

Company No.

731996	H
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**MAA TAKAFUL BERHAD**

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2015

Company No.

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MAA TAKAFUL BERHAD  
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2015

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Company No.

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MAA TAKAFUL BERHAD  
(Incorporated in Malaysia)

UNAUDITED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2015

		30.06.2015				31.12.2014			
	<u>Note</u>	<u>Takaful Operator</u> RM'000	<u>General Takaful Fund</u> RM'000	<u>Family Takaful Fund</u> RM'000	<u>Company</u> RM'000	<u>Takaful Operator</u> RM'000	<u>General Takaful Fund</u> RM'000	<u>Family Takaful Fund</u> RM'000	<u>Company</u> RM'000
ASSETS									
Property, plant and equipment		11,615	-	-	11,615	12,457	-	-	12,457
Intangible assets		3,124	-	-	3,124	3,298	-	-	3,298
Investments:									
Held-to-maturity	12(a)	-	15,364	25,632	40,996	-	15,366	25,636	41,002
Loans and receivables	12(b)	49,479	67,060	26,083	141,294	37,107	47,882	72,561	155,789
Available-for-sale	12(c)	48,001	68,431	43,455	159,887	58,754	49,122	37,221	145,097
Fair value through profit or loss	12(d)	11,160	-	353,386	357,769	11,333	-	315,452	319,059
Takaful receivables		-	89,315	3,793	93,108	-	97,819	2,674	100,493
Qardhul Hassan receivable		12,910	-	-	-	11,899	-	-	-
Retakaful assets	13	-	293,070	17,464	310,534	-	280,382	14,535	294,917
Other receivables		24,431	5,668	14,591	18,431	22,401	4,014	7,000	8,322
Tax recoverable		68	-	2	70	68	249	19	336
Deferred tax assets		-	3,052	122	3,174	-	3,213	573	3,923
Cash and bank balances		3,807	1,073	8,772	13,652	3,728	1,708	8,385	13,821
TOTAL ASSETS		164,595	543,033	493,300	1,153,654	161,045	499,755	484,056	1,098,514

*The Unaudited Interim Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014 and the accompanying notes attached to the unaudited interim financial statements.*

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MAA TAKAFUL BERHAD  
(Incorporated in Malaysia)

UNAUDITED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2015 (CONTINUED)

		30.06.2015				31.12.2014			
	Note	Takaful Operator RM'000	General Takaful Fund RM'000	Family Takaful Fund RM'000	Company RM'000	Takaful Operator RM'000	General Takaful Fund RM'000	Family Takaful Fund RM'000	Company RM'000
LIABILITIES									
Takaful contract liabilities	14	-	400,007	474,695	866,646	-	366,291	455,467	812,271
Takaful payables		-	116,736	3,994	120,730	-	119,126	6,308	125,434
Qardhul Hassan payable		-	-	12,910	-	-	551	11,348	-
Other payables		27,500	23,729	13,748	38,718	27,133	14,338	22,281	38,659
Expense liabilities		3,329	-	-	3,329	4,378	-	-	4,378
Current tax liabilities		1,530	2,561	809	4,900	-	-	-	-
Deferred tax liabilities		3,925	-	55	1,067	3,702	-	-	926
<b>TOTAL LIABILITIES</b>		<b>36,285</b>	<b>543,033</b>	<b>506,211</b>	<b>1,035,390</b>	<b>35,213</b>	<b>500,306</b>	<b>495,404</b>	<b>981,668</b>
SHAREHOLDERS' EQUITY									
Share capital		100,000	-	-	100,000	100,000	-	-	100,000
Retained earnings		27,829	-	(12,911)	17,783	26,019	(551)	(11,348)	17,033
Available-for-sale reserves		481	-	-	481	(187)	-	-	(187)
		<b>128,310</b>	<b>-</b>	<b>(12,911)</b>	<b>118,264</b>	<b>125,832</b>	<b>(551)</b>	<b>(11,348)</b>	<b>116,846</b>
<b>TOTAL LIABILITIES, PARTICIPANTS' FUNDS AND SHAREHOLDERS' EQUITY</b>		<b>164,595</b>	<b>543,033</b>	<b>493,300</b>	<b>1,153,654</b>	<b>161,045</b>	<b>499,755</b>	<b>484,056</b>	<b>1,098,514</b>

The Unaudited Interim Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014 and the accompanying notes attached to the unaudited interim financial statements.

