

Company No.

689263	M
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CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

ABRIDGED STATUTORY FINANCIAL STATEMENTS

31 DECEMBER 2008

Company No.

689263

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CIMB AVIVA TAKAFUL BERHAD
(Formerly known as Commerce Takaful Berhad)
(Incorporated in Malaysia)

CONTENTS	PAGE
DIRECTORS' REPORT	1 - 9
AUDITORS' REPORT	10 - 11
BALANCE SHEET	12
INCOME STATEMENT	13
GENERAL TAKAFUL FUND BALANCE SHEET	14
GENERAL TAKAFUL REVENUE ACCOUNT	15 - 16
FAMILY TAKAFUL FUND BALANCE SHEET	17
FAMILY TAKAFUL FUND REVENUE ACCOUNT	18
NOTES TO THE FINANCIAL STATEMENTS	19 - 29

Company No.

689263

M

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors are pleased to submit their report to the members together with the audited financial statements of the Company for the financial year ended 31 December 2008.

PRINCIPAL ACTIVITIES

The Company is engaged principally in the underwriting of Family Takaful and General Takaful business. There has been no significant change in the nature of these activities during the financial year.

FINANCIAL RESULTS

	RM
Net loss for the financial year	<u>(25,495,532)</u>

DIVIDENDS

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

The Directors do not recommend any dividend for the financial year ended 31 December 2008.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are disclosed in the financial statements.

PROVISION FOR OUTSTANDING CLAIMS

Before the income statement and balance sheet of the Company were made out, the Directors took reasonable steps to ascertain that there was adequate provision for incurred claims, including Incurred But Not Reported ("IBNR") claims.

Company No.

689263

M

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

BAD AND DOUBTFUL DEBTS

Before the income statement and balance sheet of the Company were made out, the Directors took reasonable steps to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the Directors are not aware of any circumstances which would render the amounts written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the income statement and balance sheet of the Company were made out, the Directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of the Company have been written down to an amount which they might be expected to realise.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Company misleading.

VALUATION METHODS

At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

- (a) any charge on the assets of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability in respect of the Company that has arisen since the end of the financial year.

No contingent or other liability of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company to meet its obligations as and when they fall due.

For the purpose of this paragraph, contingent or other liabilities do not include liabilities arising from contracts of takaful underwritten in the ordinary course of business of the Company.

Company No.

689263

M

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

CHANGE OF CIRCUMSTANCES

At the date of this report, the Directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Company, which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Company for the financial year were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

CORPORATE GOVERNANCE

The Company has complied with all the prescriptive requirements of, and adopts management practices that are consistent with the principles prescribed under BNM/RH/GL/004-1 on Guidelines on Directorship for Takaful Operators and the principles of Shariah.

Audit Committee ("AC")

The composition of the AC comprises a majority of Independent Directors of the Company and the attendance of the AC members at the meetings held during the financial year is indicated below:

Encik Mohd Yusof bin Hussian - Chairman	Independent Director (Attendance – 8/8)
Encik Izlan bin Izhab	Independent Director (Attendance – 7/8)
Datin Shahrizan Abdullah	Independent Director (Attendance – 4/5)
Encik Gavin William Dixon	Non-Independent Non-Executive Director (Attendance – 1/1)
Encik Peter Dixon Miller	Non-Independent Non-Executive Director (Attendance – 4/5)
Encik Allan Raymond Griffiths	Non-Independent Non-Executive Director (Attendance – 3/5)

Company No.

689263

M

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE (CONTINUED)

The duties and responsibilities of the AC are as follows:

Governance

- (i) To ensure that the Group Internal Audit Division is effective with regard to audit objectives, professionalism, capacity and competency of the auditors;
- (ii) To review the effectiveness of internal control, including the review and approval of the audit plan, audit charter and budget;
- (iii) To ensure that the reporting relationships of the internal auditors do not impede the exercise of independent judgement by the internal auditors;
- (iv) To review the scope of the internal audit procedures, which includes inter alia, the restriction to the conduct of audit and appropriateness of the risk assessment methodology;
- (v) To ensure that all findings and recommendations are resolved effectively and in a timely manner; and
- (vi) To review and approve the fees structure of the Group internal auditors.

External auditors

- (i) To be responsible for the appointment of the external auditors, having particular regard to the external auditor's objectivity, performance and independence;
- (ii) To review the provision of non-audit services by the external auditors;
- (iii) To review the external auditor's audit plan, findings and recommendations; and
- (iv) To meet annually with the external auditors without the presence of management.

Related party transactions and other matters

- (i) To review any related-party transactions and conflicts of interest situations; and
- (ii) To undertake any other functions as may be determined by the Board of Directors ("the Board") and reflected in its terms of reference.

