	3,635,967	-	3,635,967
Mortgage loans	26,129	1,338,558	-	1,364,687	15,423	1,105,038	-	1,120,461
Secured loans	15,018	1,570,351	-	1,585,369	15,024	1,271,033	-	1,286,057
Unsecured loans	39	8	-	47	39	19	-	58
	<b>53,896</b>	<b>7,454,215</b>	<b>444,360</b>	<b>7,952,471</b>	<b>40,406</b>	<b>7,240,866</b>	<b>568,360</b>	<b>7,849,632</b>

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.

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**9. INVESTMENTS (CONT'D.)**

**(b) AFS**

	30.06.2013				31.12.2012			
	Shareholder's Funds		Life Insurance		Shareholder's Funds		Life Insurance	
	RM'000	RM'000	Unit-linked RM'000	Total RM'000	RM'000	RM'000	Unit-linked RM'000	Total RM'000
<b>At Fair Value:</b>								
Equity securities:								
Quoted in Malaysia	95,609	10,318,006	-	10,413,615	40,855	9,565,746	-	9,606,601
Quoted outside Malaysia	1,904	1,218,695	-	1,220,599	-	981,713	-	981,713
Malaysian government securities	45,572	-	-	45,572	25,797	-	-	25,797
Debt securities:								
Unquoted in Malaysia	424,228	-	-	424,228	376,943	-	-	376,943
Unit and property trust funds:								
Quoted in Malaysia	12,929	425,609	-	438,538	6,970	409,116	-	416,086
Quoted outside Malaysia	1,970	129,405	-	131,375	1,124	126,759	-	127,883
	582,212	12,091,715	-	12,673,927	451,689	11,083,334	-	11,535,023
<b>At Cost:</b>								
Equity securities:								
Unquoted in Malaysia	292	114,811	-	115,103	292	114,811	-	115,103
	582,504	12,206,526	-	12,789,030	451,981	11,198,145	-	11,650,126

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**9. INVESTMENTS (CONT'D.)**

**(c) FVTPL**

	30.06.2013				31.12.2012			
	Shareholder's Funds		Life Insurance		Shareholder's Funds		Life Insurance	
	RM'000	RM'000	Unit-linked RM'000	Total RM'000	RM'000	RM'000	Unit-linked RM'000	Total RM'000
<b>At Fair Value:</b>								
<b>Held-for-Trading:</b>								
Equity securities:								
Quoted in Malaysia	-	-	2,522,077	2,522,077	-	-	1,848,326	1,848,326
Quoted outside Malaysia	-	-	18,706	18,706	-	-	16,392	16,392
Financial instruments with embedded derivatives	18,829	2,549,437	240,629	2,808,895	-	1,701,639	239,058	1,940,697
Malaysian government securities	-	-	19,677	19,677	-	-	88,637	88,637
Debt securities:								
Unquoted in Malaysia	-	-	744,077	744,077	-	-	741,711	741,711
Unit and property trust funds:								
Quoted in Malaysia	-	-	173,845	173,845	-	-	178,376	178,376
Quoted outside Malaysia	-	-	4,342	4,342	-	-	4,009	4,009
Derivatives financial assets	-	-	-	-	-	463	-	463
	18,829	2,549,437	3,723,353	6,291,619	-	1,702,102	3,116,509	4,818,611
<b>Designated upon initial recognition</b>								
Malaysian government securities	-	7,722,367	-	7,722,367	-	7,281,587	-	7,281,587
Debt securities:								
Quoted outside Malaysia	-	540,471	-	540,471	-	592,936	-	592,936
Unquoted in Malaysia	-	24,623,150	-	24,623,150	-	25,430,739	-	25,430,739
Unquoted outside Malaysia	-	132,350	-	132,350	-	134,734	-	134,734
	-	33,018,338	-	33,018,338	-	33,439,996	-	33,439,996
	18,829	35,567,775	3,723,353	39,309,957	-	35,142,098	3,116,509	38,258,607

**GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD**  
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**10. REINSURANCE ASSETS**

**Life Insurance Fund**

	<b>30.06.2013</b>	<b>31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
Reinsurance of insurance contracts (Note 11)	100,460	79,360