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MAA TAKAFUL BERHAD  
(Incorporated in Malaysia)

UNAUDITED INTERIM INCOME STATEMENT  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2015

	1.01.2015 to 30.06.2015				1.01.2014 to 30.06.2014			
	<u>Takaful Operator</u> RM'000	<u>General Takaful Fund</u> RM'000	<u>Family Takaful Fund</u> RM'000	<u>Company</u> RM'000	<u>Takaful Operator</u> RM'000	<u>General Takaful Fund</u> RM'000	<u>Family Takaful Fund</u> RM'000	<u>Company</u> RM'000
Operating revenue	<u>1,893</u>	<u>141,992</u>	<u>136,932</u>	<u>280,817</u>	<u>1,818</u>	<u>122,331</u>	<u>202,195</u>	<u>326,344</u>
Gross earned contributions	-	139,544	130,661	270,205	-	120,705	195,644	316,349
Contribution ceded to retakaful	-	(90,660)	(5,770)	(96,430)	-	(96,726)	(4,064)	(100,790)
Net earned contributions	<u>-</u>	<u>48,884</u>	<u>124,891</u>	<u>173,775</u>	<u>-</u>	<u>23,979</u>	<u>191,580</u>	<u>215,559</u>
Investment income	1,893	2,448	6,271	10,612	1,818	1,626	6,551	9,995
Realised gains and losses	(10)	(78)	6,770	6,682	355	(65)	9,792	10,082
Fair value gains and losses	470	-	5,568	6,038	388	-	4,232	4,620
Fee and commission income	-	20,675	-	20,675	-	23,082	-	23,082
Surplus sharing from General and Family Takaful funds (*)	7,666	-	-	-	3,772	-	-	-
Wakalah fee income	72,727	-	-	-	72,912	-	-	-
Other operating income – net	<u>9,490</u>	<u>-</u>	<u>-</u>	<u>1,341</u>	<u>7,108</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other income	<u>93,236</u>	<u>23,045</u>	<u>18,609</u>	<u>45,348</u>	<u>86,353</u>	<u>24,643</u>	<u>20,575</u>	<u>47,779</u>
Gross benefits and claims paid	-	(48,285)	(86,194)	(134,479)	-	(36,086)	(79,785)	(115,871)
Claims ceded to retakaful	-	34,581	4,096	38,677	-	26,320	4,441	30,761
Gross change to contract liabilities	-	(27,045)	(14,664)	(41,709)	-	(32,823)	(82,675)	(115,498)
Change in contract liabilities ceded to retakaful	-	10,559	2,836	13,395	-	29,216	(4,016)	25,200
Net claims	<u>-</u>	<u>(30,190)</u>	<u>(93,926)</u>	<u>(124,116)</u>	<u>-</u>	<u>(13,373)</u>	<u>(162,035)</u>	<u>(175,408)</u>

The Unaudited Interim Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014 and the accompanying notes attached to the unaudited interim financial statements.

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MAA TAKAFUL BERHAD  
(Incorporated in Malaysia)

UNAUDITED INTERIM INCOME STATEMENT  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2015 (CONTINUED)

	1.01.2015 to 30.06.2015				1.01.2014 to 30.06.2014			
	<u>Takaful Operator</u>	<u>General Takaful Fund</u>	<u>Family Takaful Fund</u>	<u>Company</u>	<u>Takaful Operator</u>	<u>General Takaful Fund</u>	<u>Family Takaful Fund</u>	<u>Company</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Fee and commission expenses	(49,130)	-	-	(49,130)	(50,723)	-	-	(50,723)
Management expenses	(39,552)	-	-	(39,552)	(35,322)	-	-	(35,322)
Write back of/(allowance for) doubtful debts	-	386	1,500	1,886	-	(1,519)	-	(1,519)
Surplus sharing with Takaful Operator (*)	-	(4,205)	(3,461)	-	-	(1,272)	(2,500)	-
Wakalah fee expenses	-	(34,156)	(38,571)	-	-	(31,381)	(41,531)	-
Other operating expenses	-	(403)	(9,333)	(1,588)	-	-	(7,108)	-
Expense liabilities	(214)	-	-	(214)	(942)	-	-	(942)
Other expenses	(88,896)	(38,378)	(49,865)	(88,598)	(86,987)	(34,172)	(51,139)	(88,506)
Profit /(loss) before taxation	3,340	3,361	(291)	6,410	(634)	1,077	(1,019)	(576)
Tax expense attributable to participants	-	(2,810)	(1,272)	(4,082)	-	(1,077)	(1,909)	(2,986)
Profit /(loss) before taxation attributable to Takaful Operator (*)	3,340	551	(1,563)	2,328	(634)	-	(2,928)	(3,562)
Taxation	(1,530)	-	-	(1,578)	(948)	-	-	(948)
Net profit/(loss) for the financial period	1,810	551	(1,563)	750	(1,582)	-	(2,928)	(4,510)

(\*) Subject to Board of Directors approval at financial year end

The Unaudited Interim Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014 and the accompanying notes attached to the unaudited interim financial statements.

