

MAA HOLDINGS BERHAD (471403-A)
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2010

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010

	30 June 2010 RM'000	31 December 2009 RM'000 Audited
ASSETS		
Property, plant and equipment	290,527	309,033
Intangible assets	11,733	12,519
Investment properties	556,985	570,165
Investments	6,200,707	6,079,496
Malaysian Government Securities/Government Investment Issues	179,279	183,433
Malaysian Government Guaranteed Financing	10,367	9,991
Corporate debt securities	3,402,144	3,426,991
Islamic debt securities	50,756	13,332
Equity securities	881,834	812,304
Unit trusts	46,657	25,636
Investment-linked units	31,172	18,830
Loans	703,790	726,149
Fixed and call deposits	894,708	862,830
Associated companies	60,504	56,862
Reinsurance assets	164,397	150,807
Insurance receivables	129,547	116,201
Trade and other receivables	224,977	236,505
Tax recoverable	37,277	38,224
Deferred tax assets	17,430	23,708
Cash and bank balances	40,166	33,686
Assets classified as held for sale	858,695	786,445
TOTAL ASSETS	8,592,945	8,413,651
EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES		
LIABILITIES		
Insurance contract liabilities	6,022,913	5,953,833
Investment contract liabilities	42,606	53,639
Financial liabilities		
Borrowings - unsecured		
- Medium Term Notes	170,000	200,000
- Term loan	-	10,000
- Bank overdrafts	11,407	11,419
Insurance payables	908,224	739,036
Trade and other payables	169,968	251,525
Provision for life agents' retirement benefits	2,807	2,780
Current tax liabilities	32,297	23,860
Deferred tax liabilities	9,986	10,047
Liabilities classified as held for sale	905,980	847,001
TOTAL LIABILITIES	8,276,188	8,103,140
EQUITY		
Share capital	304,354	304,354
Accumulated losses	(28,831)	(28,855)
Reserves	7,177	1,065
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	282,700	276,564
Minority interest	34,057	33,947
TOTAL EQUITY	316,757	310,511
TOTAL EQUITY, POLICYHOLDERS FUNDS AND LIABILITIES	8,592,945	8,413,651
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.93	0.91

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2009.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2010

	3 months ended		6 months ended	
	30 June 2010 RM'000	30 June 2009 RM'000	30 June 2010 RM'000	30 June 2009 RM'000
Operating revenue				
- Continuing operations	399,755	399,216	807,515	771,917
- Discontinued operations	138,840	106,044	271,244	202,856
	<u>538,595</u>	<u>505,260</u>	<u>1,078,759</u>	<u>974,773</u>
<u>Continuing operations</u>				
Gross earned premium	314,219	315,552	637,346	620,865
Premium ceded to reinsurers	(29,756)	(29,937)	(57,559)	(50,623)
Net earned premiums	<u>284,463</u>	<u>285,615</u>	<u>579,787</u>	<u>570,242</u>
Investment income	70,944	68,770	140,423	124,033
Realised gains and losses	5,698	3,680	16,189	5,273
Fair value gains and losses	(13,363)	69,488	37,137	80,042
Fee and commission income	10,321	11,989	17,588	17,452
Other operating revenue from non-insurance businesses	14,592	14,894	29,746	27,019
Wakalah fee from lakaful business	22,165	13,176	41,204	21,157
Other operating income/(expenses) - net	(2,331)	10,934	(7,256)	32,990
Other revenue	<u>108,026</u>	<u>192,931</u>	<u>275,031</u>	<u>307,966</u>
Gross benefits and claims paid	(390,519)	(386,107)	(668,464)	(650,058)
Claims ceded to reinsurers	21,844	15,819	48,587	31,270
Gross change to contract liabilities	84,048	(13,011)	(30,188)	(61,913)
Change in contract liabilities ceded to reinsurers	12,619	14,796	15,835	14,789
Net claims	<u>(272,008)</u>	<u>(368,503)</u>	<u>(634,230)</u>	<u>(665,912)</u>
Fee and commission expense	(36,320)	(36,046)	(61,553)	(63,056)
Management expenses	(65,227)	(53,305)	(124,294)	(99,947)
Wakalah fee payable to Shareholders' fund	(22,165)	(13,176)	(41,204)	(21,157)
Finance cost	(2,831)	(3,202)	(5,652)	(7,338)
Other expenses	<u>(126,543)</u>	<u>(105,729)</u>	<u>(232,703)</u>	<u>(191,498)</u>
Share of profit/(loss) of associate companies, net of tax	(6)	(424)	(61)	1,265
Profit/(loss) before taxation	<u>(6,068)</u>	<u>3,890</u>	<u>(12,176)</u>	<u>22,063</u>
Taxation	(195)	332	(1,149)	(723)
Profit/(loss) from continuing operations	<u>(6,263)</u>	<u>4,222</u>	<u>(13,325)</u>	<u>21,340</u>
<u>Discontinued operations</u>				
Profit/(loss) before taxation	(49)	12,426	14,419	19,455
Taxation	1,312	(3,153)	(960)	(3,900)
Profit/(loss) from discontinued operations	<u>1,263</u>	<u>9,273</u>	<u>13,459</u>	<u>15,555</u>
Profit/(loss) for the financial period	<u>(5,000)</u>	<u>13,495</u>	<u>134</u>	<u>36,895</u>
Profit/(loss) for the financial period attributable to:				
Owners of the Company	(4,757)	13,610	24	37,586
Minority interests	(243)	(115)	110	(691)
	<u>(5,000)</u>	<u>13,495</u>	<u>134</u>	<u>36,895</u>
Basic earnings/(loss) per ordinary share (sen):				
- Continuing operations	(1.98)	1.43	(4.41)	7.24
- Discontinued operations	0.41	3.05	4.42	5.11
	<u>(1.57)</u>	<u>4.48</u>	<u>0.01</u>	<u>12.35</u>

