

**MAA GROUP BERHAD (471403-A)**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2014**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS AT 30 SEPTEMBER 2014**

	<b>30 September 2014</b>	<b>31 December 2013 (Audited)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
Property, plant and equipment	20,390	21,843
Investment properties	12,500	12,500
Intangible assets	2,679	3,007
Investments	602,580	658,995
Financial assets at fair value through profit or loss	340,198	294,722
Available-for-sale financial assets	213,965	214,361
Held-to-maturity financial assets	40,042	40,881
Loans and receivables	8,375	109,031
Associates	64,493	61,497
Reinsurance/retakaful assets	274,145	257,824
Insurance/takaful receivables	107,729	50,922
Trade and other receivables	73,918	107,621
Tax recoverable	775	2,773
Deferred tax assets	18	47
Cash and cash equivalents	342,441	181,840
Assets classified as held for sale	176	178
<b>TOTAL ASSETS</b>	<b>1,501,844</b>	<b>1,359,047</b>
<b>EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES</b>		
<b>LIABILITIES</b>		
Insurance/takaful contract liabilities	830,056	677,952
Investment contract liabilities	208	4,082
Borrowings		
- Bank overdrafts (unsecured)	2,939	4,715
Insurance/takaful payables	155,968	111,070
Trade and other payables	58,110	104,981
Current tax liabilities	5,435	1,660
Deferred tax liabilities	3,626	3,971
<b>TOTAL LIABILITIES</b>	<b>1,056,342</b>	<b>908,431</b>
<b>EQUITY</b>		
Share capital	304,354	304,354
Retained earnings	107,920	116,594
Reserves	12,343	10,448
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b>424,617</b>	<b>431,396</b>
Non-controlling interests	20,885	19,220
<b>TOTAL EQUITY</b>	<b>445,502</b>	<b>450,616</b>
<b>TOTAL EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES</b>	<b>1,501,844</b>	<b>1,359,047</b>
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.40	1.42

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013.*

**CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)  
FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2014**

	3 months ended		9 months ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
	RM'000	RM'000	RM'000	RM'000
<b>Operating revenue</b>				
- Continuing operations	187,935	154,766	523,663	423,230
- Discontinued operations	-	12,166	2	34,175
	<u>187,935</u>	<u>166,932</u>	<u>523,665</u>	<u>457,405</u>
<b>CONTINUING OPERATIONS</b>				
Gross earned premiums/contributions	177,289	144,540	493,170	394,490
Premiums/contributions ceded to reinsurers/retakaful operators	(67,607)	(51,418)	(167,515)	(163,817)
<b>Net earned premiums/contributions</b>	<u>109,682</u>	<u>93,122</u>	<u>325,655</u>	<u>230,673</u>
Investment income	8,263	6,666	24,142	19,258
Realised gains and losses - net	6,523	3,429	16,478	14,377
Fair value gains and losses - net	(7,201)	529	(2,984)	252
Fee and commission income	11,413	11,556	34,526	37,838
Other operating revenue from non-insurance businesses	2,383	3,560	6,351	9,482
<b>Other revenue</b>	<u>21,381</u>	<u>25,740</u>	<u>78,513</u>	<u>81,207</u>
Gross benefits and claims paid	(83,420)	(74,655)	(231,546)	(166,150)
Claims ceded to reinsurers/retakaful operators	36,358	23,038	92,365	54,503
Gross change to contract liabilities	(23,853)	(6,001)	(107,165)	(104,377)
Change in contract liabilities ceded to reinsurers/retakaful operators	6,579	(14,913)	10,373	35,465
<b>Net insurance/takaful benefits and claims</b>	<u>(64,336)</u>	<u>(72,531)</u>	<u>(235,973)</u>	<u>(180,559)</u>
Fee and commission expense	(24,857)	(25,532)	(75,627)	(76,561)
Management expenses	(37,078)	(25,478)	(91,881)	(74,961)
Expenses liabilities	(890)	-	(1,832)	-
Other operating (expenses)/income - net	(245)	10,804	17,595	8,550
Finance costs	(99)	(103)	(317)	(300)
<b>Other expenses</b>	<u>(63,169)</u>	<u>(40,309)</u>	<u>(152,062)</u>	<u>(143,272)</u>
Share of profit of associates, net of tax	266	607	606	2,285
	<u>3,824</u>	<u>6,629</u>	<u>16,739</u>	<u>(9,666)</u>
Tax expenses attributable to participants	(874)	(149)	(4,178)	(1,914)
	<u>2,950</u>	<u>6,480</u>	<u>12,561</u>	<u>(11,580)</u>
Surplus attributable to participants	(4,865)	1,028	(11,330)	(6,687)
<b>(Loss)/profit before taxation</b>	<u>(1,915)</u>	<u>7,508</u>	<u>1,231</u>	<u>(18,267)</u>
Taxation	(481)	17	(860)	(918)
<b>(Loss)/profit from continuing operations</b>	<u>(2,396)</u>	<u>7,525</u>	<u>371</u>	<u>(19,185)</u>
<b>DISCONTINUED OPERATIONS</b>				
Profit before taxation	12,500	15,808	12,483	17,217
Taxation	-	(378)	(1)	(739)
<b>Profit from discontinued operations</b>	<u>12,500</u>	<u>15,430</u>	<u>12,482</u>	<u>16,478</u>
<b>Profit/(loss) for the financial quarter/period</b>	<u><b>10,104</b></u>	<u><b>22,955</b></u>	<u><b>12,853</b></u>	<u><b>(2,707)</b></u>
<b>Profit/(loss) for the financial quarter/period attributable to:</b>				
Owners of the Company	9,073	22,981	11,032	(60)
Non-controlling interests	1,031	(26)	1,821	(2,647)
	<u><b>10,104</b></u>	<u><b>22,955</b></u>	<u><b>12,853</b></u>	<u><b>(2,707)</b></u>
<b>Basic earnings/(loss) per ordinary share (sen) attributable to owners of the Company:</b>				
- Continuing operations	(1.13)	2.48	(0.48)	(5.43)
- Discontinued operations	4.11	5.07	4.10	5.41
	<u>2.98</u>	<u>7.55</u>	<u>3.62</u>	<u>(0.02)</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 2013.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2014**

