

Company No.

731996

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MAA TAKAFUL BERHAD

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2012

Company No.

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MAA TAKAFUL BERHAD
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2012

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MAA TAKAFUL BERHAD
(Incorporated in Malaysia)

**UNAUDITED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011**

	<u>Note</u>	As at <u>30.06.2012</u> RM'000	As at <u>31.12.2011</u> RM'000 (Audited)
ASSETS			
Property, plant and equipment		10,565	5,178
Intangible assets		3,094	3,360
Investments:			
Held-to-maturity	9	25,044	20,000
Loans and receivables	9	126,438	105,455
Available-for-sale	9	149,986	144,590
Fair value through profit or loss	9	164,020	132,021
Retakaful assets	10	131,756	117,741
Takaful receivables		42,557	62,756
Other receivables		11,908	13,263
Cash and bank balances		9,536	2,173
TOTAL ASSETS		674,904	606,537
LIABILITIES			
Takaful contract liabilities	11	455,568	394,708
Takaful payables		60,533	65,853
Tax payable		4,593	3,183
Deferred tax liabilities		4,529	4,626
Other payables		36,335	24,963
TOTAL LIABILITIES		561,558	493,333
SHAREHOLDERS' EQUITY			
Share capital		100,000	100,000
Retained earnings		9,545	7,799
Available-for-sale reserves		3,801	5,405
		113,346	113,204
TOTAL LIABILITIES, PARTICIPANTS' FUNDS AND SHAREHOLDERS' EQUITY		674,904	606,537

The Interim Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011.

MAA TAKAFUL BERHAD

(Incorporated in Malaysia)

UNAUDITED INTERIM INCOME STATEMENT
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2012

	6 months ended 30.06.2012 RM'000	6 months ended 30.06.2011 RM'000
Operating revenue	178,468	145,938
Gross earned contributions	171,254	139,665
Contribution ceded to retakaful	(60,215)	(43,158)
Net earned contributions	111,039	96,507
Investment income	7,214	6,273
Realised gains	7,499	5,794
Fair value gains/(losses)	6,021	(1,134)
Fee and commission income	14,848	12,511
Other operating income – net	43	39
Other income	35,625	23,483
Gross benefits and claims paid	(64,043)	(49,413)
Claims ceded to retakaful	25,599	14,830
Gross change to contract liabilities	(3,936)	(17,046)
Change in contract liabilities ceded to retakaful	6,039	14,946
Net claims	(36,341)	(36,683)
Fee and commission expenses	(41,216)	(32,631)
Management expenses	(22,309)	(17,791)
Allowance for doubtful debts	(20)	(277)
Other expenses	(63,545)	(50,699)
Surplus before taxation	46,778	32,608
Taxation on takaful funds	(1,077)	(1,181)
Surplus after taxation	45,701	31,427
Surplus retained in takaful funds	(43,367)	(30,129)
Profit before zakat and taxation	2,334	1,298
Taxation	(588)	-
Profit for the financial period	1,746	1,298

The Interim Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011.

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MAA TAKAFUL BERHAD

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UNAUDITED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2012

	6 months ended <u>30.06.2012</u> RM'000	6 months ended <u>30.06.2011</u> RM'000
Profit for the financial year	1,746	1,298
Other comprehensive income:		
Net fair value (loss)/gain during the financial year	(2,138)	1,320
Tax effects thereon	534	(330)
	<u>(1,604)</u>	<u>990</u>
Total comprehensive income for the financial year	<u>142</u>	<u>2,288</u>

The Interim Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011.

MAA TAKAFUL BERHAD
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**UNAUDITED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 31 JUNE 2012**

		<u>Non- distributable</u>	<u>Distributable</u>	
	<u>Share capital</u>	<u>Available-for- sale reserves</u>	<u>(Accumulated losses)/ retained earnings</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
<u>2012</u>				
At 1 January 2012	100,000	5,406	7,798	113,204
Total comprehensive income for the financial year	-	(1,604)	1,746	142
At 30 June 2012	<u>100,000</u>	<u>3,802</u>	<u>9,544</u>	<u>113,346</u>
<u>2011</u>				
At 1 January 2011	100,000	4,603	3,091	107,694
Total comprehensive income for the financial year	-	990	1,298	2,288
At 30 June 2011	<u>100,000</u>	<u>5,593</u>	<u>4,389</u>	<u>109,982</u>

The Interim Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011.

