

Company No.

689263	M
--------	---

CIMB AVIVA TAKAFUL BERHAD

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 30 JUNE 2012

Company No.

689263

M

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

CONTENTS	PAGE
Unaudited statement of financial position	1
Unaudited statement of comprehensive income	2 - 3
Unaudited statement of changes in equity	4
Unaudited statement of cash flows	5 - 6
Notes to the financial statements	7 - 23

Company No.

197499	U
--------	---

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

	<u>Note</u>	<u>30.6.2012</u> RM'000	<u>31.12.2011</u> RM'000 Restated	<u>1.1.2011</u> RM'000 Restated
ASSETS				
Property and equipment		230	107	987
Intangible assets		2,600	3,653	4,861
Available-for-sale financial assets	13	283,173	235,682	168,766
Fair value through profit or loss financial assets	13	182,912	187,341	244,111
Loans and receivables		218,266	247,611	151,304
Takaful receivables		8,762	6,147	12,168
Retakaful assets	14	25,224	88,113	106,007
Other receivables		9,556	9,430	9,168
Deferred tax assets		343	187	8,542
Current tax assets		-	-	493
Cash and bank balances		16,133	37,265	78,382
TOTAL ASSETS		<u>747,199</u>	<u>815,536</u>	<u>784,789</u>
EQUITY AND LIABILITIES				
Share capital		100,010	100,010	100,003
Share premium		99,990	99,990	32,997
Available-for-sale reserve		876	623	694
Accumulated losses		(55,827)	(64,030)	(74,831)
Total equity		<u>145,049</u>	<u>136,593</u>	<u>58,863</u>
LIABILITIES				
Takaful contract liabilities	15	557,318	600,395	648,061
Takaful payables		13,807	14,456	10,072
Other payables		24,826	59,746	64,015
Other financial liabilities		3,558	3,558	3,778
Current tax liabilities		2,641	788	-
Total liabilities		<u>602,150</u>	<u>678,943</u>	<u>725,926</u>
TOTAL EQUITY AND LIABILITIES		<u>747,199</u>	<u>815,536</u>	<u>784,789</u>

The accompanying notes are an integral part of these financial statements.

Company No.

197499	U
--------	---

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2012**

	6 months ended <u>30.6.2012</u> RM'000	6 months ended <u>30.6.2011</u> RM'000 Restated
Operating revenue	77,579	72,201
Gross earned contribution	68,507	64,231
Contribution ceded to retakaful operators	(8,957)	(8,733)
Net earned contribution	59,550	55,498
Investment income	9,072	7,970
Realised gains/(losses)	426	(129)
Net fair value (losses)/gains	(100)	4,760
Other operating income	10,646	847
Total income	79,594	68,946
Gross claims paid	(22,148)	(30,246)
Claims ceded to retakaful operators	4,728	5,744
Gross change to contract liabilities	47,379	1,015
Change in contract liabilities ceded to retakaful operators	(62,813)	(12,506)
Net claims	(32,854)	(35,993)
Commission expenses	(8,622)	(7,009)
Management expenses	(22,675)	(16,476)
Other operating expenses	(5,065)	(2,857)
Total expenses	(36,362)	(26,342)
Profit/surplus before taxation	10,378	6,611
Taxation	(2,175)	-
Net profit/surplus after taxation for the financial period	8,203	6,611

Company No.

197499	U
--------	---

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2012 (CONTINUED)

	6 months ended <u>30.6.2012</u> RM'000	6 months ended <u>30.6.2011</u> RM'000 Restated
<u>Other comprehensive income for the financial period</u>		
Fair value change on available-for-sale financial assets:		
- Gross fair value change	253	-
- Deferred taxation	-	-
- Net fair value change	253	-
Total comprehensive income for the financial period	<u>8,456</u>	<u>6,611</u>
Basic earnings per share (sen)	<u>8.46</u>	<u>6.61</u>

The accompanying notes are an integral part of these financial statements.

Company No.

