

MAA GROUP BERHAD (471403-A)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2013**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 SEPTEMBER 2013

	30 September 2013	31 December 2012 (Audited)
	RM'000	RM'000
ASSETS		
Property, plant and equipment	25,122	23,886
Investment properties	11,632	11,632
Intangible assets	7,255	7,859
Investments	572,528	473,621
Financial assets at fair value through profit or loss	276,417	201,800
Held-to-maturity financial assets	39,704	-
Available-for-sale financial assets	195,425	216,335
Loans and receivables	60,982	55,486
Associated companies	61,429	56,314
Reinsurance assets	260,269	212,743
Insurance receivables	78,665	68,804
Trade and other receivables	112,675	257,590
Tax recoverable	2,818	3,617
Deferred tax assets	490	558
Cash and cash equivalents	297,555	141,717
Assets classified as held for sale	-	1,015
TOTAL ASSETS	1,430,438	1,259,356
EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES		
LIABILITIES		
Insurance contract liabilities	723,114	600,929
Investment contract liabilities	11,553	11,289
Borrowings		
- Bank overdrafts (unsecured)	4,585	4,335
Insurance payables	144,198	101,543
Trade and other payables	83,756	74,659
Current tax liabilities	8,453	6,373
Deferred tax liabilities	4,421	6,110
TOTAL LIABILITIES	980,080	805,238
EQUITY		
Share capital	304,354	304,354
Retained earnings	111,826	118,734
Reserves	10,111	4,316
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	426,291	427,404
Non-controlling interests	24,067	26,714
TOTAL EQUITY	450,358	454,118
TOTAL EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES	1,430,438	1,259,356
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.40	1.40

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012.

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)
FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2013

	3 months ended		9 months ended	
	30 September 2013	30 September 2012	30 September 2013	30 September 2012
	RM'000	RM'000	RM'000	RM'000
Operating revenue				
- Continuing operations	166,932	118,652	457,405	358,761
- Discontinued operations	-	692	-	15,302
	<u>166,932</u>	<u>119,344</u>	<u>457,405</u>	<u>374,063</u>
CONTINUING OPERATIONS				
Gross earned premiums/contributions	144,540	102,393	394,490	311,058
Premiums/contributions ceded to reinsurers/retakaful	(51,418)	(41,295)	(163,817)	(120,426)
Net earned premiums/contributions	<u>93,122</u>	<u>61,098</u>	<u>230,673</u>	<u>190,632</u>
Investment income	6,877	5,910	19,905	16,048
Realised gains and losses	4,422	4,849	14,344	11,036
Fair value gains and losses	12,241	(103)	12,655	3,898
Fee and commission income	11,556	9,451	37,838	27,598
Other operating revenue from non-insurance businesses	15,515	10,349	43,010	31,655
Other revenue	<u>50,611</u>	<u>30,456</u>	<u>127,752</u>	<u>90,235</u>
Gross benefits and claims paid	(74,655)	(53,528)	(166,150)	(138,862)
Claims ceded to reinsurers/retakaful	23,038	15,878	54,503	52,837
Gross change to contract liabilities	24,322	(11,459)	(36,554)	(12,841)
Change in contract liabilities ceded to reinsurers/retakaful	(19,407)	6,197	29,400	14,994
Net insurance/takaful benefits and claims	<u>(46,702)</u>	<u>(42,912)</u>	<u>(118,801)</u>	<u>(83,872)</u>
Fee and commission expense	(25,532)	(26,723)	(76,561)	(75,249)
Management expenses	(33,435)	(30,331)	(96,705)	(85,967)
Other operating expenses - net	(4,894)	(21,502)	(13,626)	(12,412)
Finance costs	(103)	(104)	(300)	(314)
Other expenses	<u>(63,964)</u>	<u>(78,660)</u>	<u>(187,192)</u>	<u>(173,942)</u>
Share of profit/ (loss) of associate companies, net of tax	607	(469)	2,285	(1,328)
	<u>33,674</u>	<u>(30,487)</u>	<u>54,717</u>	<u>21,725</u>
Taxation of life insurance, general takaful and family takaful businesses	(149)	(2,806)	(1,914)	(3,883)
	<u>33,525</u>	<u>(33,293)</u>	<u>52,803</u>	<u>17,842</u>
Surplus/(deficit) after taxation/Profit/(loss) before taxation				
Surplus retained in life insurance, general takaful and family takaful businesses	(24,801)	(6,963)	(68,445)	(50,329)
Profit/(loss) before taxation	<u>8,724</u>	<u>(40,256)</u>	<u>(15,642)</u>	<u>(32,487)</u>
Taxation	(361)	(736)	(1,657)	(1,588)
Profit/(loss) from continuing operations	<u>8,363</u>	<u>(40,992)</u>	<u>(17,299)</u>	<u>(34,075)</u>
DISCONTINUED OPERATIONS				
Profit before taxation	14,592	31,796	14,592	63,146
Taxation	-	-	-	(153)
Profit from discontinued operations	<u>14,592</u>	<u>31,796</u>	<u>14,592</u>	<u>62,993</u>
Profit/(loss) for the financial quarter/period	<u>22,955</u>	<u>(9,196)</u>	<u>(2,707)</u>	<u>28,918</u>
Profit/(loss) for the financial quarter/period attributable to:				
Owners of the Company	22,981	982	(60)	37,582
Non-controlling interests	(26)	(10,178)	(2,647)	(8,664)
	<u>22,955</u>	<u>(9,196)</u>	<u>(2,707)</u>	<u>28,918</u>
Basic earnings/(loss) per ordinary share (sen) attributable to owners of the Company:				
- Continuing operations	2.76	(10.12)	(4.81)	(8.35)
- Discontinued operations	4.79	10.45	4.79	20.70
	<u>7.55</u>	<u>0.33</u>	<u>(0.02)</u>	<u>12.35</u>