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE (CONTINUED)

Nominating and Remuneration Committee (“NRC”)

The composition of the NRC comprises a majority of Independent Directors of the Company and the attendance of the NRC members at the meetings held during the financial year is indicated below:

Encik Izlan bin Izhab – Chairman	Independent Director (Attendance – 2/3)
Encik Mohd Yusof bin Hussian	Independent Director (Attendance – 3/3)
Dato' Mohd Shukri bin Hussin	Non-Independent Non-Executive Director (Attendance – 3/3)
Datin Shahrizan binti Abdullah	Independent Director (Attendance – 3/3)
Encik Allan Raymond Griffiths	Non-Independent Non-Executive Director (Attendance – 1/1)

The duties and responsibilities of the NRC are as follows:

- (i) To establish the minimum requirements for the Board and the Chief Executive Officer to perform their responsibilities effectively;
- (ii) To oversee the overall composition of the Board in terms of the appropriate size and skills, the balance between Executive Directors, Non-Executive and Independent Directors, and mix of skills and other core competencies required, through annual reviews;
- (iii) To assess and recommend the nominees for directorship, the Directors to fill Board Committees, as well as nominees for the position of Chief Executive Officer. This would include assessing Directors and the Chief Executive Officer proposed for re-appointment, before application for approval would be submitted to Bank Negara Malaysia;
- (iv) To establish a mechanism for formal assessment and assessing of the effectiveness of the Board as a whole, the contribution by each Director to the effectiveness of the Board, the contribution of the Board's various committees and the performance of the Chief Executive Officer;
- (v) To recommend to the Board on removal of a Director/Chief Executive Officer if he is ineffective, errant or negligent in discharging his responsibilities;
- (vi) To ensure that all Directors undergo appropriate induction programme and receive continuous training;
- (vii) To oversee appointments, management succession planning and performance evaluation of key senior officers and recommending to the Board the removal of key senior officers if they were ineffective, errant and negligent in discharging their responsibilities;

Company No.

689263

M

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE (CONTINUED)

Nominating and Remuneration Committee ("NRC") (continued)

- (viii) To recommend a framework of remuneration for Directors, Chief Executive Officer and key senior officers; and
- (ix) To recommend specific remuneration packages for Directors, Chief Executive Officer and key senior officers.

Risk Management Committee ("RMC")

The composition of the RMC comprises a majority of Independent Directors of the Company and the attendance of the RMC members at the meetings held during the financial year is indicated below:

Encik Izlan bin Izhab – Chairman	Independent Director (Attendance – 2/4)
Datin Shahrizan binti Abdullah	Independent Director (Attendance – 3/4)
Encik Mohd Yusof bin Hussian	Independent Director (Attendance – 4/4)
Encik Peter Dixon Miller	Non-Independent Non-Executive Director (Attendance – 3/4)
Encik Allan Raymond Griffiths	Non-Independent Non-Executive Director (Attendance – 2/3)

Risk Management Framework

The Company has in place a comprehensive risk management framework and methodology, which is currently being integrated across the Company. The framework which is adapted from Aviva Group Risk Management framework is designed to support the identification, assessment, monitoring and control of significant risks and translate the impact on both earnings and capital. A risk dashboard is integrated within the framework to provide an overview of the Company's overall risk exposure. The framework provides better understanding of the drivers of risk capital thereby resulting in more efficient capital allocation.

To deliver greater consistency and completeness in the analysis and management of the risk universe, and ensure exposures are reported in a coherent manner to form an aggregate risk profile, a set of Risk Management Policies has been adopted from Aviva Group Risk Management framework. These policies collectively outline the inherent risk, risk appetite and the minimum standards of control that businesses are expected to maintain to manage them.

The day-to-day responsibility for risk management and control is embedded into business lines and the management of each business lines is responsible to ensure that risk management process is functioning effectively. Risk Management functions as an independent party and is responsible for assessing and reporting the potential impact and probability of the significant risks identified across the organisation and the adequacy of related mitigation programmes. This includes assessing and reporting risks arising from financial, takaful, operational as well as regulatory activities. The residual risk profiles and the adequacy of the mitigating action programmes are reviewed by the Executive Committee and reported to the RMC on a quarterly basis.

Company No.

689263

M

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE (CONTINUED)

Risk Management Framework (continued)

The duties and responsibilities of the RMC are as follows:

Governance

- (i) To review and recommend risk management strategies, policies and risk tolerance for the Board's approval;
- (ii) To review and assess the adequacy of risk management policies and framework for identifying, measuring, monitoring and controlling risk as well as the extent to which these are operating effectively;
- (iii) To ensure adequate infrastructure, resources and systems are in place for an effective risk management, i.e. ensuring that the staff responsible for implementing risk management systems perform those duties independently of the Company's risk taking activities;
- (iv) To review the management's periodic reports on the risk exposure, risk portfolio composition and risk management activities; and
- (v) To perform any other functions in relation to the risk management as may be agreed by the RMC and the Board.