MAA TAKAFUL BERHAD

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UNAUDITED INTERIM STATEMENT OF CASH FLOW
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2012

	6 months ended 30.06.2012 RM'000	6 months ended 30.06.2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash utilised in operating activities	8,354	(5,610)
Distribution income received	1,421	820
Profit income received	4,204	4,631
Income tax paid	(293)	(60)
Net cash flows from operating activities	13,686	(219)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	3	-
Purchase of property, plant and equipment	(5,965)	(450)
Purchase of intangibles	(361)	(756)
Net cash flows from investing activities	(6,323)	(1,206)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	7,363	(1,425)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	2,173	8,058
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL YEAR	9,536	6,633
Fixed and call deposits (with maturity of less than three months):		
Cash and bank balances	9,536	6,633
	9,536	6,633

The Interim Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011.

MAA TAKAFUL BERHAD
(Incorporated in Malaysia)

**UNAUDITED INTERIM FAMILY TAKAFUL STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012**

	<u>Note</u>	As at <u>30.06.2012</u> RM'000	As at <u>31.12.2011</u> RM'000 (Audited)
ASSETS			
Investments:			
Held-to-maturity	9	15,044	10,000
Loans and receivables	9	6,562	12,039
Available-for-sale	9	37,172	40,538
Retakaful assets	10	11,236	10,049
Takaful receivables		22,469	18,760
Other receivables		1,530	1,072
Cash and bank balances		711	1,572
Investment-linked business assets		248,612	194,796
TOTAL ASSETS		<u>343,336</u>	<u>288,826</u>
LIABILITIES			
Takaful contract liabilities	11	60,843	54,979
Takaful payables		14,268	13,918
Deferred tax liabilities		178	225
Tax payable		-	200
Other payables		19,435	24,708
Investment-linked business liabilities		248,612	194,796
TOTAL LIABILITIES		<u>343,336</u>	<u>288,826</u>

The Interim Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011.

MAA TAKAFUL BERHAD
(Incorporated in Malaysia)

**UNAUDITED INTERIM FAMILY TAKAFUL INCOME STATEMENT
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2012**

	6 months ended <u>30.06.2012</u> RM'000	6 months ended <u>30.06.2011</u> RM'000
Operating revenue	107,066	84,103
Gross earned contributions	105,658	83,122
Contribution ceded to retakaful	(8,329)	(6,038)
Net earned contributions	97,329	77,084
Investment income	1,408	981
Realised gains	1,352	-
Fee and commission income	-	940
Other income	2,760	1,921
Gross benefits and claims paid	(39,279)	(30,147)
Claims ceded to retakaful	9,350	4,740
Net claims	(29,929)	(25,407)
Wakalah fees	(33,560)	(29,148)
Other operating expenses	(3,498)	(2,636)
Other expenses	(37,058)	(31,784)
Surplus before taxation	33,102	21,814
Surplus after taxation from investment-linked business	7,612	4,167
Surplus before taxation but after transfers from investment-linked business	40,714	25,981
Taxation on takaful funds	432	(272)
Surplus after taxation	41,146	25,709
Surplus retained in takaful funds	(41,146)	(25,709)
Profit for the financial period	-	-

The Interim Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011.