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MAA TAKAFUL BERHAD  
(Incorporated in Malaysia)

UNAUDITED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2015

	Note	1.01.2015 to 30.06.2015				1.01.2014 to 30.06.2014			
		<u>Takaful Operator</u> RM'000	<u>General Takaful Fund</u> RM'000	<u>Family Takaful Fund</u> RM'000	<u>Company</u> RM'000	<u>Takaful Operator</u> RM'000	<u>General Takaful Fund</u> RM'000	<u>Family Takaful Fund</u> RM'000	<u>Company</u> RM'000
Net profit/(net loss) for the financial period		1,810	551	(1,563)	750	(1,582)	-	(2,928)	(4,510)
Other comprehensive income/(loss):									
Net fairvalue changes during the financial period	12(e)	892	643	759	2,294	(1,150)	(238)	(690)	(2,078)
Tax effects thereon		(224)	(161)	(61)	(446)	286	-	-	286
		<u>668</u>	<u>482</u>	<u>698</u>	<u>1,848</u>	<u>(864)</u>	<u>(238)</u>	<u>(690)</u>	<u>(1,792)</u>
Change in Takaful contract liabilities arising from unrealized net fair value changes			(482)	(698)	(1,180)	-	238	690	928
Total comprehensive income/(loss) for the financial period		<u>2,478</u>	<u>551</u>	<u>(1,563)</u>	<u>1,418</u>	<u>(2,446)</u>	<u>-</u>	<u>(2,928)</u>	<u>(5,374)</u>

The Unaudited Interim Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014 and the accompanying notes attached to the unaudited interim financial statements.

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MAA TAKAFUL BERHAD  
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2015

	<u>Share capital</u>	<u>Non-distributable Available-for-sale Reserves</u>	<u>Distributable Retained Earnings</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
At 1 January 2014	100,000	303	21,966	122,269
Total comprehensive (loss) for the financial year	-	(490)	(4,933)	(5,423)
At 31 December 2014	100,000	(187)	17,033	116,846
Total comprehensive income for 6 months period ended 30 June 2015	-	668	750	1,418
At 30 June 2015	100,000	481	17,783	118,264

*The Unaudited Interim Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014 and the accompanying notes attached to the unaudited interim financial statements.*



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MAA TAKAFUL BERHAD  
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UNAUDITED INTERIM STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2015

	<u>Note</u>	Current Period Ended <u>30.06.2015</u> RM'000	Financial Period Ended <u>30.06.2014</u> RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated/ (utilised) in operating activities	17	(13,728)	13,921
Distribution income received		1,925	2,889
Profit income received		9,882	7,138
Income tax paid		2,635	(594)
		<u>714</u>	<u>23,354</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of property, plant and equipment		-	70
Purchase of property, plant and equipment		(422)	(1,059)
Purchases of intangibles		(461)	(359)
		<u>(883)</u>	<u>(1,348)</u>
<b>NET MOVEMENT IN CASH AND CASH EQUIVALENTS</b>			
		(169)	22,006
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>			
		<u>13,821</u>	<u>10,682</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL YEAR</b>			
		<u>13,652</u>	<u>32,688</u>
<b>Cash and cash equivalents consist of:</b>			
Cash and bank balances		<u>13,652</u>	<u>32,688</u>
		<u>13,652</u>	<u>32,688</u>

*The Unaudited Interim Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014 and the accompanying notes attached to the unaudited interim financial statements.*

**MAA TAKAFUL BERHAD**  
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2015**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**

**1 BASIS OF PREPARATION**

The unaudited interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting by the Malaysian Accounting Standards (MASB), Takaful Act 1984, Guidelines/Circulars issued by Bank Negara Malaysia (BNM) as well as Shariah rulings and precepts.

The unaudited financial statements have been prepared under the historical cost convention, as modified by the valuation of available-for-sale financial assets and financial assets at fair value through profit or loss.

In accordance with the Islamic Financial Services Act 2013, the Company is required to segregate the assets and liabilities of the Takaful funds from its own, a concept known as segregation of funds. These Takaful funds are however not considered as separate legal entities and are managed and operated by the Takaful Operator, i.e. the Company.

Following the compliance to MFRS, the Company prepares a Company-level set of financial statements. In preparing the Company-level financial statements, the assets, liabilities, income and expenses of the Takaful funds are combined with those of the Takaful Operator whereby the related inter-fund balances, including Qardhul Hassan, and transactions are eliminated in full.

The inclusion of separate financial information of the Takaful funds and the Takaful Operator together with the Company-level financial statements in the statement of financial position, the income statement, the statement of comprehensive income as well as certain relevant notes to the financial statements represents additional supplementary information presented in accordance with the requirements of BNM pursuant to the Islamic Financial Services Act 2013 in Malaysia to segregate assets, liabilities, income and expenses of the Takaful funds from the Takaful Operator. The accounting policies adopted for the Takaful Operator and Takaful funds are uniform for like transactions and events in similar circumstances.

The unaudited interim financial statements should be read in conjunction with the audited annual financial statements of the Company for the financial year ended 31 December 2014. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company since the year ended 31 December 2014.