* Consistent with prior years' practice, no profit was transferred from the Life Insurance/Family Takaful Funds to the Shareholders' Fund as the transfer of life/family takaful businesses profits 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 2012.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2013

	3 months ended		9 months ended	
	30 September 2013	30 September 2012	30 September 2013	30 September 2012
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) for the financial quarter/period	22,955	(9,196)	(2,707)	28,918
Other comprehensive income/(loss), net of tax				
Foreign currency translation differences	8,371	(1,582)	8,168	2,878
Fair value gain/(loss) of available-for-sale financial assets, net of tax	(2,718)	311	(2,373)	(1,302)
Other comprehensive income/(loss) for the financial quarter/period, net of tax	5,653	(1,271)	5,795	1,576
Total comprehensive income/(loss) for the financial quarter/period	28,608	(10,467)	3,088	30,494
Total comprehensive income/(loss) for the financial quarter/period attributable to:				
Owners of the Company	28,634	(289)	5,735	39,158
Non-controlling interests	(26)	(10,178)	(2,647)	(8,664)
	28,608	(10,467)	3,088	30,494
Total comprehensive income/(loss) for the financial quarter/period attributable to owners of the Company:				
- Continuing operations	14,042	(32,085)	(8,857)	(23,835)
- Discontinued operations	14,592	31,796	14,592	62,993
	28,634	(289)	5,735	39,158

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2013

	Attributable to owners of the Company							Non-controlling interests	Total equity
	Share capital	Foreign exchange reserves	Non-distributable		Distributable		Total		
			Available-for-sale reserves	Revaluation reserves	Retained earnings				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
2013									
As at 1 January 2013	304,354	(2,464)	6,565	215	118,734	427,404	26,714	454,118	
Loss for the financial period	-	-	-	-	(60)	(60)	(2,647)	(2,707)	
Other comprehensive income/(loss)	-	8,168	(2,373)	-	-	5,795	-	5,795	
Total comprehensive income/(loss) for the financial period	-	8,168	(2,373)	-	(60)	5,735	(2,647)	3,088	
Interim dividend paid during the financial period	-	-	-	-	(6,848)	(6,848)	-	(6,848)	
As at 30 September 2013	304,354	5,704	4,192	215	111,826	426,291	24,067	450,358	
			-		-	-	-	-	
2012									
As at 1 January 2012									
- as previously stated	304,354	(6,414)	5,798	-	109,041	412,779	35,527	448,306	
- prior years adjustments	-	-	-	-	(32,784)	(32,784)	(7,555)	(40,339)	
- restated	304,354	(6,414)	5,798	-	76,257	379,995	27,972	407,967	
Profit for the financial period	-	-	-	-	37,582	37,582	(8,664)	28,918	
Other comprehensive income/(loss)	-	2,878	(1,302)	-	-	1,576	-	1,576	
Total comprehensive income/(loss) for the financial period	-	2,878	(1,302)	-	37,582	39,158	(8,664)	30,494	
As at 30 September 2012	304,354	(3,536)	4,496	-	113,839	419,153	19,308	438,461	