MAA TAKAFUL BERHAD
(Incorporated in Malaysia)

**UNAUDITED INTERIM GENERAL TAKAFUL STATEMENT OF FINANCIAL
POSITION AS AT 30 JUNE 2012**

	<u>Note</u>	As at <u>30.06.2012</u> RM'000	As at <u>31.12.2011</u> RM'000 (Audited)
ASSETS			
Investments:			
Held-to-maturity	9	10,000	10,000
Loans and receivables	9	14,638	6,800
Available-for-sale	9	48,026	45,026
Retakaful assets	10	120,520	107,692
Takaful receivables		20,088	43,996
Other receivables		11,548	3,742
Cash and bank balances		6,341	109
TOTAL ASSETS		<u>231,161</u>	<u>217,365</u>
LIABILITIES			
Takaful contract liabilities	11	161,100	148,171
Takaful payables		46,265	51,935
Deferred tax liabilities		491	470
Tax payable		1,443	698
Other payables		21,862	16,091
TOTAL LIABILITIES		<u>231,161</u>	<u>217,365</u>

The Interim Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011.

MAA TAKAFUL BERHAD
(Incorporated in Malaysia)

**UNAUDITED INTERIM GENERAL TAKAFUL INCOME STATEMENT
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2012**

	6 months ended <u>30.06.2012</u> RM'000	6 months ended <u>30.06.2011</u> RM'000
Operating revenue	66,974	57,610
Gross earned contributions	65,596	56,543
Contribution ceded to retakaful	(51,886)	(37,120)
Net earned contributions	13,710	19,423
Investment income	1,378	1,067
Realised gains and losses	405	-
Fee and commission income	14,848	11,571
Other income	16,631	12,638
Gross benefits and claims paid	(24,764)	(19,266)
Claims ceded to retakaful	16,249	10,090
Gross change to contract liabilities	(3,936)	(17,046)
Change in contract liabilities ceded to retakaful	6,039	14,946
Net claims	(6,412)	(11,276)
Wakalah fees	(20,943)	(16,088)
Allowance for doubtful debts	(20)	(277)
Other expenses	(20,963)	(16,365)
Surplus before taxation	2,966	4,420
Taxation on takaful funds	(745)	-
Surplus after taxation	2,221	4,420
Surplus retained in takaful funds	(2,221)	(4,420)
Profit for the financial period	-	-

The Interim Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011.

MAA TAKAFUL BERHAD
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2012**

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

1 PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The Company is engaged principally in the underwriting of family takaful including investment-linked business and all classes of general takaful business. There have been no significant changes in the nature of these activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business of the Company are located at:

Registered office

Suite 12.03, 12th Floor
No. 566, Jalan Ipoh
51200 Kuala Lumpur

Principal place of business

8th Floor, No. 566 Jalan Ipoh
51200 Kuala Lumpur

The holding company and the company regarded by the Directors as the ultimate holding company is MAA Group Berhad (formerly known as MAA Holdings Berhad), a company incorporated in Malaysia.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The interim financial statements for the six months period ended 30 June 2012 are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), being the Malaysian Accounting Standard Board ("MASB") Approved Accounting Standards in Malaysia for Entities Other than Private Entities, Revised Guidelines on Financial Reporting for takaful operators issued by Bank Negara Malaysia ("BNM"), Takaful Act, 1984 and comply with the provisions of Companies Act, 1965.

The unaudited interim financial statements do not include all the information and disclosure required in the annual financial statements, and should be read in conjunction with the audited annual financial statements for the Company for the financial year ended 31 December 2011.

The accounting policies and presentation adopted for the interim financial statements are consistent with those adopted in the Company's audited annual financial statements for the financial year ended 31 December 2011, except for the adoption of the following new and revised MFRS, Amendments to MFRS, IC Interpretations and Technical Release:

- MFRS 1 First time Adoption of Malaysian Financial Reporting Standards
- Amendment to MFRS 112 Income Taxes
- MFRS 124 Related Party Disclosures

The adoption of the revised standards, amendment and interpretations issued by MASB and revised guidelines issued by BNM which are effective in the current year do not have any material impact to the financial statements of the Company.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

3 SEASONAL OR CYCLICAL FACTORS

The Company's business operations are not significantly affected by any seasonal or cyclical factors. However, as is common for other takaful operators licensed under the Takaful Act 1984, surplus of the Famiy Takaful Fund will only be transferred at the financial year end upon approval by the Appointed Actuary.