**11. INSURANCE CONTRACT LIABILITIES**

**Life Insurance Fund**

	<b>30.06.2013</b>			<b>31.12.2012</b>		
	<b>Gross</b>	<b>Re-Insurance</b>	<b>Net</b>	<b>Gross</b>	<b>Re-Insurance</b>	<b>Net</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Provision for outstanding claims	5,163,386	(54,192)	5,109,194	4,756,970	(34,170)	4,722,800
Actuarial liabilities	36,060,116	(46,268)	36,013,848	34,927,490	(45,190)	34,882,300
Unallocated surplus	8,772,028	-	8,772,028	8,699,727	-	8,699,727
Available-for-sale fair value reserves	4,599,839	-	4,599,839	4,112,687	-	4,112,687
Net asset value attributable to unitholders	4,093,081	-	4,093,081	3,632,067	-	3,632,067
	<u>58,688,450</u>	<u>(100,460)</u>	<u>58,587,990</u>	<u>56,128,941</u>	<u>(79,360)</u>	<u>56,049,581</u>

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**11. INSURANCE CONTRACT LIABILITIES**

	<b>Gross</b>			<b>Reinsurance</b>			
	<b>With DPF</b>	<b>Without DPF</b>	<b>Total</b>	<b>With DPF</b>	<b>Without DPF</b>	<b>Total</b>	<b>Net</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At 1 January 2013</b>	50,138,567	5,990,374	56,128,941	(16,514)	(62,846)	(79,360)	56,049,581
Premiums received	1,800,945	288,840	2,089,785	(18,722)	(23,049)	(41,771)	2,048,014
Liabilities paid for death, maturities, surrenders, benefits and claims	(1,438,935)	(139,877)	(1,578,812)	13,735	25,863	39,598	(1,539,214)
Policy movements	1,066,913	57,597	1,124,510	-	(1,330)	(1,330)	1,123,180
Interest rate	1,016	7,101	8,117	-	251	251	8,368
Claims benefit experience variation	401,299	5,115	406,414	(808)	(17,040)	(17,848)	388,566
Net asset value attributable to unitholders	-	312,051	312,051	-	-	-	312,051
Available-for-sale fair value reserves	529,513	-	529,513	-	-	-	529,513
Unallocated surplus	(289,708)	-	(289,708)	-	-	-	(289,708)
Deferred tax effects:							
Available-for-sale fair value reserves	(42,361)	-	(42,361)	-	-	-	(42,361)
<b>At 30 June 2013</b>	<b>52,167,249</b>	<b>6,521,201</b>	<b>58,688,450</b>	<b>(22,309)</b>	<b>(78,151)</b>	<b>(100,460)</b>	<b>58,587,990</b>



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**11. INSURANCE CONTRACT LIABILITIES (CONT'D.)**

	<b>With DPF</b>	<b>Gross Without DPF</b>	<b>Total</b>	<b>With DPF</b>	<b>Reinsurance Without DPF</b>	<b>Total</b>	<b>Net</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At 1 January 2012</b>	45,260,786	5,503,358	50,764,144	(10,888)	(56,482)	(67,370)	50,696,774
Effects due to change in accounting policy:							
Unallocated surplus of Non-Participating Funds	-	(363,970)	(363,970)	-	-	-	(363,970)
Available-for-sale fair value reserves of Non-Participating Funds (net of deferred tax)	-	(29,595)	(29,595)	-	-	-	(29,595)
<b>At 1 January 2012 (restated)</b>	45,260,786	5,109,793	50,370,579	(10,888)	(56,482)	(67,370)	50,303,209
Premiums received	3,866,476	610,895	4,477,371	(61,479)	(58,117)	(119,596)	4,357,775
Liabilities paid for death, maturities, surrenders, benefits and claims	(2,791,243)	(217,138)	(3,008,381)	30,717	48,269	78,986	(2,929,395)
Policy movements	2,258,597	119,649	2,378,246	-	(4,814)	(4,814)	2,373,432
Interest rate	1,283	58,178	59,461	-	(507)	(507)	58,954
<i>Adjustments due to changes in assumptions:</i>							
<i>Mortality/morbidity</i>	(4,535)	(9,983)	(14,518)	-	2,668	2,668	(11,850)
<i>Expenses</i>	(34,620)	(13)	(34,633)	-	-	-	(34,633)
<i>Lapse</i>	(975)	1,163	188	-	(7)	(7)	181
<i>Others</i>	12,816	4,920	17,736	-	123	123	17,859
Other	122,901	16,241	139,142	-	485	485	139,627
Claims benefit experience variation	794,792	5,337	800,129	25,136	5,536	30,672	830,801
Net asset value attributable to unitholders	-	291,332	291,332	-	-	-	291,332
Available-for-sale fair value reserves	151,868	-	151,868	-	-	-	151,868
Unallocated surplus	512,723	-	512,723	-	-	-	512,723
Deferred tax effects:							
Available-for-sale fair value reserves	(12,302)	-	(12,302)	-	-	-	(12,302)
<b>At 31 December 2012</b>	<b>50,138,567</b>	<b>5,990,374</b>	<b>56,128,941</b>	<b>(16,514)</b>	<b>(62,846)</b>	<b>(79,360)</b>	<b>56,049,581</b>

