

Company No.

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CIMB AVIVA ASSURANCE BERHAD
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 30 JUNE 2011

Company No.

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CIMB AVIVA ASSURANCE BERHAD
(Incorporated in Malaysia)

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CIMB AVIVA ASSURANCE BERHAD
(Incorporated in Malaysia)

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

	<u>Note</u>	<u>30.6.2011</u> RM'000	<u>31.12.2010</u> RM'000
ASSETS			
Property and equipment		54,077	54,158
Investments	8	975,915	948,371
Loans and receivables	9	462,199	527,749
Reinsurance assets	10	97,796	100,541
Insurance receivables		6,438	2,534
Other receivables		68,163	58,561
Current tax assets		3,550	2,298
Cash and bank balances		20,042	18,884
TOTAL ASSETS		<u>1,688,180</u>	<u>1,713,096</u>
EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES			
Share capital		342,000	342,000
Share premiums		16,000	16,000
Accumulated losses		(4,273)	(8,597)
Total equity		<u>353,727</u>	<u>349,403</u>
Insurance contract liabilities	11	1,151,983	1,123,274
Insurance claim liabilities		7,580	13,372
Insurance payables		83,494	83,734
Redeemable convertible unsecured loan stocks		-	36,257
Other financial liabilities		32,092	28,978
Other payables		56,352	76,154
Deferred tax liabilities		2,952	1,924
Total liabilities		<u>1,334,453</u>	<u>1,363,693</u>
TOTAL EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES		<u>1,688,180</u>	<u>1,713,096</u>

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

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CIMB AVIVA ASSURANCE BERHAD
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**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2011**

	<u>Note</u>	6 months ended <u>30.6.2011</u> RM'000	12 months ended <u>31.12.2010</u> RM'000
Operating revenue		149,155	407,403
Gross earned premiums		121,676	347,893
Premiums ceded to reinsurers		(13,000)	(22,265)
Net earned premiums		108,676	325,628
Investment income		27,479	59,510
Net realised gains		5,173	26,114
Net fair value gains		6,391	33,852
Other operating income		1,454	6,628
Other revenue		40,497	126,104
Gross benefits and claims paid		(87,792)	(696,354)
Claims ceded to reinsurers		11,216	24,528
Gross change to contract liabilities		(28,710)	348,091
Change in contract liabilities ceded to reinsurers		258	3,174
Net claims		(105,028)	(320,561)
Fee and commission expense		(8,241)	(20,434)
Management expenses		(26,721)	(52,976)
Other operating expenses		(3,285)	(14,683)
Interest expense		-	(3,176)
Other expenses		(38,247)	(91,269)
Profit before taxation		5,898	39,902
Taxation		(1,574)	(7,786)
Net profit for the financial period/year	12	4,324	32,116
Other comprehensive income for the financial period/year		-	-
Total comprehensive income for the financial period/year		4,324	32,116
Earnings per share (sen)			
Basic		1.26	9.39

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CIMB AVIVA ASSURANCE BERHAD
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UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2011

	Share capital RM'000	Non- distributable Share premium RM'000	Accumulated losses RM'000	Total RM'000
At 1 January 2010	342,000	16,000	(40,713)	317,287
Total comprehensive income for the financial year	-	-	32,116	32,116
At 31 December 2010	<u>342,000</u>	<u>16,000</u>	<u>(8,597)</u>	<u>349,403</u>
At 1 January 2011	342,000	16,000	(8,597)	349,403
Total comprehensive income for the financial period	-	-	4,324	4,324
At 30 June 2011	<u>342,000</u>	<u>16,000</u>	<u>(4,273)</u>	<u>353,727</u>

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

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CIMB AVIVA ASSURANCE BERHAD
(Incorporated in Malaysia)

