

Building committed long lasting relationships with our customers is part of our success at Allianz Malaysia. Sustainable partnerships and delivering in Moments of Truth have made us who we are today, a trusted name in the industry that all our stakeholders can rely upon.

Allianz Malaysia Berhad (12428-W)

Laporan Tahunan 2008 Annual Report



Concept Rationale

Tapping on a global knowledge that serves approximately 75 million customers in about 70 countries, Allianz in Malaysia provides you with comprehensive solutions which safeguard your property and your business and helps you plan your future.

Our commitment to the customer is not merely as an insurance partner but we also believe in building long lasting relationships, going above and beyond.

This year's concept goes to the heart of our business - providing real insurance solutions that meet the requirements of our customers. We do not consider ourselves to be another player in the industry, as a matter of fact we don't see ourselves to be a player at all. Our business is serious business, because it affects the lives of our customers - their dreams, their aspirations, their future.

We are Allianz.

Trusted to deliver in Moments of Truth.

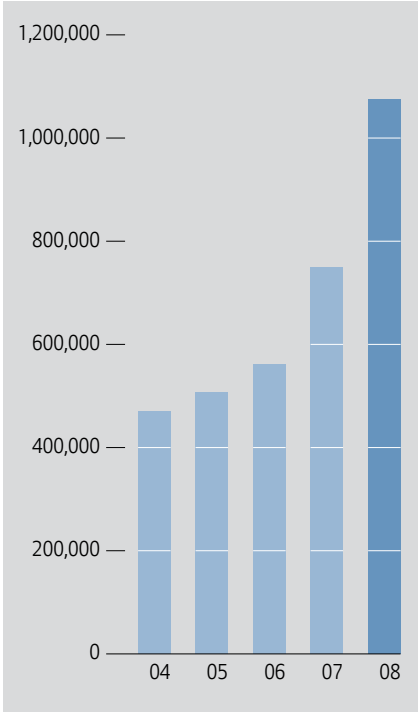


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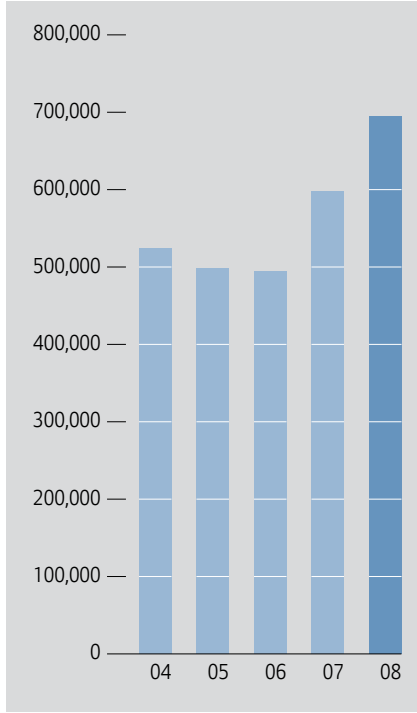
Five Years Financial Highlights

	12MTHS YTD 31/12/2008	12MTHS YTD 31/12/2007	12MTHS YTD 31/12/2006	12MTHS YTD 31/12/2005	12MTHS YTD 31/12/2004
	RM'000	RM'000	RM'000	RM'000	RM'000
1. Gross Premium					
- General Insurance Business	1,074,890	748,609	561,928	507,424	470,589
2. Gross Premium					
- Life Insurance Business	692,038	594,560	493,049	495,201	521,856
3. Underwriting Surplus/(Deficit)					
- General Insurance Business	79,448	(861)	18,950	21,591	14,328
4. Total Assets	3,984,053	3,572,438	2,178,123	1,851,802	1,737,814
				(restated)	
5. Net Assets	388,118	319,530	336,666	316,679	326,012
				(restated)	

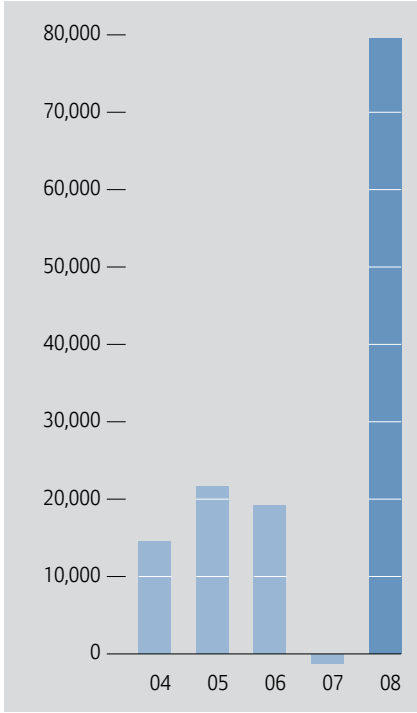
GROSS PREMIUM (RM'000)
- General Insurance Business



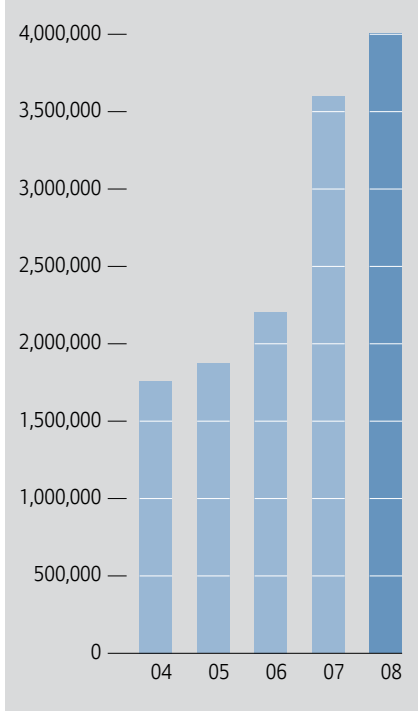
GROSS PREMIUM (RM'000)
- Life Insurance Business



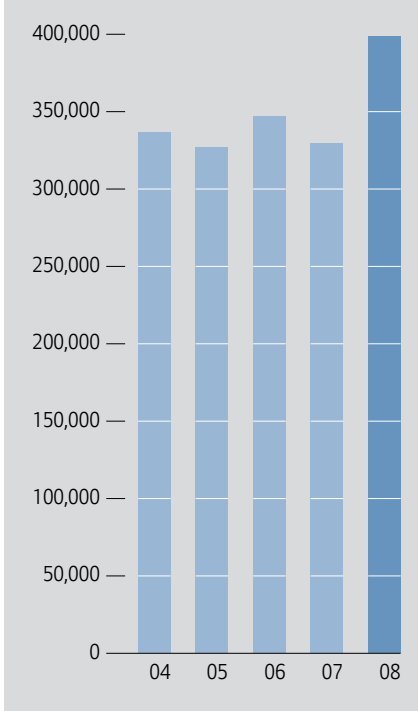
UNDERWRITING SURPLUS/(DEFICIT) (RM'000)
- General Insurance Business



TOTAL ASSETS (RM'000)



NET ASSETS (RM'000)



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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 35th Annual General Meeting of Allianz Malaysia Berhad will be held at Junior Ballroom, Level 2, Hotel Nikko, 165 Jalan Ampang, 50450 Kuala Lumpur on Thursday, 25 June 2009 at 10.00 a.m. for the following purposes:-

AGENDA

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2008 and the Directors' and Auditors' Reports thereon. Resolution 1
2. To approve the payment of a first and final dividend of 2.00 sen per share less 25% tax for the financial year ended 31 December 2008. Resolution 2
3. To approve the payment of Directors' fees of RM219,000 for the financial year ended 31 December 2008 (2007: RM218,264). Resolution 3
4. To re-elect the following Directors who retire by rotation in accordance with Article 96 of the Articles of Association of the Company and being eligible, offer themselves for re-election:-
 - (i) Y. Bhg. Dato' Seri Nik Abidin Bin Nik Omar Resolution 4
 - (ii) Mr. Craig Anthony Ellis Resolution 5
5. To re-appoint Y. Bhg. Tan Sri Razali Ismail as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company pursuant to Section 129(6) of the Companies Act, 1965. Resolution 6
6. To re-appoint Messrs KPMG as Auditors and to authorise the Directors to fix their remuneration. Resolution 7
7. **Special Business**

To consider and if thought fit, pass the following ordinary resolution:-

Proposed Renewal of Shareholders' Mandate Resolution 8

"That subject to the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries to enter into the category of recurrent transactions of a revenue or trading nature which are necessary for its day to day operations with the Related Parties as specified in section 2.2 of the Circular dated 2 June 2009, subject further to the following:-

 - (a) the transactions are in the ordinary course of business and are on terms not more favourable than those generally available to the public and not to the detriment of the minority shareholders;
 - (b) disclosure is made in the annual report of the breakdown of the aggregate value of the recurrent transaction conducted pursuant to the shareholders' mandate during the financial year where:-
 - (i) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is equal to or exceeds RM1 million; or

- (ii) any one of the percentage ratio of such aggregated transaction is equal to or exceeds 1 %,

whichever is the higher; and
- (c) such authority shall take effect from the passing of this Ordinary Resolution and shall continue in force until :-
 - (i) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by ordinary resolution passed at the said AGM, the authority is renewed; or
 - (ii) the expiration of the period within which next AGM is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or
 - (iii) revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is the earlier.

That the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

- 8. To transact any other business for which due notice shall have been given.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT the first and final dividend of 2.00 sen per share less 25% tax for the financial year ended 31 December 2008, if approved at the 35th Annual General Meeting, will be paid on 3 August 2009 to shareholders whose names appear in the Register of Members and/or the Record of Depositors at the close of business on 17 July 2009.

A Depositor shall qualify for entitlement to the first and final dividend only in respect of:-

- (a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 17 July 2009 in respect of transfers;
- (b) Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 15 July 2009 in respect of shares exempted from mandatory deposit; and
- (c) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

NG SIEW GEK
Secretary

Kuala Lumpur
2 June 2009

NOTES:-

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two (2) proxies to attend and vote instead of him. If two (2) proxies are appointed, the instrument of proxy must specify the proportion of his shareholdings to be represented by each proxy.
2. A proxy may but need not be a member of the Company and Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
3. A member who is an authorised nominee as defined under the Central Depository Act, may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. The instrument appointing a proxy/proxies must be in writing under the hand of the appointor or his attorney. If the appointor is a corporation, under its common seal or the hand of its attorney.
5. The instrument of proxy shall be deposited at the Registered Office of the Company at Suite 3A-15, Level 15, Block 3A, Plaza Sentral, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur not later than forty-eight (48) hours before the appointed time for holding the Annual General Meeting.

EXPLANATORY NOTES ON SPECIAL BUSINESS

Resolution 8 – Proposed Renewal of Shareholders' Mandate

This proposed resolution, if passed, will enable the Company and/or its subsidiaries to continue enter into recurrent related party transactions of a revenue or trading nature with the Related Parties.

Detailed information in relation to the Proposed Renewal of Shareholders' Mandate are set out in the Circular to Shareholders dated 2 June 2009, despatched together with this Annual Report.

STATEMENT ACCOMPANYING NOTICE OF 35TH ANNUAL GENERAL MEETING

(A) Directors who are seeking re-election at the 35th Annual General Meeting

- Y. Bhg. Dato' Seri Nik Abidin Bin Nik Omar
- Mr. Craig Anthony Ellis

(B) Director who is seeking re-appointment pursuant to Section 129 (6) of the Companies Act, 1965, at the 35th Annual General Meeting

- Y. Bhg. Tan Sri Razali Ismail

The details of the above Directors are set out in the Board of Directors' profiles on pages 16 to 22 of the 2008 Annual Report.

Corporate Information

Stock Exchange Listing	:	Bursa Malaysia Securities Berhad
Stock Name	:	ALLIANZ
Bursa Stock	:	1163
ISIN Code	:	MYL116300004

Company Secretary

Ng Siew Gek

Registered Office

Suite 3A-15, Level 15, Block 3A
Plaza Sentral, Jalan Stesen Sentral 5
Kuala Lumpur Sentral
50470 Kuala Lumpur
Tel : 03-22641188/03-22640688
Fax : 03-22641186

Head Office

Suite 3A-15, Level 15, Block 3A
Plaza Sentral, Jalan Stesen Sentral 5
Kuala Lumpur Sentral
50470 Kuala Lumpur
Tel : 03-22641188/22640688
Fax : 03-22641199

Share Registrars

Tenaga Koperat Sdn Bhd

Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : 03-2264 3883
Fax : 03-2282 1886

Auditors

KPMG

Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor
Tel : 03-77213388
Fax : 03-77213399

Principal Bankers

Citibank Berhad

Standard Chartered Bank
Malaysia Berhad

RHB Bank Berhad

Malayan Banking Berhad

Principal Solicitors

Lim Kian Leong & Co

Wong & Partners

Senior Management of Allianz Malaysia Berhad

Cornelius Alexander Ioannis Ankel
Chief Executive Officer

Charles Ong Eng Chow
Chief Financial Officer

Marcus Chiang Bin Fong
Group Head of IT Division

Mohd Parrish Ersalle bin Abdul Hameed
Group Head of Human Resources Division

Tamil Selvi A/P Shanmugam
Group Chief Internal Auditor

Joannica Dass
Group Head of Corporate Communications

Senior Management of Allianz General Insurance Company (Malaysia) Berhad

Ng Hang Ming
Chief Executive Officer

Angela Tan Seow Wee
Chief Financial Officer

Horst Hermann Habbig
Head of Marketing Division

Zakri Mohd Khir
Head of Operations Division

Jayapragash Amblavanar
Head of Claims Division

Senior Management of Allianz Life Insurance Malaysia Berhad

Cornelius Alexander Ioannis Ankel
Chief Executive Officer

Charles Ong Eng Chow
Chief Financial Officer

Ong Pin Hean
Head of Life Sales Division

Dave Giam Hock Hai
Head of OPUS/IT Division

Chin Tze How
Appointed Actuary

Esther Ong Chen Woon
Chief Investment Officer

Lim Li Meng
Head of Operations Division



“By synergising our operations under one roof, it simply creates the convenience for a one stop solution. We want to continue to serve the needs of our customers at their convenience, and by expanding our synergy branches, we are able to do that.”

Presence Matters

Nationwide Network

Nationwide Network

ALLIANZ GENERAL INSURANCE COMPANY (MALAYSIA) BERHAD NETWORK OF OFFICES

Allianz General Insurance Company (Malaysia) Berhad

Suite 3A-15, Level 15, Block 3A
Plaza Sentral, Jalan Stesen Sentral 5
Kuala Lumpur Sentral
50470 Kuala Lumpur
Tel : 603-2264 1188/0688
Fax : 603-2264 1199
www.allianz.com.my

Butterworth

No. 6770 & 6771
Ground & 2nd Floor
Jalan Kg. Gajah
12200 Butterworth
Pulau Pinang
Tel : 604-333 3188
Fax : 604-331 0572

NORTHERN REGION

Northern Regional Office

No. 6770, 1st Floor
Jalan Kg. Gajah
12200 Butterworth
Pulau Pinang
Tel : 604-323 9778/324 5175
Fax : 604-331 9778

Penang

Level 27, Menara BHL
51, Jalan Sultan Ahmad Shah
10050 Pulau Pinang
Tel : 604-226 6055
Fax : 604-227 7055

Bukit Mertajam

No. 486, Ground,
1st & 3rd Floor
Jalan Permatang Rawa
Bandar Perdana
14000 Bukit Mertajam
Pulau Pinang
Tel : 604-537 8328/537 1628
Fax : 604-537 4398/537 1108

Alor Setar

No. 300 & 301, Ground
1st & 2nd Floor
Jalan Lumpur
05100 Alor Setar
Kedah
Tel : 604-732 8575/733 4655
Fax : 604-733 7868

Sungai Petani

No. 62B, 1st
2nd & 3rd Floor
Jalan Pengkalan
Pekan Baru
08000 Sungai Petani
Kedah
Tel : 604-425 8282/425 2894/
425 2895
Fax : 604-425 2893

CENTRAL REGION

Allianz Customer Centre

Ground Floor, Block 2A
Plaza Sentral, Jalan Stesen Sentral 5
Kuala Lumpur Sentral
50470 Kuala Lumpur
Tel : 603-2264 0700
Fax : 603-2264 0602
Toll Free : 1-300-88-1028

Central Regional Office

Wisma Allianz
5th Floor
33, Jalan Gereja
50100 Kuala Lumpur
Tel : 603-2031 2211
Fax : 603-2072 4628

Kuala Lumpur

Wisma Allianz
33, Jalan Gereja
50100 Kuala Lumpur
Tel : 603-2031 2211
Fax : 603-2078 9918

Petaling Jaya

No. 15, Ground,
1st, 2nd & 3rd Floor
Jalan 8/1 D, Section 8
46050 Petaling Jaya
Selangor
Tel : 603-7956 4629/7956 4621
Fax : 603-7954 8210/7955 6727

Klang

No. 11, Ground,
1st & 2nd Floor
Jalan Tiara 2D/KU 1
Bandar Baru Klang
41150 Klang
Selangor
Tel : 603-3342 9008/3342 0639
Fax : 603-3342 1901

Kajang

Ground & Mezzanine Floor
No. 17 & 17A, Jalan M/J 1
Taman Majlis Jaya
Sungai Chua
43000 Kajang
Selangor
Tel : 603-8733 9078/8733 7395/
8734 0371/8734 0501
Fax : 603-8733 6985

Maluri

No. 27, Jalan Jejaka 7
Taman Maluri
55100 Kuala Lumpur
Tel : 603-9282 5587
Fax : 603-9282 5629

Kepong

No. 1, Jalan Prima 9
Pusat Niaga Metro Prima
52100 Kepong
Kuala Lumpur
Tel : 603-6258 6888
Fax : 603-6259 2554

Ipoh

Unit No. A-G-1 & A-1-1
Ground & 1st Floor
Greentown Square
Jalan Dato' Seri Ahmad Said
30450 Ipoh
Perak
Tel : 605-254 9150/255 5103
Fax : 605-254 2988

Teluk Intan

No. 77-C, Ground
1st & 2nd Floor
Jalan Intan 4, Bandar Baru
36000 Teluk Intan
Perak
Tel : 605-621 5882/621 7731/
621 7732
Fax : 605-622 5229

Sitiawan

No. 77 & 78, 1st & 2nd Floor
Jalan Sejahtera 2
Medan Sejahtera
Jalan Lumut
32000 Sitiawan
Perak
Tel : 605-691 2277/692 8425/
692 8427
Fax : 605-692 8429

Taiping

No. 49 & 51, Ground Floor
Jalan Station
34000 Taiping
Perak
Tel : 605-806 8688/806 8976
Fax : 605-808 8975

Gerik

Plot No. 11, 1st Floor
Jalan Toh Shahbandar Ulu
33300 Gerik
Perak
Tel : 605-791 2418
Fax : 605-791 2112

EAST COAST REGION**East Coast Regional office**

No. 46, 2nd Floor
Jalan Gambut
25000 Kuantan
Pahang
Tel : 609-517 7662
Fax : 609-517 7663

Kuantan

No. 46, Ground
1st & 2nd Floor
Jalan Gambut
25000 Kuantan
Pahang
Tel : 609-514 4936 / 514 3276
Fax : 609-514 2936

Kuala Terengganu

PT 3357 P, Ground
1st & 2nd Floor
Jalan Sultan Zainal Abidin
20000 Kuala Terengganu
Terengganu
Tel : 609-622 3678/622 3233
Fax : 609-623 4233

Kota Bharu

Lot 1184, Ground
1st & 2nd Floor
Jalan Kebun Sultan
15350 Kota Bharu
Kelantan
Tel : 609-748 1196/744 4566
Fax : 609-744 6766

Temerloh

No. 6, Pusat Komersil Temerloh
Jalan Dato' Bahaman 3
28000 Temerloh
Pahang
Tel : 609-296 9292
Fax : 609-296 0254

SOUTHERN REGION

Southen Regional Office

No. 84, 2nd Floor
Jalan Serampang
Taman Pelangi
80400 Johor Bahru
Johor
Tel : 607-334 0166
Fax : 607-331 6881

Johor Bahru

No. 84, Ground
1st & 2nd Floor
Jalan Serampang
Taman Pelangi
80400 Johor Bahru
Johor
Tel : 607-334 0166/334 0160
Fax : 607-334 0167

Kluang

No. 5, Ground
1st & 2nd Floor
Jalan Persiaran Yayasan
86000 Kluang
Johor
Tel : 607-772 3255/773 2530
Fax : 607-773 8097

Segamat

No. 52, 2nd Floor
Jalan Susur Genuang
85000 Segamat
Johor
Tel : 607-932 8117/932 9117
Fax : 607-932 2117

Seremban

No. 44, Ground
1st & 2nd Floor
Jalan S2 B18, Biz Avenue
Seremban 2, 70300 Seremban
Negeri Sembilan
Tel : 606-601 3636
Fax : 606-601 3344

Melaka

No. 374, Ground & 1st Floor
Jalan Melaka Raya 6
Taman Melaka Raya
75000 Melaka
Tel : 606-283 3821
Fax : 606-284 4198

Batu Pahat

No. 1-2, 1-2A
Ground & 1st Floor
Jalan Maju 1
Taman Maju
83000 Batu Pahat
Johor
Tel : 607-433 8166
Fax : 607-433 2166

EAST MALAYSIA REGION

Sabah Regional Office

Bangunan Allianz
3rd Floor
Lot 30, Block E, Sedco Complex
Jalan Albert Kwok
Locked Bag 69
88000 Kota Kinabalu
Sabah
Tel : 6088-236 589
Fax : 6088-238 589

Kota Kinabalu

Bangunan Allianz
Ground, 1st, 2nd & 3rd Floor
Lot 30, Block E, Sedco Complex
Jalan Albert Kwok
Locked Bag 69
88000 Kota Kinabalu
Sabah
Tel : 6088-221 397/221 606/
216 197
Fax : 6088-224 870

Lahad Datu

Ground & 2nd Floor
MDLD 6887, Block P
Lot 1, Bangunan SUDC
91100 Lahad Datu
Sabah
Tel : 6089-880 388/880 488
Fax : 6089-880 188

Sandakan

Lot 8, Ground & 1st Floor
Lot 7, 1st & 2nd Floor
Block 2, Bandar Indah
Mile 4, North Road
W.D.T. No. 291
90000 Sandakan
Sabah
Tel : 6089-211 054/217 197
Fax : 6089-211 052

Tawau

Ground & 1st & 2nd Floor
TB 320, Block 38
Fajar Complex
Jalan St. Patrick
W.D.T. No. 33
91009 Tawau
Sabah
Tel : 6089-779 055/772 976
Fax : 6089-763 015

Sarawak Regional Office

2nd Floor
Lot 1374, Centrepoint
Commercial Centre (Phase 2)
Block 10, Miri Concession
Land District, Kubu Road
98000 Miri
Sarawak
Tel : 6085-417 828
Fax : 6085-417 054

Miri

Ground, 1st & 2nd Floor
Lot 1374, Centrepoint
Commercial Centre (Phase 2)
Block 10, Miri Concession
Land District, Kubu Road
98000 Miri
Sarawak
Tel : 6085-423 829/416 828
Fax : 6085-419 153

Sibu

No. 12-I, Ground,
1st, 2nd & 3rd Floor
Jalan Kampung Datu
96000 Sibu
Sarawak
Tel : 6084-332 469/343 205
Fax : 6084-332 470

Kuching

1st, 2nd & 3rd Floor
Sublot 3, Block 10
Jalan Laksamana Cheng Ho
Kuching Central Land District
93350 Kuching
Sarawak
Tel : 6082-417 842/413 849/
419 950/254 007
Fax : 6082-424 624

Sarikei

No. 72, 1st Floor & 2nd Floor
Repok Road
96108 Sarikei
Sarawak
Tel : 6084-652 577/651 877
Fax : 6084-653 908

ALLIANZ LIFE INSURANCE MALAYSIA BERHAD NETWORK OF OFFICES

Allianz Life Insurance Malaysia Berhad

Level 23 & 23A, Wisma UOA II
No. 21, Jalan Pinang,
50450 Kuala Lumpur
Tel : 603-2162 3388
Fax: 603-2162 6720
www.allianz.com.my

NORTHERN REGION

Penang

No. 76, Bishop Street
10200 Pulau Pinang
Tel : 604-262 2999
Fax : 604-262 6099

Bukit Mertajam

No. 487
Jalan Permatang Rawa
Bandar Perda
14000 Bukit Mertajam
Pulau Pinang
Tel : 604-537 7231
Fax : 604-537 8231

Alor Setar

No. 301, Ground Floor
Jalan Lumpur
05100 Alor Setar
Kedah
Tel : 604-734 5091
Fax : 604-731 7271

Sungai Petani

No. 62B, 2nd Floor
Jalan Pengkalan
Pekan Baru
08000 Sungai Petani
Kedah
Tel : 604-425 6863
Fax : 604-425 6861

Ipoh

A-G-1, Greentown Square
Jalan Dato' Seri Ahmad Said
30450 Ipoh
Perak
Tel : 605-241 9752
Fax : 605-241 6898

CENTRAL REGION

Wilayah Persekutuan

Allianz Life Customer Centre
Unit G7, Ground Floor
Wisma UOA II
No. 21, Jalan Pinang
50450 Kuala Lumpur
Tel : 603-2161 6001
Fax : 603-2162 1325

Pudu

Lot 3.21, 3rd Floor
Pudu Plaza, Jalan Pudu
Off Jalan Landak
55100 Kuala Lumpur
Tel : 603-2143 0822
Fax : 603-2144 8121

Desa Jaya

Wisma Allianz Life
Ground Floor, No.13-14, Jalan 53
Desa Jaya Commercial Centre
52100 Kepong
Selangor
Tel : 603-6275 8000
Fax : 603-6275 7100

Klang

No. 46, Ground Floor
Jalan Tiara 2C
Bandar Baru Klang
41150 Klang
Selangor
Tel : 603-3345 3253
Fax : 603-3345 3288

Seremban

No. 44, Ground Floor
Jalan S2 B18, Biz Avenue
Seremban 2, 70300 Seremban
Negeri Sembilan
Tel : 606-601 1007
Fax : 606-601 1099

EAST COAST REGION

Kuantan

No. 46, Ground
1st & 2nd Floor
Jalan Gambut
25000 Kuantan
Pahang
Tel : 609-514 4936/514 3276
Fax : 609-514 2936

Temerloh

No. 6, Pusat Komersil
Temerloh
Jalan Dato' Bahaman 3
28000 Temerloh
Pahang
Tel : 609-296 9292
Fax : 609-296 0254

SOUTHERN REGION

Melaka

No. 524, Jalan Melaka Raya
Taman Melaka Raya
75000 Melaka
Tel : 606-282 3377
Fax : 606-282 0793

Johor Bahru

Room 301, 3rd Floor
Wisma Daiman, No. 64, Jalan Sulam
Taman Sentosa, 80150 Johor Bahru
Johor
Tel : 607-332 5981
Fax : 607-332 6462

Yong Peng

No. 16A, 1st Floor
Jalan Bayan
Taman Sembrong Barat
83700 Yong Peng
Johor
Tel : 607-467 6720
Fax : 607-467 9400

Batu Pahat

No. 1-2, 1-2A, Ground Floor
Jalan Maju 1, Taman Maju
83000 Batu Pahat
Johor
Tel : 607-434 3313
Fax : 607-433 2166

Kluang

No. 5, Ground Floor
Jalan Persiaran Yayasan
86000 Kluang
Johor
Tel : 607-771 5588
Fax : 607-773 8097

EAST MALAYSIA REGION

Sandakan

Lot 8, Ground Floor
Block 2, Bandar Indah
Mile 4, North Road
W.D.T. No. 291
90000 Sandakan
Sabah
Tel : 6089-274 842
Fax : 6089-274 843

Kota Kinabalu

Lot 29, Block E, 2nd Floor
Sedco Complex, Jalan Albert Kwok
88000 Kota Kinabalu
Sabah
Tel : 6088-224 551
Fax : 6088-224 506

Tawau

Ground Floor
TB 320, Block 38
Fajar Complex
Jalan St. Patrick
W.D.T. No. 33
91009 Tawau
Sabah
Tel : 6089-765 054
Fax : 6089-764 554

Kuching

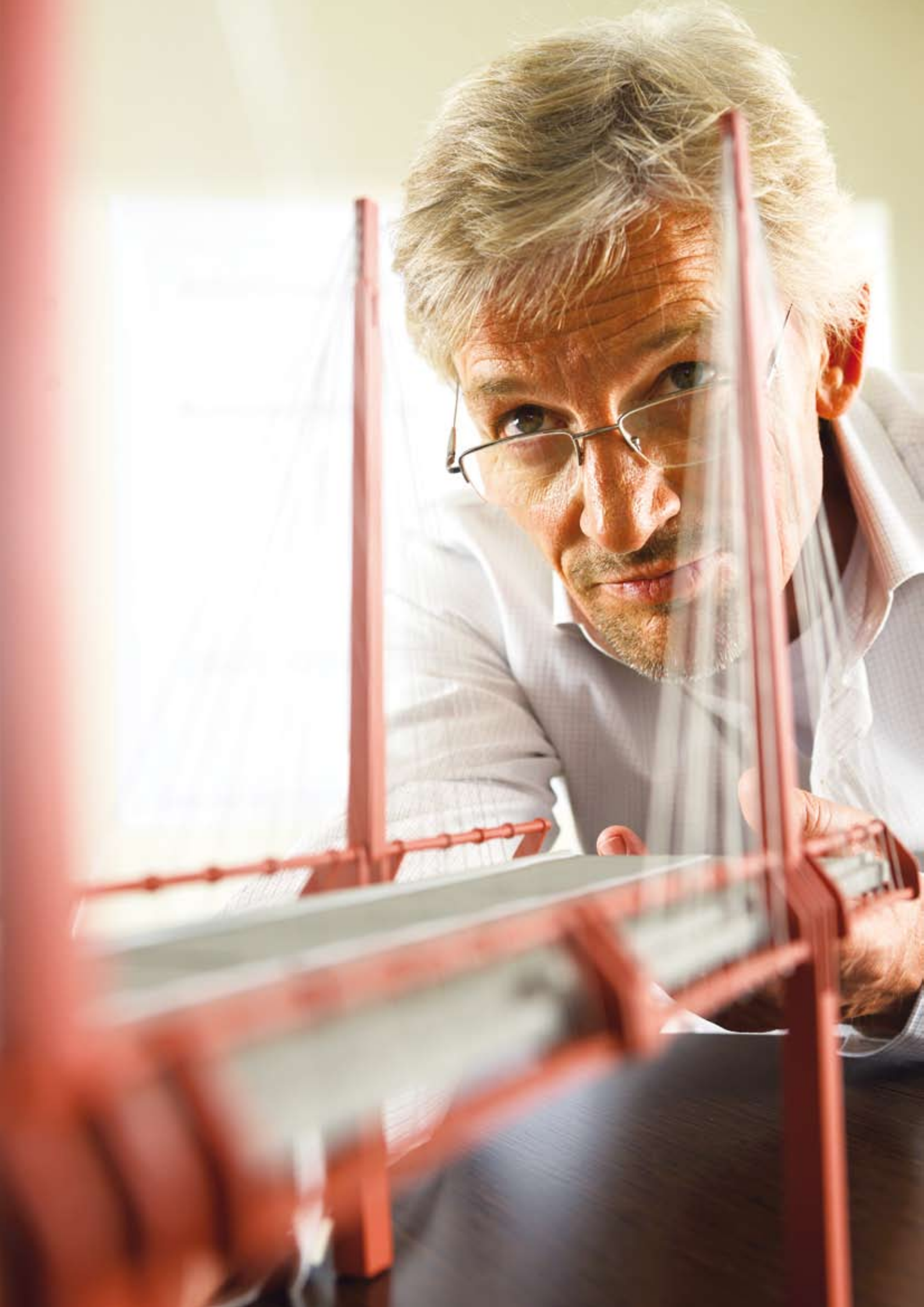
Sublot No. 3
Ground Floor
Jalan Laksamana Cheng Ho
Kuching Central Land District
93200 Kuching
Sarawak
Tel : 6082-246 515
Fax : 6082-246 713

Sibu

Lot 1726, 1st & 2nd Floor
Kampung Datu
96000 Sibu
Sarawak
Tel : 6084-346 515
Fax : 6084-326 448

Miri

Ground Floor, Lot 1374
Centrepont Commercial
Centre (Phase 2)
Block 10, Miri Concession
Land District, Kubu Road
98000 Miri
Sarawak
Tel : 6085-410 326
Fax : 6085-419 153



“Financial strength and strong solvency are our primary business objectives. Only a financially strong insurer can provide highest level of security and peace of mind to its customers.”