**2 AUDITORS' REPORT**

The auditors' report on the audited financial statements of the preceding year ended 31 December 2014 did not contain any qualification.

**MAA TAKAFUL BERHAD**  
(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)**

**3 SEASONALITY OF OPERATIONS**

The Company's operations are not materially affected by seasonal or cyclical factors for the current period under review.

**4 UNUSUAL ITEMS**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows in the current period ended 30 June 2015.

**5 ESTIMATES**

There were no material changes in the basis used for accounting estimates for the current period under review.

**6 DEBT AND EQUITY SECURITIES**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current period under review.

**7 DIVIDENDS**

No dividends were paid during the period and the Directors do not recommend any dividend to be paid for the current period under review.

**8 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE PERIOD**

There were no material events subsequent to the end of the current period under review that has not been reported in these interim financial statements for the current financial period.

**9 FINANCIAL RISK MANAGEMENT**

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statement as at and for the year ended 31 December 2014.

**10 CONTINGENT LIABILITIES**

There were no contingent liabilities as at the date of this report.

**11 MATERIAL LITIGATION**

There was no material litigation pending as at the date of this announcement.

**MAA TAKAFUL BERHAD**  
(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)**

**12 INVESTMENTS**

	<u>Takaful Operator</u> RM'000	<u>General takaful fund</u> RM'000	<u>Family takaful fund</u> RM'000	<u>Company</u> RM'000
<u>At 30 June 2015</u>				
Malaysian Government Guaranteed Financing	-	15,364	25,632	40,996
Islamic debt securities, unquoted	48,001	68,431	43,455	159,887
Shariah-approved quoted equities	2,458	-	353,386	349,067
Other investments	8,702	-	-	8,702
Deposits with financial institutions	49,479	67,060	26,083	141,294
	<u>108,640</u>	<u>150,855</u>	<u>448,556</u>	<u>699,946</u>
<u>At 31 December 2014</u>				
Malaysian Government Guaranteed financing	-	15,366	25,636	41,002
Islamic debt securities, unquoted	58,754	49,122	37,221	145,097
Shariah-approved quoted equities	1,846	-	315,452	309,572
Investment-linked units	9,487	-	-	9,487
Deposits with financial institutions	37,107	47,882	72,561	155,789
	<u>107,194</u>	<u>112,370</u>	<u>450,870</u>	<u>660,947</u>

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

**12 INVESTMENTS (CONTINUED)**

	<u>Takaful Operator</u> RM'000	<u>General takaful fund</u> RM'000	<u>Family takaful fund</u> RM'000	<u>Company</u> RM'000
The Company's investments are summarised by categories as follows:				
<u>At 30 June 2015</u>				
Held-to-maturity ("HTM")	-	15,364	25,632	40,996
Loans and receivables ("LAR")	49,479	67,060	26,083	141,294
Available-for-sale ("AFS")	48,001	68,431	43,455	159,887
Fair value through profit or loss ("FVTPL")	11,160	-	353,386	357,769
	<u>108,640</u>	<u>150,855</u>	<u>448,556</u>	<u>699,946</u>
<u>At 31 December 2014</u>				
Held-to-maturity ("HTM")	-	15,366	25,636	41,002
Loans and receivables ("LAR")	37,107	47,882	72,561	155,789
Available-for-sale ("AFS")	58,754	49,122	37,221	145,097
Fair value through profit or loss ("FVTPL")	11,333	-	315,452	319,059
	<u>107,194</u>	<u>112,370</u>	<u>450,870</u>	<u>660,947</u>

**MAA TAKAFUL BERHAD**  
(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)**

**12 INVESTMENTS (CONTINUED)**

	<u>Takaful Operator</u> RM'000	<u>General takaful fund</u> RM'000	<u>Family takaful fund</u> RM'000	<u>Company</u> RM'000
The following investments mature after 12 months:				
<u>At 30 June 2015</u>				
HTM	-	15,364	25,632	40,996
AFS	47,746	68,431	43,455	159,887
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<u>At 31 December 2014</u>				
HTM	-	15,366	25,636	41,002
AFS	58,754	49,122	37,221	145,097
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
(a) HTM investments				
<u>At 30 June 2015</u>				
<u>Amortised cost</u>				
Malaysian Government Guaranteed Financing	-	15,364	25,632	40,996
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<u>Fair value</u>				
Malaysian Government Guaranteed Financing	-	14,964	25,191	40,155
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<u>At 31 December 2014</u>				
<u>Amortised cost</u>				
Malaysian Government Guaranteed Financing	-	15,366	25,636	41,002
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<u>Fair value</u>				
Malaysian Government Guaranteed Financing	-	14,811	24,802	39,613
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**MAA TAKAFUL BERHAD**  
(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)**