Company No.

689263

M

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

DIRECTORS

The Directors who have held office since the date of the last report and at the date of this report and the attendance of the Directors at the Board Meetings held during the financial year are as follows:

	<u>Attendance</u>
Dato' Mohd Shukri bin Hussin - Chairman	7/8
Encik Izlan bin Izhab	7/8
Encik Mohd Yusof bin Hussian	8/8
Encik Peter Dixon Miller	8/8
Datin Shahrizan binti Abdullah	8/8
Encik Allan Raymond Griffiths	7/7
Encik Craig Timothy Brackenrig	5/7
Encik Peter William England	6/6
Encik Kevin Jones	-
Encik Gavin William Dixon	1/1
Encik Ho Ming Heng	2/2

In accordance with Article 69 of the Company's Articles of Association, Dato' Shukri bin Hussin, Encik Mohd Yusof bin Hussian and Datin Shahrizan binti Abdullah retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

In accordance with Article 76 of the Company's Articles of Association, Encik Kevin Jones retires at the forthcoming Annual General Meeting and being eligible, offer himself for re-election.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

During and at the end of the financial year, no Director has received or become entitled to receive any benefit (other than Directors' remuneration disclosed in the notes to the financial statements of the Company and as disclosed in the financial statements of the related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which the Director has a substantial financial interest.

Company No.

689263

M

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' INTERESTS IN SHARES

According to the register of Directors' shareholdings, particulars of interests of Directors who held office at the end of the financial year in shares and options over shares in its related corporations, during the financial year were as follows:

	Number of ordinary shares of RM1.00 each			
	At 01.01.2008	Acquired	Disposed	At 31.12.2008
Ultimate holding company: <u>Bumiputra-Commerce Holdings Berhad</u> Direct interest				
Dato' Mohd Shukri bin Hussin	300,112	-	-	300,112

Other than as stated above, none of the Directors in office at the end of the financial year held any interest in shares in, or debentures of, the Company or its related corporations during the financial year.

ULTIMATE HOLDING COMPANY

The Directors regard Bumiputra-Commerce Holdings Berhad, a company incorporated in Malaysia, as the Company's ultimate holding company.

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with their resolution dated 20 April 2009.

DATO' MOHD SHUKRI BIN HUSSIN
CHAIRMAN

ENCIK KEVIN JONES
DIRECTOR

Kuala Lumpur

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CIMB AVIVA TAKAFUL BERHAD**
(Incorporated in Malaysia)
(Company No. 689263 M)

On 20 April 2009, we reported on the statutory financial statements of CIMB Aviva Takaful Berhad for the financial year ended 31 December 2008. In that report, we stated that:

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of CIMB Aviva Takaful Berhad, which comprise the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 14 to 74.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Malaysian Accounting Standard Board ("MASB") Approved Accounting Standards in Malaysia for Entities Other Than Private Entities, modified to comply with the principles of Shariah and the Companies Act, 1965. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CIMB AVIVA TAKAFUL BERHAD (CONTINUED)**
(Incorporated in Malaysia)
(Company No. 689263 M)

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities, modified to comply with the principles of Shariah and the Companies Act, 1965 so as to give a true and fair view of the financial position of the Company as of 31 December 2008 and of its financial performance and cash flows for the financial year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that, in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Other than the non-publication of the statements of cash flows and changes in equity, and all the notes to the financial statements, except for the notes relating to investments, receivables, provision for outstanding claims, General Takaful fund, Family Takaful fund and Investment-linked fund, the financial statements reproduced herewith are similar in all material respects to those reported by us.

Accordingly, for a fuller appreciation of the state of affairs of the Company as at 31 December 2008 and of the results and the cash flows of the Company for the financial year ended on that date, reference should be made to the statutory financial statements of CIMB Aviva Takaful Berhad for the financial year ended 31 December 2008, in which context our report of 20 April 2009 was made.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

JAYARAJAN A/L U.RATHINASAMY
(No. 2059/06/10 (J))
Chartered Accountant

Kuala Lumpur
20 April 2009

Company No.