**UNAUDITED CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 30 JUNE 2011**

	6 months ended <u>30.6.2011</u> RM'000	12 months ended <u>31.12.2010</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the financial period/year	4,324	32,116
Adjustments for:		
Life fund surplus/(deficit) after taxation	25,675	(338,779)
Investment-linked fund surplus after taxation	3,034	16,189
Surplus transferred to income statement	-	(25,500)
Property and equipment		
- depreciation	901	3,872
- write off	-	243
Net fair value gain on investments at fair value through profit or loss	(1,390)	(33,852)
Net realised gain on disposal of investments at fair value through profit or loss	(6,901)	(26,114)
Interest income	(28,925)	(56,787)
Dividend income	(6)	(2,737)
Rental income	-	(267)
Interest expense	-	3,176
Provision for retirement benefits	-	4
Taxation	1,574	7,786
Tax charge on investment income of Life fund and Investment-linked funds	2,887	8,873
	<hr/>	<hr/>
Profit/(loss) from operations before changes in operating assets and liabilities	1,173	(411,777)
Decrease in loans	58	1,330
Increase in receivables	(10,761)	(20,609)
Decrease/(increase) in fixed and call deposits	65,492	(36,654)
Decrease in provision for outstanding claims	(5,792)	(19,970)
(Decrease)/increase in payables	(53,185)	22,685
Purchase of investments	(136,844)	(265,961)
Proceeds from disposal of investments	117,591	709,555
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	(22,268)	(21,401)

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CIMB AVIVA ASSURANCE BERHAD
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UNAUDITED CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 30 JUNE 2011 (CONTINUED)

	6 months ended <u>30.6.2011</u> RM'000	12 months ended <u>31.12.2010</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)		
Investment income received:		
- Dividend	6	2,734
- Interest	28,925	54,470
- Rental	-	267
Tax paid	(4,685)	(16,009)
	<u>1,978</u>	<u>20,061</u>
Net cash generated from operating activities		
	<u>1,978</u>	<u>20,061</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(820)	(5,323)
	<u>(820)</u>	<u>(5,323)</u>
Net cash used in investing activities		
	<u>(820)</u>	<u>(5,323)</u>
Net increase in cash and cash equivalents	1,158	14,738
Cash and cash equivalents at beginning of the financial period/year	18,884	4,146
	<u>18,884</u>	<u>4,146</u>
Cash and cash equivalents at end of the financial period/year	<u>20,042</u>	<u>18,884</u>
	<u>20,042</u>	<u>18,884</u>
Cash and cash equivalents comprise:		
Cash and bank balances	<u>20,042</u>	<u>18,884</u>

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

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CIMB AVIVA ASSURANCE BERHAD

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 JUNE 2011

1 CORPORATE INFORMATION

The Company is engaged principally in the underwriting of life insurance and investment-linked 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 of the Company is located at 12th Floor, Commerce Square, Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur, Malaysia.

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

The holding company is CIG Berhad and the Directors regard CIMB Group Holdings Berhad as the ultimate holding company of the Company. Both companies are incorporated in Malaysia.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The interim financial statements of the Company are unaudited and have been prepared under the historical cost convention except as disclosed in this summary of significant accounting policies and comply with the Financial Reporting Standards ("FRS") in Malaysia, as modified by Bank Negara Malaysia ("BNM") pursuant to the Insurance Act, 1996 and the provisions of the Companies Act, 1965 in all material respects.

The interim financial statements 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 2010.

2.2 Changes in accounting policies and effects arising from adoption of new and revised FRSs and Issues Committee Interpretations ("IC Interpretations")

- (i) The accounting policies adopted in the preparation of the interim financial statements are consistent with those adopted in the Company's audited financial statements for the financial year ended 31 December 2010, except for the adoption of the following new and revised FRSs, amendments to FRS and IC Interpretations.