**12 INVESTMENTS (CONTINUED)**

	<u>Takaful Operator</u> RM'000	<u>General takaful fund</u> RM'000	<u>Family takaful fund</u> RM'000	<u>Company</u> RM'000
(b) LAR				
<u>At 30 June 2015</u>				
<u>Amortised cost</u>				
Fixed and call deposits with:				
Licensed financial institutions	49,479	67,060	26,083	141,294
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<u>At 31 December 2014</u>				
<u>Amortised cost</u>				
Fixed and call deposits with:				
Licensed financial institutions	37,107	47,882	72,561	155,789
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
As at 30 June 2015, the cash and cash equivalents in the LAR of RM15,340,000 (31.12.2014: RM2,333,000) have a maturity period of three to twelve months.				
(c) AFS investments				
<u>At 30 June 2015</u>				
<u>Fair value</u>				
Islamic debt securities, unquoted	48,001	68,431	43,455	159,887
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<u>At 31 December 2014</u>				
<u>Fair value</u>				
Islamic debt securities, unquoted	58,754	49,122	37,221	145,097
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)**

**12 INVESTMENTS (CONTINUED)**

	<u>Takaful Operator</u> RM'000	<u>General takaful fund</u> RM'000	<u>Family takaful fund</u> RM'000	<u>Company</u> RM'000
(d) ) FVTPL investments				
<u>At 30 June 2015</u>				
<u>Fair value at designation</u>				
Shariah-approved quoted equities	2,458	-	77,960	80,418
Islamic debt securities, unquoted	-	-	64,339	64,339
Other investments	8,702	-	211,087	219,789
	<u>11,160</u>	<u>-</u>	<u>353,386</u>	<u>357,769</u>
<u>At 31 December 2014</u>				
<u>Fair value at designation</u>				
Shariah-approved quoted equities	1,846	-	227,413	221,582
Islamic debt securities, unquoted	-	-	88,039	87,990
Investment-linked units	9,487	-	-	9,487
	<u>11,333</u>	<u>-</u>	<u>315,452</u>	<u>319,059</u>



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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)**

**12 INVESTMENTS (CONTINUED)**

(e) Carrying values of investments

(i) Takaful Operator

	<u>LAR</u> RM'000	<u>AFS</u> RM'000	<u>FVTPL</u> RM'000	<u>Total</u> RM'000
At 1 January 2014	15,905	62,137	17,769	95,811
Purchases	21,226	10,410	6,984	38,620
Disposals including (maturities and redemptions)	-	(13,301)	(11,787)	(25,088)
Fair value loss recorded in:				
Income statement	-	-	(1,647)	(1,647)
Other comprehensive income	-	4	-	4
Movement in accrued profit	(24)	(174)	14	(184)
Amortisation adjustment	-	(322)	-	(322)
At 31 December 2014/ 1 January 2015	37,107	58,754	11,333	107,194
Purchases	12,401	-	1,500	13,901
Disposals including (maturities and redemptions)	-	(11,643)	(2,181)	(13,824)
Fair value gains recorded in:				
Income statement	-	-	(145)	(145)
Other comprehensive income	-	892	-	892
Realised gains	-	-	615	615
Movement in accrued profit	(30)	(110)	38	(102)
Accretion adjustment	-	108	-	108
At 30 June 2015	49,479	48,001	11,160	108,640

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)**

**12 INVESTMENTS (CONTINUED)**

(e) Carrying values of investments (continued)

(ii) General Takaful Fund

	<u>HTM</u> RM'000	<u>LAR</u> RM'000	<u>AFS</u> RM'000	<u>Total</u> RM'000
At 1 January 2014	15,365	20,276	45,778	81,419
Purchases	-	27,565	8,005	35,570
Disposals including (maturities and redemptions)	-	-	(3,895)	(3,895)
Fair value gains recorded in:				
Takaful contract liabilities	-	-	(180)	(180)
Movement in accrued profit	1	41	(363)	(321)
Amortisation adjustment	-	-	(223)	(223)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2014/ 1 January 2015	15,366	47,882	49,122	112,370
Purchases	-	19,211	25,025	44,236
Disposals including (maturities and redemptions)	-	-	(6,503)	(6,503)
Fair value gains recorded in:				
Takaful contract liabilities	-	-	643	643
Movement in accrued profit	(2)	(33)	(10)	(45)
Accretion adjustment	-	-	154	154
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2015	15,364	67,060	68,431	150,855
	<hr/>	<hr/>	<hr/>	<hr/>

## MAA TAKAFUL BERHAD

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## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

## 12 INVESTMENTS (CONTINUED)

(e) Carrying values of investments (continued)