Protecting our stakeholders with
a prudent framework

Board of Directors / Chief Executive Officer and their Profiles

Board of Directors / Chief Executive Officer and their Profiles



TAN SRI RAZALI ISMAIL

Chairman – Non-Independent Non-Executive

Y. Bhg. Tan Sri Razali Ismail, aged 70, Malaysian, was appointed to the Board of the Company on 25 September 2001. He is a member of the Audit Committee and Nominating Committee of the Company. He obtained his Bachelor of Arts (Honours) degree from the University of Malaya in 1962. In 1993, he received an Honorary Doctorate from the National University of Malaysia and in 1998, an Honorary Doctorate in Law from the University Science Malaysia.

He retired from government in 1998 after a career in the Malaysian Diplomatic Service over 35 years. In that period, he was assigned to various countries including to senior posts as Ambassador to Poland (and German Democratic Republic, Czechoslovakia and Hungary – 1978-1982), Ambassador to India (1982-1985), Deputy Secretary-General (Political Affairs at the Ministry - 1985-1988), and finally Malaysia's Ambassador to the United Nations (1988-1998). He served in various capacities at the United Nations, inter alia, as Chairman of the Group of 77 in 1989, Chairman of the Commission on Sustainable Development in 1993 and as President of the United Nations General Assembly 1996-1997 session. He was closely involved in articulating and developing positions in various bodies on issues such as development and sustainability, poverty and marginalisation, political reforms in the United Nations especially the Security Council and the General Assembly and issues of human rights and the environment. He continues to keep abreast on these subjects at home and abroad, through participation at seminars and interacting with personalities and bodies, ties established from earlier years. He was the United Nations Secretary-General's Special Envoy for Myanmar for more than 5 years (2000-2005).

In Malaysia, he is involved in information technology and environmental industries, is the Pro Chancellor of the University Science Malaysia, Chairman of the National Peace Volunteer Corp (Yayasan Salam), the Malaysian Prime Minister's Special Envoy on Natural Disasters and Chairman of a grant organisation on Natural Disaster, Force of Nature, President of the World Wide Fund for Nature ("WWF") in Malaysia and advises on a government supported project on street and displaced children. He also sits on the Board of the Institute of Strategic and International Studies, Malaysia.

Tan Sri Razali's other directorships in public companies are as follows:-

1. Chairman of Allianz Life Insurance Malaysia Berhad;
2. Chairman of Allianz General Insurance Company (Malaysia) Berhad;
3. Chairman of Bright Mission Berhad (Formerly known as Commerce Assurance Berhad);
4. Chairman of IRIS Corporation Berhad;
5. Chairman of Leader Universal Holdings Berhad; and
6. Director of PLUS Expressways Berhad.

Tan Sri Razali does not hold any share in the Company and its subsidiaries and does not have any family relationship with any director and/or major shareholder of the Company nor any conflict of interest with the Company. He has had no convictions for offences within the past 10 years other than traffic offences.

Tan Sri Razali attended all of the 5 Board Meetings held in the financial year ended 31 December 2008.



DATO' SERI NIK ABIDIN BIN NIK OMAR

Independent Non-Executive Director

Y. Bhg. Dato' Seri Nik Abidin Bin Nik Omar, aged 65, Malaysian, was appointed to the Board on 5 January 2000. He is the Chairman of the Risk Management Committee, Nominating Committee and Remuneration Committee and a member of the Audit Committee of the Company. He obtained his Bachelor of Arts (Honours) degree from the University of Malaya in 1968.

He was a senior official of the Malaysian Government from 1968 till his retirement in 1999 serving in various capacities. He was the State Financial Officer of the State Government of Penang from 1979 to 1982 and President of the Municipal Council of Seberang Prai from 1982 to 1984. He was the UnderSecretary of Finance Division of the Ministry of Home Affairs from 1984 to 1990 followed by the appointment as the State Secretary of Perlis from 1990 to 1994. He was appointed the Director-General of the National Registration Department of Malaysia from 1994 to 1997. Prior to his retirement with the Government, he was the Deputy Secretary General I of the Ministry of Home Affairs.

Dato' Seri Nik Abidin's other directorships in public companies are as follows:-

1. Allianz General Insurance Company (Malaysia) Berhad; and
2. Allianz Life Insurance Malaysia Berhad.

Dato' Seri Nik Abidin does not hold any share in the Company and its subsidiaries. He also does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. He has had no convictions for offences within the past 10 years other than traffic offences.

Dato' Seri Nik Abidin attended all of the 5 Board Meetings held in the financial year ended 31 December 2008.

MR. FOO SAN KAN

Independent Non-Executive Director

Mr. Foo San Kan, aged 60, Malaysian, was appointed to the Board on 25 November 2005. He is the Chairman of the Audit Committee and a member of the Risk Management Committee and Nominating Committee of the Company. He is a Chartered Accountant of the Malaysian Institute of Accountants and a member of the Malaysian Institute of Certified Public Accountants. He is also a Fellow of the Institute of Chartered Accountants in England & Wales and the Malaysian Institute of Taxation.

He was the Country Managing Partner of Ernst & Young Malaysia from 1997 to 2002 before he retired as a practising accountant. He has 34 years of experience in the accounting profession, of which the last 30 years were spent in various positions in Ernst & Young. During the course of his career, he was involved in various industry sectors including financial services, energy, manufacturing, plantations, property, construction, leisure and entertainment.

Mr. Foo San Kan's other directorships in public companies are as follows:-

1. Allianz General Insurance Company (Malaysia) Berhad;
2. Allianz Life Insurance Malaysia Berhad;
3. OSK Holdings Berhad;
4. OSK Investment Bank Berhad;
5. OSK Trustees Berhad;
6. OSK Ventures International Berhad;
7. SEG International Berhad;
8. STAR Publications (Malaysia) Berhad; and
9. Symphony House Berhad.

Mr. Foo does not hold any share in the Company and its subsidiaries. He also does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. He has had no convictions for offences within the past 10 years other than traffic offences.

Mr. Foo attended all of the 5 Board Meetings held in the financial year ended 31 December 2008.





MR. DUNG TRI NGUYEN @ DON TRI NGUYEN

Non-Independent Non-Executive Director

Mr. Dung Tri Nguyen @ Don Tri Nguyen, aged 55, American, was appointed to the Board of the Company on 28 July 2000. He is a member of the Risk Management Committee, Nominating Committee and Remuneration Committee of the Company. He obtained his Bachelor of Science Degree from the University of Sorbonne in 1974. In 1976, he completed his Finance and Insurance Studies from the UC Berkeley's Graduate School in the United States of America.

He has 34 years of experience in the insurance industry. He started his career with Allianz SE Group in 1991 and held the position of Chief Underwriting Officer in 1994. He is currently holding the position of Regional Head of Property & Casualty Division for Allianz Insurance Management Asia Pacific Pte Ltd and represents Allianz SE Group's interest on the Board of Directors of various companies within the Asia Pacific Region.

Mr. Nguyen's other directorships in public companies are as follows:-

1. Allianz CP General Insurance Co. Ltd;
2. Allianz Fire & Marine Insurance Japan Ltd;
3. Allianz General Insurance Company (Malaysia) Berhad;
4. Allianz Insurance Co Lanka Ltd;
5. Allianz Insurance (Hong Kong) Limited;
6. Bajaj Allianz General Insurance Company Ltd; and
7. PT Asuransi Allianz Utama Indonesia.

He does not hold any share in the Company and its subsidiaries and does not have any family relationship with any Director and/or major shareholder, except by virtue of being a nominee Director of Allianz SE on the Boards of the Company and its subsidiary. He also does not have any conflict of interest with the Company and has had no conviction for offences within the past 10 years other than traffic offences.

Mr. Nguyen attended all of the 5 Board Meetings held in the financial year ended 31 December 2008.

MR. CRAIG ANTHONY ELLIS

Non-Independent Non-Executive Director

Mr. Craig Anthony Ellis, aged 50, Australian, was appointed to the Board of the Company on 25 September 2001. He is the Chairman of the Investment Committee and a member of the Risk Management Committee, Remuneration Committee and Nominating Committee of the Company. He obtained his Bachelor of Commerce degree in 1979 from the University of New South Wales, Australia. He is also a member of the Institute of Chartered Accountants of Australia.

He has 30 years of experience in the financial services industry in Australia, Europe and Asia. He joined Allianz SE Group in 1998 as the Regional Chief Financial Officer of Allianz SE in Asia. He is currently holding the position of Regional General Manager, Life & Health of Allianz Insurance Management Asia Pacific Pte Ltd. Prior to his employment with Allianz SE Group, he was the General Manager of Finance for Manufacturers Mutual Insurance, Australia.

Currently, he represents Allianz SE Group's interest on the Board of Directors of various companies within the Asia Pacific Region.

Mr. Ellis's other directorships in public companies are as follows:-

1. Allianz General Insurance Company (Malaysia) Berhad;
2. Allianz Life Insurance Malaysia Berhad;
3. Allianz Life Insurance Japan Ltd;
4. Allianz Taiwan Life Insurance Co. Ltd;
5. CPRN Holdings Ltd; and
6. PT Asuransi Allianz Life Indonesia.

Mr. Ellis does not hold any share in the Company and its subsidiaries and does not have any family relationship with any Director and/or major shareholder, except by virtue of being a nominee Director of Allianz SE on the Boards of the Company and its subsidiaries. He also does not have any conflict of interest with the Company and has had no conviction for offences within the past 10 years other than traffic offences.

Mr. Ellis attended all of the 5 Board Meetings held in the financial year ended 31 December 2008.





MR. CORNELIUS ALEXANDER IOANNIS ANKEL

Chief Executive Officer and Non-Independent Executive Director

Mr. Cornelius Alexander Ioannis Ankel, aged 44, German, was appointed as the Chief Executive Officer (“CEO”) and Executive Director of the Company on 13 March 2004 and 13 February 2008 respectively. He obtained his Chartered Insurance Professional qualification from the German Chartered Insurance Institute in 1991.

He has over 18 years of experience in the insurance industry in Europe and Asia. He joined Allianz SE Group in 1997 as the Senior Business Development Manager of Allianz Insurance Management Asia Pacific Pte Ltd and subsequently assumed the position as the CEO of Allianz Fire and Marine Insurance Japan Ltd from 2000 to 2004. Prior to his employment with Allianz SE Group, he was the Regional Representative of Johnson & Higgins Insurance Brokers for Far East.

Mr. Ankel is also the CEO of Allianz Life Insurance Malaysia Berhad. Prior to his appointment as CEO of Allianz Life Insurance Malaysia Berhad, he was the CEO of Allianz General Insurance Company (Malaysia) Berhad and Bright Mission Berhad (formerly known as Commerce Assurance Berhad) in 2007.

Mr. Ankel’s other directorships in public companies are as follows:-

1. Allianz General Insurance Company (Malaysia) Berhad;
2. Allianz Life Insurance Malaysia Berhad; and
3. Bright Mission Berhad
(Formerly known as Commerce Assurance Berhad).

He is also a member of the Investment Committee of the Company.

Mr. Ankel does not hold any share in the Company and its subsidiaries and does not have any family relationship with any Director and/or major shareholder of the Company except by virtue of being a nominee Director of Allianz SE on the Boards of the Company and its subsidiaries. He also does not have any conflict of interest with the Company and has had no conviction for offences within the past 10 years other than traffic offences.

Mr. Ankel attended all of the 5 Board Meetings held in the financial year ended 31 December 2008.



Tan Sri Razali Ismail
Chairman

On behalf of the Board of Directors, it is my pleasure to present the Annual Report and Financial Statements of the Company and its subsidiaries ("Group") for the financial year ended 31 December 2008.

2008 was a year of unprecedented market upheavals and we witnessed the failures of global financial institutions and the efforts of the governments of major global financial centres to rescue their financial system and suppress the economic downturn via various aggressive stimulus packages. As at to date, there is no visible sign that the global financial crisis has abated.

It is a test to the Group's business model. Despite the global financial turbulence, the Group remains strong with a remarkable profit before tax of RM112.3 million in 2008 as compared to RM12.3 million in 2007. This achievement of the Group is contributed by the strong regulatory oversight by Bank Negara Malaysia and the Group's adoption of the risk management and investment best practices of our parent company, Allianz SE.

CORPORATE GOVERNANCE

The Board is committed to ensure that the highest standard of corporate governance is practiced throughout the Group as fundamental to discharging their duties and responsibilities to protect the interests of its shareholders and policyholders. The Board also recognises that sound internal control is of paramount importance for the Group to remain robust and strong even in difficult environments.

Our parent group, Allianz Group, placed substantial emphasis on disciplined risk management and conservative investment policies. These practices have proven their value and the Allianz Group remains robust and sound in the current financial crisis.

The Group adopted the risk management best practice of Allianz Group and Bank Negara Malaysia which puts the Group in a position prepared to face any financial cycles. In addition, as part of an international group equipped with global knowledge and local expertise, the Group has put in place various internal control measures derived from the best practices of Allianz Group in underwriting, claims, investment, information technology and other operational processes.

The Group's various corporate governance practices and measures are detailed in the statement of corporate governance on pages 48 to 59 of this Annual Report.

FINANCIAL PERFORMANCE

For the year 2008, it is a pleasure to report that the Group's total operating revenue rose notably by 31.4 percent to RM1.9 billion as compared to RM1.4 billion in 2007. The Group recorded gross premium income of RM1.1 billion for general insurance and RM692.0 million for life business.

Net premium income also increased from RM991.8 million to RM1.3 billion with RM 693.8 million from general business and RM639.9 million from life business in 2008.

As at 31 December 2008, the Group's total asset stood at RM4.0 billion, a growth of 11.5 percent over the previous year of RM3.6 billion while the shareholders' funds increased by 21.5 percent from RM 319.5 million to RM 388.1 million.

The Group posted a profit before tax of RM 112.3 million in 2008 as compared to RM 12.3 million in 2007 translating to a remarkable growth of 815.9 percent.

REVIEW OF OPERATIONS

General Insurance Operations

In 2008, the Group's general insurance subsidiaries, Allianz General Insurance Company (Malaysia) Berhad ("AGIC") and Bright Mission Berhad (formerly known as Commerce Assurance Berhad) ("CAB") have collectively achieved a milestone of RM1.1 billion Gross Written Premium ("GWP") mark for the first time.

This accomplishment translates to the fact that we are fast moving forward to become a market leader in the general insurance sector.

Collectively recording RM1.1 billion in GWP for 2008, with a staggering growth of 43.6 percent from 2007, the combined entities also registered a combined ratio of 87.9 percent. With prudent and disciplined underwriting and strong risk management, the general insurance subsidiaries recorded a commendable underwriting profit of RM79.4 million in 2008.

AGIC has become the second largest general insurance company in Malaysia with a market share of 8.19 percent in 2008. (Source: ISM Report 2008)

Life Insurance Operations

Riding on the same path of success, the life insurance subsidiary of the Group, Allianz Life Insurance Malaysia Berhad ("ALIM"), recorded a GWP of RM692.0 million which interprets to a 16.4 percent increase over 2007. ALIM's new business premium also grew 25.4 percent in 2008, giving the company a rise in market share. Its total assets also increased from RM1.7 billion in 2007 to RM2.0 billion in 2008.

For the financial year ended 31 December 2008, life business generated a profit before tax of RM 8.0 million after the Life Fund made a surplus transfer of RM 5.3 million to the Shareholder's Funds.

Despite the severe downturn in the local and global markets, ALIM's solvency position continues to be well protected.

ALIM adopts a multi distribution strategy, with agency business as the core distribution channel. In relation to its total agency force of over 3,700, ALIM has the highest percentage of Million Dollar Round Table (MDRT) achievers. The agency's productivity also continues to improve and stands well above industry standards and contributes significantly to the growth of New Business Premium. ALIM has successfully built a very productive and outstanding agency force and will continue to strengthen its profitability by enhancing its product portfolio mix. Moving forward, ALIM will keep enhancing and improving its operational efficiency and optimises its cost structures.

Dividends

The Board is recommending a first and final dividend of 2.00 sen per share less 25 percent tax amounting to RM2.3 million for the shareholders' approval at the forthcoming Annual General Meeting of the Company.

CORPORATE DEVELOPMENTS

During the financial year 2008, the Group streamlined the general insurance business of its two general insurance subsidiaries with a view to provide better services and insurance solutions to the customers following the completion of the Group's acquisition of CAB. The general insurance business of CAB was transferred to AGIC via a scheme of transfer under Part XI of the Insurance Act, 1996 ("Scheme") with effect from 1 January 2009.

Following the completion of the Scheme, CAB surrendered its general insurance licence to Bank Negara Malaysia and changed its name to Bright Mission Berhad.

The Scheme placed no interruption to the business operations of AGIC. This is attributed to the Group's well planned integration exercise implemented following the acquisition of CAB in August 2007 by the Group. The branches and the information technology systems of CAB had been successfully integrated with that of AGIC in a record of six months following the acquisition of CAB in August 2007 by the Group.

An internal reorganisation was undertaken between the Company and AGIC in April 2009. The exercise involved the transfer from the Company to AGIC, certain assets ("Assets") and 14 properties which are currently held by the Company but mostly utilised by AGIC. This exercise will eliminate future inter-company transactions and charges and hence promote administrative efficiency within the Group.

The transfer of Assets from the Company to AGIC was completed on 1 April 2009 whereas the transfer of 14 properties are currently pending the approvals from the relevant authorities.

The above exercises are expected to strengthen the capital position of AGIC under the Risk-Based Capital Framework issued by Bank Negara Malaysia.

The Group launched its ONE ALLIANZ initiative and under this initiative, the Group's procedures and operations will be further streamlined to create a common sales and service platform for the customers of life and general insurance businesses.

As part of the Company's ONE ALLIANZ initiative, a new synergised website was launched. The website serves as one platform for all customers of the Group, centralising its life and general insurance business information in one platform. This has provided a much easier access and routing for customers, investors and those who seek information on both the general and life insurance products.

As customer behaviour change dynamically, along with the competitive landscape and markets, we aim to emphasise on driving strategic change management in the Group focussing on areas that will exceed the expectations of customers.

Hence, the Change Management Department was set up on 9 February 2009. This new department spearheads and manages change initiatives across ALIM and AGIC, particularly in executing the +One initiatives of Allianz Group. +One is Allianz's major change program that will enable the Group to achieve sustainable, profitable growth and become the trusted international financial services provider and trusted to deliver in moments of truth.

The Group also achieved the following milestones in 2008:

i2s (Ideas to Success)

- 360 employees submitted 654 ideas which made the Group achieve its global target of participation and implementation rates

CFI (Customer Focus Initiative)

- ALIM holds 1st place in Top Down Net Promoters Score survey (tied with 2 other competitors)
- AGIC holds 1st place in Top Down Net Promoters Score survey (tied with 3 other competitors)
- ALIM is the first Allianz Operating Entity in Asia Pacific to be certified in Complaint Management and Bottom Up Net Promoters Score

OPEX (Operational Excellence)

- The Group now has 80 OPEX Blue Belts and 6 Black Belts. (OPEX is a quality programme based on the six sigma methodology that strives to continuously seek ways to improve operations by achieving customer satisfaction and profitability. The Blue and Black Belts are certification levels for employees who undergo the OPEX training programmes)

The year also added another feather in the Company's cap, by receiving the "Solvency Award" from the leading Chinese economic daily 21st Century Business Herald for the best solvency management of insurers across Asia.

CORPORATE SOCIAL RESPONSIBILITY

For the year under review, the Group recognised its role in society as a responsible corporate citizen and continued to fulfill its corporate social responsibility through various initiatives such as donations, sponsorships and environmentally themed campaigns.

Employees and agents of the insurance subsidiaries rallied together to support Allianz in China whose employees, agents, customers and their families were affected by the devastating Sichuan earthquake. The RM100,000 collected, along with donations from other Allianz's subsidiaries in Asia Pacific, were deployed into instant disaster relief in the earthquake zone by providing simple life necessities and shelter to affected earthquake victims. In Allianz, there is this strong affinity between all operating entities to join forces not only in moments of success and celebration but more so in facing adversity and difficulties.

ALIM organised an Allianz Health Awareness Day at The Curve, Mutiara Damansara, from 18 to 20 April 2008. The Health Awareness Day was aimed at sharing important health information as well as supporting the Government's efforts to promote a healthy lifestyle for all Malaysians. Throughout the 3-day event, ALIM worked with well-known health-related organisations such as the Damansara Specialist Hospital, Pathlab, Vista Laser Eye Center and Fitness First to offer a variety of free health checks for the public. Among the free tests conducted were blood pressure checks, body mass index, eye tests, bone density tests, skin analysis and body fat screenings.

In conjunction with World Earth Day 2008, AGIC organised a gotong-royong activity throughout the country. Realising the concern and the rising need of awareness, the activity was held on 19 April 2008, where it was dedicated to the environment with various AGIC branches coming together to clean and spruce up selected locations.

Confident with her progressive, successful and proven track record, the Company continues to support 14-year-old rising tennis star Theiviya Selvarajoo. The Company has taken the initiative in sponsoring her participation at all tennis tournaments, training programmes, events and purchases related to the sport, where she will in return promoting the brand name of Allianz by wearing sports attire provided by the Company during her training sessions, tournaments, interviews and prize-giving ceremonies.

Understanding the needs of the nation and as a caring corporate citizen, the Group continued its commitment to Persatuan Mobiliti Selangor dan Kuala Lumpur ("MOBILITI"). MOBILITI is a non-profit charitable organisation providing "door-to-door" transport service to the disabled within the Klang Valley.

All these programmes and their own significant benefits further reassert our commitment as a caring corporate citizen.

In addition to the above programmes, the Group also emphasised on human capital development whereby we continue to train and retrain our fellow employees to increase efficiency and knowledge.

REGULATORY DEVELOPMENT

Bank Negara Malaysia has issued detailed guidelines under the Risk-Based Capital Framework for Insurers ("Framework"). The new Framework has taken effect from 1 January 2009 and will require insurers to maintain an appropriate level of capital that commensurate with their risk profile. Bank Negara Malaysia has also issued a Guideline on Stress Testing ("Guideline") for Insurers which requires licensed institutions, including licensed general insurers and life insurers, to conduct stress test. These tests are used as a risk management tool to identify potential threats to a licensed institution's financial condition. The tests results will be incorporated in the insurer's capital management plan to formulate actions plan required to mitigate the potential threats to the insurer's capital. The Guideline was effective from 1 December 2008.

On 27 April 2009, Bank Negara Malaysia announced liberalisation measures for the financial sector with the aim to strengthen Malaysia's economic inter linkages with other economies and to enhance the role of the financial sector as a key enabler and catalyst of economic growth. The measures affecting the insurance industry are as follows:-

1. Increase in foreign equity participation in insurance companies and takaful operators to 70 percent. A higher foreign equity limit beyond 70 percent for insurance companies will also be considered on a case-by-case basis for player who can facilitate consolidation and rationalisation of the insurance industry.
2. Up to 2 new takaful licences will be granted in 2009 to insurance players that can offer a significant value proposition to Malaysia.
3. Operational flexibilities, the restriction on opening of branches, bancassurance arrangement and employment of specialist expatriates for locally incorporated foreign insurance companies and takaful operators have been lifted. Off shore insurance companies that meet the predetermined criteria will be given flexibility to have a physical presence onshore from 2011.

OUTLOOK AND PROSPECTS

The global economy is expected to continue to weaken significantly in 2009. While a number of stimulus measures are being undertaken across the globe to counter the effects of the economy downturn, the full impact of these measures will require time to take effect (source: Bank Negara Malaysia Governor's Statement 25 March 2009).

The Malaysian Government unveiled a RM60 billion stimulus package on 10 March 2009 to stabilise consumer sentiment and heighten business confidence. In the latest forecast by the Government, the official Gross Domestic Product growth has been revised from 3.5 percent to a range of minus 1 percent to 1 percent as economic data deteriorated sharper than anticipated after taking into account the Government's RM60 billion fiscal stimulus package. Interest rate environment is expected to remain low in 2009 to alleviate financial strain on both consumers and corporates. Market yield however is on the upside risk as the government raises liquidity to fund its budget deficits.

The insurance industry is expected to experience some slowdown. Lower economic activities and poor consumer sentiment will impact insurance premium growth for the general insurance especially motor sales. Life insurance business will also be affected by the potential economic slowdown however long term savings and protection products may be more resilient.

In view of the uncertain global economic climate, the Group continues to take a cautious approach towards capital presentation and will continue to focus more on target segments for growth and profitability.

The Group anticipates the performance in 2009 to be satisfactory.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to extend our deepest appreciation to Mr. Robert Henry Stead who has resigned as Director of the Company, for his invaluable contributions to the Company and the Board of Directors. I would also like to take this opportunity to thank my fellow Directors for their invaluable contribution during the year.

Together with the Board, we sincerely thank the Senior Management Team and all the employees of the Group for continuing to be our most valuable asset and also our sincerest appreciation for their dedication and commitment in 2008.

We also would like to dedicate our utmost appreciation to our valued shareholders, customers, agents, brokers, reinsurers, business partners and associates and bankers for their continuous support and confidence in the Group.

Our sincere gratitude also goes to Bank Negara Malaysia, Bursa Malaysia Securities Berhad and all other relevant regulatory bodies and authorities for their guidance and advice.