4 EXTRAORDINARY ITEMS

There were no extraordinary items for the current financial period under review.

5 CHANGES IN ACCOUNTING ESTIMATES

There was no material change in basis used for accounting estimates for the current financial period under review.

6 DEBT AND EQUITY SECURITIES

There was no issuance or repayment of debt and equity securities during the current financial period under review.

7 DIVIDEND PAYMENT

There was no dividend payment by the Company during the current financial period under review.

8 CHANGES IN COMPOSITION OF THE COMPANY

There was no change in composition of the Company during the current financial period under review.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

9 INVESTMENTS

	As at 30.06.2012 RM'000	As at 31.12.2011 RM'000 (Audited)
Malaysian Government guaranteed financing	25,044	20,000
Islamic debt securities	183,284	173,724
Shariah-approved quoted equities	126,445	94,641
Investment-linked units	4,277	8,246
Deposits with financial institutions	126,438	105,455
	<u>465,488</u>	<u>402,066</u>

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

Held-to-maturity ("HTM")	25,044	20,000
Loans and receivables ("LAR")	126,438	105,455
Available-for-sale ("AFS")	149,986	144,590
Fair value through profit or loss ("FVTPL")	164,020	132,021
	<u>465,488</u>	<u>402,066</u>

The following investments mature after 12 months:

Held-to-maturity ("HTM")	25,044	20,000
Available-for-sale ("AFS")	149,986	144,590
	<u>175,030</u>	<u>164,590</u>

Included in the quoted price category are financial instruments that are measured 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, secondary market via dealer and broker, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. This is considered as level 1 valuation basis.

Financial instruments measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions are instruments for which pricing is obtained via pricing services but where prices have not been determined in an active market, instruments with fair values based on broker quotes and discounted cash flow and investment in structured products with fair values obtained via investment bankers and/or fund managers. This is considered as level 2 valuation basis.

Level 3 valuation basis refers to non-market observable inputs, ie. where fair values are determined in whole or in part using a valuation technique based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. There are no level 3 valued financial investments held by the Company during the current financial year.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

10 RETAKAFUL ASSETS

	As at <u>30.06.2012</u> RM'000	As at <u>31.12.2011</u> RM'000 (Audited)
Retakaful of takaful contracts	<u>131,756</u>	<u>117,741</u>

11 TAKAFUL CONTRACT LIABILITIES

	<u>As at 30.06.2012</u>			<u>As at 31.12.2011</u>		
	<u>Gross</u> RM'000	<u>Re- takaful</u> RM'000	<u>Net</u> RM'000	<u>Gross</u> RM'000	<u>Re- takaful</u> RM'000	<u>Net</u> RM'000 (Audited)
Family takaful	294,468	(11,236)	283,232	246,537	(10,049)	236,488
General takaful	161,100	(120,520)	40,580	148,171	(107,692)	40,479
	<u>455,568</u>	<u>(131,756)</u>	<u>323,812</u>	<u>394,708</u>	<u>(117,741)</u>	<u>276,967</u>

(a) Family takaful

The Family takaful contract liabilities and its movements are further analysed as follows:

	<u>As at 30.06.2012</u>			<u>As at 31.12.2011</u>		
	<u>Gross</u> RM'000	<u>Re- takaful</u> RM'000	<u>Net</u> RM'000	<u>Gross</u> RM'000	<u>Re- takaful</u> RM'000	<u>Net</u> RM'000 (Audited)
Actuarial liabilities:						
Liability for future certificateholders' benefits	53,008	(10,639)	42,369	47,108	(8,716)	38,392
Net asset value attributable to unitholders	233,625	-	233,625	191,558	-	191,558
	<u>286,633</u>	<u>(10,639)</u>	<u>275,994</u>	<u>238,666</u>	<u>(8,716)</u>	<u>229,950</u>
Claims liabilities	5,793	(597)	5,196	5,281	(1,333)	3,948
Available-for-sale reserves	2,042	-	2,042	2,590	-	2,590
	<u>294,468</u>	<u>(11,236)</u>	<u>283,232</u>	<u>246,537</u>	<u>(10,049)</u>	<u>236,488</u>