689263

M

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

BALANCE SHEET
AS AT 31 DECEMBER 2008

	<u>Note</u>	<u>2008</u> RM	<u>2007</u> RM
ASSETS			
SHAREHOLDERS' FUND ASSETS			
Property, plant and equipment		2,227,719	2,114,300
Intangible assets		5,081,860	5,160,399
Investments	1(a)	60,412,767	86,008,137
Staff financing receivables		278,260	247,425
Deferred tax assets		1,587,000	290,000
Current tax recoverable		423,647	297,687
Other receivables	2	56,800,696	34,494,600
Cash and bank balances		3,108,784	187,720
		<hr/>	<hr/>
TOTAL SHAREHOLDERS' FUND ASSETS		129,920,733	128,800,268
TOTAL GENERAL TAKAFUL FUND			
ASSETS (Page 14)		148,427,382	102,674,330
TOTAL FAMILY TAKAFUL FUND ASSETS (Page 17)		348,959,020	208,979,829
		<hr/>	<hr/>
TOTAL ASSETS		<u>627,307,135</u>	<u>440,454,427</u>
LIABILITIES			
SHAREHOLDERS' FUND LIABILITIES			
Other payables		43,981,525	17,365,528
		<hr/>	<hr/>
TOTAL SHAREHOLDERS' FUND LIABILITIES		43,981,525	17,365,528
TOTAL GENERAL TAKAFUL FUND			
LIABILITIES (Page 14)		113,643,953	62,269,326
TOTAL FAMILY TAKAFUL FUND			
LIABILITIES (Page 17)		22,681,833	3,534,378
		<hr/>	<hr/>
		180,307,311	83,169,232
GENERAL TAKAFUL FUND	4	34,783,429	40,405,004
FAMILY TAKAFUL FUND	5	326,277,187	205,445,451
		<hr/>	<hr/>
TOTAL LIABILITIES		<u>541,367,927</u>	<u>329,019,687</u>
SHAREHOLDERS' EQUITY			
Share capital		100,000,000	100,000,000
(Accumulated losses)/retained earnings		(14,060,792)	11,434,740
		<hr/>	<hr/>
		85,939,208	111,434,740
		<hr/>	<hr/>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>627,307,135</u>	<u>440,454,427</u>

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

Company No.

689263

M

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	<u>2008</u> RM	<u>2007</u> RM
Operating revenue	291,683,865	332,915,337
Shareholders' fund:		
Wakalah fee	44,821,764	36,869,952
Management expenses	(34,778,354)	(25,096,982)
Commission expenses	(19,334,431)	(14,822,978)
Wakalah deficit	(9,291,021)	(3,050,008)
Investment income	3,705,472	4,844,026
Other operating income - net	725,360	4,445,407
Qardh impairment	(21,863,106)	-
(Loss)/profit before zakat and taxation	(26,723,295)	6,239,425
Zakat	(69,237)	(155,986)
Taxation	1,297,000	183,281
Net (loss)/profit for the financial year	(25,495,532)	6,266,720
Basic (loss)/earnings per share (sen)	(25.50)	6.27

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

Company No.

689263

M

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

GENERAL TAKAFUL FUND BALANCE SHEET
AS AT 31 DECEMBER 2008

	<u>Note</u>	<u>2008</u> RM	<u>2007</u> RM
ASSETS			
Investments	1(b)	112,651,654	77,194,050
Deferred tax assets		7,711,000	3,451,282
Trade and other receivables	2	23,641,519	20,941,516
Cash and bank balances		4,423,209	1,087,482
TOTAL GENERAL TAKAFUL FUND ASSETS		<u>148,427,382</u>	<u>102,674,330</u>
LIABILITIES			
Provision for outstanding claims	3	73,236,331	47,375,522
Trade and other payables		40,407,622	14,893,804
TOTAL GENERAL TAKAFUL FUND LIABILITIES		113,643,953	62,269,326
GENERAL TAKAFUL FUND	4	<u>34,783,429</u>	<u>40,405,004</u>
TOTAL GENERAL TAKAFUL FUND LIABILITIES AND GENERAL TAKAFUL FUND		<u>148,427,382</u>	<u>102,674,330</u>

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

Company No.

689263

M

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

GENERAL TAKAFUL REVENUE ACCOUNT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	<u>Note</u>	<u>Fire</u> RM	<u>Motor</u> RM	<u>Marine, aviation and transit</u> RM	<u>Miscellaneous</u> RM	<u>Total</u> RM
<u>2008</u>						
Gross contribution Retakaful		12,788,304 (7,509,725)	78,482,621 (2,625,551)	12,934,613 (12,608,990)	32,733,940 (21,424,941)	136,939,478 (44,169,207)
Net contribution		5,278,579	75,857,070	325,623	11,308,999	92,770,271
Decrease in unearned contribution reserves		1,198,093	1,895,420	1,832,463	695,599	5,621,575
Earned contribution		6,476,672	77,752,490	2,158,086	12,004,598	98,391,846
Net claims incurred		(1,378,070)	(53,648,119)	(1,747,399)	(4,860,826)	(61,634,414)
Underwriting surplus before wakalah fee		5,098,602	24,104,371	410,687	7,143,772	36,757,432
Wakalah fee Retakaful commission income		(3,202,576)	(19,467,798)	(2,319,905)	(10,337,397)	(35,327,676)
		1,325,184	6,548	463,824	4,212,951	6,008,507
Underwriting surplus/ (deficit)		<u>3,221,210</u>	<u>4,643,121</u>	<u>(1,445,394)</u>	<u>1,019,326</u>	<u>7,438,263</u>
Allowance for doubtful debts						(19,451,782)
Investment income						4,381,698
Other operating expenditure - net						(8,956,021)
Deficit before taxation						(16,587,842)
Taxation						4,259,718
Net deficit						(12,328,124)
Increase in Qardh	4					12,328,124
General Takaful fund at end of the financial year						-