FRSs/Interpretations

Effective date

- FRS 1 "First-time Adoption of Financial Reporting Standards" 1 July 2010

Improvements to FRSs:

- FRS 101 "Presentation of Financial Statements" 1 January 2011
- FRS 132 "Financial Instruments: Presentation" 1 January 2011
- FRS 139 "Financial Instruments: Recognition and Measurement" 1 January 2011

CIMB AVIVA ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2011 (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies and effects arising from adoption of new and revised FRSs and Issues Committee Interpretations ("IC Interpretations") (continued)

(ii) The new accounting standards, amendments and improvements to published standards and interpretations that are effective and not applicable for the Company's financial year beginning on or after 1 January 2011 are as follows:

- FRS 2 "Share-based Payment"
- Amendments to FRS 2 "Share-based Payment: Group Cash-settled Share-based Payment Transactions"
- FRS 3 (revised) "Business Combinations"
- Amendments to FRS 5 "Non-current Assets Held for Sale and Discontinued Operations"
- Amendments to FRS 7 "Financial Instruments: Disclosures"
- FRS 127 (revised) "Consolidated and Separate Financial Statements"
- Amendments to FRS 132 "Financial Instruments: Presentation" on Classification of Rights Issues
- Amendments to FRS 138 "Intangible Assets"
- IC Interpretation 4 "Determining Whether an Arrangement contains a Lease"
- IC Interpretation 9 "Reassessment of Embedded Derivatives"
- IC Interpretation 12 "Service Concession Arrangements"
- IC Interpretation 16 "Hedges of a Net Investment in a Foreign Operation"
- IC Interpretation 17 "Distribution of Non-cash Assets to Owners"
- IC Interpretation 18 "Transfers of Assets from Customers"

(iii) The following accounting standards, amendments and interpretations have been issued by the Malaysian Accounting Standards Board but are not yet effective for the Company:

<u>FRSs/Interpretations</u>	<u>Effective date</u>
IC Interpretation 19 "Extinguishing Financial Liabilities with Equity Instruments"	1 July 2011
Amendments to IC Interpretation 14 "FRS 119 - The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction"	1 July 2011
FRS 124 (revised) "Related Party Disclosures"	1 January 2012
IC Interpretation 15 "Agreements for the Construction of Real Estates"	1 January 2012

The adoption of the above revised standards, amendments and interpretations is not expected to have any significant financial impact to the interim financial statements of the Company.

3 SEASONALITY OF OPERATIONS

The business operations of the Company were not materially affected by any seasonal or cyclical fluctuations during the half-year ended 30 June 2011.

CIMB AVIVA ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2011 (CONTINUED)

4 CHANGES IN ESTIMATES

There was no change in estimates of amounts reported in prior financial years that has a material effect in the interim financial statements.

5 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 2011.

6 ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

On 7 March 2006, the Company issued a RM36,370,948, 5 year Redeemable Convertible Unsecured Loan Stock ("RCULS") at a nominal value of RM1 each to its holding company, CIG Berhad. The RCULS was issued in consideration for the transfer of an amount of Irredeemable Convertible Unsecured Loan Stocks ("ICULS") detachable coupon (at 7.5% per annum) issued by the ultimate holding company, CIMB Group Holdings Berhad, to CIG Berhad which was subsequently transferred to the Company as a capital injection in 2005.

The maturity date of the RCULS was extended from 7 March 2011 to 27 May 2011 to coincide with the maturity date of the ICULS at the request of CIG Berhad. On 27 May 2011, the Company has fully redeemed the RCULS.

7 DIVIDENDS PAID

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

8 INVESTMENTS

	<u>30.6.2011</u>	<u>31.12.2010</u>
	RM'000	RM'000
Malaysian government securities	603,465	531,556
Unquoted corporate debt securities	181,891	232,399
Quoted equity securities	90,395	84,018
Unit trust funds	11,074	10,797
Negotiable instrument of deposits	34,131	35,546
Investment-linked funds	52,638	51,734
Unquoted equity securities	2,321	2,321
	<u>975,915</u>	<u>948,371</u>

CIMB AVIVA ASSURANCE BERHAD
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NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2011 (CONTINUED)

8 INVESTMENTS (CONTINUED)

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

	<u>Note</u>	<u>30.6.2011</u> RM'000	<u>31.12.2010</u> RM'000
Fair value through profit or loss ("FVTPL") – designated upon initial recognition	(a)	975,915	899,736
Held-to-maturity financial assets ("HTM")	(b)	-	48,635
		<u>975,915</u>	<u>948,371</u>