197499

U

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2012**

	<u>Non-distributable</u>				
	<u>Share capital</u>	<u>Share premium</u>	<u>Available- for-sale reserve</u>	<u>Accumu- lated losses</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2011					
- As previously reported	100,003	32,997	694	(69,215)	64,479
Change in accounting policy (Note 3)	-	-	-	(5,616)	(5,616)
At 1 January 2011					
- As restated	100,003	32,997	694	(74,831)	58,863
Issuance of shares during the financial period	7	66,993	-	-	67,000
Total comprehensive income for the financial period	-	-	-	6,611	6,611
At 30 June 2011					
- As restated	<u>100,010</u>	<u>99,990</u>	<u>694</u>	<u>(68,220)</u>	<u>132,474</u>
At 1 January 2012					
- As previously reported	100,010	99,990	623	(56,912)	143,711
Change in accounting policy (Note 3)	-	-	-	(7,118)	(7,118)
At 1 January 2012					
- As restated	100,010	99,990	623	(64,030)	136,593
Total comprehensive income for the financial period	-	-	253	8,203	8,456
At 30 June 2012	<u>100,010</u>	<u>99,990</u>	<u>876</u>	<u>(55,827)</u>	<u>145,049</u>

The accompanying notes are an integral part of these financial statements.

Company No.

197499	U
--------	---

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2012**

	6 months ended <u>30.6.2012</u> RM'000	6 months ended <u>30.6.2011</u> RM'000 Restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit after taxation for the financial period	8,203	6,611
Adjustments for:		
Depreciation of property and equipment	28	64
Amortisation of intangible assets	1,053	1,098
Amortisation/(accretion) of discounts	1,039	(105)
Gain on disposal of property and equipment	-	(63)
Gain on disposal of financial assets	(462)	(659)
Profit income	(9,857)	(5,331)
Dividend income	(214)	(246)
Net fair value gains	(2,985)	(4,764)
Writeback of provision for expense liability	-	1,272
Writeback of for doubtful debts on Takaful receivables	(8,365)	(649)
Increase/(decrease) in General Takaful contract liabilities	8,983	(22,035)
(Decrease)/increase in Family Takaful contract liabilities	(54,574)	28,995
Taxation expense for General Takaful fund	1,360	-
Taxation expense for Family Takaful fund	766	330
Taxation	2,175	-
	<hr/>	<hr/>
Loss from operations before changes in operating assets and liabilities	(52,850)	4,518
Proceeds from disposal and maturity of investments	12,786	26,019
Purchase of investments	(49,430)	(38,197)
Decrease/(increase) in other receivables	5	(3,296)
Decrease/(increase) in Takaful receivables	5,750	(18,755)
Decrease/(increase) in loans and receivables	28,135	(122,448)
Decrease in retakaful assets	62,889	12,273
(Decrease)/increase in other payables	(34,920)	36,039
(Decrease)/increase in Takaful payables	(649)	69
	<hr/>	<hr/>
	(28,284)	(103,778)
Income tax paid net of refund	(2,557)	(3)
Profit income received	9,680	5,399
Dividend income received	180	258
	<hr/>	<hr/>
Net cash used in operating activities	(20,981)	(98,124)
	<hr/>	<hr/>

Company No.

197499

U

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2012 (CONTINUED)

	6 months ended <u>30.6.2012</u> RM'000	6 months ended <u>30.6.2011</u> RM'000 Restated
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(151)	(356)
Proceeds from disposal of property and equipment	-	63
	<u> </u>	<u> </u>
Net cash used in investing activities	(151)	(293)
	<u> </u>	<u> </u>
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of preference shares	-	67,000
	<u> </u>	<u> </u>
Net cash generated from financing activities	-	67,000
	<u> </u>	<u> </u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(21,132)	(31,417)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	37,265	78,382
	<u> </u>	<u> </u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	16,133	46,965
	<u> </u>	<u> </u>
Cash and cash equivalents comprise:		
Cash and bank balances	16,133	46,965
	<u> </u>	<u> </u>

The Company classifies cash flows from the acquisition and disposal of financial assets as operating cash flows, as the purchases are funded from cash flows associated with the origination of Takaful contracts, net of cash flows for payments of benefits and claims incurred for Takaful contracts, which are respectively treated under the operating activities.

The accompanying notes are an integral part of these financial statements.

Company No.

197499

U

CIMB AVIVA TAKAFUL BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2012

1 CORPORATE INFORMATION

The Company is engaged principally in the underwriting of Family Takaful including investment-linked business and General Takaful business. There have been no significant changes in the nature of these activities during the financial period.

The Company is a public limited liability company, incorporated and domiciled in Malaysia.

The registered office and the principal place of business of the Company is located at 11th Floor, No 338, Jalan Tuanku Abdul Rahman, 50100 Kuala Lumpur, Malaysia.

2 BASIS OF PREPARATION

The unaudited interim financial statements of the Company have been prepared in accordance with the MFRS 134, "Interim Financial Reporting" which do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's audited financial statements for the financial year ended 31 December 2011.