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

Company No.

689263

M

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

GENERAL TAKAFUL REVENUE ACCOUNT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

	<u>Note</u>	<u>Fire</u> RM	<u>Motor</u> RM	<u>Marine, aviation and transit</u> RM	<u>Miscellaneous</u> RM	<u>Total</u> RM
<u>2007</u>						
Gross contribution		10,259,708	79,915,030	3,624,593	11,534,287	105,333,618
Retakaful		(5,083,746)	(1,239,462)	(3,339,118)	(5,723,834)	(15,386,160)
Net contribution		5,175,962	78,675,568	285,475	5,810,453	89,947,458
Decrease/(increase) in unearned contribution reserves		10,837	(7,106,294)	(1,917,890)	(3,922,485)	(12,935,832)
Earned contribution		5,186,799	71,569,274	(1,632,415)	1,887,968	77,011,626
Net claims incurred		(1,606,048)	(50,701,397)	(105,140)	(2,944,125)	(55,356,710)
Underwriting surplus/(deficit) before wakalah fee		3,580,751	20,867,877	(1,737,555)	(1,056,157)	21,654,916
Wakalah fee		(1,932,397)	(19,507,889)	(664,938)	(2,539,871)	(24,645,095)
Underwriting surplus/ (deficit)		<u>1,648,354</u>	<u>1,359,988</u>	<u>(2,402,493)</u>	<u>(3,596,028)</u>	(2,990,179)
Allowance for doubtful debts						(6,385,103)
Investment income						1,717,651
Other operating expenditure - net						(3,313,047)
Deficit before taxation						(10,970,678)
Taxation						2,212,591
Net deficit						(8,758,087)
Increase in Qardh	4					8,758,087
General Takaful fund at end of the financial year						-

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

Company No.

689263

M

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

FAMILY TAKAFUL FUND BALANCE SHEET
AS AT 31 DECEMBER 2008

	<u>Note</u>	<u>2008</u> RM	<u>2007</u> RM
ASSETS			
Investments	1(c)	59,541,937	22,225,247
Trade and other receivables		19,531,674	16,682,332
Cash and bank balances		2,942,893	1,045,785
Deferred tax assets		82,000	-
Investment-linked fund assets	6	266,860,516	169,026,465
TOTAL FAMILY TAKAFUL FUND ASSETS		<u>348,959,020</u>	<u>208,979,829</u>
LIABILITIES			
Benefits payable		2,864,899	494,907
Trade and other payables		18,065,600	2,847,201
Current tax liabilities		-	33,208
Investment-linked fund liabilities	6	1,751,334	159,062
TOTAL FAMILY TAKAFUL FUND LIABILITIES		<u>22,681,833</u>	<u>3,534,378</u>
FAMILY TAKAFUL FUND	5	<u>326,277,187</u>	<u>205,445,451</u>
TOTAL FAMILY TAKAFUL FUND LIABILITIES AND FAMILY TAKAFUL FUND		<u>348,959,020</u>	<u>208,979,829</u>

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

Company No.

689263

M

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

FAMILY TAKAFUL FUND REVENUE ACCOUNT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	<u>Note</u>	<u>2008</u> RM	<u>2007</u> RM
Gross contribution		144,814,855	220,801,272
Retakaful		(2,259,294)	(1,201,169)
Net contribution		<u>142,555,561</u>	<u>219,600,103</u>
Benefits paid and payable:			
Death		(4,715,763)	(86,400)
Surrender		(4,159,257)	(5,756,667)
Others		(3,705,570)	(3,836,853)
		<u>(12,580,590)</u>	<u>(9,679,920)</u>
Wakalah fee		(9,494,088)	(12,224,857)
		<u>120,480,883</u>	<u>197,695,326</u>
Investment income		1,842,362	218,770
Other operating expenditure - net		(965,343)	(5,726)
Surplus before taxation		121,357,902	197,908,370
Taxation		115,208	(33,208)
		<u>121,473,110</u>	<u>197,875,162</u>
Net deficit from Investment-linked fund	6	(6,967,120)	(4,907,139)
Net surplus after taxation		114,505,990	192,968,023
Family Takaful fund at beginning of the financial year		205,445,451	4,411,725
Increase in Qardh		6,325,746	8,065,703
Family Takaful fund at end of the financial year	5	<u>326,277,187</u>	<u>205,445,451</u>