The following investments mature after 12 months:

FVTPL – designated upon initial recognition	785,355	693,943
HTM	-	-
	<u>785,355</u>	<u>693,943</u>

(a) FVTPL - designated upon initial recognition

Fair value

Malaysian government securities	603,465	531,556
Quoted equity securities	90,395	84,018
Unit trust funds	11,074	10,797
Unquoted corporate debt securities	181,891	183,764
Investment-linked funds	52,638	51,734
Negotiable instrument of deposits	34,131	35,546
Unquoted equity securities	2,321	2,321
	<u>975,915</u>	<u>899,736</u>

(b) HTM

Amortised cost

	<u>30.6.2011</u> RM'000	<u>31.12.2010</u> RM'000
Unquoted corporate debt securities – at cost	-	34,345
Accretion of discounts	-	14,290
	<u>-</u>	<u>48,635</u>

Fair value

Unquoted corporate debt securities	<u>-</u>	<u>50,000</u>
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CIMB AVIVA ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2011 (CONTINUED)

8 INVESTMENTS (CONTINUED)

(c) Carrying values of financial instruments

	<u>Designated</u> RM'000	<u>HTM</u> RM'000	<u>Total</u> RM'000
At 1 January 2010	1,617,737	42,242	1,659,979
Purchases	288,272	-	288,272
Maturities	(447,294)	-	(447,294)
Disposals	(258,461)	-	(258,461)
Fair value gains recorded in profit or loss	33,852	-	33,852
Accretion adjustment	-	3,309	3,309
	<hr/>	<hr/>	<hr/>
At 31 December 2010	899,736	48,635	948,371
Purchases	136,844	-	136,844
Maturities	(13,886)	(50,025)	(63,911)
Disposals	(53,680)	-	(53,680)
Fair value gains recorded in profit or loss	6,901	-	6,901
Accretion adjustment	-	1,390	1,390
	<hr/>	<hr/>	<hr/>
At 30 June 2011	<u>975,915</u>	<u>-</u>	<u>975,915</u>

(d) 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>Designated</u> RM'000	<u>Total</u> RM'000
<u>30 June 2011</u>		
Quoted market price	90,395	90,395
Valuation techniques - market observable inputs	885,520	885,520
	<hr/>	<hr/>
	<u>975,915</u>	<u>975,915</u>
 <u>31 December 2010</u>		
Quoted market price	84,018	84,018
Valuation techniques - market observable inputs	815,718	815,718
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	<u>899,736</u>	<u>899,736</u>

CIMB AVIVA ASSURANCE BERHAD
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NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2011 (CONTINUED)

8 INVESTMENTS (CONTINUED)

(d) Fair values of investments (continued)

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.

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 are based on broker quotes, investment in unit trusts with fair values is obtained via fund managers and instruments that are valued using the Company's own models is based on assumptions that are market observable.

9 LOANS AND RECEIVABLES

	<u>30.6.2011</u> RM'000	<u>31.12.2010</u> RM'000
Policy loans	7,918	7,910
Mortgage loans	178	294
Other secured loans	945	895
	<u>9,041</u>	<u>9,099</u>
Allowance for impairment losses	(942)	(942)
	<u>8,099</u>	<u>8,157</u>
Fixed and cash deposits with licensed financial institutions	454,100	519,592
	<u>462,199</u>	<u>527,749</u>
Receivables within 12 months	454,100	519,752
Receivables after 12 months	8,099	7,997
	<u>462,199</u>	<u>527,749</u>

10 REINSURANCE ASSETS

	<u>30.6.2011</u> RM'000	<u>31.12.2010</u> RM'000
Reinsurance of insurance contracts		
- insurance claim liabilities	-	3,003
- insurance contract liabilities (note 11)	97,796	97,538
	<u>97,796</u>	<u>100,541</u>

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NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2011 (CONTINUED)