The Company has adopted the Malaysian Financial Reporting Standards ("MFRS"), the Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards in Malaysia for Entities Other than Private Entities and Revised Guidelines on Financial Reporting for Takaful Operators issued by Bank Negara Malaysia ("BNM") with effect from 1 July 2011. This interim financial statements are the Company's first MFRS compliant report and hence, MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards has been applied. The transition from Financial Reporting Standards ("FRS") framework to MFRS framework and the adoption of the revised guidelines issued by BNM does not have any significant financial impact to the financial statements of the Company, other than as described in Note 3 below.

The preparation of interim financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgment in the process of applying the Company's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ.

3 CHANGES IN ACCOUNTING POLICIES

As all FRSs issued under FRS framework were equivalent to the MFRSs issued under MFRS framework, the accounting policies and presentation adopted by the Company in the interim financial statements are consistent with those adopted in the Company's audited financial statements for the financial year ended 31 December 2011, except for the following:

<u>MFRSs/Interpretations</u>	<u>Effective Date</u>
MFRS 1 "First-time Adoption of Malaysian Financial Reporting Standards"	1 January 2012
MFRS 7 "Financial Instruments: Disclosures"	1 January 2012
MFRS 112 "Income Taxes"	1 January 2012
MFRS 124 "Related Party Disclosures"	1 January 2012

The adoption of the revised standards, amendments and interpretations issued by MASB which are effective in the current year do not have any material impact to the financial statements of the Company, other than as discussed below:

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2012 (CONTINUED)

3 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

With the issuance of the revised Guidelines on Financial Reporting for Takaful Operators with effect from 1 July 2011, GPT 6 on the Guidelines on Financial Statements for Takaful Operators has been subsequently withdrawn. As a result, presentation of the financial statements of the Company have been changed in order to be in compliance with MFRS by presenting the consolidated financial statements on the face of statement of financial position and statement of comprehensive income and to present separate financial statements of Takaful Operators and its funds in the notes to the financial statements.

Accordingly, the Company has changed its accounting policy on its recognition of Qardhul Hasan to income statement and has been accounted for retrospectively. The impact of the change in accounting policy is disclosed as follows:

	As previously <u>reported</u> RM'000	<u>Adjustments</u> RM'000	<u>As restated</u> RM'000
Statement of financial position			
<u>As at 1 January 2011</u>			
<u>Assets</u>			
Other receivables	95,688	(86,520)	9,168
<u>Equity</u>			
Accumulated losses	(69,215)	(5,616)	(74,831)
<u>As at 31 December 2011</u>			
<u>Assets</u>			
Other receivables	95,611	(86,181)	9,430
<u>Equity</u>			
Accumulated losses	(56,912)	(7,118)	(64,030)
Statement of comprehensive income			
<u>For half-year ended 30 June 2011</u>			
Total comprehensive income	6,240	371	6,611
Comprise of the following restatements:			
- Other operating income	8,208	371	8,579

4 SEASONALITY OF OPERATIONS

The business operations of the Company were not materially affected by any seasonal or cyclical fluctuations during the current interim period ended 30 June 2012.

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2012 (CONTINUED)

5 CHANGES IN ESTIMATES

There was no change in estimates of amounts reported in prior interim period or financial year that has a material effect in the current interim period ended 30 June 2012.

6 UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There was no item affecting assets, liabilities, equity, net income or cash flows which are unusual because of their nature, size or incidence in the current interim period ended 30 June 2012.

7 ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

There was no issues, repurchases and repayments of debt and equity securities during the current interim period ended 30 June 2012.

8 DIVIDENDS PAID

No dividends has been paid or declared by the Company since the end of the previous financial year.

9 COMMITMENTS AND CONTINGENCIES

There was no commitments and contingencies arisen during the current interim period ended 30 June 2012.

10 SIGNIFICANT EVENTS AND TRANSACTIONS

During the current interim period ended 30 June 2012, a settlement of inter-company balances amounted to RM39,522,310 was made between the Company and its related company, CIMB Aviva Assurance Berhad.

11 SUBSEQUENT EVENTS

There was no material events after the interim period that have not been reflected in the financial statements for the interim period.

12 EFFECT OF CHANGES IN THE COMPOSITION OF THE COMPANY

There was no changes in the composition of the Company during the current interim period ended 30 June 2012.