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**11. DERIVATIVE FINANCIAL LIABILITIES**

**Life Insurance Fund**

	<b>30 June 2013</b>		<b>31 December 2012</b>	
	<b>Notional Principal RM'000</b>	<b>Derivative Financial Liabilities RM'000</b>	<b>Notional Principal RM'000</b>	<b>Derivative Financial Liabilities RM'000</b>
Derivatives held for trading:				
Forward contract	12,403	89	-	-
Currency swaps	650,020	57,288	650,020	66,402
	<u>662,423</u>	<u>57,377</u>	<u>650,020</u>	<u>66,402</u>

**12. DEFERRED TAXATION**

	<b>Shareholder's Fund RM'000</b>	<b>Life Insurance Fund RM'000</b>	<b>Unit-linked Fund RM'000</b>	<b>Total RM'000</b>
<b>At 1 January 2012</b>	8,784	521,291	20,789	550,864
Effects due to change in accounting policy				
- Deferred tax on unallocated surplus of Non-Participating Funds	90,994	-	-	90,994
- Deferred tax on Available-for-sale fair value reserves of Non-Participating Funds	8,599	(4,802)	-	3,797
<b>At 1 January 2012 (restated)</b>	<u>108,377</u>	<u>516,489</u>	<u>20,789</u>	<u>645,655</u>
Recognised in:				
Income statement	(1,878)	(20,539)	10,399	(12,018)
Other comprehensive income	154	-	-	154
Insurance contract liabilities	-	12,302	-	12,302
<b>At 31 December 2012</b>	<u>106,653</u>	<u>508,252</u>	<u>31,188</u>	<u>646,093</u>
<b>At 1 January 2013</b>	106,653	508,252	31,188	646,093
Recognised in:				
Income statement	(331)	(27,927)	15,804	(12,454)
Other comprehensive income	479	-	-	479
Insurance contract liabilities	-	42,361	-	42,361
<b>At 30 June 2013</b>	<u>106,801</u>	<u>522,686</u>	<u>46,992</u>	<u>676,479</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.

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**12. DEFERRED TAXATION (CONT'D.)**

	<b>Shareholder's Fund RM'000</b>	<b>Life Insurance Fund RM'000</b>	<b>Unit-linked RM'000</b>	<b>Total RM'000</b>
<b>At 31 December 2012</b>				
Presented after appropriate offsetting as follows:				
Deferred tax liabilities	106,653	514,006	31,188	651,847
Deferred tax assets	-	(5,754)	-	(5,754)
	<u>106,653</u>	<u>508,252</u>	<u>31,188</u>	<u>646,093</u>
<b>At 30 June 2013</b>				
Presented after appropriate offsetting as follows:				
Deferred tax liabilities	106,801	528,449	46,992	682,242
Deferred tax assets	-	(5,763)	-	(5,763)
	<u>106,801</u>	<u>522,686</u>	<u>46,992</u>	<u>676,479</u>

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**12. 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**