11 INSURANCE CONTRACT LIABILITIES

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

	<u>30.6.2011</u>			<u>31.12.2010</u>		
	<u>Gross</u>	<u>Re-</u>	<u>Net</u>	<u>Gross</u>	<u>Re-</u>	<u>Net</u>
	RM'000	insurance	RM'000	RM'000	insurance	RM'000
		RM'000			RM'000	
Actuarial liabilities	980,423	(97,796)	882,627	977,523	(97,538)	879,985
Unallocated surplus	52,368	-	52,368	29,937	-	29,937
Net asset value attributable to unitholders	119,192	-	119,192	115,814	-	115,814
	<u>1,151,983</u>	<u>(97,796)</u>	<u>1,054,187</u>	<u>1,123,274</u>	<u>(97,538)</u>	<u>1,025,736</u>

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NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2011 (CONTINUED)

11 INSURANCE CONTRACT LIABILITIES (CONTINUED)

	Gross RM'000	Reinsurance RM'000	Net RM'000
At 1 January 2011	1,123,274	(97,538)	1,025,736
<u>Projected changes of inforce policies</u>			
Premium income	22,625	(3,635)	18,990
Expense and commission	(6,542)	18	(6,524)
Benefits	(85,694)	6,390	(79,304)
Interest on cashflows	11,360	(922)	10,438
Others	(2,348)	176	(2,172)
Experience variance on inforce policies	9,725	(133)	9,592
Reserve for new policies	47,408	(1,824)	45,584
Risk-Based Concept yield curve change	4,848	(328)	4,520
<u>Assumption changes</u>			
Discount rate	-	-	-
Lapse rates	-	-	-
Other changes	1,518	-	1,518
Movement in unallocated surplus	22,431	-	22,431
Movement in net asset value attributable to unitholders	3,378	-	3,378
At 30 June 2011	<u>1,151,983</u>	<u>(97,796)</u>	<u>1,054,187</u>

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CIMB AVIVA ASSURANCE BERHAD
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NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2011 (CONTINUED)

11 INSURANCE CONTRACT LIABILITIES (CONTINUED)

	Gross RM'000	Reinsurance RM'000	Net RM'000
At 1 January 2010	1,471,364	(94,364)	1,377,000
<u>Projected changes of inforce policies</u>			
Premium income	46,246	(6,652)	39,594
Expense and commission	(13,353)	44	(13,309)
Benefits	(235,409)	12,184	(223,225)
Interest on cashflows	22,185	(1,808)	20,377
Others	3,901	(98)	3,803
Experience variance on inforce policies	7,356	134	7,490
Reserve for new policies	156,698	(6,457)	150,241
<u>Assumption changes</u>			
Discount rate	6,130	(962)	5,168
Lapse rates	1,540	154	1,694
Other changes	(12,938)	287	(12,651)
Movement in unallocated surplus	25,813	-	25,813
Movement in net asset value attributable to unitholders	(356,259)	-	(356,259)
At 31 December 2010	<u>1,123,274</u>	<u>(97,538)</u>	<u>1,025,736</u>

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NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2011 (CONTINUED)

12 NET PROFIT FOR THE PERIOD

Net profit for the period does not include surplus from the Life Fund as a recommendation for surplus transfer to the Shareholders Fund is made by the appointed actuary on an annual basis. This recommendation for surplus transfer will be made at the financial year end.

13 REGULATORY CAPITAL REQUIREMENTS

The capital structure of the Company as at 30 June 2011, as prescribed under the RBC Framework is provided below:

	<u>30.6.2011</u> RM'000	<u>31.12.2010</u> RM'000
<u>Eligible Tier 1 Capital</u>		
Share capital (paid-up)	342,000	342,000
Reserves of the Company:		
- Share premium	16,000	16,000
- Accumulated losses	(4,273)	(8,597)
Reserves included within the insurance contract liabilities	56,539	34,077
	<u>410,266</u>	<u>383,480</u>
<u>Tier 2 Capital</u>		
Eligible reserves	-	2,924
Amounts deducted from capital	(666)	(1,210)
Total capital available	<u><u>409,600</u></u>	<u><u>385,194</u></u>