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2012 (CONTINUED)

13 FINANCIAL ASSETS

	<u>30.6.2012</u> RM'000	<u>31.12.2011</u> RM'000
Government Investment Issues	241,554	208,552
Islamic bonds	35,245	22,222
Equity securities	13,113	16,314
Investments in investment-linked funds	7,083	6,830
Structured investments	165,646	167,048
Accrued interest	3,444	2,057
	<u>466,085</u>	<u>423,023</u>

The Company's financial assets are summarised as follows:

	<u>Note</u>	<u>30.6.2012</u> RM'000	<u>31.12.2011</u> RM'000
AFS	(a)	283,173	235,682
FVTPL – designated upon initial recognition	(b)	182,912	187,341
		<u>466,085</u>	<u>423,023</u>

The following financial assets mature after 12 months:

AFS	273,850	221,783
FVTPL – designated upon initial recognition	44,965	39,026
	<u>318,815</u>	<u>260,809</u>

(a) AFS

Government Investment Issues	241,554	208,552
Islamic bonds	31,122	18,255
Investments in investment-linked funds	7,083	6,830
Accrued interest	3,414	2,045
	<u>283,173</u>	<u>235,682</u>

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2012 (CONTINUED)

13 FINANCIAL ASSETS (CONTINUED)

(b) FVTPL – Designated upon initial recognition

	<u>30.6.2012</u> RM'000	<u>31.12.2011</u> RM'000
Islamic bonds	4,123	3,967
Equity securities	13,114	16,314
Structured investments	165,645	167,048
Accrued interest	30	12
	<u>182,912</u>	<u>187,341</u>

(c) Carrying values of financial assets

	<u>Available-for-sale</u> RM'000	<u>Designated</u> RM'000	<u>Total</u> RM'000
At 1 January 2011	168,766	244,111	412,877
Purchases	78,127	3,435	81,562
Maturities	-	(47,022)	(47,022)
Disposals	(16,618)	(19,268)	(35,886)
Fair value gains/(losses) recorded in:			
Profit or loss	-	6,059	6,059
Other comprehensive income	(95)	-	(95)
Takaful contract liabilities	4,382	-	4,382
Movement in accrued interest	943	-	943
Accretion adjustments	177	26	203
At 31 December 2011/ 1 January 2012	<u>235,682</u>	<u>187,341</u>	<u>423,023</u>
Purchases	48,266	1,164	49,430
Disposals	(3,940)	(7,959)	(11,899)
Fair value gains/(losses) recorded in:			
Profit or loss	-	2,416	2,416
Other comprehensive income	253	-	253
Takaful contract liabilities	2,514	-	2,514
Movement in accrued interest	1,369	18	1,387
Amortisation adjustments	(971)	(68)	(1,039)
At 30 June 2012	<u>283,173</u>	<u>182,912</u>	<u>466,085</u>

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2012 (CONTINUED)

13 **FINANCIAL ASSETS (CONTINUED)**

(d) Fair values hierarchy

The Company categorises its fair value measurements according to a three-level hierarchy. The hierarchy prioritises the inputs used by the Company's valuation techniques for determining the fair value of the financial instruments.

A level is assigned to each fair value measurement based on the lowest level input significant to the fair value measurement in its entirety. The three-level hierarchy is defined as follows:

Level 1 – Fair value measurements that reflect unadjusted, quoted prices in active markets for identical assets and liabilities that the Company has the ability to access at the measurement date. Valuations are based on quoted prices reflecting market transactions involving assets or liabilities identical to those being measured.

Level 2 – Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in inactive markets, inputs that are observable that are not prices (such as interest rates, credit risks, etc) and inputs that are derived from or corroborated by observable market data.

Level 3 – Fair value measurements using significant non-market observable inputs. These include valuations for assets and liabilities that are derived using data, some or all of which is not market observable, including assumptions about risk.

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2012 (CONTINUED)

13 FINANCIAL ASSETS (CONTINUED)

(d) Fair values hierarchy (continued)

The following table presents the Company's financial assets that are carried at fair value as at 30 June 2012.

	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
<u>30.6.2012</u>				
<u>AFS</u>				
Government Investment Issues	-	241,554	-	241,554
Islamic bonds	-	31,122	-	31,122
Investments in investment-linked fund	7,083	-	-	7,083
Accrued interest	-	3,414	-	3,414
	<u>7,083</u>	<u>276,090</u>	<u>-</u>	<u>283,173</u>
<u>FVTPL – designated upon initial recognition</u>				
Equity securities	13,114	-	-	13,114
Islamic bonds	-	4,123	-	4,123
Structured investments	-	165,645	-	165,645
Accrued interest	-	30	-	30
	<u>13,114</u>	<u>169,798</u>	<u>-</u>	<u>182,912</u>

Company No.