(iii) Family Takaful Fund

	<u>HTM</u>	<u>LAR</u>	<u>AFS</u>	<u>FVTPL</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2014	25,516	35,552	41,634	264,559	367,261
Purchases	-	37,007	10,114	342,437	389,558
Disposals including maturities and redemptions	-	-	(14,396)	(263,929)	(278,325)
Fair value gains recorded in:					
Income statement	-	-	-	(28,363)	(28,363)
Takaful contract liabilities	-	-	82	-	82
Movement in accrued profit	121	2	(68)	681	736
Amortisation adjustment	(1)	-	(145)	67	(79)
At 31 December 2014/ 1 January 2015	25,636	72,561	37,221	315,452	450,870
Purchases	-	-	5,542	341,504	347,046
Disposals including (maturities and redemptions)	-	(46,477)	-	(308,419)	(354,896)
Fair value gains recorded in:					
Income statement	-	-	-	5,562	5,562
Takaful contract liabilities	-	-	759	-	759
Movement in accrued profit (Amortisation)/ accretion adjustment	(4)	(1)	24	(855)	(836)
	-	-	(91)	142	51
At 30 June 2015	25,632	26,083	43,455	353,386	448,556

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

**12 INVESTMENTS (CONTINUED)**

(e) Carrying values of investments (continued)

(iv) Company

	<u>HTM</u> RM'000	<u>LAR</u> RM'000	<u>AFS</u> RM'000	<u>FVTPL</u> RM'000	<u>Total</u> RM'000
At 1 January 2014	40,881	70,023	149,549	273,608	534,061
Purchases	-	85,747	28,529	350,413	464,689
Disposals including (maturities and redemptions)	-	-	(31,592)	(275,714)	(307,306)
Fair value (loss) recorded in:					
Income statement	-	-	-	(30,010)	(30,010)
Takaful contract liabilities	-	-	(98)	-	(98)
Other comprehensive income	-	-	4	-	4
Movement in accrued profit	122	19	(605)	695	231
Accretion adjustment	(1)	-	(690)	67	(624)
At 31 December 2014	41,002	155,789	145,097	319,059	660,947
Purchases	-	31,613	30,567	343,004	405,184
Disposals including (maturities and redemptions)	-	(46,477)	(18,146)	(310,601)	(375,224)
Fair value gains recorded in:					
Income statement	-	-	-	5,417	5,417
Takaful contract liabilities	-	-	1,402	-	1,402
Other comprehensive income	-	-	892	-	892
Realised gains	-	-	-	615	615
Movement in accrued profit	(6)	369	(97)	133	399
Accretion adjustment	-	-	172	142	314
At 30 June 2015	40,996	141,294	159,887	357,769	699,946

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)**

**12 INVESTMENTS (CONTINUED)**

(f) Fair values of investments

The following tables show financial investments recorded at fair value analysed by the different basis of fair values as follows:

	<u>HTM</u> RM'000	<u>AFS</u> RM'000	<u>FVTPL</u> RM'000	<u>Total</u> RM'000
(i) <u>Takaful Operator</u>				
<u>30 June 2015</u>				
Quoted market price (level 1)	-	-	11,160	11,160
Valuation techniques - market observable inputs (level 2)	-	48,001	-	48,001
	<u>-</u>	<u>47,748</u>	<u>11,160</u>	<u>59,161</u>
<u>31 December 2014</u>				
Quoted market price (level 1)	-	-	11,333	11,333
Valuation techniques - market observable inputs (level 2)	-	58,754	-	58,754
	<u>-</u>	<u>58,754</u>	<u>11,333</u>	<u>70,087</u>
(ii) <u>General Takaful Fund</u>				
<u>30 June 2015</u>				
Valuation techniques - market observable inputs (level 2)	14,964	68,431	-	83,395
	<u>14,964</u>	<u>68,431</u>	<u>-</u>	<u>83,395</u>
<u>31 December 2014</u>				
Valuation techniques - market observable inputs (level 2)	14,811	49,122	-	63,933
	<u>14,811</u>	<u>49,122</u>	<u>-</u>	<u>63,933</u>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)**

**12 INVESTMENTS (CONTINUED)**

(f) Fair values of investments (continued)

The following tables show financial investments recorded at fair value analysed by the different of fair values as follows:

	<u>HTM</u>	<u>AFS</u>	<u>FVTPL</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
(iii) <u>Family Takaful Fund</u>				
<u>30 June 2015</u>				
Quoted market price (level 1)	-	-	77,960	77,960
Valuation techniques - market observable inputs (level 2)	25,632	43,455	64,340	133,427
	<u>25,632</u>	<u>43,455</u>	<u>142,300</u>	<u>211,387</u>
<u>31 December 2014</u>				
Quoted market price (level 1)	-	-	227,413	227,413
Valuation techniques - market observable inputs (level 2)	24,802	37,221	88,039	150,062
	<u>24,802</u>	<u>37,221</u>	<u>315,452</u>	<u>377,475</u>
(iv) <u>Company</u>				
<u>30 June 2015</u>				
Quoted market price (level 1)	-	-	80,366	80,366
Valuation techniques - market observable inputs (level 2)	40,596	159,599	8,702	208,897
	<u>40,596</u>	<u>159,599</u>	<u>89,068</u>	<u>289,263</u>
<u>31 December 2014</u>				
Quoted market price (level 1)	-	-	221,582	221,582
Valuation techniques - market observable inputs (level 2)	39,613	87,990	9,487	137,090
	<u>39,613</u>	<u>87,990</u>	<u>231,069</u>	<u>358,672</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.