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CIMB AVIVA ASSURANCE BERHAD

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NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2011 (CONTINUED)

14 INSURANCE FUNDS

The Company's activities are organised by funds and segregated into Life and Shareholders' funds in accordance with the Insurance Act, 1996 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 2011

	<u>Shareholders' Fund</u>		<u>Life Fund</u>		<u>Elimination</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Assets</u>								
Property and equipment	-	-	54,077	54,158	-	-	54,077	54,158
Investments	112,278	159,916	863,637	788,455	-	-	975,915	948,371
Loans and receivables	139,069	135,510	323,130	392,239	-	-	462,199	527,749
Reinsurance assets	-	-	97,796	100,541	-	-	97,796	100,541
Insurance receivables	-	-	6,438	2,534	-	-	6,438	2,534
Other receivables	111,881	111,340	73,906	57,404	(117,624)	(110,183)	68,163	58,561
Cash and bank balances	10	1	20,032	18,883	-	-	20,042	18,884
Current tax assets	(5,880)	(4,855)	9,430	7,153	-	-	3,550	2,298
Total assets	357,358	401,912	1,448,446	1,421,367	-	(110,183)	1,688,180	1,713,096

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CIMB AVIVA ASSURANCE BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2011 (CONTINUED)

14 INSURANCE FUNDS (CONTINUED)

Unaudited Statement of Financial Position by Funds as at 30 June 2011 (continued)

	Shareholders' Fund		Life Fund		Elimination		Total	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Share capital	342,000	342,000	-	-	-	-	342,000	342,000
Share premium	16,000	16,000	-	-	-	-	16,000	16,000
Accumulated losses	(4,273)	(8,597)	-	-	-	-	(4,273)	(8,597)
Total equity	353,727	349,403	-	-	-	-	353,727	349,403
Liabilities								
Insurance contract liabilities	-	-	1,151,983	1,123,274	-	-	1,151,983	1,123,274
Insurance claim liabilities	-	-	7,580	13,372	-	-	7,580	13,372
Insurance payables	-	-	83,494	83,734	-	-	83,494	83,734
Redeemable convertible unsecured loan stocks	-	36,257	-	-	-	-	-	36,257
Other financial liabilities	-	-	32,092	28,978	-	-	32,092	28,978
Other payables	569	13,736	173,407	172,601	(117,624)	(110,183)	56,352	76,154
Deferred tax liabilities	3,062	2,516	(110)	(592)	-	-	2,952	1,924
Total liabilities	3,631	52,509	1,448,446	1,421,367	-	(110,183)	1,334,453	1,363,693
Total equity, policyholders' funds and liabilities	357,358	401,912	1,448,446	1,421,367	-	(110,183)	1,688,180	1,713,096

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CIMB AVIVA ASSURANCE BERHAD
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NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2011 (CONTINUED)

14 INSURANCE FUNDS (CONTINUED)

Unaudited Income Statement/Revenue Accounts by Funds for the half-year ended 30 June 2011

	<u>Shareholders' Fund</u>		<u>Life Fund</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Gross premium	-	-	121,676	347,893	121,676	347,893
Claims ceded to reinsurers	-	-	(13,000)	(22,265)	(13,000)	(22,265)
Net earned premium	-	-	108,676	325,628	108,676	325,628
Investment income	4,105	10,258	23,374	49,252	27,479	59,510
Net realised gains	1,188	21	3,985	26,093	5,173	26,114
Net fair value gain	997	7,304	5,394	26,548	6,391	33,852
Other operating income	6	-	1,448	6,628	1,454	6,628
Other revenue	6,296	17,583	34,201	108,521	40,497	126,104
Gross benefits and claims paid	-	-	(87,792)	(696,354)	(87,792)	(696,354)
Claims ceded to reinsurers	-	-	11,216	24,528	11,216	24,528
Gross change in contract liabilities	-	-	(28,710)	348,091	(28,710)	348,091
Change in contract liabilities ceded to reinsurers	-	-	258	3,174	258	3,174
Net claims	-	-	(105,028)	(320,561)	(105,028)	(320,561)