TAN SRI RAZALI ISMAIL
Chairman

Penyata Pengerusi

Bagi pihak Lembaga Pengarah, saya dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan Syarikat dan anak-anak Syarikat ("Kumpulan") bagi tahun kewangan yang berakhir 31 Disember 2008.

Tahun 2008 merupakan tahun yang tidak-ketentuan dengan pergolakan pasaran dan kita telah menyaksikan kegagalan institusi kewangan global dan juga usaha-usaha menyelamatkan pusat-pusat kewangan oleh institusi kerajaan mereka, di samping percubaan untuk menekan kegawatan ekonomi dengan kaedah pakej-pakej pemangkin yang agresif. Sehingga kini, masih belum terdapat tanda-tanda bahawa krisis kewangan global ini akan pulih.

Ia merupakan ujian terhadap model perniagaan Kumpulan. Walaupun dilanda kegawatan kewangan global, Kumpulan tetap teguh apabila mencatatkan keuntungan sebelum cukai yang cukup memberangsangkan dengan sebanyak RM112.3 juta pada tahun 2008 berbanding RM12.3 juta pada tahun 2007. Kejayaan cemerlang Kumpulan ini dibantu oleh penguatkuasaan peraturan oleh Bank Negara Malaysia dan penggunaan pengurusan risiko dan pelaburan Kumpulan yang berlandaskan dari Allianz SE, syarikat induk kami.

TADBIR URUS KORPORAT

Lembaga komited bagi memastikan tahap tadbir urus korporat yang tinggi diamalkan di keseluruhan Kumpulan sebagai asas bagi melaksanakan tugas-tugas dan tanggungjawab demi kepentingan pemegang-pemegang saham dan polisi. Lembaga juga mengiktiraf bahawa kawalan dalaman yang cekap adalah penting bagi Kumpulan demi untuk sentiasa kukuh walaupun di kala persekitaran yang mencabar.

Kumpulan induk kami, Kumpulan Allianz, menitik-beratkan pengurusan risiko yang berdisiplin dan polisi-polisi pelaburan yang konservatif. Amalan-amalan ini telah terbukti bernilai dan menjadikan Kumpulan Allianz kukuh dikala krisis kewangan ini.

Kumpulan telah menggunakan amalan pengurusan risiko yang terbaik oleh Kumpulan Allianz dan Bank Negara Malaysia, di mana ianya sentiasa meletakkan Kumpulan pada keadaan siap-sedia bagi menghadapi sebarang kitaran kewangan. Tambahan pula, sebagai sebahagian daripada kumpulan bertaraf antarabangsa lengkap dengan pengetahuan dan kemahiran tempatan, Kumpulan telah meletakkan pelbagai unjuran kawalan dalaman yang diolahkan dari Kumpulan Allianz dalam bidang taja-jamin, tuntutan, pelaburan, IT dan lain-lain proses operasi.

Amalan tadbir urus korporat and langkah-langkah yang diambil oleh Kumpulan di nyatakan secara terperinci dalam Penyata Tadbir Urus Korporat dari halaman 48 ke 59 Laporan Tahunan ini.

PRESTASI KEWANGAAN

Bagi tahun 2008, adalah dengan sukacitanya dilaporkan bahawa jumlah penghasilan operasi meningkat pada kadar 31.4 peratus kepada RM1.9 bilion, berbanding RM1.4 bilion pada 2007, sementara pendapatan premium kasar yang direkodkan ialah RM1.1 bilion bagi insurans am dan RM692.0 juta bagi perniagaan hayat.

Pendapatan premium bersih juga meningkat dari RM991.8 juta ke RM1.3 bilion, dengan RM693.8 juta diperolehi dari perniagaan am dan RM639.9 dari perniagaan hayat pada 2008.

Bagi tahun berakhir 31 Disember 2008, jumlah asset Kumpulan ialah RM4.0 bilion, peningkatan sebanyak 11.5 peratus berbanding RM3.6 bilion tahun sebelumnya, dan dana pemegang saham meningkat sebanyak 21.5 peratus dari RM 319.5 juta ke RM 388.1 juta.

Kumpulan juga merekodkan keuntungan sebelum cukai sebanyak RM112.3 juta pada 2008 berbanding RM12.3 juta pada 2007, iaitu peningkatan yang luar biasa sebanyak 815.9 peratus.

ULASAN OPERASI

Operasi Insurans Am

Pada 2008, anak-anak syarikat insurans am Kumpulan iaitu Allianz General Insurance Company (Malaysia) Berhad ("AGIC") dan Bright Mission Berhad (yang dahulunya dikenali sebagai Commerce Assurance Berhad) ("CAB") secara kolektif telah mencapai premium bertulis kasar sebanyak RM1.1 bilion buat pertama kalinya.

Dengan pencapaian ini dapatlah disimpulkan bahawa kami sedang maju ke hadapan untuk menjadi peneraju pasaran sektor insurans am.

Merekodkan premium bertulis kasar secara kolektif sebanyak RM1.1 bilion untuk tahun 2008 dengan pertumbuhan yang mengagumkan sebanyak 43.6 peratus berbanding tahun 2007, gabungan entiti-entiti ini juga telah mencatatkan kadar bergabung sebanyak 87.9 peratus. Dengan taja-jamin yang bijaksana dan berdisiplin serta pengurusan risiko yang cekap, anak syarikat insurans am merekodkan keuntungan taja-jamin yang cemerlang berjumlah RM79.4 juta pada 2008.

AGIC telah menjadi syarikat penginsurans am yang kedua terbesar di Malaysia dengan penguasaan pasaran sebanyak 8.19 peratus pada 2008 (Sumber: Laporan ISM 2008)

Operasi Insurans Hayat

Di atas landasan kejayaan yang sama, anak syarikat insurans hayat Kumpulan, Allianz Life Insurance Malaysia Berhad ('ALIM') merekodkan premium bertulis kasar sebanyak RM692.0 juta, iaitu peningkatan 16.4 peratus berbanding tahun 2007. Perniagaan premium baru ALIM juga meningkat 25.4 peratus pada 2008, memperkuat lagi penguasaan pasarnya. Jumlah asset juga meningkat dari RM1.7 bilion pada 2007 ke RM2.0 bilion untuk 2008.

Bagi tahun berakhir 31 Disember 2008, perniagaan hayat menghasilkan keuntungan sebelum cukai sebanyak RM8.0 juta setelah Dana Hayat membuat pemindahan lebih banyak RM5.3 juta kepada Dana Pemegang Saham.

Walaupun dalam keadaan pasaran tempatan dan global yang mengalami kelembapan, posisi pertanggung ALIM masih terjamin.

ALIM menggunakan strategi pengagihan yang pelbagai, dengan perniagaan agensi sebagai saluran agihan teras. Dengan kekuatan agensi yang melebihi 3,700 orang, ALIM mempunyai peratusan pencapaian ahli MDRT yang tertinggi. Kadar produktiviti agensi juga terus maju dan berada di atas tahap piawaian industri, dan ianya juga menyumbang kepada pertumbuhan Perniagaan Premium Baru. ALIM juga dengan jayanya telah membina kekuatan agensi yang produktif dan cemerlang, dan akan terus memperkukuhkan tahap keuntungannya dengan portfolio produk yang bercampuran. Melangkah ke hadapan, ALIM akan sentiasa memperbaiki and menambah-nilai kecekapan operasinya dan mengoptimalkan struktur kos.

Dividen

Lembaga mengesyorkan dividen awal dan akhir sebanyak 2.00 sen sesaham selepas cukai 25 peratus berjumlah RM2.3 juta tertakluk kepada kelulusan pemegang saham di Mesyuarat Agung Tahunan Syarikat yang akan datang.

PERKEMBANGAN KORPORAT

Dalam tahun kewangan 2008, Kumpulan telah memperolahkan perniagaan insurans am kedua-dua anak syarikat insurans amnya, bagi memperbaiki mutu perkhidmatan dan penyelesaian insurans untuk pelanggan-pelanggannya, selaras dengan selesainya proses pengambil-alihan CAB oleh Kumpulan. Perniagaan insurans am CAB telah dipindahkan ke AGIC melalui Bahagian XI, Akta Insurans 1996 ("Skim") berkuatkuasa 1 Januari 2009.

Dengan selesainya Skim tersebut, CAB telah memulangkan lesen insurans amnya kepada Bank Negara Malaysia dan menukar namanya kepada Bright Mission Berhad.

Skim tersebut tidak menjejaskan operasi perniagaan AGIC. Ini adalah disebabkan oleh pelan integrasi Kumpulan yang cekap berikutan daripada pengambil-alihan CAB pada Ogos 2007 oleh Kumpulan. Cawangan-cawangan dan sistem-sistem teknologi maklumat CAB telah dengan jayanya diintegrasikan dengan AGIC dalam rekod jangkamasa enam bulan sahaja.

Satu reorganisasi dalaman telah dilakukan antara Syarikat dan AGIC pada April 2009. Ia melibatkan pemindahan aset ("Aset") Syarikat kepada AGIC dan 14 hartanah yang dimiliki oleh AMB tetapi digunakan oleh AGIC. Pelaksanaan ini melenyapkan transaksi antara syarikat di masa hadapan, dan juga sebarang caj-caj. Ianya juga membantu meningkatkan kecekapan pentadbiran didalam Kumpulan.

Pemindahan Aset dari Syarikat kepada AGIC telah diselesaikan pada 1 April 2009, manakala pemindahan 14 hartanah sedang dalam proses kelulusan daripada pihak-pihak berkuasa.

Perlaksanaan-perlakuan di atas dijangka akan dapat memperkukuhkan lagi posisi modal AGIC di bawah "Risk-Based Capital Framework" yang dikeluarkan oleh Bank Negara Malaysia.

Kumpulan telah melancarkan inisiatif ONE ALLIANZ. Di bawah inisiatif ini, prosedur-prosedur dan operasi-operasi Kumpulan akan dipermudahkan bagi menyediakan platform jualan dan perkhidmatan yang umum bagi pelanggan-pelanggan perniagaan insurans hayat dan am.

Sebagai salah-satu daripada inisiatif ONE ALLIANZ, sebuah laman web yang disinergikan telah dilancarkan. Laman web ini adalah sebuah platform yang umum bagi semua pelanggan Kumpulan, memusatkan maklumat perniagaan insurans hayat dan am. Ianya menyediakan kemudahan bagi pelanggan-pelanggan, para pelabur dan mereka yang inginkan maklumat mengenai produk-produk insurans hayat dan am.

Oleh kerana tingkah-laku pelanggan senantiasa berubah, seiring dengan suasana daya-saing dan pasaran, kami bermatlamat untuk menekankan perubahan pengurusan yang strategik di dalam Kumpulan dengan penumpuan terhadap melebihi jangkaan pelanggan-pelanggan.

Dengan itu, Jabatan Pengurusan Perubahan telah ditubuhkan pada 9 Februari 2009. Jabatan yang baru ini meneraju dan menguruskan inisiatif-inisiatif perubahan merentasi ALIM dan AGIC, terutamanya dalam pelaksanaan inisiatif "+One" Kumpulan Allianz. "+One" merupakan program perubahan utama yang akan membolehkan Kumpulan mencapai pertumbuhan yang berterusan dan menguntungkan seraya menjadi penyedia perkhidmatan kewangan antarabangsa yang boleh dipercayai untuk menzahirkan saat-saat kebenaran yang sejati.

Kumpulan juga beroleh kejayaan-kejayaan berikut pada 2008:

i2s (Idea-idea Kejayaan)

- 360 warga-kerja telah menghantar 654 idea-idea yang membolehkan Kumpulan mencapai sasaran globalnya bagi kadar penyertaan dan pelaksanaan,

CFI (Inisiatif Fokus Pelanggan)

- ALIM memegang tempat pertama untuk kaji-selidik “Top Down Net Promoters Score” (berkongsi tempat dengan 2 pesaing lain)
- AGIC memegang tempat pertama untuk kaji-selidik “Top Down Net Promoters Score” (berkongsi tempat dengan 3 pesaing lain)
- ALIM merupakan Entiti Operasi Allianz yang pertama di Asia Pasifik dianugerahkan pensijilan “Complaint Management and Bottom Up Net Promoters Score”

OPEX (Kecemerlangan Operasi)

- Kumpulan kini mempunyai 80 pemegang tali pinggang Biru dan 6 pemegang tali pinggang Hitam bagi OPEX. (OPEX ialah program kualiti yang dilandaskan dari metodologi enam sigma yang sentiasa mencari cara bagi memperbaiki cara operasi dengan mencapai kepuasan para pelanggan dan memperoleh keuntungan. Tali pinggang Biru dan Hitam pula merupakan tahap pensijilan bagi warga-kerja yang melalui latihan program OPEX)

AMB juga dianugerahkan Anugerah Solvency dari “21st Century Business Herald”, sebuah harian ekonomi China, bagi syarikat penginsurans yang mempunyai pengurusan “solvency” yang terbaik di Asia.

TANGGUNGJAWAB SOSIAL KORPORAT

Bagi tahun dalam ulasan, Kumpulan mengenalpasti peranan sosialnya sebagai warga korporat yang bertanggungjawab dan meneruskan tanggungjawab sosialnya melalui pelbagai inisiatif seperti pendermaan, penajaan dan kempen-kempen bertemakan alam sekitar.

Warga-kerja dan agen-agen anak-anak syarikat insurans telah bersama-sama menyokong Allianz di China, di mana warga-kerja, agen-agen, pelanggan-pelanggan dan ahli keluarga mereka telah ditimpa bencana gempa bumi Sichuan. Sebanyak RM100,000 berjaya dikumpulkan bersama dengan sumbangan dari anak-anak syarikat Allianz

di Asia Pasifik, di mana ianya digunakan bagi menyediakan bantuan bencana segera seperti bahan keperluan asas dan perlindungan bagi mangsa-mangsa gempa bumi. Di Allianz, wujudnya permuafakatan di antara semua entiti operasi untuk turut serta bukan sahaja dimasa-masa kejayaan, tetapi juga dikala berhadapan dengan kesusahan dan kesengsaraan.

ALIM telah menganjurkan Hari Kesedaran Kesihatan Allianz di The Curve, Mutiara Damansara dari 18 ke 20 April 2008. Hari Kesedaran Kesihatan ini bertujuan untuk berkongsi maklumat penting mengenai kesihatan disamping menyokong usaha-usaha Kerajaan mempromosi gaya hidup yang sihat bagi rakyat Malaysia. Sepanjang 3 hari tersebut, ALIM telah bekerjasama dengan organisasi kesihatan terkemuka seperti Hospital Pakar Damansara, Pathlab, Vista Laser Eye Center dan Fitness First yang menyediakan pelbagai pemeriksaan kesihatan secara percuma.

Bersempena dengan Hari Bumi Sedunia 2008, AGIC telah menganjurkan aktiviti gotong-royong di seluruh Negara. Aktiviti ini diadakan secara serentak pada 19 April 2008 bagi meningkatkan nilai kesedaran, dimana ianya ditujukan buat alam sekitar. Program ini disertai oleh cawangan-cawangan AGIC dimana setiap lokasi telah dibersihkan dan juga dirapikan.

Yakin dengan rekod kejayaannya yang progresif, AMB telah meneruskan sokongannya kepada Theviya Selvarajoo, bintang tenis berusia 14 tahun yang sedang meningkat naik. Syarikat mengambil inisiatif menaja semua penyertaan beliau di pelbagai pertandingan tenis, program-program latihan, acara-acara dan pembelian yang berkaitan dengan sukan tersebut. Beliau pula akan mempromosikan jenama Allianz dengan memakai pakaian sukan yang disediakan oleh Syarikat semasa latihan, pertandingan, sesi temubual dan majlis penganugerahan.

Sebagai warga korporat yang prihatin dan memahami keperluan bangsanya, Kumpulan telah meneruskan komitmennya bersama Persatuan Mobiliti Selangor dan Kuala Lumpur ("Mobiliti"). Mobiliti merupakan organisasi kebajikan bukan berteraskan keuntungan yang menyediakan perkhidmatan pengangkutan dari pintu ke pintu bagi mereka yang kurang upaya di Lembah Klang.

Kesemua program-program ini mempunyai signifikasinya yang tersendiri bagi menekankan komitmen kami sebagai warga korporat yang prihatin.

Di samping program-program yang dijalankan di atas, Kumpulan juga menitik-beratkan pembangunan modal insan dimana warga-kerja sentiasa diberi latihan bagi meningkatkan kecekapan dan penambahan pengetahuan.

PERKEMBANGAN KAWAL SELIA

Bank Negara Malaysia telah mengeluarkan garis panduan di bawah "Risk-Based Capital Framework" bagi penginsurans ("Framework"). "Framework" yang baru ini berkuatkuasa pada 1 Januari 2009 dan memerlukan penginsurans mengekalkan tahap modal yang bersesuaian dengan profil risiko mereka. Bank Negara Malaysia juga telah mengeluarkan "Guideline on Stress Testing ("Guideline")" bagi penginsurans yang menghendaki institusi berlesen termasuk penginsurans am dan hayat berlesen menjalankan ujian ketegangan (stress test). Ujian-ujian ini digunakan sebagai alat pengurusan risiko bagi mengenalpasti ancaman-ancaman yang berpotensi terhadap keadaan kewangan institusi berlesen tersebut. Keputusan ujian akan digabungkan ke dalam pelan pengurusan modal penginsurans bagi tujuan memformulasikan tindakan-tindakan yang perlu bagi memantau ancaman kepada modal penginsurans. "Guideline" ini telah berkuatkuasa dari 1 Disember 2008.

Pada 27 April 2009, Bank Negara Malaysia telah mengumumkan langkah-langkah liberalisasi bagi sektor kewangan dengan tujuan memperkukuhkan ekonomi antara-hubungan dengan ekonomi-ekonomi yang lain, dan mempertingkatkan peranan sektor kewangan sebagai kunci pemboleh dan pemangkin pertumbuhan ekonomi. Langkah-langkah yang melibatkan industri insurans adalah seperti berikut:-

1. Penambahan penyertaan ekuiti asing dalam syarikat insurans dan takaful sehingga 70 peratus. Ekuiti asing melebihi 70 peratus bagi syarikat insurans juga akan dipertimbangkan bergantung kepada kes-kes, tertakluk kepada para penginsurans yang mampu memudahkan penggabungan dan merasionalakan industri insurans.
2. 2 lesen takaful yang baru akan diberikan dalam tahun 2009 kepada para penginsurans yang dapat menawarkan nilai cadangan yang signifikan.
3. Kelegaan diberikan dari segi kelonggaran operasi, pembukaan cawangan-cawangan, susunan bankasurans dan penjawatan ekspatriat yang khusus bagi syarikat insurans asing yang diperbadankan di dalam negara. Syarikat insurans di luar persisiran pantai yang menepati kriteria yang ditetapkan juga akan diberi kelonggaran bagi secara fizikal untuk beroperasi di tanah besar dari tahun 2011.

TINJAUAN DAN PROSPEK-PROSPEK

Keadaan ekonomi global dijangkakan akan terus lemah pada tahun 2009. Walaupun adanya langkah-langkah stimulus yang sedang dilakukan di serata dunia, kesannya tidak akan dapat dirasakan dengan pantas. (Sumber: Penyata Gabenor Bank Negara Malaysia 25 Mac 2009)

Kerajaan Malaysia telah memperkenalkan pakej ransangan RM60 bilion pada 10 Mac 2009 bagi mengimbangi sentimen pengguna dan mempertingkatkan keyakinan perniagaan. Dalam ramalan terbaru oleh Kerajaan, pertumbuhan Keluaran Dalam, Negara Kasar rasmi telah diubah daripada 3.5 peratus kepada unjuran negatif 1 peratus ke 1 peratus, apabila data ekonomi semakin meruncing daripada yang dijangkakan, setelah mengambil kira pakej rangsangan RM60 bilion oleh Kerajaan. Persekitaran kadar faedah diramalkan rendah pada 2009, untuk meredakan ketegangan kewangan bagi kedua-dua pengguna dan korporat. Walaubagaimanapun, hasil pasaran berada pada risiko “upside” dimana Kerajaan menaikkan tahap kecairan bagi membiayai bajet yang defisit.

Industri insurans dijangkakan turut mengalami sedikit kelembapan. Kekurangan aktiviti ekonomi dan sentimen pengguna yang lemah akan memberi kesan kepada pertumbuhan premium insurans am terutamanya sektor permotoran. Perniagaan insurans hayat yang juga akan mendapat kesan dari kelembapan ekonomi, walaupun penabungan jangka masa panjang dan produk-produk perlindungan mungkin terus teguh.

Dengan mengambil kira suasana ekonomi global, Kumpulan akan terus menggunakan pendekatan yang berwaspada terhadap penampilan modal dan meneruskan fokus kepada segmen-segmen yang menjanakan pertumbuhan dan keuntungan.

Kumpulan menjangkakan prestasi yang memuaskan pada 2009.

PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya ingin merakamkan setinggi-tinggi penghargaan kepada Mr. Robert Henry Stead yang telah meletakkan jawatan Pengarah Syarikat dan di atas sumbangan beliau kepada Syarikat dan Lembaga Pengarah. Saya juga mengambil kesempatan ini bagi mengucapkan terima kasih kepada ahli Lembaga Pengarah yang lain di atas sumbangan mereka yang tidak ternilai sepanjang tahun 2008.

Bersama-sama dengan Lembaga, kami mengucapkan terima kasih kepada pihak Pengurusan Atasan dan semua warga-kerja Kumpulan, kerana terus menjadi aset yang amat berharga dan penghargaan di atas komitmen dan dedikasi yang ditunjukkan pada 2008.

Kami juga ingin merakamkan ucapan penghargaan kepada para pemegang saham yang budiman, para pelanggan, agen-agen, para broker, penginsurans, rakan-niaga dan sekutu-sekutu kami dan juga ahli-ahli bank di atas segala sokongan yang berterusan dan keyakinan terhadap Kumpulan.

Ucapan terima kasih juga ditujukan kepada Bank Negara Malaysia, Bursa Malaysia dan semua badan-badan penyelia dan pihak-pihak berkuasa dia atas segala bimbingan dan nasihat.

TAN SRI RAZALI ISMAIL

Pengerusi



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“As the landscape of the insurance business is dynamically changing, we adapt new business models with enhanced supervision, so as to remain in the forefront of the industry.”

Independent and Transparent Monitoring

Audit Committee Report

Audit Committee Report

COMPOSITION OF AUDIT COMMITTEE ("AC")

Composition of AC	Status of Directorship
Foo San Kan (Chairman)	Independent Non-Executive Director
Tan Sri Razali Ismail (Member)	Non-Independent Non-Executive Director
Dato' Seri Nik Abidin Bin Nik Omar (Member)	Independent Non-Executive Director

TERMS OF REFERENCE

1. Composition

- 1.1 The AC should consist of a minimum of three members appointed from the Board of the Company and shall act as the AC for the Company and its subsidiaries ("Group").
- 1.2 The members of the AC should be appointed by the Board, after taking into consideration the recommendations of the Nominating Committee. In determining the appropriate size and composition of the AC, the Board should in particular, take into consideration the necessary mix of skills and experience required for the AC to effectively discharge its responsibilities. The term of office and performance of the AC and each of its members must be reviewed by the Board at least once every 3 years to determine whether the AC and members have carried out their duties in accordance with the terms of reference.
- 1.3 If for any reason the number of AC members at any point in time is reduced to below three, notification should be provided to the Bank Negara Malaysia ("Bank") within two weeks. The notification should be addressed to Pengarah, Jabatan Penyeliaan Insurans dan Takaful ("JPI"). The Board should fill the vacancy/vacancies arising within three months.
- 1.4 Notification should also be provided to JPI where any director ceases to be a member of the AC within two weeks of the cessation. Such notifications should include reasons for the cessation.

2. Independence of AC Members

- 2.1 No AC member should be employed in an executive position in the Company or its related corporations (as defined under section 6 of the Companies Act, 1965), or otherwise have a relationship which in the opinion of the Board will interfere with the exercise of independent judgement in carrying out the functions of the AC. In addition, members of the AC should not be directly responsible for, or part of any committee involved in, the management functions of the Group.
- 2.2 As best practice, all AC members should be independent. Where this cannot be achieved, the majority of the AC members, including the Chairman, should be independent.
- 2.3 An independent director should not:-
 - (a) hold more than 5% equity interest directly or indirectly in the Company or in its related corporations;
 - (b) be employed in an executive position in the Company or its related corporations at least two years prior to his appointment date;

- (c) have an immediate family member who is, or has been in the past two years, employed by the Company or any of its related corporations as a key senior officer. For this purpose, an 'immediate family member' refers to the spouse, parent, brother, sister, child (including adopted or step child) and the spouse of such brother, sister or child, of the independent director;
- (d) be engaged, or have been engaged in the past two years, as a professional adviser by the Company or any related corporations of the Company, either personally or through a firm or company in which he is a partner, director or major shareholder; and
- (e) be engaged, or have been engaged in the past two years, in any for-profit-business transaction (other than transactions relating to the sale of insurance policies) of a value exceeding RM1 million with the Company, whether with other persons or through a firm or company in which he is a partner, director or major shareholder. However, "transactions" as stated above exclude transactions entered into:-
 - (i) for personal use of the said director; or
 - (ii) for personal investment of the said director other than for the purpose of carrying on a trade or business,

provided that such transactions are on normal commercial terms.

3. Qualification, Experience, Knowledge and Skills

- 3.1 Candidates for the AC should have sound judgement, objectivity, an independent attitude, management experience and adequate knowledge of the industry. They should be committed to the task and demonstrate a keen perception of the internal control environment within the Company and an ability to make probing inquiries.
- 3.2 Collectively, the AC should have a wide range of necessary skills to undertake its duties and responsibilities. Ideally, all AC members should be able to understand the financial reporting process and be financially literate. At least one member of the AC:-
 - (a) must be a member of the Malaysian Institute of Accountants;
 - (b) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:-
 - (i) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - (ii) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
 - (c) fulfils any of the following requirements or the requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa Malaysia"):-
 - (i) a degree/master/doctorate in accounting or finance and at least 3 years' post qualification experience in accounting or finance; or
 - (ii) at least 7 years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation.

- 3.3 In addition, in view of the important role of the AC in ensuring that there are adequate checks and balances within the operations of the Company, all AC members, either individually or collectively, are also expected to be familiar with areas included in the scope of internal insurance audits, including risk management, underwriting, investment and claims management.

4. Authority

- 4.1 The AC should have the authority to investigate any matter within its terms of reference and should have unlimited access to all information and documents relevant to its activities, to the internal and external auditors, and to employees and agents of the Group.
- 4.2 The AC should be kept regularly updated on audit matters and be notified immediately of any fraud and significant irregularities or internal control deficiencies discovered by management or the internal audit department. Fraud and irregularities discovered by management should be referred to the internal audit department for investigation.
- 4.3 The AC should have access to copies of audit reports (including interim financial audits) on a timely basis and should be kept regularly informed of corrective actions arising from internal and external audit findings.
- 4.4 The AC should have adequate resources to perform its duties and discharge its responsibilities and should be authorised to obtain independent professional advice as considered necessary.
- 4.5 The AC must be able to convene meeting with the external auditors, the internal auditors or both, excluding the attendance of other directors and the employees of the Group, whenever deemed necessary.
- 4.6 The Chairman of the AC should engage on a continuous basis with senior management, the head of internal audit and the external auditors in order to be kept informed of matters affecting the Group.

5. Meetings

- 5.1 The AC should hold regular meetings in order to effectively fulfil its duties.
- 5.2 In addition, the Chairman of the AC should call a meeting of the AC if requested to do so by any AC member, the management or the internal or external auditors.
- 5.3 The quorum of AC meetings should be at least two thirds of the members with independent directors forming the majority.
- 5.4 While the AC may invite any person to be in attendance to assist it in its deliberations (e.g. relevant officers concerned in the management of the Company, the external auditor and the internal auditor), the AC should ensure that it meets exclusively when necessary.
- 5.5 The company secretary should act as secretary of the AC and should be responsible for drawing up the agenda with the concurrence of the Chairman and circulating it, supported by explanatory documentation, to AC members within a reasonable timeframe prior to each meeting.
- 5.6 The secretary should also be responsible for keeping the minutes of meetings of the AC, their timely circulation to AC members and other members of the Board, and following up on outstanding matters in relation to the meetings.

- 5.7 The Chairman of the AC should report to the Board on the deliberations of the AC on a regular basis. In addition, the Chairman should also present a summary of all significant matters (highlighting the risks and implications) and resolutions made by the AC at Board meetings.