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)**

**12 INVESTMENTS (CONTINUED)**

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 are considered as level 2 valuation basis.

Level 3 valuation basis refers to non-market observable inputs, i.e. 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.

**13 RETAKAFUL ASSETS**

	<u>30.06.2015</u> RM'000	<u>31.12.2014</u> RM'000
(a) <u>General takaful fund</u>		
Retakaful of takaful contracts	<u>293,070</u>	<u>280,382</u>
(b) <u>Family takaful fund</u>		
Retakaful of takaful contracts	<u>17,464</u>	<u>14,535</u>
(c) <u>Company</u>		
Retakaful of takaful contracts	<u>310,534</u>	<u>294,917</u>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)**

**14 TAKAFUL CONTRACT LIABILITIES**

	30.06.2015			31.12.2014		
	<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	
Family takaful	474,695	(17,464)	457,231	455,467	(14,535)	440,932
General takaful	400,007	(293,070)	106,937	366,291	(280,382)	85,909
	<u>874,702</u>	<u>(310,534)</u>	<u>564,168</u>	<u>812,271</u>	<u>(294,917)</u>	<u>517,354</u>

(a) Family takaful

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

	30.06.2015			31.12.2014		
	<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	
Certificateholders' liabilities	82,689	(14,540)	68,149	77,406	(11,703)	65,703
Net asset value attributable to unitholders	370,984	-	370,984	359,158	-	359,158
	<u>453,673</u>	<u>(14,540)</u>	<u>439,133</u>	<u>436,564</u>	<u>(11,703)</u>	<u>424,861</u>
Unallocated surplus	1,886	-	1,886	4,330	-	4,330
Accumulated deficits of non-investment linked funds	(12,910)	-	(12,910)	(11,348)	-	(11,348)
Qardhul Hassan	12,910	-	12,910	11,348	-	11,348
Claims liabilities	18,503	(2,924)	15,579	14,638	(2,832)	11,806
Available-for-sale reserves	633	-	633	(65)	-	(65)
	<u>474,695</u>	<u>(17,464)</u>	<u>457,231</u>	<u>455,467</u>	<u>(14,535)</u>	<u>440,932</u>



## MAA TAKAFUL BERHAD

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## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

## 14 TAKAFUL CONTRACT LIABILITIES (CONTINUED)

(a) Family takaful (continued)

	<u>Gross</u> RM'000	<u>Retakaful</u> RM'000	<u>Net</u> RM'000
At 1 January 2015	455,467	(14,535)	440,932
Contribution received	130,661	(5,770)	124,891
Liabilities paid for death, maturities, surrender, benefit and claims	(86,194)	4,096	(82,098)
Experience variance on inforce Takaful certificates	(3,865)	(92)	(3,957)
Benefit and claims experience variation	18,397	(1,163)	17,234
Fees deducted	(38,571)	-	(38,571)
Qardhul Hassan	1,563	-	1,563
Surplus distributed to Takaful Operator	(3,461)	-	(3,461)
Movements in AFS fair value adjustment	698	-	698
At 30 June 2015	<u>474,695</u>	<u>(17,464)</u>	<u>457,231</u>
	<u>Gross</u> RM'000	<u>Retakaful</u> RM'000	<u>Net</u> RM'000
At 1 January 2014	362,592	(15,490)	347,102
Contribution received	367,560	(5,754)	361,806
Liabilities paid for death, maturities, surrender, benefit and claims	(192,031)	5,391	(186,640)
Movement in claims liabilities	(9,967)	990	(8,977)
Experience variance on inforce Takaful certificates	(506)	(52)	(558)
Reserve on new policies	2,302	(585)	1,717
Miscellaneous	7,104	965	8,069
Fees deducted	(81,806)	-	(81,806)
Qardhul Hassan	11,348	-	11,348
Surplus distributed to Takaful Operator	(11,000)	-	(11,000)
Movements in AFS fair value adjustment	(129)	-	(129)
At 31 December 2014	<u>455,467</u>	<u>(14,535)</u>	<u>440,932</u>