* Consistent with prior years' practice, no profit was transferred from the Life Insurance Fund to the Shareholders' Fund as the transfer of life business profit is only done at the financial year end.

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2009.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2010**

	3 months ended		6 months ended	
	30 June 2010 RM'000	30 June 2009 RM'000	30 June 2010 RM'000	30 June 2009 RM'000
Profit/(loss) for the financial period	(5,000)	13,495	134	36,895
Other comprehensive income, net of tax				
Foreign currency translation differences	(462)	2,776	2,423	2,197
Fair value of available-for-sale financial assets, net of tax	3,647	(453)	3,689	(147)
Other comprehensive income for the financial period, net of tax	3,185	2,323	6,112	2,050
Total comprehensive income for the financial period	(1,815)	15,818	6,246	38,945
Total comprehensive income attributable to:				
Owners of the Company	(1,572)	15,933	6,136	39,636
Minority interests	(243)	(115)	110	(691)
Total comprehensive income for the financial period	(1,815)	15,818	6,246	38,945

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2009.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 JUNE 2010

Attributable to owners of the Company

	Non-distributable			Distributable		Minority Interest RM'000	Total equity RM'000
	Share capital RM'000	Foreign exchange reserves RM'000	Available-for-sale reserves RM'000	Accumulated losses RM'000	Total RM'000		
<u>2010</u>							
As at 1 January 2010	304,354	(5,927)	6,992	(28,855)	276,564	33,947	310,511
Profit/(loss) for the period	-	-	-	24	24	110	134
Other comprehensive income	-	2,423	3,689	-	6,112	-	6,112
Total comprehensive income for the period	-	2,423	3,689	24	6,136	110	6,246
As at 30 June 2010	304,354	(3,504)	10,681	(28,831)	282,700	34,057	316,757
<u>2009</u>							
As at 1 January 2009	304,354	(10,832)	(329)	(81,473)	211,720	33,753	245,473
Profit/(loss) for the period	-	-	-	37,586	37,586	(691)	36,895
Other comprehensive income	-	2,197	(147)	-	2,050	-	2,050
Total comprehensive income for the period	-	2,197	(147)	37,586	39,636	(691)	38,945
As at 30 June 2009	304,354	(8,635)	(476)	(43,887)	251,356	33,062	284,418

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 JUNE 2010

	6 months ended	
	30 June 2010 RM'000	30 June 2009 RM'000
Operating activities		
Cash generated from /(utilised in) operations	36,592	(23,547)
Income taxes paid	(4,990)	(771)
Net cash inflows/(outflows) from operating activities	<u>31,602</u>	<u>(24,318)</u>
Investing activities		
Net cash inflows from investing activities	6,976	694
Financing activities		
Net cash outflows from financing activities	(40,000)	(5,000)
Net decrease in cash and cash equivalents	<u>(1,422)</u>	<u>(28,624)</u>
Cash and cash equivalents at beginning of financial year	<u>32,891</u>	<u>51,347</u>
Cash and cash equivalents at end of financial period	<u>31,469</u>	<u>22,723</u>

The Condensed Consolidated Statement of Cashflow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2009.