6. Duties and responsibilities

The AC's duties and responsibilities in relation to the internal audit and external audit functions should include the following:-

6.1 Internal Audit

6.1.1 Governance

6.1.1.1 The AC should:-

- (a) ensure that the internal audit department is distinct and has the appropriate status and the necessary authority within the overall organisational structure for the internal auditors to effectively accomplish their audit objectives;
- (b) ensure the effective organisation of the internal audit function, with due regard to the professionalism, capacity and competence of the internal audit personnel;
- (c) review and approve the audit plan, audit charter and budget required under Part B of the Bank's Circular JPI/GPI 13: Guidelines on Audit Committees and Internal Audit Departments for Insurance Companies issued on 25 February 1995 ("Guidelines");
- (d) ensure that reporting relationships of the internal audit staff do not impede the exercise of independent judgement by the internal auditors. In particular, internal audit reports should not be subject to the clearance of the chief executive officer or any executive director;
- (e) ensure that the internal audit function is independent of the activities it audits and that the internal audit function reports directly to the AC.

6.1.1.2 The AC should also review the scope of internal audit procedures, in particular:-

- (a) any restrictions placed on access by the internal auditors to any of the Company's records, assets, personnel or processes which are relevant to the conduct of audits;
- (b) appropriateness of the risk assessment methodology employed pursuant to Part B of the Guidelines to determine the frequency and scope of audits, having regard to the nature, size and complexity of the Company's operations;
- (c) compliance with internal auditing standards; and
- (d) coordination between internal and external auditors.

6.1.1.3 AC members should ensure that they are adequately informed of, and understand, the risks and implications of internal audit findings and recommendations. The AC should pay particular attention to internal audit assessments of:-

- compliance with company policies, relevant laws and regulatory requirements;
- effectiveness of internal controls in critical areas of operations (e.g. accounting, underwriting, claims, investment, derivatives and information technology management); and
- management's responsiveness to, and corrective actions taken in respect of, internal audit findings and recommendations.

6.1.1.4 The AC should ensure that all findings and recommendations are resolved effectively and in a timely manner.

6.1.1.5 The AC should note any significant disagreements between the internal auditor and management irrespective of whether they have been resolved in order to identify any impact that this may have on the audit process or findings.

6.1.2 Resources and staffing

6.1.2.1 The AC should ensure on an ongoing basis, the adequacy of the scope, functions, competency and resource of the internal audit department, given the size and complexity of the Company's operations. In this respect, the AC should:-

- (a) approve the appointment, remuneration, performance evaluation, removal and redeployment of the Chief Internal Auditor ("CIA") and senior officers of the internal audit function; and
- (b) be informed of any resignation of the internal audit staff and reasons therefore, and provide resigning staff with an opportunity to submit reasons for their resignations.

6.1.2.2 The AC should ensure that internal audit staff receives necessary training to perform audit work. In this respect, there should be a programme of continuing education and training to enable the internal auditors to keep abreast of business trends and latest developments at both the institution and industry levels, as well as to enhance technical skills required to effectively support the audit function.

6.2 External Auditor

6.2.1 Appointment of external auditor

6.2.1.1 The AC is responsible for the appointment of the external auditor, having particular regard to the external auditor's objectivity, performance and independence.

6.2.1.2 The AC should:-

- (a) review and assess various relationships between the external auditor and the Company or any other entity that may impair or appear to impair the external auditors' judgement or independence in respect of the Company. This may include affiliations resulting from the Company's employment of former employees of the external auditor in senior positions within the Company.
- (b) review and assess fees paid to the external auditor, considering:-
 - the economic importance of the Company (in terms of total fees paid) to the external auditor;
 - fees paid for non-audit services as a proportion of total fees;
 - whether an effective, comprehensive and complete audit could be reasonably conducted for the audit fees paid.

The fees paid should not impair or appear to impair the external auditor's judgement or independence in respect to the Company; and

- (c) investigate reasons for any request made by management to dismiss the external auditor, or any resignation by the external auditor. The results of the investigation should be disclosed to the full Board together with the AC's recommendations on proposed actions to be taken. The decisions of the Board in relation to the recommendations made by the AC should be documented in the Board minutes, with a copy of the relevant minutes extended to JPI within two weeks of the Board's decision.

6.2.2 Provision of non-audit services by the external auditor

- 6.2.2.1 Any provision of non-audit services by the Company's external auditor should be approved by the AC before the commencement of the service, or whenever there is a significant change in the level of services provided.
- 6.2.2.2 In considering the provision of non-audit services by the external auditor, the AC should have regard to restrictions on outsourcing to external auditors set out in JPI/GPI 31: Guidelines on Outsourcing for Insurers.
- 6.2.2.3 The AC's decisions with respect to the provision of non-audit services should be documented in a statement which outlines whether or not it believes the level of provision of non-audit services by the external auditor is compatible with maintaining auditor independence (together with supporting reasons).

6.2.3 Audit plan, findings and recommendations

- 6.2.3.1 The AC should review with the external auditors, the:-
 - (a) audit plan prior to the commencement of the annual audit;
 - (b) financial statements (before the audited financial statements are presented to the Board), including:-
 - whether the auditor's report contained any qualifications which must be properly discussed and acted upon to remove the cause of the auditors' concerns;
 - significant changes and adjustment in the presentation of financial statements;
 - major changes in accounting policies and principles;
 - alternative accounting treatments discussed with management and the ramifications of the alternatives;
 - compliance with relevant laws and accounting standards;
 - material fluctuations in the statements;
 - significant variations in audit scope;
 - significant commitments or contingent liabilities; and
 - the validity of going concern assumptions.
 - (c) audit reports, including obligatory reports to the Bank on matters covered under Section 82 of the Insurance Act 1996 ("Act");
 - (d) external auditor's evaluation of the Group's system of internal controls;
 - (e) any significant disagreements between the external auditor and management irrespective of whether they have been resolved; and
 - (f) any other findings, issues or reservations faced by the external auditor arising from interim and financial audits.

6.2.3.2 The AC should review and monitor management's responsiveness to, and actions taken on, external audit findings and recommendations. In this regard, the AC should ensure that all findings and recommendations are resolved effectively and in a timely manner.

6.2.3.3 In order to allow external auditors to express concerns, problems and reservations arising from financial audits effectively, the AC should meet at least twice a year with the external auditor without the presence of management.

6.3 Other responsibilities

6.3.1 The AC should also:-

(a) review:-

- the Chairman's statement and preliminary announcements;
- interim financial reports including quarterly results, focusing particularly on:-
 - (i) changes in or implementation of major accounting policy changes;
 - (ii) significant and unusual events; and
 - (iii) compliance with accounting standards and other legal requirements;
- corporate governance disclosure made in the Directors' Report pursuant to the requirement in JPI/GPI 25: Prudential Framework of Corporate Governance for Insurers and be satisfied that any departure from the Framework principles and the circumstances justifying such departure are sufficiently explained;
- all representation letters signed by management, and be satisfied that the information provided is complete and appropriate;

(b) review internal control issues identified by auditors and regulatory authorities on Anti-Money Laundering and Counter Financing of Terrorism ("AML/CFT") and evaluate the adequacy and effectiveness of the internal controls for its AML/CFT measures. At the minimum, the AC should:

- ensure the roles and responsibilities of the auditor on AML/CFT are clearly defined and documented.
- ensure that independent audits are conducted to check and test the effectiveness of the policies, procedures and controls for AML/CFT measures;
- ensure the effectiveness of the internal audit function in assessing and evaluating the AML/CFT controls;
- ensure the AML/CFT measures are in compliance with the Anti-Money Laundering and Anti-Terrorism Financing Act 2001, its regulations and the relevant Guidelines; and
- assess whether current AML/CFT measures which have been put in place are in line with the latest developments and changes of the relevant AML/CFT requirements.

(c) submit a written report on the audit findings on AML/CFT to the Board on a regular basis. The report should be used to highlight inadequacies of any AML/CFT measures and control systems within the Company;

(d) review audit findings from internal and external auditors on risk management related issues, management responses and ensure actions are taken based on the recommendations;

(e) review findings and reports from the Whistleblowing Committee;

- (f) review any related-party transactions and conflicts of interest situations that may arise within the Group including any transaction, procedure or conduct that raises questions of management integrity;
- (g) ensure that the respective companies within the Group complies with Section 95 of the Act which requires an insurer to publish its accounts within 14 days of the laying of its accounts at its annual general meeting;
- (h) ensure that the accounts of the Company and its subsidiaries are prepared in a timely and accurate manner for regulatory, management and general reporting purposes, with regular reviews carried out on the adequacy of provisions made; and
- (i) ensure that supervisory issues raised by the Bank are resolved in a timely manner.

6.3.2 The AC shall also be responsible for any other functions as may be determined by the Board and reflected in its terms of reference.

7. Reporting to the Bank/Bursa Malaysia

7.1 The AC shall submit to the Bank, a summary of material concerns/weaknesses in the internal control environment of the respective companies within the Group noted during the year and the corresponding measures taken to address these weaknesses. This should be submitted together with the annual report on the AC and its activities which is submitted to the Bank pursuant to principle 18 of JPI/GPI 25.

7.2. Where an AC is of the view that a matter reported by it to the Board had not been satisfactorily resolved resulting in a breach of Listing Requirements of Bursa Malaysia, the AC must promptly report such matter to the Bursa Malaysia.

AC MEETINGS

The AC meets at least five times a year to coincide with the review of the quarterly and annual financial statements prior to its presentation to the Board for approval. Special AC Meeting may be convened as and when necessary.

There were 5 AC Meetings held during the financial year ended 31 December 2008. The detailed attendance of the AC members during the financial year ended 31 December 2008 are as follows:-

Name of AC Members	Number of AC Meetings		Percentage of Attendance
	Held	Attended	
Foo San Kan	5	5	100
Tan Sri Razali Ismail	5	5	100
Dato' Seri Nik Abidin Bin Nik Omar	5	5	100

SUMMARY OF ACTIVITIES

During the financial year ended 31 December 2008, the following activities were carried out by the AC:-

1. Reviewed and recommended for the approvals of the respective Boards of the subsidiaries/Company, the unaudited quarterly reports of the subsidiaries/Company for the financial quarters ended 31 December 2007, 31 March 2008, 30 June 2008 and 30 September 2008.

2. Reviewed and recommended for the approvals of the respective Boards of the subsidiaries/Company, the audited financial statements and Directors' Reports thereon of the subsidiaries/Company/Group for the financial year ended 31 December 2007.
3. Reviewed and recommended for the approval of the Board of the life insurance subsidiary, the audited financial statements and performance report for the investment-linked funds for the financial year ended 31 December 2007.
4. Reviewed the Statement on Internal Control for the financial year ended 31 December 2007 and the report from the External Auditors in respect thereto and recommended the Statement on Internal Control for the Board's approval.
5. Reviewed the audit plan of the External Auditors for the Group for the financial year ending 31 December 2008.
6. Reviewed the annual audit results and the Management Letters issued by the External Auditors in respect of the annual audits of the subsidiaries/Company and recommended for the approvals of the respective Boards of the subsidiaries/Company, the respective Management's responses in respect thereto.
7. Reviewed and recommended for the approvals of respective Boards of the subsidiaries/Company, the re-appointment of the External Auditors for the Group for the financial year ended 31 December 2008 and the re-appointment of the External Auditors to review the Internal Control Statement of AMB Group for the financial year 2008.
8. Reviewed and recommended for the approvals of respective Boards of the subsidiaries/Company, the engagement letters for KPMG's re-appointment as auditors for the Group for the financial year ended 31 December 2008 and for KPMG to review the Statement on Internal Control.
9. Reviewed and recommended for the approvals of respective Boards of the subsidiaries/Company, the audit fees for the financial years 2007 and 2008.
10. Reviewed and recommended for the approval of the Board, special audit fees of the Company for the financial period ended 30 June 2007.
11. Reviewed the annual AC Reports for the insurance subsidiaries in respect of the financial year ended 31 December 2007 for submission to the Bank.
12. Reviewed the progress reports of the Internal Audit Plan 2008 and approved the 5-year (2009 – 2013) Internal Audit Plan for the Group.
13. Discussed the various Internal Audit Reports of the subsidiaries and other activities undertaken by the Internal Auditors.
14. Discussed the progress reports on various outstanding audit findings of the subsidiaries.
15. Discussed the Group Audit Report on audit conducted by the ultimate holding company, Allianz SE.
16. Discussed the compliance status report of the life insurance subsidiary on Guidelines issued by Life Insurance Association of Malaysia.

17. Reviewed and recommended for the Board's approval, the revised Terms of Reference of AC.
18. Discussed the fraud discovered by the subsidiaries and the updates in relation thereto and reviewed the measures undertaken in respect thereto.
19. Reviewed and recommended for the approvals of the respective Boards of the subsidiaries/Company, the related party transactions to be entered by the subsidiaries/Company.
20. Reviewed the review procedures for recurrent related party transactions.
21. Reviewed and recommended for the Board's approval, the terms of reference and the composition of the Due Diligence Working Group to review related party transactions.
22. Discussed the activities updates of the Whistleblowing Committees of the subsidiaries/Company.
23. Reviewed and recommended for the approval of the Board, the Chairman's Statement, AC Report and the Statement on Corporate Governance for inclusion in the 2007 Annual Report of the Company.
24. Evaluated the performance of the Chief Internal Auditor.
25. Held two private discussions with the External Auditors and one private discussion with the Chief Internal Auditor.

INTERNAL AUDIT FUNCTION

The primary objective of the Internal Audit Department ("IAD") is to assist the Management, AC and the Boards of the Group in the effective discharge of their responsibilities. This is done through the independent assessment and appraisal of the internal controls and the evaluation of the effectiveness of risk management system and corporate governance process of the Group to ensure that organisational controls or management controls in the form of policies and standard operating procedures are adequate and effective, in line with the Group's goals. It includes promoting and recommending cost effective controls for safeguarding of assets of the Group and minimising the opportunities for error and fraud.

During the financial year ended 31 December 2008, the IAD carried out its duties in accordance with the audit plans approved by the AC. The audit reports which had incorporated the management's responses are tabled for discussion at the AC Meetings.

The IAD also established a follow-up audit review to monitor and ensure that audit recommendations have been effectively implemented. The progress reports on remedial measures taken by the management of the respective companies on audit observations are tabled at the AC Meetings for the AC's review.

The total cost incurred for the internal audit function of the Group for 2008 amounting to RM1.262 million.



“Our customers highly value the financial strength, high solvency, and very high levels of security that Allianz can offer. These strengths have emerged even stronger during the recent turbulences.”

The Basis of Company Management and Control

Statement on Corporate Governance

Statement On Corporate Governance

The Board of Directors is committed to ensure that the highest standards of corporate governance are practiced throughout the Company and its subsidiaries ("Group") as a fundamental obligation of discharging their duties and responsibilities to protect the interests of the Group's shareholders and policyholders.

The Company has complied with all the prescriptive requirements of, and adopts management practices that are consistent with the best practices prescribed under the Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Malaysia"), Prudential Framework of Corporate Governance for Insurers issued by Bank Negara Malaysia ("BNM") as well as the Malaysian Code on Corporate Governance ("Code").

The Board is pleased to set out below the manner by which the Group has applied the principles of good governance and the extent to which it has complied with the best practices described above:-

1. BOARD OF DIRECTORS

The Board has the overall responsibilities for reviewing and adopting strategic plans for the Group, overseeing the conduct of business of the Group, implementing an appropriate system of risk management and ensuring the adequacy and the integrity of the Group's internal control systems.

1.1 Board Balance

The Board comprises 5 Non-Executive Directors and 1 Executive Director. There are 2 Independent Non-Executive Directors on the Board.

Membership of the Board is drawn from various fields with a balance of skills and experiences appropriate to the business of the Company.

The Board is chaired by a Non-Independent Non-Executive Director who does not represent the interest of the controlling shareholder. The Chairman and the Non-Executive Directors do not engage in the day-to-day management of the Company and there is no duplication of roles between the Chairman and the Chief Executive Officer of the Company.

The Independent Directors complied with the requirements of Independent Director prescribed by BNM and Bursa Malaysia. By virtue of their roles and responsibilities as prescribed by BNM and Bursa Malaysia, they are in effect, representing the interest of the minority shareholders of the Company.

All Directors have complied with the Bursa Malaysia Listing Requirements on restriction of directorships and the "fit and proper" criteria as prescribed under the Insurance Act 1996 and the Insurance Regulations 1996.

The profiles of the Board of Directors are presented on pages 16 to 22 of this Annual Report.

1.2 Board Meeting and Supply of Information

The Board meets regularly at least 5 times in a year. In addition, Special Board Meetings are held as and when required. A total of 5 Board Meetings were held in the financial year ended 31 December 2008.

The attendance of each Director at the Board Meeting held during the financial year ended 31 December 2008 is as follows:-

Name of Directors	Designation	No. of Board Meetings Held	No. of Board Meetings Attended
Tan Sri Razali Ismail	Chairman Non-Independent Non-Executive Director	5	5
Dato' Seri Nik Abidin Bin Nik Omar	Independent Non-Executive Director	5	5
Foo San Kan	Independent Non-Executive Director	5	5
Dung Tri Nguyen @ Don Tri Nguyen	Non-Independent Non-Executive Director	5	5
Craig Anthony Ellis	Non-Independent Non-Executive Director	5	5
Cornelius Alexander Ioannis Ankel	Chief Executive Officer/ Non-Independent Executive Director	5	5

The Board has unrestricted access to relevant information in a timely manner in advance of Board Meetings. All Directors are given sufficient time to review materials prior to Board Meetings.

The Board meetings are conducted in accordance to the agenda approved by the Chairman. Urgent matters may be tabled for the Board's deliberation under a supplemental agenda.

In addition to matters which require the Board's approval, the Board is consistently being informed and updated via Board Meeting papers on matters in relation to business operations, financial and business reviews and development, Group strategy, information on business proposition including the market share, industry development, corporate proposal, risk management review, regulation updates, compliance issue, customer focus initiatives and other operational efficiency projects. The Board is also being informed of the decision and significant issues deliberated by the Board Committees via the reporting of the Chairman of the respective Board Committees and the minutes of the Board Committees tabled at the Board Meetings.

In between Board Meetings, the Board is also being informed or updated in writing, on important issues and/or major development of matters discussed in the Board Meetings, by the Management and the Company Secretary.

All Directors have direct access to the advice and services of the Company Secretary and may seek independent advice should the need arise.

1.3 Appointment to the Board

The appointments of all Directors were approved by BNM. All appointments of Board members are subject to the evaluation by the Nominating Committee and approved by the Board before the applications are submitted to BNM for approval.

The Company has put in place a performance evaluation process and procedures for assessing the Directors and the effectiveness of the Board. The Nominating Committee reviewed the evaluation results of the Directors and the Board as a whole and reported its observation to the Board.

An annual review on the composition mix of the Board will also be carried out by the Nominating Committee and the result of the annual review will be reported to the Board.

1.4 Directors' Training

All Directors have attended the Mandatory Accreditation Programme as prescribed under the Bursa Malaysia Listing Requirements.

The Nominating Committee oversees the training needs of the Directors. All new Directors are required to attend the orientation programme for newly appointed Directors to familiarise them with the insurance industry and the Group.

In order to keep the Directors abreast with the current developments as well as new statutory and regulatory requirements, the Board has approved the following areas of training for the Directors:-

- Laws and regulations imposed by the relevant authorities and any updates in respect thereto
- Risk Management and compliance controls
- Finance, accounting and insurance related requirements
- Corporate Governance

The Directors attended external training programmes endorsed by Bursa Malaysia during the financial year ended 31 December 2008.

1.5 Re-election and Re-appointment of Directors

In accordance with the Articles of Association of the Company, one third of the Directors shall retire by rotation at each Annual General Meeting and that a Director who is appointed during the year shall be retired at the next following Annual General Meeting.

All Directors shall retire from office at least once in every three years pursuant to the Bursa Malaysia Listing Requirements.

In addition, any Director who attains the age of 70 is required to submit himself for re-appointment annually pursuant to the Companies Act, 1965.

The Nominating Committee will review and assess the proposed re-election/re-appointment of Directors and submit its recommendation to the Board for consideration prior to the proposed re-election/re-appointment being presented to shareholders' for approval.

1.6 Board Committees

The Board in the course of carrying out its duties, may set-up Board Committees delegated with specific authority and operating on the terms of reference as approved by the Board, to assist the Board in the execution of its responsibilities. These Committees shall have the authority to examine particular issues and report back to the Board with their recommendations. The ultimate responsibility for the final decision on all matters, however, lies with the entire Board.

The Board Committees set up to assist the Board on specific areas of responsibilities, are set out below. With effect from 1 January 2008, the Company's subsidiaries have formally used the services of these Committees of the Company.

(a) Audit Committee

The memberships and terms of reference of the Audit Committee are determined in accordance with the BNM's guidelines, Bursa Malaysia Listing Requirements and the Code. The composition and the terms of reference of the Audit Committee are detailed in the Audit Committee Report on pages 36 to 45 of this Annual Report.

(b) Risk Management Committee

The members of the Risk Management Committee are as follows:-

Members	Designation
Dato' Seri Nik Abidin Bin Nik Omar (Chairman)	Independent Non-Executive Director
Foo San Kan (Member)	Independent Non-Executive Director
Dung Tri Nguyen @ Don Tri Nguyen (Member)	Non-Independent Non-Executive Director
Craig Anthony Ellis (Member)	Non-Independent Non-Executive Director

There were 4 Risk Management Committee Meetings held during the financial year ended 31 December 2008. The attendance of each member of the Risk Management Committee is as follows:-

Members	No. of Meetings Held	No. of Meetings Attended
Dato' Seri Nik Abidin Bin Nik Omar	4	4
Foo San Kan	4	4
Dung Tri Nguyen @ Don Tri Nguyen	4	3
Craig Anthony Ellis	4	4

The Risk Management Committee is responsible for driving the risk management framework of the Group and to report to the Boards of the respective companies within the Group on its recommendations and/or decisions. The responsibilities of the Risk Management Committee are stated below:-

- (a) to address strategic and corporate level risks and recommend to the respective Boards of the Group the strategies to manage these risks and ensure its implementation;
- (b) to review and assess the adequacy of risk management policies and framework for identifying, measuring, monitoring and controlling risks as well as the extent to which these are operating effectively;
- (c) to review and recommend risk management strategies, policies and risk parameters/tolerance levels for the approval of the respective Boards of the Group and to ensure any changes and concerns are communicated to senior management effectively;
- (d) to ensure the risk control functions have adequate resources, authority, infrastructure, systems and independence to enable an effective risk management;
- (e) to review the Key Risks Profile and risks raised by business units and monitor the progress of action plans implemented ;

- (f) to review and recommend for the approval of the respective Boards of the Group, the contingency planning, including its effectiveness testing covering policies, processes and resources in place to address potential crises, unusual circumstances and stress situations ;
- (g) to review periodic reports on risk exposure, risk portfolio composition and risk management activities;
- (h) to report to the respective Boards of the Group, the risk management status on a regular basis; and
- (i) to approve risk methodology to facilitate risk assessment.

(c) Nominating Committee

The members of the Nominating Committee are as follows:-

Members	Designation
Dato' Seri Nik Abidin Bin Nik Omar (Chairman)	Independent Non-Executive Director
Tan Sri Razali Ismail (Member)	Non-Independent Non-Executive Director
Foo San Kan (Member)	Independent Non-Executive Director
Dung Tri Nguyen @ Don Tri Nguyen (Member)	Non-Independent Non-Executive Director
Craig Anthony Ellis (Member)	Non-Independent Non-Executive Director

There was 1 Nominating Committee Meeting held during the financial year ended 31 December 2008. The attendance of each member of the Nominating Committee is as follows:-

Members	No. of Meeting Held	No. of Meeting Attended
Dato' Seri Nik Abidin Bin Nik Omar	1	1
Tan Sri Razali Ismail	1	1
Foo San Kan	1	1
DungTri Nguyen @ Don Tri Nguyen	1	1
Craig Anthony Ellis	1	1

The primary objective of the Nominating Committee is to establish a documented formal and transparent procedure for the appointment of Directors, Chief Executive Officer, Key Senior Officers of the Group and to assess the effectiveness of individual director, the Board as a whole, Chief Executive Officer and Key Senior Officers of the Group on an on-going basis.

The responsibilities of the Nominating Committee are stated below:-

- (a) establishing minimum requirements for the Board and the Chief Executive Officer to perform their responsibilities effectively. It is also responsible for overseeing 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 the mix of skills and other core competencies required, through annual reviews;

- (b) recommending and assessing the nominees for directorship, the Directors to fill Board committees, as well as nominees for the Chief Executive Officer position. This includes assessing Directors and the Chief Executive Officer proposed for reappointment, before an application for approval is submitted to BNM. The Nominating Committee in making its recommendation on candidates for directorship should consider the candidates’:-
- (i) skill, knowledge, expertise and experience;
 - (ii) professionalism;
 - (iii) integrity; and
 - (iv) in the case of candidate for the position of independent non-executive directors, the Nominating Committee should also evaluate the candidates’ ability to discharge such responsibilities/functions as expected from independent non-executive directors;
- (c) establishing a mechanism for formal assessment and assessing the effectiveness of the Board as a whole, the contribution by each Director including the independent non-executive directors to the effectiveness of the Board, the contribution of the Board’s various committees and the performance of the Chief Executive Officer. All assessments and evaluations carried out by the Nominating Committee in the discharge of all its functions should be properly documented;
- (d) recommending to the Board on removal of a Director/ Chief Executive Officer if he is ineffective, errant or negligent in discharging his responsibilities;
- (e) ensuring that all Directors undergo appropriate induction programmes and receive continuous training; and
- (f) overseeing the appointment, management succession planning and performance evaluation of Key Senior Officers, and recommending to the Board the removal of Key Senior Officers if they are ineffective, errant or negligent in discharging their responsibilities.

From the annual review carried out by the Nominating Committee, the Nominating Committee was of the opinion that the Board has a good mix of skills and experiences appropriate for the business of the Company.

(d) Remuneration Committee

The composition of the Remuneration Committee is as follows:-

Members	Designation
Dato’ Seri Nik Abidin Bin Nik Omar (Chairman)	Independent Non-Executive Director
Dung Tri Nguyen @ Don Tri Nguyen (Member)	Non-Independent Non-Executive Director
Craig Anthony Ellis (Member)	Non-Independent Non-Executive Director

There were 3 Remuneration Committee Meetings held during the financial year ended 31 December 2008. The attendance of each member of the Remuneration Committee is as follows:

Members	No. of Meeting Held	No. of Meeting Attended
Dato' Seri Nik Abidin Bin Nik Omar	3	3
Dung Tri Nguyen @ Don Tri Nguyen	3	3
Craig Anthony Ellis	3	2

The primary objective of the Remuneration Committee is to provide a formal and transparent procedure for developing a remuneration policy for Directors, Chief Executive Officer and Key Senior Officers of the Group and ensuring that their compensation is competitive and consistent with the culture, objective and strategy of the Group.

The responsibilities of the Remuneration Committee are stated below:-

- (a) recommending a framework of remuneration for Directors, Chief Executive Officer and Key Senior Officers. The remuneration policy should:-
 - (i) be documented and approved by the full Board and any changes thereto should be subject to the endorsement of the full Board;
 - (ii) reflect the experience and level of responsibility borne by individual Directors, the Chief Executive Officer and Key Senior Officers;
 - (iii) be sufficient to attract and retain Directors, Chief Executive Officer and Key Senior Officers of calibre needed to manage the Company successfully; and
 - (iv) be balanced against the need to ensure that the funds of the insurer are not used to subsidise excessive remuneration packages;
- (b) recommending specific remuneration packages for Directors, Chief Executive Officer and Key Senior Officers. The remuneration packages should:-
 - (i) be based on an objective consideration and approved by the full Board;
 - (ii) take due consideration of the assessments of the Nominating Committee of the effectiveness and contribution of the Directors, Chief Executive Officer or Key Senior Officers concerned;
 - (iii) not be decided by the exercise of sole discretion of any one individual or restricted group of individuals; and
 - (iv) be competitive and is consistent with the culture, objective and strategy of the Group.

(e) Investment Committee

The composition of the Investment Committee is as follows:-

Members	Designation
Craig Anthony Ellis (Chairman)	Non-Independent Non-Executive Director
Cornelius Alexander Ioannis Ankel (Member)	Non-Independent Executive Director
Ng Hang Ming (Member)	Non-Independent Executive Director of Allianz General Insurance Company (Malaysia) Berhad, a wholly-owned subsidiary of the Company
Ong Eng Chow (Member)	Non-Independent Executive Director of Allianz Life Insurance Malaysia Berhad, a wholly-owned subsidiary of the Company

There were 4 Investment Committee Meetings held during the financial year ended 31 December 2008. The attendance of each member of the Investment Committee is as follows:-

Members	No. of Meetings Held	No. of Meetings Attended
Craig Anthony Ellis	4	4
Cornelius Alexander Ioannis Ankel	4	4
Ng Hang Ming	4	1 out of 2 meetings held after his appointment as member of the Investment Committee on 3 June 2008
Ong Eng Chow	4	2 out of 2 meetings held after his appointment as member of the Investment Committee on 16 July 2008

The Investment Committee is responsible for setting of investment policies, objectives, guidelines and controls for the Investment Department which in turn is responsible for managing the investment functions of the Group.