	<b>Fair value of investment properties RM'000</b>	<b>Fair value of investments assets RM'000</b>	<b>Accelerated capital allowance on property and equipment RM'000</b>	<b>Accretion of discounts on investments RM'000</b>	<b>Unallocated Surplus of Non- Participating Funds RM'000</b>	<b>Total RM'000</b>
<b>Shareholder's Fund</b>						
<b>At 1 January 2013</b>	-	17,696	-	(2,037)	90,994	106,653
Recognised in other comprehensive income	-	479	-	-	-	479
Recognised in income statement	-	(296)	-	(35)	-	(331)
<b>At 30 June 2013</b>	-	17,879	-	(2,072)	90,994	106,801
<b>At 1 January 2012 (restated)</b>	-	8,944	-	(160)	-	8,784
Effects due to change in accounting policy:						
- Deferred tax on unallocated surplus of Non-Participating Funds	-		-	-	90,994	90,994
- Deferred tax on Available-for-sale fair value reserves of Non-Participating Funds	-	8,599	-	-	-	8,599
<b>At 1 January 2012 (restated)</b>	-	17,543	-	(160)	90,994	108,377
Recognised in other comprehensive income	-	154	-	-	-	154
Recognised in income statement	-	(1)	-	(1,877)	-	(1,878)
<b>At 31 December 2012</b>	-	17,696	-	(2,037)	90,994	106,653

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**12. DEFERRED TAXATION (CONT'D.)**

**Deferred Tax Liabilities (Cont'd.)**

	<b>Fair value of investment properties RM'000</b>	<b>Fair value of investments assets RM'000</b>	<b>Accelerated capital allowance on property and equipment RM'000</b>	<b>Accretion of discounts on investments RM'000</b>	<b>Unallocated Surplus of Non- Participating Funds RM'000</b>	<b>Total RM'000</b>
<b>Life Insurance Fund</b>						
<b>At 1 January 2013</b>	15,754	488,178	10,074	-	-	514,006
Recognised in insurance contract liabilities		42,361		-	-	42,361
Recognised in income statement	(38)	(26,625)	(1,255)	-	-	(27,918)
<b>At 30 June 2013</b>	<b>15,716</b>	<b>503,914</b>	<b>8,819</b>	<b>-</b>	<b>-</b>	<b>528,449</b>
<b>At 1 January 2012</b>	14,964	501,692	12,278	-	-	528,934
Effects due to change in accounting policy:						
- Deferred tax on Available-for-sale fair value reserves of Non-Participating Funds	-	(4,802)	-	-	-	(4,802)
<b>At 1 January 2012 (restated)</b>	<b>14,964</b>	<b>496,890</b>	<b>12,278</b>	<b>-</b>	<b>-</b>	<b>524,132</b>
Recognised in insurance contract liabilities	-	12,302	-	-	-	12,302
Recognised in income statement	790	(21,014)	(2,204)	-	-	(22,428)
<b>At 31 December 2012</b>	<b>15,754</b>	<b>488,178</b>	<b>10,074</b>	<b>-</b>	<b>-</b>	<b>514,006</b>

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**12. DEFERRED TAXATION (CONT'D.)**

**Deferred Tax Liabilities (Cont'd.)**

	<b>Fair value of investment properties RM'000</b>	<b>Fair value of investments assets RM'000</b>	<b>Accelerated capital allowance on property and equipment RM'000</b>	<b>Accretion of discounts on investments RM'000</b>	<b>Unallocated Surplus of Non- Participating Funds RM'000</b>	<b>Total RM'000</b>
<b>Unit-linked</b>						
<b>At 1 January 2013</b>	-	31,188	-	-	-	31,188
Recognised in income statement	-	15,804	-	-	-	15,804
<b>At 30 June 2013</b>	-	46,992	-	-	-	46,992
<b>At 1 January 2012</b>	-	20,789	-	-	-	20,789
Recognised in income statement	-	10,399	-	-	-	10,399
<b>At 31 December 2012</b>	-	31,188	-	-	-	31,188

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**12. DEFERRED TAXATION (CONT'D.)**

**Deferred Tax Assets**

	<b>Amortisation of premium on investments RM'000</b>	<b>Provision for investments RM'000</b>	<b>Total RM'000</b>
<b>Life Insurance Fund</b>			
At 1 January 2013	-	(5,754)	(5,754)
Recognised in income statement	-	(9)	(9)
At 30 June 2013	-	(5,763)	(5,763)
At 1 January 2012	-	(7,643)	(7,643)
Recognised in income statement	-	1,889	1,889
At 31 December 2012	-	(5,754)	(5,754)