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

**14 TAKAFUL CONTRACT LIABILITIES (CONTINUED)**

(b) General takaful

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

	30.06.2015			31.12.2014		
	<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
Provision for claims	173,558	(137,284)	32,992	151,965	(125,385)	26,580
Provision for incurred but not reported claims ("IBNR")	70,343	(52,286)	20,858	71,456	(55,278)	16,178
Provision for adverse deviation	26,177	(21,702)	4,957	23,818	(20,050)	3,768
Claim liabilities (i)	270,078	(211,272)	58,807	247,239	(200,713)	46,526
Unearned contribution reserves (ii)	125,469	(81,798)	43,671	119,279	(79,669)	39,610
Available-for-sale reserves (iii)	255	-	255	(227)	-	(227)
Unallocated surplus	4,205	-	8,410	-	-	-
	<u>400,007</u>	<u>(293,070)</u>	<u>111,143</u>	<u>366,291</u>	<u>(280,382)</u>	<u>85,909</u>

(i) Claims liabilities

At 1 January	247,239	(200,713)	46,526	160,036	(127,497)	32,539
Claims incurred in the current accident year	91,359	(60,973)	30,386	180,401	(142,510)	37,891
Other movements in claims incurred in prior accident years	(22,594)	17,485	(5,109)	(14,624)	11,052	(3,572)
Claims paid during the financial year	(48,285)	34,581	(13,704)	(86,131)	64,922	(21,209)
Movements in provision for adverse deviation	2,359	(1,652)	707	7,557	(6,680)	877
At 31 December	<u>270,078</u>	<u>(211,272)</u>	<u>58,806</u>	<u>247,239</u>	<u>(200,713)</u>	<u>46,526</u>

(ii) Unearned contribution reserves

At 1 January	119,279	(79,669)	39,610	94,104	(72,865)	21,239
Contribution written in the financial year	145,734	(92,789)	52,945	311,985	(255,886)	86,099
Contribution earned during the financial year	(139,544)	90,660	(48,884)	(286,810)	219,082	(67,728)
At 31 December	<u>125,469</u>	<u>(81,798)</u>	<u>43,671</u>	<u>119,279</u>	<u>(79,669)</u>	<u>39,610</u>

## MAA TAKAFUL BERHAD

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## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

## 14 TAKAFUL CONTRACT LIABILITIES (CONTINUED)

## (b) General takaful (continued)

(iii) Available-for-sale reserves

	<u>30.06.2015</u> RM'000	<u>31.12.2014</u> RM'000
At 1 January	(227)	(140)
Fair value movements arising from AFS investments	482	(135)
Derecognition upon disposal of AFS investment	(30)	48
	<u>255</u>	<u>(227)</u>

## 15 TOTAL CAPITAL AVAILABLE

The capital structure of the Company as at 30 June 2015, as prescribed under the RBC Framework, is shown below:

	<u>30.06.2015</u> RM'000	<u>31.12.2014</u> RM'000
<u>Tier 1 Capital</u>		
Paid-up share capital	100,000	100,000
Reserves, including retained earnings	20,823	20,211
	<u>120,823</u>	<u>120,211</u>
<u>Tier 2 Capital</u>		
Available-for-sale reserve	1,369	(480)
Less:		
Deferred tax assests	(3,107)	(3,218)
Total Capital Available	<u>119,085</u>	<u>116,513</u>

Company No.

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## MAA TAKAFUL BERHAD

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### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

#### 16 CAPITAL AND OTHER COMMITMENTS

Capital expenditure and other commitments not provided for in the financial statements are as follows:

	<u>30.06.2015</u>	<u>31.12.2014</u>
	RM'000	RM'000
Authorised and contracted for:		
- Office rental	6,457	7,017
- Office renovation	301	298

## MAA TAKAFUL BERHAD

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## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

## 17 CASH FLOW

	<u>30.06.2015</u> RM'000	<u>30.06.2014</u> RM'000
Net profit for the financial year	750	(4,512)
Adjustment for:		
Investment income	(10,613)	(9,994)
Realised gains and losses	(6,682)	(10,081)
Fair value gains and losses	(6,038)	(4,620)
Purchases of FVTPL investments	(343,004)	(91,546)
Proceeds from sale of FVTPL investments	316,481	59,679
Purchases of AFS investments	(30,567)	(18,378)
Proceeds from sale and maturity of AFS	18,125	16,471
Non-cash items:		
Depreciation of property, plant and equipment	1,264	1,226
Loss on disposal of property, plant and equipment	67	1
Amortisation of intangible assets	635	594
Allowance for impairment	1,885	1,519
Tax expense attributable to Takaful Operator	1,579	943
Tax expense attributable to participants	4,082	2,986
Changes in working capital:		
Increase in LAR	14,495	(41,939)
Increase in retakaful assets	(15,616)	(41,067)
(Increase)/decrease in Takaful receivables	7,385	(16,084)
Decrease in other receivables	(10,641)	(10,277)
Increase in Takaful contract liabilities	47,624	140,308
Increase in Takaful payables	(4,474)	21,387
Increase in other payable	(465)	17,305
Cash generated (utilized in)/from operating activities	<u>(13,728)</u>	<u>13,921</u>