MAA TAKAFUL BERHAD

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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

11 TAKAFUL CONTRACT LIABILITIES (CONTINUED)

(a) Family takaful (continued)

	<u>Gross</u>	<u>Retakaful</u>	<u>Net</u>
	RM'000	RM'000	RM'000
At 1 January 2011	193,250	(11,389)	181,861
Certificate received	163,751	(12,927)	150,824
Liabilities paid for death, maturities, surrender, benefit and claims	(51,362)	13,418	(37,944)
Movement in claims liabilities	2,883	1,305	4,188
Benefit and claims, experience variation	7,740	(2,394)	5,346
Fees deducted	(62,852)	1,938	(60,914)
Surplus transfer to Shareholders' fund	(6,400)	-	(6,400)
Repayment of Qardhul Hassan	(1,695)	-	(1,695)
Fair value movements arising in AFS investments	1,222	-	1,222
At 31 December 2011	246,537	(10,049)	236,488
Certificate received	105,658	(8,329)	97,329
Liabilities paid for death, maturities, surrender, benefit and claims	(39,280)	9,349	(29,931)
Movement in claims liabilities	(512)	449	(63)
Benefit and claims, experience variation	19,012	(2,656)	16,356
Fees deducted	(37,058)	-	(37,058)
Increase of Qardhul Hassan	660	-	660
Fair value movements arising in AFS investments	(549)	-	(549)
At 30 June 2012	294,468	(11,236)	283,232

Included in the above is the additional of Qardhul Hassan arising from the deficit in the current financial period of RM660,000. As at 30 June 2012, the total Qardhul Hassan payable amounted to RM1,090,000 (2011: RM430,000)

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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

11 TAKAFUL CONTRACT LIABILITIES (CONTINUED)

(b) General takaful

The General takaful contract liabilities and its movements are further analysed as follows:

	<u>As at 30.06.2012</u>			<u>As at 31.12.2011</u>		
	<u>Gross</u>	<u>Re-</u>	<u>Net</u>	<u>Gross</u>	<u>Re-</u>	<u>Net</u>
	<u>RM'000</u>	<u>takaful</u>	<u>RM'000</u>	<u>RM'000</u>	<u>takaful</u>	<u>RM'000</u>
						(Audited)
Provision for claims	64,774	(48,860)	15,914	62,268	(44,802)	17,466
Provision for incurred but not reported claims ("IBNR")	19,216	(12,957)	6,260	18,240	(11,698)	6,542
Provision for liability adequacy	13,199	(9,760)	3,438	12,745	(9,037)	3,708
Claim liabilities (i)	97,189	(71,577)	25,612	93,253	(65,537)	27,716
Unearned contribution reserves (ii)	62,437	(48,943)	13,494	53,508	(42,155)	11,353
General takaful fund (iii)	1,474	-	1,474	1,410	-	1,410
	<u>161,100</u>	<u>(120,520)</u>	<u>40,580</u>	<u>148,171</u>	<u>(107,692)</u>	<u>40,479</u>

(i) Claims liabilities

	<u>As at 30.06.2012</u>			<u>As at 31.12.2011</u>		
	<u>Gross</u>	<u>Re-</u>	<u>Net</u>	<u>Gross</u>	<u>Re-</u>	<u>Net</u>
	<u>RM'000</u>	<u>takaful</u>	<u>RM'000</u>	<u>RM'000</u>	<u>takaful</u>	<u>RM'000</u>
						(Audited)
At 1 January	93,253	(65,537)	27,716	62,211	(37,242)	24,969
Claims incurred in the current accident year	29,728	(22,021)	7,707	57,359	(39,870)	17,489
Other movements in claims incurred in prior accident years	(1,487)	113	(1,374)	(91)	(1,264)	(1,355)
Claims paid during the financial year	(25,599)	16,071	(9,528)	(32,508)	17,938	(14,570)
Provision for liability adequacy	536	(203)	333	5,442	(5,099)	343
claims handling expenses	758	-	758	840	-	840
At 31 December	<u>97,189</u>	<u>(71,577)</u>	<u>25,612</u>	<u>93,253</u>	<u>(65,537)</u>	<u>27,716</u>