2. DIRECTORS' REMUNERATION

2.1 The Level and Make-up of Remuneration

The Board has adopted a remuneration policy for Directors of the Company which sets out that Directors' remuneration shall be determined based on the following criteria:-

- (a) overall performance of the Group;
- (b) level of responsibility; and
- (c) attendance at meetings.

Individual Directors shall abstain from discussion of their own remuneration.

2.2 Procedure

The Remuneration Committee recommends to the Board the remuneration to be paid to each Director based on the remuneration policy as approved by the Board. It is, nevertheless the ultimate responsibility of the entire Board to decide the quantum for each Director.

2.3 Disclosure

The Non-Executive Directors who are not representing the interest of the major shareholder are paid an annual fee and meeting allowance of RM800 per meeting. The Executive Director received only the remuneration paid to him for his designated position held in the Company.

The Directors' remuneration (including benefits-in-kind) for the financial year ended 31 December 2008 are detailed below:-

- (a) The aggregate remuneration of Directors according to their appropriate classifications.

	RM
Fees	219,000
Others *	562,299

* include remuneration paid to Executive Director and benefits-in-kind provided to the Chairman of the Company.

- (b) The number of Directors whose remuneration falls into each successive band of RM50,000.

Band	No. of Directors
RM0 - RM50,000	-
RM50,001 - RM100,000	2
RM100,001 - RM150,000	-
RM150,001 - RM200,000	-
RM200,001 - RM300,000	-
RM300,001 - RM350,000	2

3. SHAREHOLDERS AND INVESTORS RELATIONSHIP

3.1. Dialogue with Shareholders/Investors

The Board acknowledges the need for shareholders to be informed of all material information affecting the Group. As such, information in respect of the Group's performance, corporate exercises and matters affecting shareholders' interests are disseminated to shareholders and investing public through annual reports, quarterly reports, shareholder circulars and specific announcements released to the Bursa Malaysia on a timely manner, in accordance with the provisions of the Listing Requirements of Bursa Malaysia.

In addition to the above, the Group also issues press releases and conducts media/analysts/investors briefings to provide the stakeholders of the Group with the up-to-date information in respect of the Group's business and/or corporate initiatives.

The Corporate Communications Department of the Company addresses inquiries from shareholders, investors and the public on all corporate matters relating to the Company.

The personnel to be contacted in relation to investor relations matters are as follows:-

Mr. Ong Eng Chow	Ms. Joannica Dass
Chief Financial Officer	Head of Corporate Communications Department
Contact Details	Contact Details
Telephone number: 603-21613201/ 603-27166848	Telephone number: 603-22640780
E-mail: Charles.Ong@allianz.com.my	E-mail: joannica.dass@allianz.com.my

3.2. Annual General Meeting

The Annual General Meeting is the forum to communicate with the shareholders of the Company. Shareholders are encouraged to raise questions or seek clarification pertaining to the operations and the financial status of the Group. Members of the Board, the Management and the Auditors are present at the Annual General Meeting to respond to various questions raised by the shareholders.

In addition, shareholders of the Company are able to obtain up-to-date information on the Company's various activities by accessing to the Company's website at www.allianz.com.my.

4. ACCOUNTABILITY AND AUDIT

Financial Reporting

In presenting the annual financial statements, quarterly reports and the annual report to the shareholders of the Company, the Board takes appropriate steps to present a clear and balanced assessment of the Group's position and prospects. This also applies to other price-sensitive public announcements and reports to regulators.

The financial statements of the Group before presenting to the Board for approval will be reviewed by the Audit Committee. The Audit Committee assists the Board by reviewing the information to be disclosed in the financial statements to ensure that the information disclosed is accurate, adequate and in compliance with the various disclosure requirements imposed by the relevant authorities. The Board discusses and reviews the recommendations proposed by the Audit Committee prior to adoption of the financial statements of the Group.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO FINANCIAL STATEMENTS

The Board, in preparing the financial statements, has adopted appropriate accounting policies, consistently applied and supported by reasonable and prudent judgment and estimates. All applicable accounting standards have been followed and the financial statements have been prepared on a going concern basis.

The Board is responsible for ensuring that the Company maintains accounting records that disclose reasonable accuracy of the financial position of the Group and the Company.

The Board has overall responsibilities for taking such steps, as are reasonably available to them, to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The statement by Directors pursuant to Section 169(15) of the Companies Act, 1965 in respect of the preparation of the Company's financial statements for the financial year ended 31 December 2008 is set out in page 161 of this Annual Report.

RELATED PARTY TRANSACTIONS

The Group complied with the requirements of BNM's Guidelines on Related Party Transactions (JPI/GPI 19) and the Listing Requirements of Bursa Malaysia in respect of all its related party undertakings.

Necessary disclosures were made to the Board and where required, prior approval of the Board and/or shareholders for the transaction had also been obtained.

In line with Part E, Paragraph 10.09 of the Listing Requirements of Bursa Malaysia on recurrent related party transactions of a revenue or trading nature with related parties ("Recurrent Transactions"), the Company has obtained the shareholders' mandate for the Group to enter into Recurrent Transactions ("Shareholders' Mandate"). The Shareholders' Mandate will be renewed on a yearly basis at the Annual General Meeting of the Company.

The Group has established a procedure to review the existing Recurrent Transactions and new related party transactions ("RPTs"). In this respect, a due diligence working group ("DDWG") has been set up to assist the Audit Committee in reviewing all RPTs. The DDWG will make its recommendation in respect of RPT and Recurrent Transactions proposal to the Audit Committee for consideration and the recommendation of the Audit Committee will thereafter be presented to the Board for approval.

Details of the RPTs are set out in Notes to the Financial Statements on pages 151 to 153 of this Report.

STATEMENT ON INTERNAL CONTROL

Board Responsibility

The Board recognises the importance of sound internal controls that cover risk management, financial, operational and compliance controls. The Board affirms its overall responsibilities for the Group's internal control and risk management system ("System"). Such a system, designed to safeguard shareholders' investments and the Group's assets, however, can only mitigate rather than eliminate the risk of failure to achieve the business objectives of the Group. The System, by its nature, can only provide reasonable but not absolute assurance against material misstatement or loss.

Risk Management Framework

The Board recognises the importance of having in place a risk management system to identify principal risks and implement appropriate controls to manage such risks as an integral part of the Group's operations. The Group accordingly has adopted Allianz SE Group's Top Risk Assessment ("TRA") approach, a process of identifying, evaluating and managing the significant risks affecting the achievement of its business objectives.

The Group has in place a master Risk Management Framework Manual ("RMFM") for all operating entities within the Group ("OEs"). The RMFM outlines the guiding principles of the risk management approach, structure, roles, responsibilities, accountabilities, reporting requirements as well as the TRA process of the Group. It is designed to formalise the risk management functions and practices across the Group and to increase awareness of the Group's employees to risk identification, measurement, control, ongoing monitoring and reporting.

Other Internal Control Processes

The Group's key internal control processes include the following:-

- Defined delegation of responsibilities to Committees of the Board and the Management of all operating entities within the Group, including authorisation levels for all aspects of the businesses of the Group.
- Internal policies and procedures which incorporate relevant Bank Negara Malaysia, Persatuan Insuran Am Malaysia/ Persatuan Insuran Hayat Malaysia requirements, Insurance Act and Regulations 1996 and internal guidelines are documented in procedural workflow of departments and branch operations. These workflows are subject to review and improvement to reflect changing risks and process enhancement as and when required.
- Operational authority limits covering underwriting of risks, claims settlement, and capital expenditures were reviewed and updated regularly.
- The treaty programs of the insurance subsidiaries of the Group ensure that reinsurers have secured ratings from accredited rating agencies. The securities of treaty reinsurers are stringently reviewed on an annual basis.

- The Investment Committee is responsible for setting investment policies, objectives, guidelines and controls for the Investment Department. The Group has implemented a master Investment Manual for all OEs. The master Investment Manual sets out the detailed procedures and controls, including an Investment Code of Ethics to ensure that the Group's interests prevail over the personal interests of the employees.
- The Information Technology (IT) Steering Committees of the subsidiaries, chaired by the Chief Executive Officer of the respective subsidiaries, are responsible for establishing effective IT plans, authorising IT related expenditure and monitoring the progress of approved projects for the respective subsidiaries.
- Yearly business plan and budget of the respective OEs are submitted to the respective Boards for approval. Financial reports are also submitted to the respective Boards for review at their regular meetings as part of the regular monitoring of the OEs' performances. These reports cover all key operation areas and provide a basis for the respective Boards to assess the financial performance of the respective OEs and to identify potential problems faced by the respective OEs. Results of stress tests of the insurance subsidiaries are also presented to the respective Boards on a regular basis for deliberation.
- Business Continuity Plans for all OEs have been formulated to ascertain that the Group suffers no material interruptions to its systems, processes or operations, or material damages to its assets upon the occurrence of any disastrous events.
- Training and development programs are conducted to enhance staff competencies and maintain a risk control conscious culture.
- The Internal Audit function undertakes regular reviews of the Group's operations and its system of internal controls. It provides continuous monitoring of the controls and risk management procedures. Internal audit findings are discussed at management level and actions are taken in response to the internal audit recommendations. The Audit Committee reviews all internal audit findings and management responses.
- The Whistleblowing Committees have been established in 2006 for the respective OEs to further enhance corporate governance and to meet the expectations of the Code of Conduct for Business Ethics of the Group. Guidelines and procedures of the Whistleblowing Committees have been drawn up to handle, review, assess and take appropriate actions to the complaints/concerns raised by the employees relating to any illegal or questionable activities in the Group. Such complaints/concerns may be made anonymously. This in turn will help to promote transparency and accountability throughout the Group.
- The Ethics and Compliance Committees for the insurance subsidiaries have been set up in 2008 to meet the expectations of the Sales Policy and the Sales Agent Code and Conduct of the insurance subsidiaries. Guidelines and procedures of the Ethics and Compliance Committees have been drawn up to handle, review, assess and take appropriate actions to the complaints/concerns on agents. This will help to promote the professionalism of the sales force throughout the insurance subsidiaries.

RELATIONSHIPS WITH AUDITORS

Through the Audit Committee, the Board has established a formal and appropriate relationship with the External Auditors. At least two private discussions will be held on a yearly basis between the Audit Committee and the External Auditors without the presence of the Management, to exchange views and opinions.

Details of the role of the Audit Committee in relation to the External Auditors are set out in the Audit Committee Report.

The appointment and re-appointment of the External Auditors will be reviewed by the Audit Committee and the recommendation from the Audit Committee will be presented to the Board for consideration prior to the said proposal being presented to the shareholders for approval. The terms of engagement of the External Auditors for services rendered and their audit and non-audit fees are reviewed by the Audit Committee and approved by the Board.

This statement on Corporate Governance is made in accordance with the resolution of the Board of Directors dated 8 May 2009.

Additional Compliance Information

1. SHARE BUY-BACKS

During the financial year ended 31 December 2008, there were no share buy-backs by the Company.

2. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

During the financial year ended 31 December 2008, the Company has not issued any options, warrants or convertible securities.

3. AMERICAN DEPOSITORY RECEIPT (ADR) OR GLOBAL DEPOSITORY RECEIPTS (GDR) PROGRAMME

During the financial year ended 31 December 2008, the Company did not sponsor any ADR or GDR programme.

4. IMPOSITION OF SANCTIONS AND/OR PENALTIES

During the financial year ended 31 December 2008, there were no sanctions and/or penalties imposed on the Company and/or its subsidiary, Directors or Management by any regulatory bodies.

5. NON-AUDIT FEES

The amount of non-audit fees paid to the auditors of the Company, KPMG, for the financial year ended 31 December 2008 was RM61,000.

6. VARIATION IN RESULTS

There were no material variations between the audited results for the financial year ended 31 December 2008 and the unaudited results for the financial year ended 31 December 2008 of the Group.

7. PROFIT GUARANTEE

During the financial year ended 31 December 2008, there were no profit guarantees given by the Company.

8. MATERIAL CONTRACT

Saved as disclosed below, the Company and its subsidiaries have not entered into any material contracts involving the interest of the Directors and major shareholders which either still subsisting at the end of the financial year ended 31 December 2008 or had been entered into since the previous financial year ended 31 December 2007.

By an agreement dated 26 July 2007, the Company and its major shareholder, Allianz SE entered into an agreement pursuant to which Allianz SE agreed to make available to the Company a facility ("Facility") denominated in Euro and agreed to be equivalent to RM490 million to enable the Company to acquire the entire issued and paid-up capital of Bright Mission Berhad (formerly known as Commerce Assurance Berhad) from Commerce International Group Berhad. The parties agreed that no interest or any other charges shall be payable by the Company to Allianz SE on any amount that is drawn under the Facility. The repayment by the Company to Allianz SE of the amounts drawn under the Facility shall be in compliance with the terms and conditions imposed by the Controller of Foreign Exchange and at a date to be notified to the Company by Allianz SE.

9. ANALYSIS OF SHAREHOLDINGS AS AT 22 APRIL 2009

Authorised Share Capital	:	RM200,000,000
Issued and Paid-up Share Capital	:	RM153,869,238
Class of Shares	:	Ordinary shares of RM1 each
Voting Rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shares
Less than 100	15	0.82	481	0.00
100 to 1,000	1,187	64.55	275,262	0.18
1,001 to 10,000	404	21.97	1,709,812	1.11
10,001 to 100,000	190	10.33	6,393,466	4.16
100,001 to less than 5% of issued shares	42	2.28	30,127,922	19.58
5% and above of issued shares	1	0.05	115,362,295	74.97
	1,839	100.00	153,869,238	100.00

THIRTY LARGEST SHAREHOLDERS AS IN THE RECORD OF DEPOSITORS

Name of Shareholders	No. of Shares Held	% of Shares
1 Citigroup Nominees (Asing) Sdn Bhd Allianz SE	115,362,295	74.97
2 Employees Provident Fund Board	5,538,000	3.60
3 Mayban Nominees (Tempatan) Sdn Bhd Mayban Trustees Berhad For Public Regular Savings Fund (N14011940100)	3,967,400	2.58
4 Pertubuhan Keselamatan Sosial	2,855,122	1.86
5 Amanah Raya Nominees (Tempatan) Sdn Bhd Public Smallcap Fund	2,375,400	1.54
6 Allianzgroup Nominees (Tempatan) Sdn Bhd Pheim Asset Management Sdn Bhd For Employees Provident Fund	1,552,000	1.01
7 Mayban Nominees (Tempatan) Sdn Bhd Mayban Trustees Berhad for Saham Amanah Sabah (Acc 2-940410)	901,000	0.59
8 HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for HwangDBS Select Opportunity Fund (3969)	759,500	0.49
9 Lim Su Tong @ Lim Chee Tong	751,000	0.49
10 Amsec Nominees (Tempatan) Sdn Bhd Amtrustee Berhad for HLG Strategic Fund (UT-HLG-SF)	728,000	0.47
11 RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Choong Foong Ming (CEB)	562,700	0.37
12 Mayban Nominees (Tempatan) Sdn Bhd HwangDBS Investment Management Bhd for Pertubuhan Keselamatan Sosial (240234)	548,100	0.36
13 Amsec Nominees (Tempatan) Sdn Bhd Lim Su Tong @ Lim Chee Tong (8335-1101)	500,000	0.32
14 Chua Saw Yean	500,000	0.32
15 Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Noble Sound Sdn Bhd (My0403)	500,000	0.32
16 Kumpulan Wang Simpanan Pekerja	500,000	0.32
17 Sai Yee @ Sia Say Yee	495,000	0.32
18 Tanjong Equities Sdn Bhd	491,200	0.32
19 Hasrat Jaguh Sdn Bhd	485,000	0.32
20 HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for OSK-UOB Equity Trust (3175)	458,000	0.30
21 DB (Malaysia) Nominee (Tempatan) Sendirian Berhad HwangDBS Investment Management Berhad for Malaysian Timber Council	442,400	0.29
22 HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for HwangDBS Select Income Fund (4850)	431,500	0.28

Additional Compliance Information

Name of Shareholders	No. of Shares Held	% of Shares
23 HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Oh Kim Sun	415,000	0.27
24 Cimsec Nominees (Tempatan) Sdn Bhd CIMB For Chong Mei Ngor (PB)	400,000	0.26
25 Insas Plaza Sdn Bhd	400,000	0.26
26 Thong Kok Yoon	400,000	0.26
27 Neoh Choo Ee & Company, Sdn Berhad	389,300	0.25
28 Thong Kok Khee	304,100	0.20
29 Amsec Nominees (Tempatan) Sdn Bhd Rashidi Bin Che Harun (9313-1301)	260,000	0.17
30 Au Yong Mun Yue	220,000	0.14
	143,492,017	93.25

SUBSTANTIAL SHAREHOLDER

Name of Substantial Shareholder	Direct Interest		Indirect Interest	
	No. of Shares Held	% of Shares	No. of Shares Held	% of Shares
Allianz SE	115,362,295	74.97	-	-

10. REVALUATION POLICY

The self-occupied properties of the Group is revalued at regular intervals of at least once in every 5 years or earlier if its market value depreciates by more than 10 per cent. The Group is using fair value model for the measurement of investment properties after recognition following the adoption of Financial Reporting Standard 140, Investment Property.

11. LIST OF TOP TEN PROPERTIES AS AT 31 DECEMBER 2008 OWNED BY THE GROUP

Location	Existing Use	Tenure	Land Area (Sq. meters)	Type of Building	Age of Building	Latest Date of revaluation	Net Book Value RM'000
Level 10,12,13,13A & 15 Block 3A Plaza Sentral, Jalan Stesen Sentral 5 50470 Kuala Lumpur	Head office	Freehold	40,162	Corporate Office	7 years	21/09/2007	23,379
Wisma Allianz Lot PT1 & 263 Section 49 Town of Kuala Lumpur	Branch office	PT1-Leasehold Expiring 09/06/2072	525	7-Storey Office Building	25 years	28/05/2006	5,077
		Lot 263-Freehold			27 years	31/05/2006	4,168
No. 11 to 14, Jalan 53 Desa Jaya Commercial Centre Kepong 52100 Kuala Lumpur	Branch office	Leasehold Expiring 08/05/2093	637	4-Storey Shophouse	23 years	13/11/2006	4,191
No.42A & 46 Jalan Tiara 2C Bandar Baru Klang 41150 Klang, Selangor	Branch Office	Leasehold Expiring 08/05/2093	551	4&3 Storey Shophouse	6 years	13/11/2006	3,586

Location	Existing Use	Tenure	Land Area (Sq. meters)	Type of Building	Age of Building	Latest Date of revaluation	Net Book Value RM'000
Unit A-G-1, A-1-1 Greentown Square 30450 Ipoh, Perak	Branch Office	Leasehold Expiring 08/05/2093	882	3-Storey Shophouse	3 years	22/11/2006	1,850
Lot 22,23,24 & 25 Kajang Utama - Phase 4A 43000 Kajang, Selangor	Store	Freehold	612	4-Storey Shophouse	9 years	21/09/2007	1,788
No.15, Jalan 8/1D Section 8, Off Jalan Barat 46050 Petaling Jaya, Selangor	Branch office	Leasehold Expiring 21/07/2062	174	4-Storey Shop Office	42 years	31/05/2006	1,703
Lot No L1, Phase 4A Metro Prima Business Centre 52100 Kepong, Selangor	Branch office	Leasehold Expiring 02/04/2096	239	5-Storey Shophouse	11 years	21/09/2007	1,605
No. 300 & 301 Jalan Lumpur 05100 Alor Setar, Kedah Darul Aman	Branch office	Freehold	386	3-Storey Shophouse	5 years	31/05/2006	1,452

12. RECURRENT RELATED PARTY TRANSACTIONS

The recurrent related party transactions of a revenue or trading nature entered into by the Group during the financial year ended 31 December 2008 were as follows:

Nature of Recurrent Transaction	Name of Related Parties	Income/ (Expenses) Amount RM'000
Reinsurance arrangement with Allianz General Insurance Company (Malaysia) Berhad and Bright Mission Berhad (formerly known as Commerce Assurance Berhad) for general insurance business where the risk and premium are shared between the parties in accordance with reinsurance arrangement entered into.	* Allianz SE Group	(103,709)
Reinsurance arrangement with Allianz Life Insurance Malaysia Berhad ("ALIM") for life insurance business where the risk and premium are shared between the parties in accordance with reinsurance arrangement entered into.	* Allianz SE Group	(33,837)
License and annual maintenance fees for software system by ALIM.	* Allianz SE Group	(320)
License and maintenance fees for eLearning solution by the Group.	* Allianz SE Group	(84)
Sharing of global marketing measures by the Group.	* Allianz SE Group	(1,234)
Fund management fees by ALIM.	* Allianz SE Group	(265)
Sharing of Allianz Worldwide Intranet Portal Network access by the Group.	* Allianz SE Group	(159)

Note:-

- * Allianz SE and its subsidiary and associated companies (collectively "Allianz SE Group") are deemed to be related parties to the Company via Allianz SE's direct interest as a major shareholder of the Company.



“Our diversity ranges from ethnic, gender, age and social backgrounds. These are the elements that make our Company’s moments unique. They are also our foundation as we forge ahead in realising our goals and objectives.”

We value the differences and unique contributions of each individual, be they employees, customers, distributors and shareholders.

Calendar of Moments

Calendar of Moments

Moments are unique. They can be life coaching and even self-empowering events or activities that awaken our highest potential so that we are able to live the life we were meant to live. For Allianz Malaysia, we capture challenges and make them opportunities for growth. Hence, we take all moments in stride, in efforts towards realising our organisation's vision and mission.



JANUARY 2008

Allianz and MOBILITI

Allianz Malaysia continued its support to the Persatuan Mobiliti Selangor and Kuala Lumpur (MOBILITI) with the renewal of its sponsorship contract. MOBILITI is a non-profit charitable organization providing door-to-door transport for the disabled within the Klang Valley. Allianz has been sponsoring MOBILITI since 2005.



Leadership Programme Graduation and LOMA Conferment Ceremony

In recognition of the employees' success and hard work, a Leadership Programme Graduation and LOMA Conferment Ceremony was held at the Equatorial Kuala Lumpur on 30 January 2008. For ALIM, more than 50 people successfully completed their various development programmes and 15 others were awarded the LOMA recognition at different levels.

The event also saw the attendance of Mr. Joel Basarich, Vice President and Managing Director of LOMA's International Division, who shared the latest research results in training and development.



FEBRUARY 2008

Allianz Road Safety Awareness Campaign

The Allianz F1 Road Safety Forum was held on 25 February 2008. The Forum was used as a stepping stone for AGIC towards building a better future for customers and the community.

Motor experts and executives of Allianz worldwide met in Kuala Lumpur to promote road safety in Malaysia. In co-operation with the Allianz Center of Technology (AZT) in Germany, there were many road safety initiatives taken at a global level. Allianz Malaysia tapped into this expertise to advise on methods to reduce the countless road accidents that happen today in the country.

Learnings from the AZT was also applied during the launch of the "Allianz Road Safety Video Contest". This contest was an initiative to educate both college and university students on proper road safety.

MARCH 2008

Allianz Recognises Talent

As part of our commitment in supporting the local sporting community, Allianz initiated a sponsorship programme for Theiviya Selvarajoo, a budding young tennis star who is currently a national junior player. Our sponsorship supports her participation in all tournaments, trainings, events and extends to purchases related to the sport. As she struts her skills on the court and promotes the sport, she will be carrying Allianz's brand in recognition of the partnership. In 2008, Theiviya was among the top six junior players in the Asian category. Allianz wishes her great success for the years to come.



APRIL 2008

Allianz Nationwide "Gotong-royong" Programme

In conjunction with World Earth Day on 19 April 2008, Allianz Malaysia organised "gotong-royong" activities throughout the country. The activity was held simultaneously nationwide and was dedicated to the environment with various Allianz Malaysia branches' employees coming together for the gotong-royong. Allianz is part of a group of 85 companies globally, that subscribes to a clear framework of clean energy and climate change action.



MAY 08

Allianz Life Agency Awards Nite 2008

The annual Agency Awards Nite 2008, honouring the crème d'la crème' of Allianz Life agents, was held at the Sunway Pyramid Convention Centre on 29 May, 2008. Themed "Stars on the Red Carpet", this event acknowledged the top achievers in the country. The event was graced by Tan Sri Razali Ismail, Chairman of Allianz Malaysia Berhad.



A Healthy Lifestyle for All

The Allianz Health Awareness Day was held at The Curve, Mutiara Damansara, from 18 to 20 April 2008. Organised by Allianz Malaysia, the Allianz Health Awareness Day was aimed at sharing important health information as well as supporting the government's efforts in promoting a healthy lifestyle for all Malaysians.

Throughout the 3-day event, Allianz Malaysia worked with well-known health-related organisations such as the Damansara Specialist Hospital, Pathlab, Vista Laser Eye Center and Fitness First to offer a variety of free health checks for the public. Free tests were conducted for blood pressure, body mass index, eye test, bone density test, skin analysis and body fat screening. At the same time, the public was also given the opportunity to purchase health products and services at a special rate.



JUNE 2008

Allianz in Support of Sichuan

Employees and agents of Allianz Malaysia rallied together to support Allianz China Life's employees, agents, customers and their families who were affected by the devastating Sichuan earthquake. Allianz Malaysia collected RM100,000 from staff and agents from both life and general subsidiaries.

The money collected, along with donations from other Allianz's subsidiaries in the Asia Pacific, were used for disaster relief efforts in the earthquake zone. It provided simple life necessities and shelter to affected victims of the quake.



New Key Appointments at Allianz Malaysia

Allianz Malaysia announced the appointment of Alexander Ankel as CEO of Allianz Life Insurance Malaysia Berhad (ALIM) and Ng Hang Ming as CEO of both Allianz General Insurance Company (Malaysia) Berhad (AGIC) and Bright Mission Berhad (BMB) (formerly known as Commerce Assurance Berhad) ("CAB").



Prior to this appointment, Alexander Ankel was the CEO for AGIC and CAB. Besides being the CEO of ALIM, he also holds the role as CEO of Allianz Malaysia Berhad (AMB), the Holding Company.

Charles Ong was appointed Chief Financial Officer of AMB on 23 June 2008 and simultaneously is the Chief Financial Officer of ALIM.



Also in the same month, Angela Tan was appointed the Chief Financial Officer of AGIC.

Allianz General National Marketing Convention

The AGIC Marketing Convention was held in Kuching, Sarawak from 17 to 20 June 2008. Agents from the subsidiaries came together to update each other on insurance product innovation as well as share their upcoming plans.



JULY 2008

Regional HR Conference

The 2008 Regional HR Conference was held at the Crowne Plaza Mutiara Hotel Kuala Lumpur from 23 to 24 July 2008. Hosted by Allianz Malaysia, the HR team from the Asia Pacific region attended the conference with objectives of driving strategic HR priorities, improving mutual understanding for better cooperation and support, as well as to strengthen the HR network within the region.



AUGUST 2008

Food-a-thon Charity Drive



For a noble cause, a Food-a-thon Charity Drive was organised with participation from all employees of Allianz Malaysia. Over 200 children at the Ti-Ratana Welfare Society in Kuala Lumpur, received goodies which resulted in instant cheer and smiles all round.

SEPTEMBER 2008

AMB Wins Industry Excellence Awards

AMB was awarded the Industry Excellence Award for Financial Services based on the latest Malaysia 1000 Top Corporate Directory ranking exercise. Malaysia 1000 is a prestigious book aimed at giving recognition to top performing organizations and recognising their contributions to the industry and the country.

Organised by BASIS Publications House, the publisher of Malaysia 1000 and its strategic media partner BERNAMA, the award Presentation Ceremony was held on 6 August 2008 at Istana Hotel Kuala Lumpur. Representing AMB was Ng Hang Ming, CEO of AGIC who received the award from Yang Berhormat Tan Sri Muhyiddin bin Haji Mohd Yassin, the then Minister of International Trade and Industry of Malaysia.

The award is given based on criteria such as percentage increase of turnover, percentage increase in profit, return on capital employed and return on Shareholders' Fund.

OCTOBER 2008



A New Synergised Website

AMB launched its brand new synergised website as part of the Company's latest ONE ALLIANZ initiative. The website serves as a one stop-shop platform for all customers of Allianz Malaysia, centralising its life and general insurance business.

This will provide much easier access and routing for customers, investors and those who seek information on both the general insurance and life insurance arms.



ONE ALLIANZ Initiative

As part of our ONE ALLIANZ initiative, Allianz Malaysia has placed both its general and life insurance businesses under one roof in various locations. This decision allows for synergies which will benefit our customers and enhance our service capabilities.

The recent opening of our Ipoh branch by Tan Sri Razali Ismail, Chairman of AMB, and Alexander Ankel, CEO of AMB, is a good example of our ONE ALLIANZ initiative.