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

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

1 INVESTMENTS

	2008		2007	
	Carrying value RM	Market value RM	Carrying value RM	Market value RM
(a) <u>Shareholders' fund</u>				
Quoted in Malaysia:				
Equity securities of corporations, at cost	2,758,401	1,994,440	5,322,343	6,359,400
Allowance for diminution in value	(763,961)		-	
	1,994,440		5,322,343	
Unquoted:				
Islamic bonds, at cost (Amortisation of premiums)/ accretion of discounts – net	31,722,520 (852,126)		71,124,100 410,844	
	30,870,394		71,534,944	
Investment in Investment-linked fund, at cost	10,000,000	9,859,300	-	-
Allowance for diminution in value	(140,700)		-	
	9,859,300		-	
Islamic Investment accounts with:				
Licensed banks	4,743,471		7,744,824	
Other financial institutions	12,945,162		1,406,026	
	17,688,633		9,150,850	
Total investments	60,412,767		86,008,137	

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

1 INVESTMENTS (CONTINUED)

	2008		2007	
	Carrying value RM	Market value RM	Carrying value RM	Market value RM
(b) <u>General Takaful fund</u>				
Quoted in Malaysia:				
Equity securities of corporation, at cost	1,793,932	997,600	12,319,595	14,910,264
Allowance for diminution in value	(796,332)		-	
	997,600		12,319,595	
Unquoted:				
Government Islamic Investments, at cost	29,067,750		-	
Amortisation of premiums – net	(35,140)		-	
	29,032,610		-	
Islamic bonds, at cost (Amortisation of premiums)/ accretion of discounts – net	39,895,075		50,480,182	
	(56,517)		158,599	
	39,838,558		50,638,781	
Islamic Investment accounts with:				
Licensed banks	37,234,636		7,960,152	
Other financial institutions	5,548,250		6,275,522	
	42,782,886		14,235,674	
Total investments	112,651,654		77,194,050	

Company No.

689263

M

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

1	INVESTMENTS (CONTINUED)	2008		2007	
		Carrying value RM	Market value RM	Carrying value RM	Market value RM
(c)	<u>Family Takaful fund - Non-investment-linked</u>				
	Quoted in Malaysia:				
	Equity securities of corporation, at cost	2,455,768	1,506,175	1,895,797	2,412,700
	Allowance for diminution in value	(949,593)		-	
		<u>1,506,175</u>		<u>1,895,797</u>	
	Unquoted:				
	Government Islamic Investments, at cost	14,022,600		-	
	Amortisation of premiums – net	(10,251)		-	
		<u>14,012,349</u>		<u>-</u>	
	Islamic bonds, at cost (Amortisation of premiums)/ accretion of discounts – net	18,068,100		16,399,014	
		(72,242)		25,194	
		<u>17,995,858</u>		<u>16,424,208</u>	
	Islamic Investment accounts with:				
	Licensed banks	24,096,169		3,905,242	
	Other financial institutions	1,931,386		-	
		<u>26,027,555</u>		<u>3,905,242</u>	
	Total investments	<u>59,541,937</u>		<u>22,225,247</u>	

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

1 INVESTMENTS (CONTINUED)

	2008		2007	
	Carrying value RM	Market value RM	Carrying value RM	Market value RM
(d) <u>Family Takaful fund – Investment-linked</u>				
Quoted in Malaysia:				
Equity securities of corporation, at cost	4,016,225	3,734,208	-	-
Allowance for diminution in value	(282,017)		-	
	<u>3,734,208</u>		<u>-</u>	<u>-</u>
Unquoted:				
Islamic bonds, at cost	2,153,200		-	
Amortisation of premiums – net	(61,104)		-	
	<u>2,092,096</u>		<u>-</u>	
Structured investments	267,491,310		173,849,576	
Unrealised losses	(12,454,377)		(5,242,511)	
	<u>255,036,933</u>		<u>168,607,065</u>	
Islamic Investment accounts with: Licensed banks	4,410,661		-	
Total investments	<u>265,273,898</u>		<u>168,607,065</u>	

The maturity structure of Islamic bonds, Government Islamic Investments and Islamic Investment accounts above is as follows:

	Shareholders' fund RM	General Takaful fund RM	Family Takaful fund RM	Investment- linked fund RM
<u>2008</u>				
Investments maturing within 12 months	17,688,633	59,753,561	29,009,439	4,410,661
Investments maturing after 12 months	30,870,394	51,900,493	29,026,323	2,092,096
	<u>48,559,027</u>	<u>111,654,054</u>	<u>58,035,762</u>	<u>6,502,757</u>

Company No.