	3 months ended		9 months ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
	RM'000	RM'000	RM'000	RM'000
<b>Profit/(loss) for the financial quarter/period</b>	10,104	22,955	12,853	(2,707)
<b>Other comprehensive income/(loss), net of tax</b>				
<b><u>Items that may be subsequently reclassified to profit or loss:</u></b>				
Foreign currency translation differences	(451)	8,371	(225)	8,168
Fair value changes of available-for-sale financial assets, net of tax	590	(2,718)	(202)	(2,373)
Share of fair value changes of available-for-sale financial assets of associate	65	(468)	2,390	(2,416)
Other comprehensive income/(loss) for the financial quarter/period, net of tax	204	5,185	1,963	3,379
<b>Total comprehensive income/(loss) for the financial quarter/period</b>	<b>10,308</b>	<b>28,140</b>	<b>14,816</b>	<b>672</b>
<b>Total comprehensive income/(loss) for the financial quarter/period attributable to:</b>				
Owners of the Company	9,277	28,166	12,995	3,319
Non-controlling interests	1,031	(26)	1,821	(2,647)
	<b>10,308</b>	<b>28,140</b>	<b>14,816</b>	<b>672</b>
<b>Total comprehensive income/(loss) for the financial quarter/period attributable to owners of the Company:</b>				
- Continuing operations	(3,223)	12,736	513	(13,159)
- Discontinued operations	12,500	15,430	12,482	16,478
	<b>9,277</b>	<b>28,166</b>	<b>12,995</b>	<b>3,319</b>

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013.*

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
FOR THE PERIOD ENDED 30 SEPTEMBER 2014

	Attributable to owners of the Company						Non-controlling interests	Total equity	
	Share capital	Treasury shares	Foreign exchange reserves	Available-for-sale reserves	Revaluation reserves	Retained earnings			Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>2014</b>									
As at 1 January 2014	304,354	-	8,389	1,844	215	116,594	431,396	19,220	450,616
Profit for the financial period	-	-	-	-	-	11,032	11,032	1,821	12,853
Other comprehensive income/(loss)	-	-	(225)	2,188	-	-	1,963	-	1,963
Total comprehensive income/(loss) for the financial period	-	-	(225)	2,188	-	11,032	12,995	1,821	14,816
Interim dividend paid during the financial period	-	-	-	-	-	(18,262)	(18,262)	-	(18,262)
Purchase of treasury shares	-	(68)	-	-	-	-	(68)	-	(68)
Dilution arising from increase in shareholding arising the acquisition of additional shares in subsidiaries	-	-	-	-	-	(1,444)	(1,444)	-	(1,444)
Transactions with non-controlling interests	-	-	-	-	-	-	-	(156)	(156)
As at 30 September 2014	304,354	(68)	8,164	4,032	215	107,920	424,617	20,885	445,502
<b>2013</b>									
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	(4,789)	-	-	3,379	-	3,379
Total comprehensive income/(loss) for the financial period	-	-	8,168	(4,789)	-	(60)	3,319	(2,647)	672
Interim dividend paid during the financial period	-	-	-	-	-	(6,848)	(6,848)	-	(6,848)
As at 30 September 2013	304,354	-	5,704	1,776	215	111,826	423,875	24,067	447,942