Townhall Session with Alexander Ankel

A townhall session was organised on 20 October 2008. The session which was held at Wisma MCA was attended by employees of Allianz Malaysia. The session discussed, amongst others the benefits of ONE ALLIANZ initiatives.



NOVEMBER 2008

Enhanced Road Warrior by Allianz

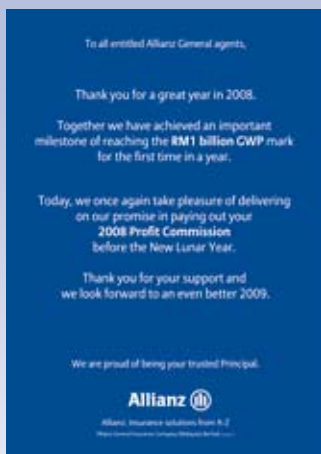
Allianz Malaysia recently introduced a product called Enhanced Road Warrior. Enhanced Road Warrior is a package which understands the challenges faced by private car owners. Enhanced Road Warrior offers higher benefits on sum insured, medical and hospitalisation expenses.

This is another example of our product innovation by understanding our customers' needs.

Another Feather in the Cap

Allianz Malaysia received the "Solvency Award" from the leading Chinese economic daily 21st Century Business Herald for the best solvency management of insurers across Asia. The award was presented at the 21st Century Asian Finance Annual Summit on 29 November 2008 in Beijing. Senior officials of the China Insurance Regulation Committee (CIRC), politicians, and leaders of major insurance groups in China and Asia attended the ceremony.

Financial strength and strong solvency are our primary business objectives to provide the highest level of security and peace of mind to our customers.



DECEMBER 2008

Surpassing RM1 billion General Premium Mark for the First Time

AMB's general insurance arm achieved a milestone of RM1 billion Gross Written Premium mark for the first time in a year.

This milestone is another step towards becoming market leader in general insurance sector and has proven that our initiatives have borne fruits. It is also an indication of the success of our business and product strategies.



A Day with Allianz

In December 2008, customers, the paramount asset of Allianz, were feted at an open day called “A Day with Allianz” at Plaza Sentral. With its customers in mind, Allianz strives to develop quality innovative insurance products that meet customers’ needs. This get-together was one way to express appreciation to our customers for their strong support.

JANUARY 2009

Allianz Malaysia Streamlined its General Insurance Business

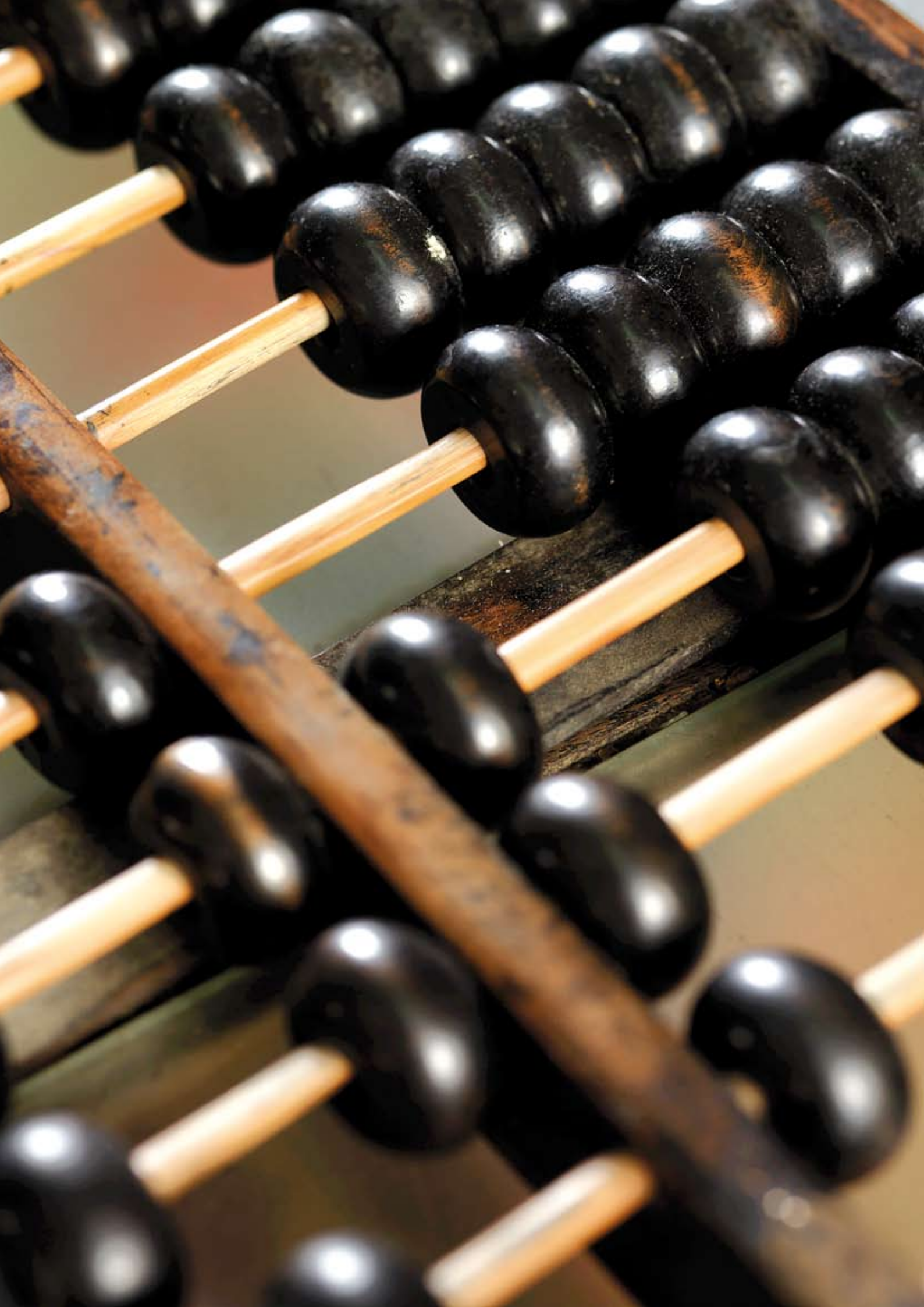
On 1 January 2009 CAB transferred its general insurance business (Transfer of Business) to AGIC.

Since the acquisition of CAB in 2007, AMB operated through two general insurance subsidiaries in Malaysia, namely CAB and AGIC. The Transfer of Business was undertaken to streamline the general insurance business. The combined financial strength, local expertise and global knowledge will enable Allianz to serve our customers better with one touch point as one Company.

This official transfer of business operations is in addition to the already successful streamlining of the CAB into AGIC, whereby all CAB branches and the information technology (IT) systems were successfully integrated with AGIC in a record six months.

Change of Name

Following the completion of the transfer of the general insurance business of CAB to AGIC on 1 January 2009, CAB changed its name to Bright Mission Berhad (BMB) with effect from 5 January 2009.



“We are happy to have concluded 2008 with robust results in both operations. Our underwriting and investment results are proof of our ability to create sustainable value for our stakeholders.”

Records of business financial activities

Financial Statements

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PROXY FORM	

Directors' Report for the year ended 31 December 2008

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2008.

Principal activity

The Company is principally engaged in investment holding whilst the principal activities of the subsidiaries are as stated in Note 7 to the financial statements. Save as disclosed in Note 7, there has been no significant change in the nature of these activities during the financial year.

Results

	Group	Company
	RM'000	RM'000
Profit/(Loss) attributable to the shareholders of the Company	70,728	(4,340)

Dividends

Since the end of the previous financial year, the Company paid a first and final dividend of 2.00 sen per ordinary share less tax at 26% totaling RM2,277,264 in respect of the financial year ended 31 December 2007 on 1 August 2008.

The Directors recommended a first and final dividend of 2.00 sen per ordinary share less tax at 25% totaling RM2,308,038 in respect of the financial year ended 31 December 2008.

Reserves and provisions

There were no material transfers to or from reserves or provisions during the financial year under review except as disclosed in the financial statements.

Directors of the Company

The Directors who served since the date of the last report are:

Tan Sri Razali Ismail (Chairman)
 Dato' Seri Nik Abidin Bin Nik Omar
 Foo San Kan
 Craig Anthony Ellis
 Dung Tri Nguyen @ Don Tri Nguyen
 Cornelius Alexander Ioannis Ankel
 Robert Henry Stead (Resigned on 31 December 2008)

Directors' interests

The interests and deemed interests in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	No. of registered shares*			
	At 1.1.2008	Bought	Sold	At 31.12.2008
Interest in ultimate holding company, Allianz SE				
Dung Tri Nguyen @ Don Tri Nguyen	439	-	-	439
Craig Anthony Ellis	33	-	-	33

* The shares have no par value

None of the other Directors holding office at 31 December 2008 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

Directors' benefits

During and at the end of the financial year, no arrangements subsisted to which the Company is a party with the object 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.

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the Company or of related companies / corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Employee Share Scheme

The Company implemented an employee share scheme ("ESS") on 24 July 2007 for the eligible employees of the Group. The ESS involves the issuance of new ordinary shares to the eligible employees of the Group who meet the eligible criteria as prescribed under the Bylaws for the ESS.

During the financial year, no shares were issued to the eligible employees of the Group pursuant to the ESS.

Issue of shares

There were no changes in the issued and paid-up capital of the Company during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the year.

Other statutory information

Before the balance sheets and income statements of the Group and the Company were made out, the Directors took reasonable steps to ascertain that:

- i) there was adequate provision for incurred claims, including Incurred But Not Reported ("IBNR") claims,
- ii) all known bad debts have been written off and adequate provision made for doubtful debts, and
- iii) all current assets have been stated at the lower of cost and net realisable value.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts or the amount of provision for incurred claims, in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the Group and in the Company financial statements misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets and liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group 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 substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

For the purpose of this paragraph, contingent and other liabilities do not include liabilities arising from contracts of insurance underwritten in the ordinary course of business of the Group.

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year ended 31 December 2008 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Holding company

The holding and ultimate holding company is Allianz SE, a public company incorporated and domiciled in Germany.

Auditors

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Tan Sri Razali Ismail

Cornelius Alexander Ioannis Ankel

Kuala Lumpur,

Date: 23 March 2009

Balance Sheets as at 31 December 2008

	Note	Group		Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Assets					
General business and shareholders' fund assets					
Property, plant and equipment	3	72,397	67,231	821	34,956
Intangible assets	4	328,550	333,533	-	-
Prepaid lease payments	5	5,219	5,542	-	5,024
Investment property	6	1,662	1,662	-	742
Investments in subsidiaries	7	-	-	793,408	793,408
Subordinated loans	14	-	-	3,600	17,600
Deferred tax assets	15	11,257	16,917	-	-
Loans	9	3,215	3,652	728	360
Receivables, deposits and prepayments	10	1,423	36,776	-	58
Total non-current general business and shareholders' fund assets		423,723	465,313	798,557	852,148
Less: Due from life fund	10	-	(35,305)	-	-
		423,723	430,008	798,557	852,148
Investments in debt and equity securities	8	1,509,949	1,322,189	31,435	37,451
Subordinated loan	14	-	-	14,000	-
Loans	9	905	853	118	37
Receivables, deposits and prepayments	10	190,095	191,890	5,812	2,320
Current tax assets		8,441	10,571	2,942	-
Assets classified as held for sale	11	-	-	53,169	-
Cash and cash equivalents		4,172	8,125	23	135
Total current general business and shareholders' fund assets		1,713,562	1,533,628	107,499	39,943
Less: Due from life fund	10	(40,622)	-	-	-
		1,672,940	1,533,628	107,499	39,943
Total life business assets (page 87)					
Non-current assets		22,448	23,391	-	-
Current assets		1,864,942	1,585,411	-	-
		1,887,390	1,608,802	-	-
Total assets		3,984,053	3,572,438	906,056	892,091
Equity					
Share capital	18	153,869	153,869	153,869	153,869
Reserves	19	234,249	165,661	227,666	234,235
Total equity attributable to shareholders' of the Company		388,118	319,530	381,535	388,104
Total life policyholders' funds (page 87)		1,688,146	1,419,855	-	-

Balance Sheets as at 31 December 2008 (continued)

	Note	Group		Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Liabilities					
General business and shareholders' fund liabilities					
Payables and accruals	13	29,580	19,196	1,811	1,841
Deferred tax liabilities	15	5,293	1,502	3,702	1,502
Subordinated loans	14	490,000	490,000	490,000	490,000
Total non-current general business and shareholders' fund liabilities		524,873	510,698	495,513	493,343
Unearned premium reserves	16	318,366	279,550	-	-
Provision for outstanding claims	12	648,192	601,009	-	-
Payables and accruals	13	257,736	280,622	29,008	9,659
Current tax liabilities		-	7,532	-	985
Total current general business and shareholders' fund liabilities		1,224,294	1,168,713	29,008	10,644
Total life business liabilities (page 87)					
Non-current liabilities		23,792	54,874	-	-
Less: Due to shareholders' fund	13	-	(35,305)	-	-
		23,792	19,569	-	-
Current liabilities		175,452	134,073	-	-
Less: Due to shareholders' fund	13	(40,622)	-	-	-
		134,830	134,073	-	-
Total equity and liabilities		3,984,053	3,572,438	906,056	892,091

The notes on pages 92 to 160 are an integral part of these financial statements.

Statements of Changes in Equity for the year ended 31 December 2008

	Note	Non-distributable			Distributable	Total equity RM'000
		Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Retained earnings RM'000	
Group						
At 1 January 2007		153,765	5,321	6,454	171,126	336,666
Loss for the year		-	-	-	(2,610)	(2,610)
Shares issued	18	104	208	-	-	312
Effect of deferred tax	19	-	-	(907)	-	(907)
Dividends to shareholders	28	-	-	-	(13,931)	(13,931)
At 31 December 2007 / 1 January 2008		153,869	5,529	5,547	154,585	319,530
Profit for the year		-	-	-	70,728	70,728
Dividends to shareholders	28	-	-	-	(2,277)	(2,277)
Effect of change in tax rate	19	-	-	137	-	137
At 31 December 2008		153,869	5,529	5,684	223,036	388,118
Company						
At 1 January 2007		153,765	5,321	6,454	224,129	389,669
Profit for the year		-	-	-	12,961	12,961
Shares issued	18	104	208	-	-	312
Effect of deferred tax	19	-	-	(907)	-	(907)
Dividends to shareholders	28	-	-	-	(13,931)	(13,931)
At 31 December 2007 / 1 January 2008		153,869	5,529	5,547	223,159	388,104
Loss for the year		-	-	-	(4,340)	(4,340)
Effect of change in tax rate	19	-	-	48	-	48
Dividends to shareholders	28	-	-	-	(2,277)	(2,277)
At 31 December 2008		153,869	5,529	5,595	216,542	381,535

The notes on pages 92 to 160 are an integral part of these financial statements.

Income Statements for the year ended 31 December 2008

	Note	Group		Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Operating revenue	20	1,898,867	1,445,366	16,344	297,489
Shareholders' fund:					
Investment income	21	4,992	4,329	16,344	5,311
Other operating income	22	179	39	179	-
Other operating expenses	23	(6,454)	(7,671)	(5,751)	(4,340)
Management expenses	24	(22,174)	(5,533)	(13,265)	(4,553)
		(23,457)	(8,836)	(2,493)	(3,582)
Transfer from insurance revenue account:					
General insurance		130,451	21,099	-	25,394
Life insurance		5,317	-	-	-
Profit/(Loss) before tax		112,311	12,263	(2,493)	21,812
Tax expense	26	(41,583)	(14,873)	(1,847)	(8,851)
Profit/(Loss) for the year		70,728	(2,610)	(4,340)	12,961
Basic earnings per ordinary share (sen):	27	45.97	(1.7)		

The notes on pages 92 to 160 are an integral part of these financial statements.

General Insurance Revenue Account for the year ended 31 December 2008

	Note	Marine, aviation and transit									
		Fire		Motor		Marine, aviation and transit		Miscellaneous		Total	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Group											
Gross premium		244,981	181,218	411,647	228,327	89,471	70,471	328,791	268,593	1,074,890	748,609
Less : Reinsurance		(128,408)	(112,633)	(22,118)	(12,977)	(62,812)	(52,754)	(167,764)	(129,353)	(381,102)	(307,717)
Net premium		116,573	68,585	389,529	215,350	26,659	17,717	161,027	139,240	693,788	440,892
(Increase)/Decrease in unearned premium reserves	16	(4,209)	(11,390)	(33,282)	(13,252)	(2,633)	2,069	1,307	(1,685)	(38,817)	(24,258)
Earned premium		112,364	57,195	356,247	202,098	24,026	19,786	162,334	137,555	654,971	416,634
Net claims incurred	29	(23,469)	(35,174)	(282,530)	(157,194)	(8,197)	(8,725)	(79,063)	(74,207)	(393,259)	(275,300)
Net commission		289	1,590	(37,562)	(24,380)	(508)	127	(13,096)	(11,016)	(50,877)	(33,679)
		(23,180)	(33,584)	(320,092)	(181,574)	(8,705)	(8,598)	(92,159)	(85,223)	(444,136)	(308,979)
Underwriting surplus before management expenses		89,184	23,611	36,155	20,524	15,321	11,188	70,175	52,332	210,835	107,655
Management expenses	24									(131,387)	(108,516)
Underwriting surplus/(deficit)										79,448	(861)
Investment income	21									51,771	35,486
Other operating income	22									7,343	10,533
Other operating expenses	23									(8,111)	(24,059)
Transfer to income statement										130,451	21,099
Company											
Gross premium		-	67,367	-	73,098	-	18,025	-	119,966	-	278,456
Less : Reinsurance		-	(40,722)	-	(4,608)	-	(10,073)	-	(51,251)	-	(106,654)
Net premium		-	26,645	-	68,490	-	7,952	-	68,715	-	171,802
Increase in unearned premium reserves	16	-	(111)	-	(1,688)	-	(381)	-	(5,713)	-	(7,893)
Earned premium		-	26,534	-	66,802	-	7,571	-	63,002	-	163,909
Net claims incurred	29	-	(11,459)	-	(48,232)	-	(2,974)	-	(31,982)	-	(94,647)
Net commission		-	761	-	(7,589)	-	(719)	-	(7,339)	-	(14,886)
		-	(10,698)	-	(55,821)	-	(3,693)	-	(39,321)	-	(109,533)
Underwriting surplus before management expenses		-	15,836	-	10,981	-	3,878	-	23,681	-	54,376
Management expenses	24									-	(41,992)
Underwriting surplus										-	12,384
Investment income	21									-	13,722
Other operating income	22									-	4,394
Other operating expenses	23									-	(5,106)
Transfer to income statement										-	25,394

The notes on pages 92 to 160 are an integral part of these financial statements.

Life Fund Balance Sheet as at 31 December 2008

	Note	Group	
		2008 RM'000	2007 RM'000
Assets			
Property, plant and equipment	3	11,983	12,681
Intangible assets	4	242	690
Prepaid lease payments	5	4,732	4,793
Investment property	6	2,620	2,495
Deferred tax assets	15	438	-
Loans	9	2,333	2,615
Receivables, deposits and prepayments	10	100	117
Total life business non-current assets		22,448	23,391
Investments in debt and equity securities	8	1,528,812	1,232,337
Loans	9	33,354	26,722
Receivables, deposits and prepayments	10	59,127	52,070
Current tax assets		2,755	1,683
Cash and cash equivalents		12,139	11,491
		1,636,187	1,324,303
Investment-linked business current assets	32	228,755	261,108
Total life business current assets		1,864,942	1,585,411
Total life business assets		1,887,390	1,608,802
Life policyholders' funds			
Life policyholders' fund	17	1,687,184	1,418,934
Life assets revaluation reserves	17	962	921
Total life policyholders' funds		1,688,146	1,419,855
Liabilities			
Payables and accruals	13	23,723	51,729
Deferred tax liabilities	15	-	3,137
		23,723	54,866
Investment-linked business non-current liabilities	32	69	8
Total life business non-current liabilities		23,792	54,874
Provision for outstanding claims	12	31,564	31,208
Payables and accruals	13	143,400	100,151
		174,964	131,359
Investment-linked business current liabilities	32	488	2,714
Total life business current liabilities		175,452	134,073
Total life business liabilities		199,244	188,947
Total life policyholders' funds and life business liabilities		1,887,390	1,608,802

The notes on pages 92 to 160 are an integral part of these financial statements.

Life Fund Revenue Account for the year ended 31 December 2008

	Note	Group	
		2008 RM'000	2007 RM'000
Gross premium		692,038	594,560
Less: Reinsurance		(52,181)	(43,634)
Net premium		639,857	550,926
Benefits paid and payable:			
Surrender		(73,123)	(131,139)
Death		(15,444)	(13,495)
Maturity		(9,437)	(7,068)
Cash bonus		(14,248)	(13,481)
Others		(31,200)	(30,589)
		(143,452)	(195,772)
		496,405	355,154
Commission and agency expenses		(157,830)	(128,029)
Management expenses	24	(67,030)	(69,011)
Underwriting surplus		271,545	158,114
Investment income	21	63,578	50,270
Other operating income	22	3,318	33,328
Other operating expenses	23	(26,723)	(1,421)
Surplus before tax		311,718	240,291
Tax expense	26	(3,337)	(6,039)
Surplus after tax and before policy reserve		308,381	234,252
(Deficit)/Surplus after tax and before policy reserve from investment-linked business	32	(34,814)	54,891
Fund at beginning of year		1,418,934	1,129,791
Surplus transfer to shareholders' fund		(5,317)	-
Fund at end of year	17	1,687,184	1,418,934

The notes on pages 92 to 160 are an integral part of these financial statements.

Cash Flow Statements for the year ended 31 December 2008

	Note	Group		Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Cash flows from operating activities					
Profit/(Loss) before taxation		112,311	12,263	(2,493)	21,812
Adjustments for:					
Accretion of discounts		(10,216)	(9,536)	(300)	(1,059)
Amortisation of premiums		3,603	7,276	-	1,301
Amortisation of prepaid lease payments		143	141	76	78
Amortisation of intangible assets		10,936	790	1,713	-
Allowance for/(Write back) of diminution in value of investments in debt and equity securities		9,189	(318)	-	(108)
Impairment loss on unquoted bonds of corporations		5,694	-	5,694	-
(Write back)/Allowance for doubtful debts		(2,857)	5,139	-	596
Bad debts written off		1,987	1,180	-	-
Depreciation of property, plant and equipment		9,784	10,443	6,221	5,811
Loss/(Gain) on disposal of investments in debt and equity securities		18,339	(83,150)	-	(3,824)
Change in fair value of investment property		(125)	-	-	-
(Gain)/Loss on disposal of property, plant and equipment		(129)	(91)	(100)	62
Gain on disposal of leasehold land		(71)	-	(71)	-
Increase in unearned premium reserves		38,817	24,258	-	7,893
Investment-linked fund (deficit)/surplus before tax and before policy reserve	32	(36,265)	59,754	-	-
Investment income		(125,324)	(99,907)	(16,044)	(16,440)
Interest expense		1,861	1,854	-	383
Life fund surplus before tax and before policy reserve		311,718	240,291	-	-
Property, plant and equipment written off		103	4,445	6	3,057
Intangible assets written off		117	-	-	-
Unrealised loss/(gain) of investments in debt and equity securities of investment-linked funds		50,351	(8,038)	-	-
Life fund surplus transfer		(5,317)	-	-	-
Impairment loss on property, plant and equipment		-	10,316	-	1,218
Unrealised foreign exchange (gain)/loss of investment-linked funds		(2,805)	1,775	-	-
Operating profit/(loss) before changes in operating assets and liabilities		391,844	178,885	(5,298)	20,780
Business transferred	b)	-	-	-	128,000
Purchase of investments		(2,158,620)	(1,957,845)	-	(53,587)
Proceeds from disposal of investments		1,713,487	1,671,871	3,000	58,341
(Increase)/Decrease in fixed and call deposits		(7,814)	(82,316)	(2,378)	23,413
Increase in loans		(5,967)	(5,424)	(449)	(179)
Decrease/(Increase) in receivables		36,082	51,575	(3,443)	(3,410)
Increase in provision for outstanding claims		45,550	43,220	-	2,888
Increase/(Decrease) in payables		736	27,974	19,085	(26,563)
Increase in structured deposits		(77,000)	-	-	-
(Increase)/Decrease in banker's acceptances		(4,984)	14,444	-	-
Decrease in negotiable certificate of deposits		9,803	3,278	-	-

Cash Flow Statements for the year ended 31 December 2008 (continued)

	Note	Group		Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Net cash (used in)/generated from operations		(56,883)	(54,338)	10,517	149,683
Investment income received:					
Dividend		9,251	11,772	4,928	622
Interest		112,113	85,818	536	22,009
Others		192	887	10,589	738
Interest paid		(1,628)	(274)	-	(383)
Taxes paid		(43,017)	(18,809)	(3,526)	(7,854)
Net cash generated from operating activities		20,028	25,056	23,044	164,815
Cash flows for investing activities					
Proceeds from disposal of property, plant and equipment		388	433	339	33
Proceeds from disposal of leasehold land		312	-	312	-
Proceeds from disposal of investment property		-	149	-	149
Acquisition of property, plant and equipment		(21,694)	(10,165)	(20,297)	(7,249)
Acquisition of intangible assets		(1,467)	(300)	(1,467)	-
Increase of investment in subsidiaries		-	-	-	(128,000)
Acquisition of subsidiary, net of cash acquired	7	-	(482,211)	-	(496,155)
Net cash used in investing activities		(22,461)	(492,094)	(21,113)	(631,222)
Cash flows for financing activities					
Proceeds from issuance of shares		-	312	-	312
Dividends paid		(2,277)	(13,931)	(2,277)	(13,931)
Addition/(Repayment) of finance lease liabilities		234	(977)	234	(977)
Increase in subordinated loans		-	490,000	-	476,000
Net cash (used in)/from financing activities		(2,043)	475,404	(2,043)	461,404
Net (decrease)/increase in cash and cash equivalents		(4,476)	8,366	(112)	(5,003)
Cash and cash equivalents at 1 January		22,198	13,832	135	5,138
Cash and cash equivalents at 31 December	a)	17,722	22,198	23	135

The notes on pages 92 to 160 are an integral part of these financial statements

Cash Flow Statements for the year ended 31 December 2008 (continued)

a) Cash and cash equivalents

		Group		Company	
	Note	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Cash and cash equivalents comprise of:					
Cash and bank balances:					
General business and shareholders' fund		4,172	8,125	23	135
Life fund		12,139	11,491	-	-
Investment-linked business	32	1,411	2,582	-	-
		17,722	22,198	23	135

b) Transfer of business

The Company transferred the entire business, assets, liabilities, duties and obligation of the general insurance and all activities carried on in connection with or for the purpose of such general insurance business to its wholly owned subsidiary Allianz General Insurance Company (Malaysia) Berhad on 1 July 2007 pursuant to a scheme approved and confirmed by the High Court of Malaya in accordance with Part XI of the Insurance Act, 1996. The assets and liabilities transferred were as follows:

	2007 RM'000
Investments in debt and equity securities	555,458
Loans	3,395
Receivables, deposits and prepayments	132,233
Cash and bank balances	4,374
Total assets	695,460
Unearned premium reserves	151,991
Provision for outstanding claims	266,793
Payables and accruals	148,676
Total liabilities	567,460
Cash flow on general insurance business transferred	128,000

The notes on pages 92 to 160 are an integral part of these financial statements.

Notes to the Financial Statements

Principal activities and general information

Allianz Malaysia Berhad is a public limited company, incorporated and domiciled in Malaysia and listed on the Main Board of Bursa Malaysia Securities Berhad. Effective from 7 April 2008, the address of its registered office and principal place of business is as follows:

Suite 3A-15, Level 15, Block 3A
Plaza Sentral, Jalan Stesen Sentral 5
Kuala Lumpur Sentral
50470 Kuala Lumpur

The consolidated financial statements of the Company as at and for the year ended 31 December 2008 comprise the Company and its subsidiaries (together referred to as the Group). The financial statements of the Company as at and for the year ended 31 December 2008 do not include other entities.

The Company was principally engaged in investment holding whilst the principal activities of the subsidiaries are as stated in Note 7.

The holding and ultimate holding company is Allianz SE, a public company incorporated in Germany.

The financial statements were approved by the Board of Directors on 23 March 2009.

1. Basis of preparation

1.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRS"), accounting principles generally accepted and the Companies Act, 1965 in Malaysia, the Insurance Act and Regulations, 1996 and the Guidelines/Circulars issued by Bank Negara Malaysia ("BNM") in all material aspects.

The following accounting standards (including its consequential amendments) and interpretations have been issued by the Malaysian Accounting Standards Board ("MASB"):

FRSs/Interpretations	Effective date
FRS 4, Insurance Contracts	1 January 2010
FRS 7, Financial Instruments: Disclosures	1 January 2010
FRS 8, Operating Segment	1 July 2009
FRS 139, Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9, Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10, Interim Financial Reporting and Impairment	1 January 2010

1. Basis of preparation (continued)

1.1 Statement of compliance (continued)

The Group and the Company plan to adopt the abovementioned FRSs/Interpretations from the annual period beginning on 1 January 2010.