**13. CASH FLOWS**

	<b>30 June 2013 RM'000</b>	<b>30 June 2012 RM'000</b>
<b>Profit before taxation</b>	359,446	398,694
<i>Adjustment for non-cash items:</i>		
Gross investment income	(1,302,827)	(1,188,318)
Realised gains recorded in the income statement	(199,040)	(180,075)
Fair value losses/(gains) recorded in the income statement	(126,796)	(486,084)
Purchases of FVTPL financial investments	(10,118,490)	(12,813,995)
Proceeds from disposals/maturities of FVTPL financial investments	9,194,652	9,021,766
Purchases of AFS financial investments	(1,133,436)	(714,483)
Proceeds from disposals/maturities of AFS financial investments	713,456	1,001,321
(Increase)/Decrease in LAR	(83,651)	2,104,972
Depreciation of property and equipment	24,995	24,993
Amortisation of prepaid land lease payments	69	73
Net accretion of discounts	1,270	(240)
Provision for agents' retirement benefits	45,042	41,643
Property and equipment write-off	226	-
Realised foreign exchange gain on receipts of dividend	(1)	-
Realised foreign exchange (gain)/loss on disposal of investments	(378)	546
Unrealised derivative forward foreign exchange	3,488	17,878
Unrealised bond foreign exchange	(2,111)	(20,115)
<b>Changes in working capital:</b>		
Increase in reinsurance assets	(21,100)	(22,703)
Decrease in insurance receivables	55,814	53,284
Increase in other receivables	(36,169)	(20,111)
Increase in insurance contract liabilities	2,072,354	2,283,611
Increase in other financial liabilities	111,562	10,285
Decrease in insurance payables	(52,777)	(11,007)
Decrease in other payables	(34,739)	(29,087)
Cash used in operations activities	(529,141)	(527,152)

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.

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**14. CAPITAL COMMITMENTS**

	<b>30.06.2013</b>	<b>31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Capital expenditure</b>		
Approved and contracted for:		
- Investment properties	-	340
- Property and equipment	36,649	15,162
Approved but not contracted for:		
Investment properties	95,569	95,569
	<u>132,218</u>	<u>111,071</u>

**15. CONTINGENT LIABILITIES**

	<b>30.06.2013</b>	<b>31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Unsecured:</b>		
Arising from litigation cases	<u>529</u>	<u>928</u>

As at end of the financial 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 matters.

**16. REGULATORY CAPITAL REQUIREMENT**

The capital structure of the Company as at 30 June 2013, as prescribed under the RBC is provided below:

	<b>30.06.2013</b>	<b>31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Eligible Tier 1 Capital</b>		
Share capital (paid-up)	100,000	100,000
Reserves, including retained earnings	18,974,971	18,476,533
	<u>19,074,971</u>	<u>18,576,533</u>
<b>Tier 2 Capital</b>		
Eligible reserves	<u>4,647,250</u>	<u>4,159,927</u>
<b>Total Capital Available</b>	<u>23,722,221</u>	<u>22,736,460</u>



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**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:

	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
<b>30 June 2013</b>				
<u>Financial Assets</u>				
FVTPL - Held for Trading				
Equity securities:				
Quoted in Malaysia	2,522,077	-	-	2,522,077
Quoted outside Malaysia	18,706	-	-	18,706
Financial instruments with embedded derivatives				
	2,808,895	-	-	2,808,895
Malaysian government securities	-	19,677	-	19,677
Debt securities:				
Unquoted in Malaysia	-	744,077	-	744,077
Unit and property trust funds:				
Quoted in Malaysia	173,845	-	-	173,845
Quoted outside Malaysia	4,342	-	-	4,342
FVTPL - Designated Upon Initial Recognition				
Malaysian government securities	-	7,722,367	-	7,722,367
Debt securities:				
Quoted outside Malaysia	540,471	-	-	540,471
Unquoted in Malaysia	-	24,623,150	-	24,623,150
Unquoted outside Malaysia	-	132,350	-	132,350
AFS financial assets				
Equity securities:				
Quoted in Malaysia	10,413,615	-	-	10,413,615
Quoted outside Malaysia	1,220,599	-	-	1,220,599
Malaysian government securities	-	45,572	-	45,572
Debt securities:				
Unquoted in Malaysia	-	424,228	-	424,228
Unit and property trust funds:				
Quoted in Malaysia	438,538	-	-	438,538
Quoted outside Malaysia	131,375	-	-	131,375
	<u>18,272,463</u>	<u>33,711,421</u>	<u>-</u>	<u>51,983,884</u>
<u>Financial Liabilities</u>				
Derivative financial liabilities				
Forward contract	-	89	-	89
Currency swaps	-	57,288	-	57,288
	<u>-</u>	<u>57,377</u>	<u>-</u>	<u>57,377</u>