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2013

	9 months ended	
	30 September 2013	30 September 2012
	RM'000	RM'000
Loss for the financial year from continuing operations	(17,299)	(34,075)
General takaful and family takaful funds surplus after taxation	70,097	50,440
Share of (profit)/loss of associated companies	(2,285)	1,328
Investment income	(19,905)	(16,048)
Realised gains and losses	(14,344)	(11,036)
Fair value gains and losses	(12,655)	(3,898)
Finance costs	300	314
Purchases of financial assets	(133,462)	(36,922)
Proceeds from disposal of financial assets	64,366	31,032
(Increase)/decrease in loans and receivables	(5,164)	2,147
Non-cash items:		
Depreciation of property, plant and equipment	2,909	1,826
Amortisation of intangible assets	1,296	1,387
Property, plant and equipment written off	40	606
Allowance for/(write back of) impairment loss on trade and other receivables	121	(21)
Allowance for impairment loss on insurance receivables	46	2,419
Tax expenses	3,571	5,471
Changes in working capital:		
Increase in reinsurance assets	(47,526)	(25,363)
(Increase)/decrease in insurance receivables	(9,907)	16,778
Decrease/(increase) in trade and other receivables	155,846	(2,642)
Decrease/(increase) in insurance contract liabilities	52,088	(590)
Decrease/(increase) in investment contract liabilities	264	(5,826)
Increase/(decrease) in insurance payables	42,655	(9,685)
Increase in trade and other payables	9,097	2,911
Cash generated from/(utilised in) operating activities	<u>140,149</u>	<u>(29,447)</u>
Investment income received	17,021	13,428
Finance costs paid	(300)	(314)
Income tax paid	(2,312)	(5,418)
Dividend paid	(6,848)	-
Net cash inflow/(outflow) from operating activities - continuing operations	<u>147,710</u>	<u>(21,751)</u>
Net cash inflow from operating activities - discontinued operations	<u>14,592</u>	<u>31,954</u>
Investing activities:		
Proceeds from disposal of property, plant and equipment	135	990
Purchase of property, plant and equipments	(3,327)	(10,136)
Purchase of intangible assets	(692)	(594)
Net cashinflow from disposal of discontinued operations	-	(25,024)
(Increase)/decrease in investment in associated companies	(2,830)	6,478
Proceed from disposal of associated company	-	14
Net cash outflow from investing activities - continuing operations	<u>(6,714)</u>	<u>(28,272)</u>
Net cash outflow from investing activities - discontinued operations	<u>-</u>	<u>(198)</u>
Net increase/(decrease) in cash and cash equivalents - continuing operations	140,996	(50,023)
Net increase in cash and cash equivalents - discontinued operations	14,592	31,756
Cash and cash equivalents at beginning of financial year	137,382	168,020
Cash and cash equivalents at end of financial period	<u>292,970</u>	<u>149,753</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2013

(continued)

	9 months ended	
	30 September 2013	30 September 2012
	RM'000	RM'000
Cash and cash equivalents comprise of:		
Fixed and call deposits with licensed banks	273,446	141,636
Cash and bank balance	24,109	12,991
	<u>297,555</u>	<u>154,627</u>
Bank overdrafts	(4,585)	(4,874)
	<u>292,970</u>	<u>149,753</u>

The Condensed Consolidated Statement of Cashflow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012.