MAA TAKAFUL BERHAD
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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

11 TAKAFUL CONTRACT LIABILITIES (CONTINUED)

(b) General takaful (continued)

(ii) Unearned contribution reserves

	As at 30.06.2012			As at 31.12.2011		
	<u>Gross</u>	<u>Re-</u>	<u>Net</u>	<u>Gross</u>	<u>Re-</u>	<u>Net</u>
	RM'000	takaful	RM'000	RM'000	takaful	RM'000
		RM'000			RM'000	(Audited)
At 1 January	53,508	(42,155)	11,353	41,782	(24,940)	16,842
Contribution written in the financial year	74,524	(58,674)	15,850	136,197	(109,720)	26,477
Contribution earned during the financial year	(65,595)	51,886	(13,709)	(124,471)	92,505	(31,966)
At 31 December	<u>62,437</u>	<u>(48,943)</u>	<u>13,494</u>	<u>53,508</u>	<u>(42,155)</u>	<u>11,353</u>

(iii) General takaful fund

	As at 30.06.2012			As at 31.12.2011		
	<u>Gross</u>	<u>Re-</u>	<u>Net</u>	<u>Gross</u>	<u>Re-</u>	<u>Net</u>
	RM'000	takaful	RM'000	RM'000	takaful	RM'000
		RM'000			RM'000	(Audited)
At 1 January	1,410	-	1,410	756	-	756
Surplus/(deficit) arising during the financial year	2,221	-	2,221	6,116	-	6,116
Fair value movements arising from AFS investments	64	-	64	654	-	654
Movement in Qardhul Hassan	(2,221)	-	(2,221)	(6,116)	-	(6,116)
	<u>1,474</u>	<u>-</u>	<u>1,474</u>	<u>1,410</u>	<u>-</u>	<u>1,410</u>

Included in the above is the repayment of Qardhul Hassan funds arising from the surplus in the current financial period of RM2,221,000 (2011: RM6,116,000). As at 30 June 2012, the total Qardhul Hassan payable amounted to RM6,182,000 (2011: RM8,403,000).

12 CAPITAL AND OTHER COMMITMENTS

Capital expenditure not provided for in the financial statements is as follows:

	As at 30.06.2012 RM'000	As at 31.12.2011 RM'000
Authorised and contracted for:		
- Office rental	4,980	4,928
- Office renovation	2,754	4,197
- System and technology	-	74
	<u>7,734</u>	<u>9,199</u>

MAA TAKAFUL BERHAD
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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

13 TAKAFUL FUNDS

The Company's activities are organised by funds and segregated into the Family takaful, General takaful and Shareholders' funds, in accordance with the Takaful Act, 1984. The Company's statement of financial position and income statement have been further analysed by funds.

The Family takaful business offers primary investment-linked products as well as Individual and Group Takaful Covers. The General takaful business offers all general takaful products, which include Motor, Fire, Marine, Aviation and Transit ("MAT"), and Miscellaneous products.