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

<b>31 December 2012</b>	<b>Level 1 - Quoted market price RM'000</b>	<b>Level 2 - Valuation Techniques - Market Observable Inputs RM'000</b>	<b>Level 3 - Valuation Techniques - Unobservable Inputs RM'000</b>	<b>Total Fair Value RM'000</b>
<u>Financial Assets</u>				
FVTPL - Held for Trading				
Equity securities:				
Quoted in Malaysia	1,848,326	-	-	1,848,326
Quoted outside Malaysia	16,392	-	-	16,392
Financial instruments with embedded derivatives				
Malaysian government securities	-	88,637	-	88,637
Debt securities:				
Unquoted in Malaysia	-	741,711	-	741,711
Unit and property trust funds:				
Quoted in Malaysia	178,376	-	-	178,376
Quoted outside Malaysia	4,009	-	-	4,009
Derivative financial assets	463	-	-	463
FVTPL - Designated Upon Initial Recognition				
Malaysian government securities	-	7,281,587	-	7,281,587
Debt securities:				
Quoted outside Malaysia	592,936	-	-	592,936
Unquoted in Malaysia	-	25,430,739	-	25,430,739
Unquoted outside Malaysia	-	134,734	-	134,734
AFS financial assets				
Equity securities:				
Quoted in Malaysia	9,606,601	-	-	9,606,601
Quoted outside Malaysia	981,713	-	-	981,713
Malaysian government securities	-	25,797	-	25,797
Debt securities:				
Unquoted in Malaysia	-	376,943	-	376,943
Unit and property trust funds:				
Quoted in Malaysia	416,086	-	-	416,086
Quoted outside Malaysia	127,883	-	-	127,883
	15,713,482	34,080,148	-	49,793,630
<u>Financial Liabilities</u>				
Derivative financial liabilities				
Currency swaps	-	66,402	-	66,402

**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.

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**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 2013**

	Shareholder's Funds		Life Insurance Fund		Elimination*		Total	
	30.06.2013	31.12.2012	30.06.2013	31.12.2012	30.06.2013	31.12.2012	30.06.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Assets</b>								
Financial investments	653,900	491,964	59,348,927	57,236,958	-	-	60,002,827	57,728,922
Reinsurance assets	-	-	100,460	79,360	-	-	100,460	79,360
Insurance receivables	-	-	213,177	268,991	-	-	213,177	268,991
Other assets	615,461	1,003,590	1,686,399	1,564,206	(599,983)	(1,009,613)	1,701,877	1,558,183
	<u>1,269,361</u>	<u>1,495,554</u>	<u>61,348,963</u>	<u>59,149,515</u>	<u>(599,983)</u>	<u>(1,009,613)</u>	<u>62,018,341</u>	<u>59,635,456</u>
<b>Equity, Policyholders' Fund and Liabilities</b>								
<b>Total Equity</b>	<u>1,105,084</u>	<u>1,315,546</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,105,084</u>	<u>1,315,546</u>
Insurance contract liabilities	-	-	58,688,450	56,128,941	-	-	58,688,450	56,128,941
Other liabilities	164,277	180,008	2,660,513	3,020,574	(599,983)	(1,009,613)	2,224,807	2,190,969
<b>Total Policyholders' Fund and Liabilities</b>	<u>164,277</u>	<u>180,008</u>	<u>61,348,963</u>	<u>59,149,515</u>	<u>(599,983)</u>	<u>(1,009,613)</u>	<u>60,913,257</u>	<u>58,319,910</u>
	<u>1,269,361</u>	<u>1,495,554</u>	<u>61,348,963</u>	<u>59,149,515</u>	<u>(599,983)</u>	<u>(1,009,613)</u>	<u>62,018,341</u>	<u>59,635,456</u>

\* Refers to elimination of Interfund balances.