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CIMB AVIVA ASSURANCE BERHAD
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NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2011 (CONTINUED)

14 INSURANCE FUNDS (CONTINUED)

Unaudited Income Statement/Revenue Accounts by Funds for the half-year ended 30 June 2011 (continued)

	<u>Shareholders' Fund</u>		<u>Life Fund</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Fee and commission expense	-	-	(8,241)	(20,434)	(8,241)	(20,434)
Management expenses	-	-	(26,721)	(52,976)	(26,721)	(52,976)
Other operating expenses	(398)	(5)	(2,887)	(14,678)	(3,285)	(14,683)
Interest expense	-	(3,176)	-	-	-	(3,176)
Other expenses	(398)	(3,181)	(37,849)	(88,088)	(38,247)	(91,269)
Profit from operations	5,898	14,402	-	25,500	5,898	39,902
Transfer from life fund	-	25,500	-	(25,500)	-	-
Profit before taxation	5,898	39,902	-	-	5,898	39,902
Taxation	(1,574)	(7,786)	-	-	(1,574)	(7,786)
Net profit for the financial period/year	4,324	32,116	-	-	4,324	32,116

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CIMB AVIVA ASSURANCE BERHAD
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NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2011 (CONTINUED)

14 **INSURANCE FUNDS (CONTINUED)**

Unaudited Investment-linked Funds' Statement of Financial Position as at 30 June 2011

	<u>2011</u> RM'000	<u>2010</u> RM'000
<u>Assets</u>		
Investments	103,095	101,288
Loans and receivables	16,946	16,404
Other receivables	1,475	2,800
Cash and bank balances	23	-
	<hr/>	<hr/>
Total assets	121,539	120,492
	<hr/>	<hr/>
<u>Liabilities</u>		
Other financial liabilities	101	-
Current tax liabilities	863	521
Deferred tax liabilities	485	574
Other payables	898	3,583
	<hr/>	<hr/>
Total liabilities	2,347	4,678
	<hr/>	<hr/>
Net asset value of funds	119,192	115,814
	<hr/> <hr/>	<hr/> <hr/>

Unaudited Investment-linked Funds' Income Statement for the half-year ended 30 June 2011

	<u>2011</u> RM'000	<u>2010</u> RM'000
Investment income	1,226	2,912
Realised gains	4,030	13,261
Net fair value (losses)/gains	(1,293)	3,367
	<hr/>	<hr/>
Other revenue	3,963	19,540
Management expenses	(625)	(1,187)
	<hr/>	<hr/>
Profit before taxation	3,338	18,353
Taxation	(304)	(2,164)
	<hr/>	<hr/>
Net profit for the financial period/year	3,034	16,189
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CIMB AVIVA ASSURANCE BERHAD
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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2010 (CONTINUED)

14 INSURANCE FUNDS (CONTINUED)

Unaudited Information on Cash Flows by Funds for the half-year ended 30 June 2011

	Shareholders' Fund		Life Fund		Total	
	<u>2011</u> RM'000	<u>2010</u> RM'000	<u>2011</u> RM'000	<u>2010</u> RM'000	<u>2011</u> RM'000	<u>2010</u> RM'000
Cash flows from:						
Operating activities	9	(1,543)	1,969	21,604	1,978	20,061
Investing activities	-	-	(820)	(5,323)	(820)	(5,323)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cash and cash equivalents:						
Net increase/(decrease) in cash and cash equivalents	9	(1,543)	1,149	16,281	1,158	14,738
At beginning of the financial period/year	1	1,544	18,883	2,602	18,884	4,146
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At end of the financial period/year	<u>10</u>	<u>1</u>	<u>20,032</u>	<u>18,883</u>	<u>20,042</u>	<u>18,884</u>