689263

M

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

1 INVESTMENTS (CONTINUED)

	Shareholders' fund RM	General Takaful fund RM	Family Takaful fund RM	Investment- linked fund RM
<u>2007</u>				
Investments maturing within 12 months	9,150,850	27,221,721	5,901,761	-
Investments maturing after 12 months	71,534,944	37,652,734	14,427,689	-
	<u>80,685,794</u>	<u>64,874,455</u>	<u>20,329,450</u>	<u>-</u>

2 TRADE AND OTHER RECEIVABLES

	Shareholders' fund RM	General Takaful fund RM	Family Takaful fund RM
<u>2008</u>			
<u>Trade receivables</u>			
Outstanding contributions including agents, brokers and co-takaful balances	-	34,606,517	2,713,586
	-	34,606,517	2,713,586
Less: Allowance for doubtful debts	-	(26,543,103)	(884,985)
	-	<u>8,063,414</u>	<u>1,828,601</u>
<u>Other receivables</u>			
Profit and dividend receivables	406,099	859,205	550,429
Due from General Takaful fund	23,516,411	-	2,414,267
Due from Family Takaful fund	9,155,222	-	-
Due from Shareholders' fund	-	14,589,983	14,391,448
Due from Investment-linked fund (Note 6)	256,011	-	-
Other debtors, deposits and prepayments	133,910	128,917	346,929
	<u>33,467,653</u>	<u>15,578,105</u>	<u>17,703,073</u>

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

2 TRADE AND OTHER RECEIVABLES (CONTINUED)

	Shareholders' fund RM	General Takaful fund RM	Family Takaful fund RM
<u>2008 (continued)</u>			
<u>Qardh</u>			
General Takaful fund, at cost (Note 4)	30,577,037	-	-
Allowance for impairment	(19,964,854)	-	-
	<u>10,612,183</u>	<u>-</u>	<u>-</u>
Family Takaful fund, at cost (Note 5)	14,619,112	-	-
Allowance for impairment	(1,898,252)	-	-
	<u>12,720,860</u>	<u>-</u>	<u>-</u>
Total receivables	<u>56,800,696</u>	<u>23,641,519</u>	<u>19,531,674</u>
<u>2007</u>			
<u>Trade receivables</u>			
Outstanding contributions including agents, brokers and co-takaful balances	-	24,593,397	8,256,948
Due from retakaful and ceding companies	-	437,687	-
	-	<u>25,031,084</u>	<u>8,256,948</u>
Less: Allowance for doubtful debts	-	(7,091,321)	(204,446)
	-	<u>17,939,763</u>	<u>8,052,502</u>
<u>Other receivables</u>			
Profit and dividend receivables	1,087,996	452,434	137,245
Due from General Takaful fund	4,970,106	-	-
Due from Family Takaful fund	1,642,921	-	-
Due from Shareholders' fund	-	2,261,859	8,065,703
Due from Investment-linked fund (Note 6)	159,062	-	-
Other debtors, deposits and prepayments	92,236	287,460	426,882
	<u>7,952,321</u>	<u>3,001,753</u>	<u>8,629,830</u>

Company No.

689263

M

CIMB AVIVA TAKAFUL BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

2 TRADE AND OTHER RECEIVABLES (CONTINUED)

	Shareholders' fund RM	General Takaful fund RM	Family Takaful fund RM
<u>2007</u> (continued)			
<u>Qardh</u>			
General Takaful fund, at cost (Note 4)	18,248,913	-	-
Family Takaful fund, at cost (Note 5)	8,293,366	-	-
	<u>26,542,279</u>	<u>-</u>	<u>-</u>
Total receivables	<u>34,494,600</u>	<u>20,941,516</u>	<u>16,682,332</u>

Qardh represents a profit-free loan to the Family and General Takaful fund to make good the actuarial deficit and underwriting deficit in the respective funds. The amounts are unsecured, not subject to any profit element and have no fixed terms of repayment.

The amounts due from Shareholders' fund in the Family and General Takaful funds respectively represent profit-free loans from the Shareholders' fund to the Takaful funds under the Qardh principle. The amounts are unsecured, not subject to profit element and have no fixed terms of repayment.

3 PROVISION FOR OUTSTANDING CLAIMS

	<u>2008</u> RM	<u>2007</u> RM
<u>General Takaful fund</u>		
Provision for outstanding claims	83,660,770	59,405,654
Recoverable from retakaful companies	<u>(10,424,439)</u>	<u>(12,030,132)</u>
Net outstanding claims	<u>73,236,331</u>	<u>47,375,522</u>

Company No.