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**19. INSURANCE FUNDS (CONT'D.)**

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

	Shareholder's Funds		Life Insurance Fund		Total	
	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended
	30.06.2013	30.06.2012	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Gross premiums	-	-	2,915,642	2,789,162	2,915,642	2,789,162
Premiums ceded to reinsurers	-	-	(41,771)	(50,802)	(41,771)	(50,802)
<b>Net earned premiums</b>	-	-	<b>2,873,871</b>	<b>2,738,360</b>	<b>2,873,871</b>	<b>2,738,360</b>
Investment income	13,004	13,458	1,256,192	1,147,148	1,269,196	1,160,606
Realised gains and losses	2,383	8,140	196,657	171,935	199,040	180,075
Fair value gains and losses	(1,170)	2	127,966	486,082	126,796	486,084
Decrease in provision for impairment						
Insurance receivables	-	-	2,370	1,987	2,370	1,987
Other receivables	-	-	134	12	134	12
Fees and commission income	-	-	17,851	19,454	17,851	19,454
Other operating revenue	87	-	1,133	938	1,220	938
<b>Other revenue</b>	<b>14,304</b>	<b>21,600</b>	<b>1,602,303</b>	<b>1,827,556</b>	<b>1,616,607</b>	<b>1,849,156</b>
Gross benefits and claims paid	-	-	(1,895,859)	(1,610,182)	(1,895,859)	(1,610,182)
Claims ceded to reinsurers	-	-	39,598	36,665	39,598	36,665
Gross change to contract liabilities	-	-	(1,665,944)	(2,001,291)	(1,665,944)	(2,001,291)
Change in contract liabilities ceded to reinsurers	-	-	1,079	3,088	1,079	3,088
<b>Net claims</b>	-	-	<b>(3,521,126)</b>	<b>(3,571,720)</b>	<b>(3,521,126)</b>	<b>(3,571,720)</b>
Fees and commission expenses	-	-	(415,965)	(425,015)	(415,965)	(425,015)
Management expenses	(308)	(317)	(193,609)	(190,311)	(193,917)	(190,628)
Other operating expenses	-	(243)	(24)	(1,216)	(24)	(1,459)
<b>Other expenses</b>	<b>(308)</b>	<b>(560)</b>	<b>(609,598)</b>	<b>(616,542)</b>	<b>(609,906)</b>	<b>(617,102)</b>
<b>Profit from operations</b>	<b>13,996</b>	<b>21,040</b>	<b>345,450</b>	<b>377,654</b>	<b>359,446</b>	<b>398,694</b>
<b>Transfer from Revenue Accounts *</b>	<b>233,840</b>	<b>244,704</b>	<b>(233,840)</b>	<b>(244,704)</b>	<b>-</b>	<b>-</b>
<b>Profit/Surplus before Tax</b>	<b>247,836</b>	<b>265,744</b>	<b>111,610</b>	<b>132,950</b>	<b>359,446</b>	<b>398,694</b>
Taxation	(52,734)	(56,003)	(111,610)	(132,950)	(164,344)	(188,953)
<b>Net profit/surplus after Tax</b>	<b>195,102</b>	<b>209,741</b>	<b>-</b>	<b>-</b>	<b>195,102</b>	<b>209,741</b>

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

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**19. INSURANCE FUNDS (CONT'D.)**

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

	Shareholder's Funds		Life Insurance Fund		Total	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>Cash flow from:</b>						
Operating activities	150,039	12,398	364,957	358,476	514,996	370,874
Investing activities	-	-	(13,931)	(11,546)	(13,931)	(11,546)
Financing activities	(406,802)	(371,912)	-	-	(406,802)	(371,912)
(Decrease)/increase in cash and cash equivalents	(256,763)	(359,514)	351,026	346,930	94,263	(12,584)
Cash and cash equivalents:						
At beginning of year	185,665	124	(168,381)	139,986	17,284	140,110
At end of period	(71,098)	(359,390)	182,645	486,916	111,547	127,526