689263	M
--------	---

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2012 (CONTINUED)

13 FINANCIAL ASSETS (CONTINUED)

(d) Fair values hierarchy (continued)

	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
<u>31.12.2011</u>				
<u>AFS</u>				
Government Investment Issues	-	208,552	-	208,552
Islamic bonds	-	18,255	-	18,255
Investments in investment-linked fund	6,830	-	-	6,830
Accrued interest	-	2,045	-	2,045
	<u>6,830</u>	<u>228,852</u>	<u>-</u>	<u>235,682</u>
<u>FVTPL – designated upon initial recognition</u>				
Equity securities	16,314	-	-	16,314
Islamic bonds	-	3,967	-	3,967
Structured investments	-	167,048	-	167,048
Accrued interest	-	12	-	12
	<u>16,314</u>	<u>171,027</u>	<u>-</u>	<u>187,341</u>

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2012 (CONTINUED)

14 RETAKAFUL ASSETS

	<u>30.6.2012</u> RM'000	<u>31.12.2011</u> RM'000
Retakaful of Takaful contracts	25,224	88,113

15 TAKAFUL CONTRACT LIABILITIES

		<u>30.6.2012</u>			<u>31.12.2011</u>		
	<u>Note</u>	<u>Gross</u> RM'000	<u>Re-</u> <u>takaful</u> RM'000	<u>Net</u> RM'000	<u>Gross</u> RM'000	<u>Re-</u> <u>takaful</u> RM'000	<u>Net</u> RM'000
Family Takaful	15(a)	482,420	(4,481)	477,939	534,076	(74,612)	459,464
General Takaful	15(b)	74,898	(20,743)	54,155	66,319	(13,501)	52,818
		<u>557,318</u>	<u>(25,224)</u>	<u>532,094</u>	<u>600,395</u>	<u>(88,113)</u>	<u>512,282</u>

(a) Family Takaful contract liabilities

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

	<u>30.6.2012</u>			<u>31.12.2011</u>		
	<u>Gross</u> RM'000	<u>Re-</u> <u>takaful</u> RM'000	<u>Net</u> RM'000	<u>Gross</u> RM'000	<u>Re-</u> <u>takaful</u> RM'000	<u>Net</u> RM'000
Certificateholders' liabilities	286,956	(815)	286,141	337,802	(73,267)	264,535
Net asset value attributable to certificateholders	182,451	-	182,451	188,754	-	188,754
Actuarial liabilities (i)	469,407	(815)	468,592	526,556	(73,267)	453,289
Claims liabilities	4,760	(3,666)	1,094	2,254	(1,345)	909
Unallocated surplus (ii)	117	-	117	48	-	48
Available-for-sale reserve (iii)	8,136	-	8,136	5,218	-	5,218
	<u>482,420</u>	<u>(4,481)</u>	<u>477,939</u>	<u>534,076</u>	<u>(74,612)</u>	<u>459,464</u>

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2012 (CONTINUED)

15 TAKAFUL CONTRACT LIABILITIES (CONTINUED)

(a) Family Takaful contract liabilities (continued)

The Family Takaful contract liabilities and its movements are further analysed as follows:
(continued)

(i) Actuarial liabilities	<u>Gross</u> RM'000	<u>Re- takaful</u> RM'000	<u>Net</u> RM'000
<u>30.6.2012</u>			
At 1 January 2012	526,556	(73,267)	453,289
<u>Projected changes of inforce policies</u>			
Contribution income	9,284	(4,258)	5,026
Benefits	(11,214)	5,500	(5,714)
Investment returns	3,428	(408)	3,020
Others	(7,170)	(1,213)	(8,383)
Experience variance on inforce policies	(581)	2,801	2,220
Reserve on new policies	26,030	(221)	25,809
Miscellaneous	(70,623)	70,251	(372)
Movement in net asset value attributable to certificateholders	(6,303)	-	(6,303)
At 30 June 2012	<u>469,407</u>	<u>(815)</u>	<u>468,592</u>
<u>31.12.2011</u>			
At 1 January 2011	551,109	(71,539)	479,570
<u>Projected changes of inforce policies</u>			
Contribution income	865	(6,405)	(5,540)
Benefits	(22,969)	13,779	(9,190)
Investment returns	11,079	(2,862)	8,217
Others	(21,156)	4,991	(16,165)
Experience variance on inforce policies	831	-	831
Reserve on new policies	66,227	(11,231)	54,996
Miscellaneous	1,564	-	1,564
Movement in net asset value attributable to certificateholders	(60,994)	-	(60,994)
At 31 December 2011	<u>526,556</u>	<u>(73,267)</u>	<u>453,289</u>