689263

M

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

4 GENERAL TAKAFUL FUND

	<u>2008</u> RM	<u>2007</u> RM
Revenue account accumulated deficit	(30,577,037)	(18,248,913)
Qardh (Note 2)	30,577,037	18,248,913
Unearned contribution reserves	34,783,429	40,405,004
	<u>34,783,429</u>	<u>40,405,004</u>
 <u>Revenue account accumulated deficit</u>		
At 1 January	(18,248,913)	(9,490,826)
Net deficit attributable to participants for the financial year (Page 15 and 16)	(12,328,124)	(8,758,087)
At 31 December	<u>(30,577,037)</u>	<u>(18,248,913)</u>
 <u>Qardh</u>		
At 1 January	18,248,913	9,490,826
Increase in Qardh	12,328,124	8,758,087
At 31 December	<u>30,577,037</u>	<u>18,248,913</u>

Company No.

689263

M

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

5 FAMILY TAKAFUL FUND

	<u>2008</u> RM	<u>2007</u> RM
<u>Participants' Account ("PA"):</u>		
At beginning of financial year	197,332,158	3,822,658
Add: Increase in PA	105,981,361	193,509,500
At end of the financial year	<u>303,313,519</u>	<u>197,332,158</u>
<u>Participants' Tabarru Account ("PSA"):</u>		
At beginning of financial year	(468,612)	361,404
Add: Increase/(decrease) in PSA	8,502,635	(830,016)
At end of the financial year	8,034,023	(468,612)
Qardh as at 31 December (Note 2)	14,619,112	8,293,366
Liabilities to participants at end of the financial year	<u>22,653,135</u>	<u>7,824,754</u>
Total liabilities at end of financial year (PA and PSA)	<u>325,966,654</u>	<u>205,156,912</u>
<u>Unallocated surplus:</u>		
At beginning of financial year	288,539	-
Add:		
Normal surplus arising during the financial year (page 18)	114,505,990	192,968,023
Less:		
Increase in PA	(105,981,361)	(193,509,500)
(Increase)/decrease in PSA	(8,502,635)	830,016
Transfer to income statement	-	-
	<u>21,994</u>	<u>288,539</u>
Unallocated surplus at end of the financial year	<u>310,533</u>	<u>288,539</u>

Company No.

689263

M

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

5 FAMILY TAKAFUL FUND (CONTINUED)

	<u>2008</u> RM	<u>2007</u> RM
<u>Family Takaful fund at end of the financial year:</u>		
Liabilities to participants	325,966,654	205,156,912
Unallocated surplus	310,533	288,539
	<u>326,277,187</u>	<u>205,445,451</u>

6 INVESTMENT-LINKED FUND

BALANCE SHEET

	<u>2008</u> RM	<u>2007</u> RM
ASSETS		
Investment (Note 1(d))	265,273,898	168,607,065
Deferred tax asset	1,023,799	419,400
Amount due from Family Takaful fund	435,772	-
Other assets	127,047	-
	<u>266,860,516</u>	<u>169,026,465</u>
LIABILITIES		
Amount due to Family Takaful fund (Note 2)	-	159,062
Amount due to Shareholders' fund (Note 2)	256,011	-
Current tax liabilities	2,843	-
Other liabilities	1,492,480	-
	<u>1,751,334</u>	<u>159,062</u>
NET ASSET VALUE OF FUND	<u>265,109,182</u>	<u>168,867,403</u>

REPRESENTED BY:

UNITHOLDERS' ACCOUNT

At beginning of the financial year	168,867,403	-
Net creation of units	107,486,502	179,283,490
Cancellation of units	(4,277,603)	(5,508,948)
Deficit for the financial year after taxation (Page 18)	(6,967,120)	(4,907,139)
	<u>265,109,182</u>	<u>168,867,403</u>

Company No.

689263

M

CIMB AVIVA TAKAFUL BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

6 INVESTMENT-LINKED FUND (CONTINUED)

STATEMENT OF INCOME AND EXPENDITURE

	<u>2008</u> RM	<u>2007</u> RM
Unrealised loss on investments	(7,554,988)	(5,242,511)
Investment income	365,534	-
Loss on disposal of investments	(244,589)	(84,028)
Other operating expenses	(127,801)	-
	<hr/>	<hr/>
Deficit before taxation	(7,561,844)	(5,326,539)
Taxation:		
- current tax	(9,676)	-
- deferred tax	604,400	419,400
	<hr/>	<hr/>
Deficit for the financial year after taxation (Page 18)	<u>(6,967,120)</u>	<u>(4,907,139)</u>

NOTE: The full set of these financial statements is available on www.cimbaviva.com