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)  
FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2014**

	9 months ended	
	30 September 2014	30 September 2013
	RM'000	RM'000
<b>Profit/(loss) for the financial period from continuing operations</b>	371	(19,185)
Investment income	(24,142)	(19,258)
Realised gains and losses - net	(16,478)	(14,377)
Fair value gains and losses - net	2,984	(252)
Fair value gain from acquisition of bonds via Settlement Agreement	-	(23,770)
Allowance for impairment loss on available-for-sale financial assets	-	11,701
Write back of impairment loss on loans and receivables	(2,330)	(333)
Finance costs	317	300
Purchases of financial assets	(31,418)	(133,462)
Proceeds from disposal of financial assets	16,445	64,366
<b>Non-cash items:</b>		
Depreciation of property, plant and equipment	2,552	2,585
Property, plant and equipment written off	293	7
Amortisation of leases	24	22
Amortisation of intangible assets	939	935
Allowance for impairment loss on insurance receivables	11,681	46
(Write back of)/allowance for impairment loss on trade and other receivable:	(443)	121
Bad debts recovered	(68)	(132)
Unrealised foreign exchange (gain)/loss	(281)	4,260
Share of profit of associates	(606)	(2,285)
Tax expenses	5,038	2,832
<b>Changes in working capital:</b>		
Decrease/(increase) in loans and receivables	103,092	(5,164)
Increase in reinsurance/retakaful assets	(16,321)	(47,526)
Increase in insurance/takaful receivables	(68,488)	(9,907)
Decrease in trade and other receivables	48,458	221,793
Increase in insurance/contract liabilities	152,104	52,088
(Decrease)/increase in investment contract liabilities	(3,874)	264
Increase in insurance payables	44,898	42,655
(Decrease)/increase in trade and other payables	(46,871)	9,097
<b>Cash generated from operating activities</b>	<u>177,876</u>	<u>137,421</u>
Investment income received	8,231	17,021
Finance costs paid	(317)	(300)
Income tax paid	(3,157)	(2,312)
Dividend paid	(18,262)	(6,848)
<b>Net cash inflow from operating activities - continuing operations</b>	<u>164,371</u>	<u>144,982</u>
<b>Net cash inflow from operating activities - discontinued operations</b>	<u>-</u>	<u>17,320</u>
<b>Investing activities:</b>		
Purchase of property, plant and equipments	(1,516)	(3,327)
Proceeds from disposal of property, plant and equipments	133	135
Purchase of intangible assets	(611)	(692)
Increase in investment in associates	-	(2,830)
<b>Net cash outflow from investing activities - continuing operations</b>	<u>(1,994)</u>	<u>(6,714)</u>
<b>Net increase in cash and cash equivalents - continuing operations</b>	162,377	138,268
<b>Net increase in cash and cash equivalents - discontinued operations</b>	-	17,320
<b>Cash and cash equivalents at beginning of financial year</b>	177,125	137,382
<b>Cash and cash equivalents at end of financial period</b>	<u>339,502</u>	<u>292,970</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)  
FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2014

(continued)

	9 months ended	
	30 September	30 September
	2014	2013
	RM'000	RM'000
<b>Cash and cash equivalents comprise of:</b>		
Fixed and call deposits with licensed banks	323,184	273,446
Cash and bank balance	<u>19,257</u>	<u>24,109</u>
	342,441	297,555
Bank overdrafts	<u>(2,939)</u>	<u>(4,585)</u>
	<u>339,502</u>	<u>292,970</u>

*The Condensed Consolidated Statement of Cash flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013.*