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2012 (CONTINUED)

15 TAKAFUL CONTRACT LIABILITIES (CONTINUED)

(a) Family Takaful contract liabilities (continued)

The Family Takaful contract liabilities and its movements are further analysed as follows:
(continued)

	<u>30.6.2012</u> RM'000	<u>31.12.2011</u> RM'000
(ii) Unallocated surplus		
At 1 January	48	161
<u>Movement during the financial period/year:</u>		
Surplus arising during the financial period/year	5,341	5,958
Decrease in Qardhul Hasan	(5,272)	(6,071)
Net movement	69	(113)
At 30 June/31 December	<u>117</u>	<u>48</u>
	<u>30.6.2012</u> RM'000	<u>31.12.2011</u> RM'000
(iii) Available-for-sale reserve		
At 1 January	5,218	2,179
<u>Movement during the financial period/year:</u>		
- Gross fair value change	2,918	3,303
- Deferred taxation	-	(264)
- Net fair value change	2,918	3,039
At 30 June/31 December	<u>8,136</u>	<u>5,218</u>

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2012 (CONTINUED)

15 TAKAFUL CONTRACT LIABILITIES (CONTINUED)

(b) General Takaful contract liabilities

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

	30.6.2012			31.12.2011		
	Gross RM'000	Re- takaful RM'000	Net RM'000	Gross RM'000	Re- takaful RM'000	Net RM'000
Provision for claims reported by certificateholders	7,321	(1,664)	5,657	8,653	(1,772)	6,881
Provision for IBNR	59,365	(17,394)	41,971	50,838	(9,968)	40,870
Provision for outstanding claims (i)	66,686	(19,058)	47,628	59,491	(11,740)	47,751
Unearned contribution reserve (ii)	8,064	(1,685)	6,379	6,276	(1,761)	4,515
Available-for-sale reserve (iii)						
- gross	332	-	332	736	-	736
- deferred tax	(184)	-	(184)	(184)	-	(184)
	148	-	148	552	-	552
Surplus arising during the financial period/year	9,363	-	9,363	8,579	-	8,579
Decrease in Qardhul Hasan	(9,363)	-	(9,363)	(8,579)	-	(8,579)
	<u>74,898</u>	<u>(20,743)</u>	<u>54,155</u>	<u>66,319</u>	<u>(13,501)</u>	<u>52,818</u>

(i) Provision for outstanding claims

At 1 January	59,491	(11,740)	47,751	88,393	(31,965)	56,428
Claims incurred in the current accident year	7,843	(5,324)	2,519	9,012	(4,740)	4,272
Other movements in claims incurred in prior accident years	2,872	(3,526)	(654)	(23,551)	21,404	(2,147)
Claims paid during the financial period/year	(3,520)	1,532	(1,988)	(14,363)	3,561	(10,802)
At 30 June/ 31 December	<u>66,686</u>	<u>(19,058)</u>	<u>47,628</u>	<u>59,491</u>	<u>(11,740)</u>	<u>47,751</u>

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2012 (CONTINUED)

15 TAKAFUL CONTRACT LIABILITIES (CONTINUED)

(b) General Takaful contract liabilities (continued)

The General Takaful contract liabilities and its movements are further analysed as follows:
(continued)

	<u>30.6.2012</u>			<u>31.12.2011</u>		
	<u>Gross</u> RM'000	<u>Re-</u> <u>takaful</u> RM'000	<u>Net</u> RM'000	<u>Gross</u> RM'000	<u>Re-</u> <u>takaful</u> RM'000	<u>Net</u> RM'000
(ii) Unearned contribution reserve						
At 1 January	6,276	(1,761)	4,515	4,127	(1,669)	2,458
Contribution written in the financial period/year	17,519	(2,976)	14,543	28,181	(5,358)	22,823
Contribution earned during the financial period/year	(15,731)	3,052	(12,679)	(26,032)	5,266	(20,766)
At 30 June/ 31 December	<u>8,064</u>	<u>(1,685)</u>	<u>6,379</u>	<u>6,276</u>	<u>(1,761)</u>	<u>4,515</u>
				<u>30.6.2012</u> RM'000		<u>31.12.2011</u> RM'000
(iii) Available-for-sale reserve						
At 1 January				552		(257)
<u>Movement during the financial period/year:</u>						
- Gross fair value change				(404)		1,079
- Deferred taxation				-		(270)
- Net fair value change				(404)		809
At 30 June/31 December				<u>148</u>		<u>552</u>

Company No.