**UNAUDITED INTERIM STATEMENT OF FINANCIAL POSITION BY FUNDS
AS AT 30 JUNE 2012**

	Shareholders' fund RM'000	General Takaful fund RM'000	Family Takaful fund RM'000	Investment- linked fund RM'000	Total RM'000
<u>30.06.2012</u>					
Assets:					
Property, plant and equipment	10,565	-	-	-	10,565
Intangible assets	3,094	-	-	-	3,094
Investments	86,061	72,664	58,778	247,985	465,488
Retakaful assets	-	120,520	11,236	-	131,756
Takaful receivable	-	20,088	22,469	-	42,557
Other receivables	9,786	1,151	421	550	11,908
Cash and bank balances	2,407	6,341	711	77	9,536
	<u>111,913</u>	<u>220,764</u>	<u>93,615</u>	<u>248,612</u>	<u>674,904</u>
Equity, participants' fund and liabilities:					
Total equity	<u>113,346</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>113,346</u>
Takaful contract liabilities	-	161,100	60,843	233,625	455,568
Takaful payable	-	46,265	14,268	-	60,533
Deferred tax liabilities	2,678	491	178	1,182	4,529
Tax payable	1,792	1,443	-	1,358	4,593
Other liabilities	5,304	9,931	10,478	10,622	36,335
Total participants' fund and liabilities	<u>9,774</u>	<u>219,230</u>	<u>85,767</u>	<u>246,787</u>	<u>561,558</u>
	<u>123,120</u>	<u>219,230</u>	<u>85,767</u>	<u>246,787</u>	<u>674,904</u>
Interfund balances	<u>(11,207)</u>	<u>1,534</u>	<u>7,848</u>	<u>1,825</u>	<u>-</u>

MAA TAKAFUL BERHAD
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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

13 TAKAFUL FUNDS (CONTINUED)

**STATEMENT OF FINANCIAL POSITION BY FUNDS
AS AT 31 DECEMBER 2011 (AUDITED)**

	Shareholders' fund RM'000	General Takaful fund RM'000	Family Takaful fund RM'000	Investment- linked fund RM'000	Total RM'000
<u>2011</u>					
Assets:					
Property, plant and equipment	5,178	-	-	-	5,178
Intangible assets	3,360	-	-	-	3,360
Investments	83,370	61,826	62,577	194,293	402,066
Retakaful assets	-	107,692	10,049	-	117,741
Takaful receivable	-	43,996	18,760	-	62,756
Other receivables	11,347	423	1,072	421	13,263
Cash and bank balances	410	109	1,572	82	2,173
	<u>103,665</u>	<u>214,046</u>	<u>94,030</u>	<u>194,796</u>	<u>606,537</u>
Equity, participants' fund and liabilities:					
Total equity	<u>113,204</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>113,204</u>
Takaful contract liabilities	-	148,171	54,979	191,558	394,708
Takaful payable	-	51,935	13,918	-	65,853
Deferred tax liabilities	3,182	470	225	749	4,626
Tax payable	1,236	698	200	1,049	3,183
Other liabilities	9,121	7,748	6,634	1,460	24,963
Total participants' fund and liabilities	<u>13,539</u>	<u>209,022</u>	<u>75,956</u>	<u>194,816</u>	<u>493,333</u>
	<u>126,743</u>	<u>209,022</u>	<u>75,956</u>	<u>194,816</u>	<u>606,537</u>
Interfund balances	<u>(23,078)</u>	<u>5,024</u>	<u>18,074</u>	<u>(20)</u>	<u>-</u>

MAA TAKAFUL BERHAD

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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