The impact of applying FRS 4, FRS 7 and FRS 139 on the financial statements upon first adoption as required by paragraph 30(b) of FRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors* is not disclosed by virtue of the exemptions given in the respective FRSs. Other than the implications as discussed below, the initial application of IC Interpretation 9 and 10 are not expected to have any material impact on the financial statements of the Group and of the Company.

FRS 8, Operating Segment

FRS 8 will become effective for the year ending 31 December 2010. FRS 8, which replaces FRS 114, Segment Reporting, requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and to assess its performance. Currently, the Group presents segment information in respect of its business segments (see Note 33). The adoption of FRS 8 will not have any significant impact on the financial statements of the Group other than expanded disclosure requirements.

Risk-Based Capital Framework for Insurers

BNM has issued detailed guidelines under the Risk-Based Capital Framework for Insurers ("the Framework") which is effective for annual period beginning on or after 1 January 2009. The insurance subsidiaries of the Company will adopt the accounting policies on investments, receivables, unexpired risks and general and life insurance liabilities as specified in the Framework for the annual period beginning on 1 January 2009. Pursuant to the Framework, the impact of applying these accounting policies will be disclosed in financial statements for the year ending 31 December 2009.

1.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following assets as explained in their respective accounting policy notes:

- Property, plant and equipment
- Investment property
- Investment in debt and equity securities of investment-linked business

General business assets and liabilities relates to both the general insurance fund and shareholders' fund.

1. Basis of preparation (continued)

1.3 Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

1.4 Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 2.3 - revaluation of owner occupied properties
- Note 2.7 - determination of fair value of investment property
- Notes 2.16.3 and 2.17.4 - provision for outstanding claims (including IBNR)
- Notes 4 and 7 - determination of recoverable amounts of intangible assets and investment in subsidiaries
- Note 17 - valuation of life policyholders' fund
- Note 35.9 - fair value estimation of unquoted investments in debt and securities

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and have been applied consistently by the Group entities, unless otherwise stated.

2.1 Basis of consolidation

2.1.1 Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Subsidiaries are consolidated using the purchase method of accounting.

2. Significant accounting policies (continued)

2.1 Basis of consolidation (continued)

2.1.1 Subsidiaries (continued)

Under the purchase method of accounting, the financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are stated in the Company's balance sheet at cost less any impairment losses, unless the investment is held for sale.

2.1.2 Transactions eliminated on consolidation

Intra-group transactions and balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted investees, if any, are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.2 Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies are translated at exchange rates at the dates of the transactions except for those that are measured at fair value which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the income statements/revenue accounts.

2.3 Property, plant and equipment

2.3.1 Recognition and measurement

Items of property, plant and equipment are stated at cost/valuation less any accumulated depreciation and any accumulated impairment losses.

The Group revalues its properties comprising land and buildings every five years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value.

The revalued amounts of properties are determined by using comparison and investment methods. The comparison method entails critical analyses of recent evidence of values of comparable properties in the neighbourhood and making adjustments for differences such as differences in location, size and shape of land, age and condition of building, tenure, title restrictions if any and other relevant characteristics. The investment method entails the determination of the probable gross annual rental the property is capable of producing and deducting therefrom the outgoings to arrive at the annual net income.

2. Significant accounting policies (continued)

2.3 Property, plant and equipment (continued)

2.3.1 Recognition and measurement (continued)

Valuation of properties involves a degree of judgment before arriving at the respective property's revalued amount. As such, the revalued amount of the properties may be different from its actual market price.

Surpluses arising from revaluation are dealt with in the revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is charged to the income statements/revenue accounts.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour and, for qualifying assets, borrowing costs are capitalised in accordance with the Group's accounting policy. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other operating income" or "other operating expenses" respectively in the income statements/revenue accounts. When revalued assets are sold, the amounts included in the revaluation reserve account are transferred to retained earnings.

2.3.2 Reclassification to investment property

Property that is being constructed for future use as investment property is accounted for as property, plant and equipment until construction or development is complete, at which time it is remeasured to fair value and reclassified as investment property. Any gain or loss arising on remeasurement is recognised in the income statements/revenue accounts.

2. Significant accounting policies (continued)

2.3 Property, plant and equipment (continued)

2.3.3 Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statements/revenue accounts as incurred.

2.3.4 Depreciation

Depreciation is recognised in the income statements/revenue accounts on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	50 years
Office equipment, furniture and fittings	5 to 10 years
Computers	3 to 5 years
Motor vehicles	5 years
Office renovations and partitions	10 years

Depreciation methods, useful lives and residual values are reassessed at the balance sheet date.

2.4 Intangible assets

2.4.1 Goodwill

Goodwill arises on business combinations and is measured at cost less any accumulated impairment losses.

For acquisitions prior to 1 January 2006, goodwill represented the excess of the cost of acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

For business acquisitions beginning 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in income statements/revenue accounts.

2. Significant accounting policies (continued)

2.4 Intangible assets (continued)

2.4.2 Development costs

Expenditure incurred on software development is capitalised.

The expenditure capitalised includes the cost of materials, direct labour and other directly attributable costs. Other development expenditure is recognised in the income statements/revenue accounts as an expense as incurred. Capitalised development expenditure is stated at cost less any accumulated amortisation and any accumulated impairment losses.

2.4.3 Other intangible assets

Other intangible assets, other than goodwill, that are acquired by the Group are stated at cost less any accumulated amortisation and any accumulated impairment losses.

2.4.4 Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

2.4.5 Amortisation

Goodwill with indefinite useful lives are tested for impairment annually and whenever there is an indication that they may be impaired.

Intangible assets with finite useful lives are amortised from the date that they are available for use. Amortisation of intangible assets is charged to the income statements/revenue accounts on a straight-line basis over the estimated useful lives of intangible assets. The estimated useful lives for the current and comparative periods are as follows:

Capitalised software development costs	5 years
Other intangible assets	3 and 10 years

The fair value of intangible assets acquired in a business combination is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

2.5 Leased assets

2.5.1 Finance lease

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

2. Significant accounting policies (continued)

2.5 Leased assets (continued)

2.5.1 Finance lease (continued)

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

2.5.2 Operating lease

Leases, where the Group does not assume substantially all the risk and rewards of the ownership are classified as operating leases except for property interest held under operating lease, and the leased assets are not recognised on the Group's balance sheet. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Leasehold land that normally has an indefinite economic life and title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted for as prepaid lease payments, except for leasehold land classified as investment property.

Certain leasehold land were revalued in 2006 and 2007, and the Group has retained the unamortised revalued amount as the surrogate carrying amount of prepaid lease payments in accordance with the transitional provision in FRS 117.67A when the Group first adopted FRS 117, Leases in 2007.

Payments made under operating leases are recognised in the income statements/revenue accounts on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

2.6 Investments in debt and equity securities

Investments in debt and equity securities are recognised initially at purchase price plus attributable transaction costs.

Subsequent to initial recognition:

- Malaysian government securities, Malaysian government guaranteed bonds, Multilateral development bank guaranteed bonds, Cagamas bonds, quoted and unquoted bonds of corporations are stated at cost adjusted for the amortisation of premiums or accretion of discounts, calculated on a straight-line basis, from the date of purchase to maturity date. The amortisation of premiums and accretion of discounts are recognised in the income statements/revenue accounts.

2. Significant accounting policies (continued)

2.6 Investments in debt and equity securities (continued)

- Quoted investments are carried at the lower of cost and market value, determined on an aggregate portfolio basis by category of investments. Specific allowance for diminution in value of quoted investments which is other than temporary will be made if any, when the market value of a quoted investment has been less than 80% of its cost at all times during the preceding 24 months, by writing down the cost of that quoted investment to the average median price for each month during that 24 months.
- Unquoted investments are stated at cost. Where in the opinion of the Directors, there is a decline other than temporary in value of unquoted investments, the allowance for diminution in value is recognised as an expenses in the financial year in which the decline is identified.
- Investments of the investment-linked business are stated at the closing market prices. Any increase or decrease in value of these investments is taken into the investment-linked business revenue account.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statements/revenue accounts.

All investments in debt and equity securities are accounted for using trade date accounting. Trade date accounting refers to:

- a) the recognition of an asset on the day it is transacted by the entity, and
- b) the derecognition on an asset and recognition of any gain or loss on disposal on the date it is transacted.

2.7 Investment property

2.7.1 Investment property carried at fair value

Investment property are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both. These include land held for a currently undetermined future use. Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment property.

Investment property are measured initially at cost and subsequently at fair value with any change therein recognised in the income statements/revenue accounts.

2.7.2 Reclassification to/from investment property

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the income statements/revenue accounts. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through the income statements/revenue accounts.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

2. Significant accounting policies (continued)

2.7 Investment property (continued)

2.7.3 Determination of fair value

The directors estimate the fair values of the Group's investment property.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In arriving at the market value, the directors adopted the comparison method and investment method. The comparison method entails critical analyses of recent evidence of values of comparable properties in the neighbourhood and making adjustments for differences such as differences in location, size and shape of land, age and condition of building, tenure, title restrictions if any and other relevant characteristics. The investment method entails the determination of the probable gross annual rental the property is capable of producing and deducting therefrom the outgoings to arrive at the annual net income. The annual net income is capitalised using a rate of interest to arrive at the capital value of the property.

The determination of the fair values involves a degree of judgment. As such, the fair value of the investment property may be different from its actual market price.

2.8 Loans

Loans which consist of policy loans, mortgage loans, automatic premium loans, other secured loans and other unsecured loans are stated at cost.

2.9 Receivables

Receivables are initially recognised at their cost when the contractual right to receive cash or another financial asset from another entity is established.

Subsequent to initial recognition, receivables are stated at cost less allowance for doubtful debts.

Known bad debts are written off and specific allowance for doubtful debts is made as follow:

- a) motor premiums which remain outstanding for more than thirty days.
- b) non-motor premiums including agents and reinsurance balances which remain outstanding for more than six months.

Receivables are not held for the purpose of trading.

2. Significant accounting policies (continued)

2.10 Non-current assets held for sale

Non-current assets (or disposal group comprising assets) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to financial assets, deferred tax assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in income statements. Gains are not recognised in excess of any cumulative impairment loss.

2.11 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks, excluding fixed and call deposits.

2.12 Impairment of assets

The carrying amount of assets, except for financial assets (other than investments in subsidiaries), deferred tax assets, non-current assets classified as held for sale and investment property that is measured at fair value, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill that has indefinite useful lives, the recoverable amount is estimated usually at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised in the income statements/revenue accounts if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount unless the asset is carried at a revalued amount, in which case the impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for the same asset.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

2. Significant accounting policies (continued)

2.12 Impairment of assets (continued)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to the income statements/revenue accounts in the year in which the reversals are recognised, unless it reverses an impairment loss on a revalued asset, in which case it is credited directly to revaluation reserve. Where an impairment loss on the same revalued asset was previously recognised in the income statements, a reversal of that impairment loss is also recognised in the income statements/revenue accounts.

2.13 Employee benefits

2.13.1 Short term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group and the Company have a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group's contribution to the statutory pension funds are charged to the income statements/revenue accounts in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

2.13.2 Termination benefits

Termination benefits are recognised as an expense when the Group and the Company have demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

2.14 Provisions

A provision is recognised if, as a result of a past event, the Group and the Company have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

2. Significant accounting policies (continued)

2.14 Provisions (continued)

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote. Contingent liabilities do not include liabilities arising from contracts of insurance underwritten in the ordinary course of business of the Group.

2.15 Payables

Payables including subordinated loans, are measured initially and subsequently at cost. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

2.16 General insurance underwriting results

The general insurance underwriting results are determined for each class of business after taking into account reinsurances, commissions, unearned premiums and claims incurred.

2.16.1 Premium income

Premium is recognised in a financial year in respect of risks assumed during that particular financial year. Inward treaty reinsurance premiums are recognised on the basis of periodic advices received from ceding insurers, while inwards facultative reinsurance premiums are recognised on inception date.

2.16.2 Unearned premium reserves

The Unearned Premium Reserves ("UPR") represent the portion of the net premiums of insurance policies written less deductible acquisition costs that relate to the unexpired period of the policies at the end of the financial year.

The method used that most accurately reflects the actual unearned premium reserves is as follows:

- a) 25% method for marine cargo, aviation cargo and transit business of annual Malaysian general policies business
- b) 1/24th method for all other classes of annual Malaysian general policies business
- c) 1/8th method for all other classes of annual overseas inward business

2. Significant accounting policies (continued)

2.16 General insurance underwriting results (continued)

2.16.3 Provision for outstanding claims

A liability for outstanding claims is recognised in respect of both direct insurance and inward reinsurance. The amount of outstanding claims is the best estimate of the expenditure required together with related expenses less recoveries to settle the present obligation at the balance sheet date.

Provision is also made for the cost of claims, together with related expenses, incurred but not reported (“IBNR”) at balance sheet date using a mathematical method of estimation carried out by an independent qualified actuary.

The estimation of the provision for outstanding claims involves projection of the Group’s future claims experience based on current and past claims experience and underwriting practice.

As with all projections, there are elements of uncertainty and thus the projected future claims experience may be different from its actual claims experience due to the level of uncertainty involved in projecting future claims experience based on past claims experience and underwriting practice.

These uncertainties arise from changes in underlying risks, changes in spread of risk, claims settlement as well as uncertainties in the projection model and underlying assumptions.

2.16.4 Acquisition costs

The cost of acquiring and renewing insurance policies net of income derived from ceding reinsurance premiums is recognised as incurred and properly allocated to the periods in which it is probable they give rise to income. Acquisition costs or ceding income which are not recoverable, or not payable in the event of a termination of the policy to which they relate, are not deferred but are recognised in the period in which they occur.

2.17 Life insurance underwriting results

2.17.1 Surplus of Life Fund

The surplus transferable (to)/from the Life fund to the income statement is based on the surplus determined by an annual actuarial valuation of the long term liabilities to policyholders.

2.17.2 Premium income

First premium is recognised from inception date and subsequent premium is recognised when it is due.

2. Significant accounting policies (continued)

2.17 Life insurance underwriting results (continued)

2.17.2 Premium income (continued)

At the end of the financial year, all due premiums are accounted for to the extent that they can be reliably measured and it is still within the grace period allowed for payment or covered by the cash surrender value of the policies.

2.17.3 Commission and agency expenses

Commission and agency expenses, which are costs directly incurred in securing premium on insurance policies, net of income derived from reinsurers in the course of ceding of premium to reinsurers, are charged to the revenue account in the year in which they are incurred.

2.17.4 Provision for outstanding claims

Claims and settlement costs that are incurred during the financial year are recognised when a claimable event occurs and/or the insurer is notified.

Claims and provisions for outstanding claims arising on life insurance policies, including settlement costs, are accounted for using the case basis method and for this purpose, the benefits payable under a life insurance policy are recognised as follows:

- a) maturity or other policy benefit payments due on specified dates are treated as claims payable on the due dates; and
- b) death, surrender and other benefits without due dates are treated as claims payable, on the date of receipt of intimation of death of the assured or occurrence of contingency covered.

Provision for outstanding claims is the best estimate of the expenditure required together with related expenses less recoveries to settle the present claims obligation at the balance sheet date.

Provision is also made for the cost of claims, together with related expenses incurred but not reported ("IBNR") at balance sheet date, using a mathematical method of estimation.

Estimating the provision for outstanding claims involves projection of the Group's future claims experience based on current and past claims experience and underwriting practice.

As with all projections, there are elements of uncertainty and thus the projected future claims experience may be different from its actual claims experience due to the level of uncertainty involved in projecting future claims experience based on past claims experience and underwriting practice.

2. Significant accounting policies (continued)

2.17 Life insurance underwriting results (continued)

2.17.4 Provision for outstanding claims (continued)

These uncertainties arise from changes in underlying risks, changes in spread of risk, claims settlement as well as uncertainties in the projection model and underlying assumptions.

2.18 Other revenue recognition

Interest income is recognised as it accrues, using the effective interest method except where an interest bearing investments is considered non-performing i.e. where repayments are in arrears for more than six months, in which case recognition of such interest is suspended. Subsequent to suspension, interest income is recognised on the receipt basis until all arrears have been paid.

Rental income from investment property is recognised in the income statements/revenue accounts on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease on an accrual basis.

Dividend income is recognised when the right to receive payment is established.

2.19 Tax expense

Tax expense comprises current and deferred tax. Tax expense is recognised in the income statements/revenue accounts except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (tax loss). Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2. Significant accounting policies (continued)

2.20 Earnings per share

The Group presents basic earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. No diluted EPS is disclosed in these financial statements as there are no dilutive potential ordinary shares.

2.21 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

3. Property, plant and equipment

Group									
		Freehold land RM'000	Buildings RM'000	Land & Buildings* RM'000	Office equipment, computers, furniture and fittings RM'000	Motor vehicles RM'000	Office renovations and partitions RM'000	Work in progress RM'000	Total RM'000
General business and shareholders' fund	Note								
Cost/Valuation									
At 1 January 2007		5,798	10,188	-	40,789	1,395	7,906	4,232	70,308
Acquisition of subsidiary	7	200	4,955	24,110	10,059	26	3,708	227	43,285
Additions		-	-	-	4,260	88	647	5,699	10,694
Disposals		-	-	-	(158)	(145)	(277)	-	(580)
Written off		-	-	-	(25,301)	-	(3,779)	(49)	(29,129)
Reclassification		-	-	-	392	-	1,286	(1,678)	-
At 31 December 2007/ 1 January 2008		5,998	15,143	24,110	30,041	1,364	9,491	8,431	94,578
Additions		-	-	-	9,779	-	1,202	9,414	20,395
Disposals		-	(200)	-	(28)	(170)	-	-	(398)
Written off		-	-	-	(1,052)	-	(1,593)	-	(2,645)
Reclassification		-	-	-	1,527	-	7,025	(15,672)	(7,120)**
At 31 December 2008		5,998	14,943	24,110	40,267	1,194	16,125	2,173	104,810

* The carrying amounts of land and buildings are not segregated as the required information is not available.

** Certain work in progress were reclassified as software development costs (intangible assets) in 2008.

3. Property, plant and equipment (continued)

Group									
		Freehold land	Buildings	Land & Buildings*	Office equipment, computers, furniture and fittings	Motor vehicles	Office renovations and partitions	Work in progress	Total
General business and shareholders' fund	Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Depreciation									
At 1 January 2007		-	302	-	29,906	440	3,762	-	34,410
Depreciation for the year		-	395	183	5,882	280	1,004	-	7,744
Disposals		-	-	-	(121)	(131)	(184)	-	(436)
Written off		-	-	-	(22,279)	-	(2,408)	-	(24,687)
At 31 December 2007/ 1 January 2008			697	183	13,388	589	2,174	-	17,031
Depreciation for the year		-	475	548	5,195	270	1,367	-	7,855
Disposals		-	(20)	-	(28)	(103)	-	-	(151)
Written off		-	-	-	(856)	-	(564)	-	(1,420)
At 31 December 2008		-	1,152	731	17,699	756	2,977	-	23,315
Impairment loss									
At 1 January 2007		-	-	-	-	-	-	-	-
Additions		-	-	-	6,960	-	3,356	-	10,316
At 31 December 2007/ 1 January 2008		-	-	-	6,960	-	3,356	-	10,316
Written off		-	-	-	(189)	-	(1,029)	-	(1,218)
At 31 December 2008		-	-	-	6,771	-	2,327	-	9,098
Carrying amounts									
At 1 January 2007		5,798	9,886	-	10,883	955	4,144	4,232	35,898
At 31 December 2007/ 1 January 2008		5,998	14,446	23,927	9,693	775	3,961	8,431	67,231
At 31 December 2008		5,998	13,791	23,379	15,797	438	10,821	2,173	72,397

* The carrying amounts of land and buildings are not segregated as the required information is not available.

3. Property, plant and equipment (continued)

Group					Office equipment, computers, furniture and fittings	Motor vehicles	Office renovations and partitions	Work in progress	Total
	Note	Freehold land RM'000	Buildings RM'000	Land & Buildings RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Life fund									
Cost/Valuation									
At 1 January 2007		520	6,105	-	11,979	2,217	6,394	163	27,378
Additions		-	-	-	788	336	354	-	1,478
Disposals		-	-	-	(29)	(729)	-	-	(758)
Written off		-	-	-	(170)	-	-	-	(170)
Reclassification		-	-	-	105	-	-	(105)	-
Transfer to investment property	6	-	(1,795)	-	-	-	-	-	(1,795)
At 31 December 2007/ 1 January 2008		520	4,310	-	12,673	1,824	6,748	58	26,133
Additions		-	-	-	593	-	620	86	1,299
Disposals		-	-	-	(30)	-	-	-	(30)
Written off		-	-	-	(107)	-	(158)	-	(265)
Revaluation of property		30	-	-	-	-	-	-	30
At 31 December 2008		550	4,310	-	13,129	1,824	7,210	144	27,167
Depreciation									
At 1 January 2007		-	52	-	7,630	1,256	2,542	-	11,480
Depreciation for the year	24	-	52	-	1,862	110	675	-	2,699
Disposals		-	-	-	(16)	(544)	-	-	(560)
Written off		-	-	-	(163)	(4)	-	-	(167)
At 31 December 2007/ 1 January 2008		-	104	-	9,313	818	3,217	-	13,452
Depreciation for the year	24	-	57	-	1,127	56	689	-	1,929
Disposals		-	-	-	(18)	-	-	-	(18)
Written off		-	-	-	(80)	-	(88)	-	(168)
Offset of accumulated depreciation on revaluation surplus		-	(11)	-	-	-	-	-	(11)
At 31 December 2008		-	150	-	10,342	874	3,818	-	15,184
Carrying amounts									
At 1 January 2007		520	6,053	-	4,349	961	3,852	163	15,898
At 31 December 2007/ 1 January 2008		520	4,206	-	3,360	1,006	3,531	58	12,681
At 31 December 2008		550	4,160	-	2,787	950	3,392	144	11,983

3. Property, plant and equipment (continued)

Company					Office equipment, computers, furniture and fittings		Office renovations and partitions		
	Note	Freehold land RM'000	Buildings RM'000	Land & Buildings RM'000	RM'000	Motor vehicles RM'000	RM'000	Work in progress RM'000	Total RM'000
Shareholders' fund									
Cost/Valuation									
At 1 January 2007		5,798	10,188	-	37,933	1,395	7,526	4,231	67,071
Additions		-	-	-	2,822	88	647	5,699	9,256
Disposals		-	-	-	(82)	(64)	(231)	-	(377)
Written off		-	-	-	(23,669)	-	(1,254)	-	(24,923)
Reclassification		-	-	-	392	-	1,286	(1,678)	-
At 31 December 2007/ 1 January 2008		5,798	10,188	-	17,396	1,419	7,974	8,252	51,027
Additions		-	-	-	9,681	-	1,202	9,414	20,297
Disposals		-	(200)	-	-	(88)	-	-	(288)
Written off		-	-	-	(778)	-	(1,532)	-	(2,310)
Reclassification		-	-	-	1,527	-	7,025	(15,672)	(7,120)**
Transfer to assets classified as held for sale	11	(5,430)	(9,876)	-	(27,822)	(483)	(14,653)	(1,994)	(60,258)
At 31 December 2008		368	112	-	4	848	16	-	1,348
Depreciation									
At 1 January 2007		-	302	-	27,051	440	3,397	-	31,190
Depreciation for the year		-	352	-	4,404	275	780	-	5,811
Disposals		-	-	-	(67)	(50)	(165)	-	(282)
Written off		-	-	-	(21,011)	-	(855)	-	(21,866)
At 31 December 2007/ 1 January 2008		-	654	-	10,377	665	3,157	-	14,853
Depreciation for the year	24	-	350	-	4,249	258	1,364	-	6,221
Disposals		-	(20)	-	-	(29)	-	-	(49)
Written off		-	-	-	(583)	-	(503)	-	(1,086)
Transfer to assets classified as held for sale	11	-	(971)	-	(14,040)	(385)	(4,016)	-	(19,412)
At 31 December 2008		-	13	-	3	509	2	-	527
Impairment									
At 1 January 2007		-	-	-	-	-	-	-	-
Additions		-	-	-	189	-	1,029	-	1,218
At 31 December 2007/ 1 January 2008		-	-	-	189	-	1,029	-	1,218
Written off		-	-	-	(189)	-	(1,029)	-	(1,218)
At 31 December 2008		-	-	-	-	-	-	-	-
Carrying amounts									
At 1 January 2007		5,798	9,886	-	10,882	955	4,129	4,231	35,881
At 31 December 2007/ 1 January 2008		5,798	9,534	-	6,830	754	3,788	8,252	34,956
At 31 December 2008		368	99	-	1	339	14	-	821

** Certain work in progress were reclassified as software development costs (intangible assets) in 2008.

3. Property, plant and equipment (continued)

All the Group and Company's freehold land and buildings were revalued in 2006 and 2007 by independent professional qualified valuers using the comparison and investment methods.

Had the freehold land and buildings of the Group and the Company been carried under the cost model, their carrying amounts would have been as follows:

Group	General business and shareholders' fund		Life fund	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Freehold land	5,378	5,378	446	446
Buildings	9,255	9,595	3,851	3,866
Land and buildings	15,201	15,551	-	-
	29,834	30,524	4,297	4,312
Company				
Freehold land	368	5,178		
Buildings	72	5,103		
	440	10,281		

3.1 Leased computers

At 31 December 2008, the net carrying amounts of leased computers of the Group and of the Company were RM3,646,000 (2007 – RM3,271,000).

3.2 Title deed

The legal titles to freehold land and buildings included in the property, plant and equipment of the Group (general business and shareholders' fund) at carrying amount of RM23,379,000 (2007 – RM23,927,000) are still in the process of being registered in the subsidiaries' name. The subsidiaries have submitted the relevant document to the authorities for the transfer of legal title to the subsidiaries, and are waiting for the process and formalities of the transfer to be completed.

4. Intangible assets

Group	General business and shareholders' fund							
					Life fund			
	Note	Goodwill RM'000	Software development costs RM'000	Other intangible assets RM'000	Total RM'000	Software development costs RM'000	Other intangible assets RM'000	Total RM'000
Cost								
At 1 January 2007		4,990	-	-	4,990	3,454	-	3,454
Acquisition of subsidiary		328,543	-	-	328,543	-	-	-
Additions		-	-	-	-	-	300	300
At 31 December 2007/ 1 January 2008		333,533	-	-	333,533	3,454	300	3,754
Reclassification	4.3.2	(88,933)	7,120	88,933	7,120	-	-	-
Additions		-	1,467	-	1,467	-	-	-
Written off	4.3.1	-	-	-	-	-	(300)	(300)
At 31 December 2008		244,600	8,587	88,933	342,120	3,454	-	3,454
Amortisation								
At 1 January 2007		-	-	-	-	2,274	-	2,274
Amortisation for the year	24	-	-	-	-	690	100	790
At 31 December 2007/ 1 January 2008		-	-	-	-	2,964	100	3,064
Amortisation for the year	24	-	1,713	11,857	13,570	248	83	331
Written off		-	-	-	-	-	(183)	(183)
At 31 December 2008		-	1,713	11,857	13,570	3,212	-	3,212
Carrying amounts								
At 1 January 2007		4,990	-	-	4,990	1,180	-	1,180
At 31 December 2007/ 1 January 2008		333,533	-	-	333,533	490	200	690
At 31 December 2008		244,600	6,874	77,076	328,550	242	-	242

Company	Software development cost	
	Note	RM'000
Shareholders' fund		
Cost		
At 1 January 2008		-
Reclassified from work-in-progress	3	7,120
Additions		1,467
Transfer to assets classified as held for sale	11	(8,587)
At 31 December 2008		-
Amortisation		
At 1 January 2008		-
Amortisation for the year	24	1,713
Transfer to assets classified as held for sale	11	(1,713)
At 31 December 2008		-
Carrying amounts		
At 31 December 2007/1 January 2008		-
At 31 December 2008		-

4. Intangible assets (continued)

4.1 Goodwill

The aggregate carrying amount of goodwill are attributable to the acquisition of the following subsidiaries:

	Group	
	2008	2007
	RM'000	RM'000
Allianz Life Insurance Malaysia Berhad ("ALIM")	4,990	4,990
Bright Mission Berhad (formerly known as Commerce Assurance Berhad) ("BMB")	239,610	328,543
	244,600	333,533

4.1.1 Impairment test for cash-generating unit ("CGU") containing goodwill

For goodwill attributable to the acquisition of ALIM, the annual impairment test was done by comparing the recoverable amount of ALIM with its carrying amount including the goodwill attributed. The recoverable amount is the value in use which is measured by the Embedded Value attributable to ALIM calculated by an appointed actuary. Embedded Value is the present value of future shareholders distributable profits after tax discounted at the shareholders' required rate of return, or the risk discount rate plus the Net Assets Value. The cash flow used to project future shareholder distributable profits are based on the best estimate of assumptions, either derived from the operating unit experience or industry experience.