689263	M
--------	---

CIMB AVIVA TAKAFUL BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2012 (CONTINUED)

16 TAKAFUL FUNDS

The Company's activities are organised by funds and segregated into Shareholders', General and Family funds in accordance with the Takaful Act, 1984 and Insurance Regulations, 1996.

The Company's statement of financial position and statement of comprehensive income have been further analysed by funds which are as follows:

Unaudited Statement of Financial Position by Funds as at 30 June 2012

	<u>Shareholders' Fund</u>		<u>General Takaful Fund</u>		<u>Family Takaful Fund</u>		<u>Elimination</u>		<u>Total</u>	
	<u>30.6.2012</u>	<u>31.12.2011</u>	<u>30.6.2012</u>	<u>31.12.2011</u>	<u>30.6.2012</u>	<u>31.12.2011</u>	<u>30.6.2012</u>	<u>31.12.2011</u>	<u>30.6.2012</u>	<u>31.12.2011</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
							Restated		Restated	
<u>Assets</u>										
Property and equipment	230	107	-	-	-	-	-	-	230	107
Intangible assets	2,600	3,653	-	-	-	-	-	-	2,600	3,653
Available-for-sale financial assets	7,083	6,830	20,182	22,760	255,908	206,092	-	-	283,173	235,682
Fair value through profit or loss financial assets	-	-	-	-	182,912	187,341	-	-	182,912	187,341
Loans and receivables	100,503	123,000	30,002	35,285	87,761	89,326	-	-	218,266	247,611
Qardhul Hasan receivables	19,553	34,188	-	-	-	-	(19,553)	(34,188)	-	-
Takaful receivables	-	-	5,418	4,218	3,344	1,929	-	-	8,762	6,147
Retakaful assets	-	-	20,743	13,501	4,481	74,612	-	-	25,224	88,113
Other receivables	50,132	39,162	10,435	5,738	10,227	16,523	(61,238)	(51,993)	9,556	9,430
Deferred tax assets	(1,820)	(1,874)	3,879	3,794	(1,716)	(1,733)	-	-	343	187
Cash and bank balances	2,711	3,450	3,902	1,827	9,520	31,988	-	-	16,133	37,265
Total assets	180,992	208,516	94,561	87,123	552,437	606,078	(80,791)	(86,181)	747,199	815,536

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2012 (CONTINUED)

16 TAKAFUL FUNDS (CONTINUED)

Unaudited Statement of Financial Position by Funds as at 30 June 2012 (continued)

	<u>Shareholders' Fund</u>		<u>General Takaful Fund</u>		<u>Family Takaful Fund</u>		<u>Elimination</u>		<u>Total</u>	
	<u>30.6.2012</u>	<u>31.12.2011</u>	<u>30.6.2012</u>	<u>31.12.2011</u>	<u>30.6.2012</u>	<u>31.12.2011</u>	<u>30.6.2012</u>	<u>31.12.2011</u>	<u>30.6.2012</u>	<u>31.12.2011</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
							Restated		Restated	
Share capital	100,010	100,010	-	-	-	-	-	-	100,010	100,010
Share premium	99,990	99,990	-	-	-	-	-	-	99,990	99,990
Available-for-sale reserve	876	623	-	-	-	-	-	-	876	623
Accumulated losses	(48,333)	(56,912)	(11,402)	(20,765)	(8,151)	(13,423)	12,059	27,070	(55,827)	(64,030)
Total equity	152,543	143,711	(11,402)	(20,765)	(8,151)	(13,423)	12,059	27,070	145,049	136,593
Liabilities										
Qardhul Hasan payables	-	-	11,402	20,765	8,151	13,423	(19,553)	(34,188)	-	-
Takaful contract liabilities	-	-	74,898	66,319	482,420	534,076	-	-	557,318	600,395
Takaful payables	-	-	10,264	9,858	3,543	4,598	-	-	13,807	14,456
Other payables	25,324	61,308	7,239	10,231	65,560	67,270	(73,297)	(79,063)	24,826	59,746
Other financial liabilities	3,558	3,558	-	-	-	-	-	-	3,558	3,558
Current tax liabilities	(433)	(61)	2,160	715	914	134	-	-	2,641	788
Total liabilities	28,449	64,805	105,963	107,888	560,588	619,501	(92,850)	(113,251)	602,150	678,943
Total equity and liabilities	180,992	208,516	94,561	87,123	552,437	606,078	(80,791)	(86,181)	747,199	815,536