13 TAKAFUL FUNDS (CONTINUED)

UNAUDITED INTERIM INCOME STATEMENT BY FUNDS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2012

	Shareholders' fund RM'000	General Takaful fund RM'000	Family Takaful fund RM'000	Investment- linked fund RM'000	Interfund elimination RM'000	Total RM'000
<u>30.06.2012</u>						
Operating revenue	1,735	66,974	107,066	2,693	-	178,468
Gross contribution	-	65,596	105,658	-	-	171,254
Contribution ceded to retakaful	-	(51,886)	(8,329)	-	-	(60,215)
Net contribution	-	13,710	97,329	-	-	111,039
Investment income	1,735	1,378	1,408	2,693	-	7,214
Realised gains and losses	4,299	405	1,352	1,443	-	7,499
Fair value gains and losses	625	-	-	5,396	-	6,021
Fees and commission income	-	14,848	-	-	-	14,848
Wakalah fee income	54,503	-	-	-	(54,503)	-
Other operating income	4,697	-	-	-	(4,654)	43
Other income	65,859	16,631	2,760	9,532	(59,157)	35,625
Gross benefits and claims paid	-	(24,764)	(39,279)	-	-	(64,043)
Claims ceded to retakaful	-	16,249	9,350	-	-	25,599
Gross change to contract liabilities	-	(3,936)	-	-	-	(3,936)
Change in contract liabilities to retakaful	-	6,039	-	-	-	6,039
Net claims	-	(6,412)	(29,929)	-	-	(36,341)
Fees and commission expenses	(41,216)	-	-	-	-	(41,216)
Management expenses	(22,309)	-	-	-	-	(22,309)
Allowance for doubtful debts	-	(20)	-	-	-	(20)
Wakalah fee expenses	-	(20,943)	(33,560)	-	54,503	-
Other operating expenses	-	-	(3,498)	(1,156)	4,654	-
Other expenses	(63,525)	(20,963)	(37,058)	(1,156)	59,157	(63,545)
Surplus before taxation	2,334	2,966	33,102	8,376	-	46,778
Taxation on takaful funds	-	(745)	432	(764)	-	(1,077)
Surplus after taxation	2,334	2,221	33,534	7,612	-	45,701
Surplus retained within takaful funds	-	(2,221)	(33,534)	(7,612)	-	(43,367)
Profit before taxation	2,334	-	-	-	-	2,334
Taxation	(588)	-	-	-	-	(588)
Net (loss)/profit after taxation	1,746	-	-	-	-	1,746

MAA TAKAFUL BERHAD
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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

13 TAKAFUL FUNDS (CONTINUED)

**UNAUDITED INTERIM INCOME STATEMENT BY FUNDS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2011**

	Shareholders' fund RM'000	General Takaful fund RM'000	Family Takaful fund RM'000	Investment- linked fund RM'000	Interfund elimination RM'000	Total RM'000
<u>30.06.2011</u>						
Operating revenue	2,380	57,610	84,103	1,845	-	145,938
Gross contribution	-	56,543	83,122	-	-	139,665
Contribution ceded to retakaful	-	(37,120)	(6,038)	-	-	(43,158)
Net contribution	-	19,423	77,084	-	-	96,507
Investment income	2,380	1,067	981	1,845	-	6,273
Realised gains	178	-	-	5,616	-	5,794
Fair value gains/(losses)	420	-	-	(1,554)	-	(1,134)
Fees and commission income	-	11,571	940	-	-	12,511
Wakalah fee income	45,236	-	-	-	(45,236)	-
Other operating income	3,506	-	-	-	(3,467)	39
Other income	51,720	12,638	1,921	5,907	(48,703)	23,483
Gross benefits and claims paid	-	(19,266)	(30,147)	-	-	(49,413)
Claims ceded to retakaful	-	10,090	4,740	-	-	14,830
Gross change to contract liabilities	-	(17,046)	-	-	-	(17,046)
Change in contract liabilities to retakaful	-	14,946	-	-	-	14,946
Net claims	-	(11,276)	(25,407)	-	-	(36,683)
Fees and commission expenses	(32,631)	-	-	-	-	(32,631)
Management expenses	(17,791)	-	-	-	-	(17,791)
Allowance for doubtful debts	-	(277)	-	-	-	(277)
Wakalah fee expenses	-	(16,088)	(29,148)	-	45,236	-
Other operating expenses	-	-	(2,636)	(831)	3,467	-
Other expenses	(50,422)	(16,365)	(31,784)	(831)	48,703	(50,699)
Surplus/(deficit) before taxation	1,298	4,420	21,814	5,076	-	32,608
Taxation on takaful funds	-	-	(272)	(909)	-	(1,181)
Surplus/(deficit) after taxation	1,298	4,420	21,542	4,167	-	31,427
Surplus/(deficit) retained within takaful funds	-	(4,420)	(21,542)	(4,167)	-	(30,129)
Profit before taxation	1,298	-	-	-	-	1,298
Taxation	-	-	-	-	-	-
Net profit after taxation	1,298	-	-	-	-	1,298