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2012 (CONTINUED)

16 TAKAFUL FUNDS (CONTINUED)

Unaudited Income Statement/Revenue Accounts by Funds for the half-year ended 30 June 2012

	Shareholders' Fund		General Takaful Fund		Family Takaful Fund		Elimination		Total	
	<u>30.6.2012</u>	<u>30.6.2011</u>	<u>30.6.2012</u>	<u>30.6.2011</u>	<u>30.6.2012</u>	<u>30.6.2011</u>	<u>30.6.2012</u>	<u>30.6.2011</u>	<u>30.6.2012</u>	<u>30.6.2011</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
							Restated	Restated		Restated
Gross earned contribution	-	-	15,731	10,161	52,776	54,070	-	-	68,507	64,231
Contribution ceded to retakaful operators	-	-	(3,053)	(2,775)	(5,904)	(5,958)	-	-	(8,957)	(8,733)
Net earned contribution	-	-	12,678	7,386	46,872	48,112	-	-	59,550	55,498
Wakalah income	25,665	20,900	-	-	-	-	(25,665)	(20,900)	-	-
Investment income	1,883	1,594	958	2,099	6,231	4,277	-	-	9,072	7,970
Realised gains/(losses)	-	-	426	(209)	-	80	-	-	426	(129)
Net fair value (losses)/gains	-	-	-	-	(100)	4,760	-	-	(100)	4,760
Other operating income	15,196	7,517	6,966	649	3,495	42	(15,011)	(7,361)	10,646	847
Total income	42,744	30,011	21,028	9,925	56,498	57,271	(40,676)	(28,261)	79,594	68,946
Gross benefits and claims paid	-	-	(3,520)	(9,668)	(18,628)	(20,578)	-	-	(22,148)	(30,246)
Claims ceded to retakaful operators	-	-	1,532	2,344	3,196	3,400	-	-	4,728	5,744
Gross change to contract liabilities	-	-	(7,195)	22,943	54,574	(21,928)	-	-	47,379	1,015
Change in contract liabilities ceded to retakaful operators	-	-	7,318	(15,011)	(70,131)	2,505	-	-	(62,813)	(12,506)
Net benefits and claims	-	-	(1,865)	608	(30,989)	(36,601)	-	-	(32,854)	(35,993)

Company No.

689263 M

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2012 (CONTINUED)

16 TAKAFUL FUNDS (CONTINUED)

Unaudited Income Statement/Revenue Accounts by Funds for the half-year ended 30 June 2012 (continued)

	Shareholders' Fund		General Takaful Fund		Family Takaful Fund		Elimination		Total	
	<u>30.6.2012</u>	<u>30.6.2011</u>	<u>30.6.2012</u>	<u>30.6.2011</u>	<u>30.6.2012</u>	<u>30.6.2011</u>	<u>30.6.2012</u>	<u>30.6.2011</u>	<u>30.6.2012</u>	<u>30.6.2011</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
		Restated		Restated		Restated		Restated		Restated
Wakalah expenses	-	-	(8,195)	(4,689)	(17,470)	(16,211)	25,665	20,900	-	-
Commission (expenses)/income	(8,644)	(6,024)	19	(985)	3	-	-	-	(8,622)	(7,009)
Management expenses	(22,675)	(16,476)	-	-	-	-	-	-	(22,675)	(16,476)
Other operating expenses	(671)	(1,271)	(1,624)	(660)	(2,770)	(926)	-	-	(5,065)	(2,857)
Total expenses	(31,990)	(23,771)	(9,800)	(6,334)	(20,237)	(17,137)	25,665	20,900	(36,362)	(26,342)
Surplus attributable to participants/ takaful operators	-	-	-	-	-	-	-	-	-	-
Profit/surplus before taxation	10,754	6,240	9,363	4,199	5,272	3,533	(15,011)	(7,361)	10,378	6,611
Taxation	(2,175)	-	-	-	-	-	-	-	(2,175)	-
Net profit/surplus after taxation for the financial period	8,579	6,240	9,363	4,199	5,272	3,533	(15,011)	(7,361)	8,203	6,611