For goodwill attributable to the acquisition of BMB, the carrying amount of goodwill was allocated to the entire integrated general insurance businesses of the Group as one CGU which represents the lowest level within the Group at which goodwill is monitored for internal management purposes. The recoverable amount is the value in use of the entire general insurance business which represents the present value of combined future profits before tax for ten years discounted at the shareholders' required rate of return. The projected future profits before tax of ten years was based on management approved budgets for three years and the use of several key assumptions over the next seven years as set out below.

The projected future profits before tax for the entire integrated general insurance business were prepared based on the following key assumptions:

Key assumptions

Premium growth rate	4 – 11%
Discount rate	10%
Investment yield	3.5% per annum

The recoverable amounts of both the CGUs were determined to be higher than their carrying amounts and thus no impairment loss was recognised.

4.2 Software development costs

The software development costs are in relation to internal development expenditures incurred for the Open Product Underwriting System ("OPUS") and Integrated Insurance Management System ("IIMS"). Both systems are integrated systems designed to improve the efficiency of the business activities of the subsidiaries. These software development costs are amortised over a period of five years.

4. Intangible assets (continued)

4.3 Other intangible assets

The other intangible assets are as follows:

4.3.1 The outbound call centre ("OCC")

The OCC project was for the Group's direct marketing business. The OCC is another avenue for the Group to generate revenue from direct marketing business and reduces its reliance on external telemarketing companies. The cost is amortised over a period of three years.

The Group performed an impairment assessment on the other intangible costs during the year ended 31 December 2008 and estimated that there will be no future economic benefit expected from its use. The Directors are of the view that the asset has been impaired and the asset has been derecognised accordingly.

4.3.2 The Bancassurance Agreement

The Bancassurance Agreement was entered between the Group's general insurance entity, Allianz General Insurance Company (Malaysia) Berhad ("AGIC") and CIMB Bank and formed an integral part of the acquisition of BMB by the Company on 28 August 2007 from Commerce International Group Berhad ("CIG"). The Group's general insurance business is further enhanced through the leverage on CIMB Bank's customer base and nationwide network. The future economic benefits that are attributable to the Bancassurance Agreement was valued at the present value of projected profits to be derived from the tenure of the agreement of ten years using the discounting cash flow model. The recognised intangible asset is amortised over its useful life of ten years.

The following key assumptions have been used in the calculation of intangible asset in respect of the Bancassurance Agreement:

Key assumptions

Discount rate	9.0%
Bancassurance premium growth rate	8.0%
Investment yield	4.5% per annum

5. Prepaid lease payments

Group	Note	Unexpired period more than 50 years	
		General business and shareholders' fund RM'000	Life fund RM'000
Cost			
At 1 January 2007		5,179	4,915
Acquisition of subsidiary	7	520	-
At 31 December 2007/1 January 2008		5,699	4,915
Disposal		(250)	-
At 31 December 2008		5,449	4,915
Amortisation			
At 1 January 2007		77	61
Amortisation for the year	24	80	61
At 31 December 2007/1 January 2008		157	122
Disposal		(9)	-
Amortisation for the year	24	82	61
At 31 December 2008		230	183
Carrying amounts			
At 1 January 2007		5,102	4,854
At 31 December 2007/1 January 2008		5,542	4,793
At 31 December 2008		5,219	4,732

Company	Note	Unexpired period more than 50 years RM'000
Shareholders' fund		
Cost		
1 January 2007/31 December 2007/1 January 2008		5,179
Disposal		(250)
Transfer to assets classified as held for sale	11	(4,929)
At 31 December 2008		-
Amortisation		
1 January 2007		77
Amortisation for the year	24	78
31 December 2007/1 January 2008		155
Disposal		(9)
Amortisation for the year	24	76
Transfer to assets classified as held for sale	11	(222)
31 December 2008		-
Carrying amounts		
At 1 January 2007		5,102
31 December 2007/1 January 2008		5,024
At 31 December 2008		-

6. Investment property

Group	Note	General business and shareholders' fund		Life fund	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
At 1 January		1,662	891	2,495	700
Acquisition of subsidiary	7	-	920	-	-
Disposal		-	(149)	-	-
Transfer from property, plant and equipment	3	-	-	-	1,795
Change in fair value	22	-	-	125	-
At 31 December		1,662	1,662	2,620	2,495
Included in the above are:					
Freehold land		600	600	395	350
Leasehold land with unexpired lease period of less than 50 years		242	242	-	-
Buildings		820	820	2,225	2,145
		1,662	1,662	2,620	2,495

Company	Note	Shareholders' fund	
		2008 RM'000	2007 RM'000
At 1 January		742	891
Disposal		-	(149)
Transfer to assets classified as held for sale	11	(742)	-
At 31 December		-	742
Included in the above are:			
Freehold land		-	500
Leasehold land with unexpired lease period of less than 50 years		-	242
At 31 December		-	742

The investment property are determined based on market values using comparison and investment methods. The following are recognised in the income statements/revenue accounts in respect of investment property:

Group	General business and shareholders' fund		Life fund	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Rental income	-	-	65	52

Company	Shareholders' fund	
	2008 RM'000	2007 RM'000
Rental income	-	3

7. Investments in subsidiaries

Company	Note	Shareholders' fund	
		2008 RM'000	2007 RM'000
Unquoted shares :			
At 1 January		793,408	169,253
Acquisition of subsidiary	7.1	-	496,155
Business Transfer	7.2	-	128,000
		793,408	793,408

7.1 Acquisition by the Company of the entire equity interest of Bright Mission Berhad (formerly known as Commerce Assurance Berhad) ("BMB")

In 2007, the Company acquired the entire equity interest of BMB for a purchase consideration of RM496,155,000.

The Company stated in its audited financial statements for the year ended 31 December 2007 that the initial accounting for the acquisition of BMB has been accounted for provisionally under FRS 3, Business Combination. Any adjustments to the fair values initially recorded at the date of acquisition as a result of finalising the provisional fair values, will be made within twelve months as allowed by FRS 3 paragraph 62.

In 2008, the Company completed its assessment of the purchase price allocation, and allocated RM88,933,000 as an intangible asset (Note 4.3.2). The remaining balance of RM239,610,000 was allocated as goodwill. The total amount of RM328,543,000 was shown as goodwill when the subsidiary was acquired in 2007.

The fair values of the net assets and liabilities of BMB acquired in 2007 are summarised below to reflect the abovesaid allocation:

	Pre-acquisition carrying amount RM '000	Fair value adjustments RM '000	Fair value on acquisition RM '000
Property, plant and equipment	34,389	8,896	43,285
Prepaid lease payments	520	-	520
Intangible asset	88,933	-	88,933
Investment property	999	(79)	920
Investments in debt and equity securities	510,491	(765)	509,726
Loans	966	-	966
Deferred tax assets	4,276	(2,094)	2,182
Receivables, deposits and prepayments	97,245	-	97,245
Cash and bank balances	13,944	-	13,944
Unearned premium reserves	(111,194)	-	(111,194)
Provision for outstanding claims	(299,633)	-	(299,633)
Payables and accruals	(90,349)	-	(90,349)
Net identifiable assets and liabilities	250,587	5,958	256,545
Goodwill on acquisition			239,610
Purchase consideration paid (including acquisition cost of RM9,880,828), satisfied in cash			496,155
Less: Cash and bank balances acquired			(13,944)
Net cash outflow of the Group on acquisition of subsidiary			482,211

7. Investment in subsidiaries (continued)

7.2 Transfer of general insurance business from the Company to its wholly owned subsidiary, Allianz General Insurance Company (Malaysia) Berhad ("AGIC")

On 1 July 2007, the Company transferred its general insurance business to its wholly owned subsidiary, AGIC pursuant to a scheme confirmed by the High Court of Malaya in accordance with Part XI of the Insurance Act, 1996; in consideration of the issuance of 127,999,998 new ordinary shares of RM1 each at par by AGIC to the Company.

7.3 The principal activities of the subsidiaries, the place of incorporation and the interest of the Company are as follows:

Name of company	Principal activity	Country of incorporation	Effective ownership interest	
			2008 %	2007 %
Allianz Life Insurance Malaysia Berhad ("ALIM")	Underwriting life insurance	Malaysia	100	100
Allianz General Insurance Company (Malaysia) Berhad ("AGIC")	Underwriting general insurance	Malaysia	100	100
Bright Mission Berhad (formerly known as Commerce Assurance Berhad) ("BMB")	Underwriting general insurance *	Malaysia	100	100

- * BMB and AGIC entered into a Business Transfer Agreement on 17 September 2008 ("BTA") to undertake a scheme of transfer under Part XI of the Insurance Act, 1996 as approved by Bank Negara Malaysia ("Scheme"), which involved the transfer and vesting by BMB to AGIC of BMB's entire general insurance business, undertaking and assets including the BMB's liabilities and obligations save for the specified excluded assets and liabilities as detailed in the BTA ("Business Transfer").

The Scheme was confirmed by the High Court of Malaya on 9 December 2008 and took effect on 1 January 2009.

Following the completion of the Business Transfer, BMB subsequently surrendered its general insurance licence to Bank Negara Malaysia and changed its name to Bright Mission Berhad with effect from 5 January 2009.

8. Investments in debt and equity securities

Group	2008		2007	
	Cost RM'000	Market Value RM'000	Cost RM'000	Market Value RM'000
General business and shareholders' fund				
Malaysian government securities	642,312		495,810	
Accretion of discounts	289		170	
Amortisation of premiums	(3,548)		(2,785)	
Allowance for diminution in value	(166)		(166)	
	638,887		493,029	
Malaysian government guaranteed bonds	60,709		81,671	
Accretion of discounts	554		2,360	
Amortisation of premiums	-		(42)	
	61,263		83,989	
Multilateral development bank guaranteed bonds	86,426		13,035	
Accretion of discounts	14		-	
Amortisation of premiums	(24)		(16)	
	86,416		13,019	
Cagamas bonds	3,740		8,739	
Accretion of discounts	10		8	
	3,750		8,747	
Quoted equity securities of corporations in Malaysia	-	-	17,598	21,923
Unquoted equity securities of corporations in Malaysia	2,166		2,166	
Allowance for diminution in value	(19)		(19)	
	2,147		2,147	
Quoted bonds of corporations in Malaysia	4,583		5,156	
Accretion of discounts	2,487		2,403	
	7,070	7,323	7,559	8,130
Unquoted bonds of corporations in Malaysia	431,825		386,152	
Accretion of discounts	2,265		1,800	
Amortisation of premiums	(3,560)		(1,944)	
Impairment loss	(5,694)		-	
Allowance for diminution in value	(600)		(600)	
	424,236		385,408	
Quoted unit trusts in Malaysia	-	-	4,681	5,205
Commercial loans	8,255		37,920	
Accretion of discounts	-		58	
	8,255		37,978	
Bankers' acceptances:				
Licensed banks	4,984		-	
Accretion of discounts	1		-	
	4,985		-	
Structured deposits:				
Licensed banks	2,000		-	
Negotiable certificate of deposits with:				
Licensed banks	38,166		30,000	
Other licensed financial institutions	-		7,969	
Amortisation of premiums	(267)		(217)	
	37,899		37,752	

8. Investments in debt and equity securities (continued)

Group	2008		2007	
	Cost RM'000	Market Value RM'000	Cost RM'000	Market Value RM'000
General business and shareholders' fund				
Fixed and call deposits with:				
Licensed banks	233,041		171,602	
Other licensed financial institutions	-		58,680	
	233,041		230,282	
Total investments	1,509,949		1,322,189	
Life fund				
Malaysian government securities	633,891		441,424	
Accretion of discounts	925		293	
Amortisation of premiums	(2,027)		(1,190)	
	632,789		440,527	
Malaysian government guaranteed bonds	86,156		75,342	
Accretion of discounts	3,869		2,646	
Amortisation of premiums	-		(64)	
	90,025		77,924	
Multilateral development bank guaranteed bonds	87,930		22,035	
Accretion of discounts	72		10	
Amortisation of premiums	(45)		(31)	
	87,957		22,014	
Cagamas bonds	-		28,912	
Accretion of discounts	-		5	
	-		28,917	
Quoted equity securities of corporations in Malaysia	32,839		77,740	
Allowance for diminution in value	(7,190)		-	
	25,649	25,649	77,740	81,632
Quoted bonds of corporations in Malaysia	2,593		2,917	
Accretion of discounts	1,371		1,324	
	3,964	4,153	4,241	4,549
Unquoted bonds of corporations in Malaysia	526,188		454,314	
Accretion of discounts	6,066		4,119	
Amortisation of premiums	(3,366)		(2,376)	
Allowance for diminution in value	-		(131)	
	528,888		455,926	
Quoted unit trusts in Malaysia	6,065		9,084	
Allowance for diminution in value	(2,130)		-	
	3,935	3,935	9,084	9,944
Commercial loans	10,605		12,943	
Negotiable certificate of deposits with :				
Licensed banks	-		10,000	
Other licensed financial institutions	13,704		13,704	
Amortisation of premiums	(1,232)		(1,005)	
	12,472		22,699	
Structured deposits with:				
Licensed banks	73,000		-	

8. Investments in debt and equity securities (continued)

Group	2008		2007	
	Cost RM'000	Market Value RM'000	Cost RM'000	Market Value RM'000
Life fund				
Fixed and call deposits with:				
Licensed banks	51,875		63,310	
Other licensed financial institutions	7,653		17,012	
	59,528		80,322	
Total investments	1,528,812		1,232,337	
Investment-linked fund				
Malaysian government securities	5,002		-	
Unrealised gain	261		-	
	5,263		-	
Quoted equity securities of corporations in Malaysia	62,309		77,000	
Unrealised (loss)/gain	(6,055)		29,449	
	56,254	56,254	106,449	106,449
Quoted bonds of corporations in Malaysia	822		925	
Accretion of discounts	179		140	
Unrealised gain	64		104	
	1,065	1,065	1,169	1,169
Unquoted bonds of corporations in Malaysia	76,250		76,468	
Accretion of discounts	2,253		1,464	
Amortisation of premiums	(1,063)		(1,001)	
Unrealised gain	139		1,026	
	77,579		77,957	
Unquoted foreign unit trusts	35,130		40,033	
Unrealised (loss)/gain	(11,691)		109	
Unrealised foreign exchange loss	(375)		(3,180)	
	23,064		36,962	
Quoted unit trust in Malaysia	6,190		5,552	
Unrealised (loss)/gain	(977)		1,528	
	5,213	5,213	7,080	7,080
Commercial loans	192		232	
Structured deposits with:				
Licensed banks	2,000		-	
Unrealised gain	116		-	
	2,116		-	
Negotiable certificate deposits with:				
Licensed banks				
Other licensed financial institutions	457		429	
Amortisation of premiums	(41)		-	
Unrealised gain	8		-	
	424		429	
Fixed and call deposits with:				
Licensed banks	52,332		15,436	
Other licensed financial institutions	-		11,047	
	52,332		26,483	
Total investments (Note 32)	223,502		256,761	

8. Investments in debt and equity securities (continued)

Company	2008		2007	
	Cost RM'000		Cost RM'000	
Shareholders' fund				
Unquoted bonds of corporations	5,571		8,323	
Accretion of discounts	123		71	
Impairment loss	(5,694)		-	
	*		8,394	
Fixed and call deposits with:				
Licensed banks	31,435		22,435	
Other licensed financial institutions	-		6,622	
	31,435		29,057	
Total investments	31,435		37,451	

* Denotes RM3

9. Loans

Group	General business and shareholders' fund			
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Non-current				
Mortgage loans	2,657	3,089	2,252	2,387
Other secured loans	558	556	77	228
Other unsecured loans	-	7	4	-
	3,215	3,652	2,333	2,615
Current				
Policy loans	-	-	6,148	4,988
Mortgage loans	490	693	373	337
Automatic premium loans	-	-	26,797	21,289
Other secured loans	403	132	24	98
Other unsecured loans	12	28	12	10
	905	853	33,354	26,722

Company	Shareholders' fund	
	2008 RM'000	2007 RM'000
Non-current		
Mortgage loans	654	359
Other secured loans	74	-
Other unsecured loans	-	1
	728	360
Current		
Mortgage loans	95	36
Other secured loans	23	-
Other unsecured loans	-	1
	118	37

10. Receivables, deposits and prepayments

Group	Note	General business and shareholders' fund		Life fund	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Non-current					
Non-trade receivables					
Other receivables		176	166	-	39
Deposits		757	815	-	-
Less: Allowance for doubtful debts		-	-	-	(22)
		933	981	-	17
Malaysian Institute of Insurance ("MII") bonds		490	490	100	100
Due from life fund	13	-	35,305	-	-
		1,423	36,776	100	117
Current					
Trade receivables					
Due premiums including agents, brokers and co-insurers balances		128,989	183,339	39,464	38,263
Due from reinsurers and cedants		36,934	38,550	389	476
		165,923	221,889	39,853	38,739
Less: Allowance for doubtful debts		(49,652)	(51,634)	(1,002)	(1,781)
		116,271	170,255	38,851	36,958
Due from related companies		5,668	3,133	-	-
		121,939	173,388	38,851	36,958
Non-trade receivables					
Other receivables, deposits and prepayments		16,513	10,993	2,452	3,401
Less: Allowance for doubtful debts		(3,236)	(3,236)	(401)	(476)
		13,277	7,757	2,051	2,925
Income due and accrued		14,254	10,569	17,791	11,838
Due from life fund	13	40,622	-	-	-
Due from related companies		3	176	434	349
		68,156	18,502	20,276	15,112
		190,095	191,890	59,127	52,070

Company	Shareholders' fund	
	2008 RM'000	2007 RM'000
Non-current		
Non-trade receivables		
Deposits and advances	-	58
	-	58
Current		
Non-trade receivables		
Other receivables, deposits and prepayments	3,404	1,580
Income due and accrued	226	235
Due from subsidiaries	2,182	505
	5,812	2,320

The amounts due from subsidiaries and related companies are unsecured, interest free and have no fixed terms of repayment.

11. Assets classified as held for sale

Company

The Company has commenced its effort to sell certain property, plant and equipment, intangible assets, prepaid lease payments and investment property to its subsidiary company, Allianz General Insurance Company (Malaysia) Berhad. Therefore, certain property, plant and equipment, intangible assets, prepaid lease payments and investment property are presented as a disposal group held for sale. At 31 December 2008, the assets of the disposal group are as follows:

Company	Note	Shareholders' fund	
		2008 RM'000	2007 RM'000
Property, plant and equipment	11.1	40,846	-
Intangible assets	11.2	6,874	-
Prepaid lease payments	11.3	4,707	-
Investment property	11.4	742	-
		53,169	-

11.1 Property, plant and equipment (Note 3)

Property, plant and equipment held for sale comprise the following:

Company	2008 RM'000	2007 RM'000
Shareholders' fund		
Freehold land		
Cost	5,430	-
Buildings		
Cost	9,876	-
Accumulated depreciation	(971)	-
	8,905	-
Office equipment, computer, furniture and fittings		
Cost	27,822	-
Accumulated depreciation	(14,040)	-
	13,782	-
Motor vehicles		
Cost	483	-
Accumulated depreciation	(385)	-
	98	-
Office renovations and partitions		
Cost	14,653	-
Accumulated depreciation	(4,016)	-
	10,637	-
Work in progress		
Cost	1,994	-
	40,846	-

11. Assets classified as held for sale (continued)**11.2 Intangible assets (Note 4)**

Company	2008 RM'000	2007 RM'000
Shareholders' fund		
Software development costs		
Cost	8,587	-
Amortisation	(1,713)	-
	6,874	-

11.3 Prepaid lease payments (Note 5)

Company	2008 RM'000	2007 RM'000
Shareholders' fund		
Cost	4,929	-
Amortisation	(222)	-
	4,707	-

11.4 Investment property

Investment property consists of freehold land and leasehold land as stated in Note 6 , and are carried at fair value.

12. Provision for outstanding claims

Group	General business and shareholders' fund		Life fund	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Provision for outstanding claims	1,169,626	1,080,363	36,394	35,934
Recoverable from reinsurers	(521,434)	(479,354)	(4,830)	(4,726)
Net outstanding claims	648,192	601,009	31,564	31,208

13. Payables and accruals

Group	Note	General business and shareholders' fund		Life fund	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Non-current					
Non-trade payable					
Due to shareholders' fund	10	-	-	-	35,305
Performance bond deposits	13.4	27,769	17,268	-	-
Other payables and accrued expenses	13.2	-	87	23,723	16,424
Finance lease liabilities	13.3	1,811	1,841	-	-
		29,580	19,196	23,723	51,729

13. Payables and accruals

Group	Note	General business and shareholders' fund			
		Life fund			
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Current					
Trade payables					
Due to reinsurers and cedants		88,818	93,789	3,153	2,154
Due to agents, brokers, co-insurers and insureds		49,778	64,220	51,738	46,025
Due to related companies		7,961	18,810	7,286	4,838
Due to ultimate holding company	13.1	-	-	45	-
		146,557	176,819	62,222	53,017
Non-trade payables					
Performance bond deposits	13.4	37,118	40,164	-	-
Finance lease liabilities	13.3	1,670	1,406	-	-
Other payables and accrued expenses	13.2	72,391	61,912	40,556	47,134
Due to shareholders' fund	10	-	-	40,622	-
Due to ultimate holding company	13.1	-	321	-	-
		111,179	103,803	81,178	47,134
		257,736	280,622	143,400	100,151

Company	Note	Shareholders' fund	
		2008 RM'000	2007 RM'000
Non-current			
Non-trade payable			
Finance lease liabilities	13.3	1,811	1,841
		1,811	1,841
Current			
Non-trade payables			
Finance lease liabilities	13.3	1,670	1,406
Other payables and accrued expenses	13.2	27,073	6,258
Due to related companies	13.1	-	132
Due to subsidiaries	13.1	265	1,863
		29,008	9,659

13.1 Amounts due to ultimate holding company, subsidiaries and related companies

The amounts due to ultimate holding company, subsidiaries and related companies are unsecured, interest free and have no fixed terms of repayment.

13.2 Other payables and accrued expenses

Included in other payables (non-current) of the Group (life fund) is an amount of RM20,690,000 (2007: RM12,949,000) relating to premium received in advance.

13. Payables and accruals (continued)

13.2 Other payables and accrued expenses (continue)

Included in other payables and accrued expenses (current) of the Group (life fund) is an amount of RM15,509,000 (2007: RM15,140,000) and NIL (2007: RM15,160,000) relating to premium deposits and payables arising from the purchase of certain unquoted bonds of corporations.

Included in other payables (non-current) of the Company and the Group (general business and shareholders' fund) is an amount of RM21,087,000 (2007: NIL) relating to a sum received by the Company as a stakeholder.

13.3 Finance lease liabilities

Group and company	Minimum lease payments 2008 RM'000	Interest 2008 RM'000	Principal 2008 RM'000	Minimum lease payments 2007 RM'000	Interest 2007 RM'000	Principal 2007 RM'000
Less than one year	1,886	216	1,670	1,541	135	1,406
Between one and five years	1,936	125	1,811	1,912	71	1,841
	3,822	341	3,481	3,453	206	3,247

13.4 Performance bond deposits

Performance bond deposits are the collateral deposits received from policyholders for guarantees issued on behalf of policyholders.

14. Subordinated loans

14.1 Subordinated loan from ultimate holding company – Group and Company

In accordance with Exchange Control of Malaysia Notice 10 ("ECM10"), the Controller of Foreign Exchange in Malaysia ("The Controller") had on 27 June 2007 approved the Group and the Company's application to obtain the foreign currency credit facility denominated in Euro and equivalent to Ringgit Malaysia of RM490,000,000 from its holding company, to enable the Company to acquire the entire issued and paid-up capital of Bright Mission Berhad (formerly known as Commerce Assurance Berhad) ("the Acquisition") from Commerce International Group Berhad ("CIGB").

By a letter dated 27 June 2007, BNM has approved the Acquisition and also granted a waiver to the Group and the Company from complying with solvency framework. The foreign currency credit facility is interest free and cannot be repaid without the prior approval from the relevant regulatory authority.

14. Subordinated loans (continued)

14.2 Subordinated loan to subsidiaries - Company

14.2.1 Subordinated loan to Allianz General Insurance Company (Malaysia) Berhad ("AGIC")

On 1 July 2007, the Company extended a RM14,000,000 subordinated loan to AGIC. The subordinated loan is for a period of two years, interest free and cannot be repaid without prior approval from the relevant regulatory authority.

BNM had on 29 June 2007 approved Company's application to the granting of the said loan.

14.2.2 Subordinated loan to Allianz Life Insurance Malaysia Berhad ("ALIM")

On 20 December 2004, the Company extended a RM3,600,000 subordinated loan to ALIM. The subordinated loan is for a period of 2 years, interest free and cannot be repaid without prior approval from the relevant regulatory authority.

On 24 November 2006, the Company's board of directors approved the extension of the subordinated loan to ALIM amounting to RM3,600,000 for another period of 2 years. The Company had written to Bank Negara Malaysia ("BNM") on 12 December 2006 seeking for an approval on the extension of period for granting subordinated loan to ALIM.

BNM had on 17 January 2007 approved the Company's application to extend the tenure of the subordinated loan for another 2 years with similar terms as previous approval. Accordingly, the subordinated loan will be due for repayment in January 2009.

On 16 January 2009, the Company's board of directors approved the extension of the subordinated loan for another period of 2 years. The Company had written to Bank Negara Malaysia ("BNM") on 19 January 2009 seeking for an approval on the extension of period for granting subordinated loan to ALIM.

BNM had on 5 February 2009 approved the Company's application to extend the tenure of the subordinated loan for another 2 years with similar terms as previous approval. Accordingly, the subordinated loan will be due for repayment in January 2011.

15. Deferred tax assets and liabilities

15.1 Deferred tax assets/(liabilities) are attributable to the following:

Group	Assets		Liabilities		Net	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
General business and shareholders' fund						
Property, plant and equipment	-	-	(6,314)	(3,890)	(6,314)	(3,890)
Investment property	90	-	-	(92)	90	(92)
Tax loss carry forward	6,373	8,720	-	-	6,373	8,720
Capital allowances carry forward	-	80	-	-	-	80
Provisions	1,687	8,979	-	-	1,687	8,979
Other items	4,128	1,618	-	-	4,128	1,618
Tax assets/(liabilities)	12,278	19,397	(6,314)	(3,982)	5,964	15,415
Set off	(1,021)	(2,480)	1,021	2,480	-	-
Net tax assets/(liabilities)	11,257	16,917	(5,293)	(1,502)	5,964	15,415
Life fund						
					Net	
					2008 RM'000	2007 RM'000
Property, plant and equipment					(308)	(384)
Other items					746	(2,753)
Net tax assets/(liabilities)					438	(3,137)
Company						
					Net	
					2008 RM'000	2007 RM'000
Shareholders' fund						
Property, plant and equipment					(3,771)	(1,666)
Investment property					69	(113)
Other items					-	277
Tax liabilities					(3,702)	(1,502)

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority.

15. Deferred tax assets and liabilities (continued)

15.2 Movement in temporary differences during the year:

Group	At 1.1.2007 RM'000	Acquisition of subsidiary (Note 7) RM'000	Recognised in income statement (Note 26) RM'000	Recognised in equity (Note 26) RM'000	At 31.12.2007 RM'000	Recognised in income statement (Note 26) RM'000	Recognised in equity (Note 26) RM'000	At 31.12.2008 RM'000
General business and shareholders' fund								
Property, plant and equipment	(2,061)	(4,579)	3,657	(907)	(3,890)	(2,561)	137	(6,314)
Investment property	(113)	21	-	-	(92)	182	-	90
Tax losses carry forward	9,824	-	(1,104)	-	8,720	(2,347)	-	6,373
Capital allowances carry forward	-	967	(887)	-	80	(80)	-	-
Provisions	30	4,184	4,765	-	8,979	(7,292)	-	1,687
Other items	319	1,589	(290)	-	1,618	2,510	-	4,128
	7,999	2,182	6,141	(907)	15,415	(9,588)	137	5,964

Group	At 1.1.2007 RM'000	Recognised in revenue account (Note 26) RM'000	At 31.12.2007 RM'000	Set off* RM'000	Recognised in revenue account (Note 26) RM'000	At 31.12.2008 RM'000
Life fund						
Property, plant and equipment	-	(384)	(384)	-	76	(308)
Other items	-	(2,753)	(2,753)	2,273	1,226	746
	-	(3,137)	(3,137)	2,273	1,302	438

* Set-off against investment-linked funds' temporary differences

Company	At 1.1.2007 RM'000	Recognised in income statement (Note 26) RM'000	Recognised in equity (Note 26) RM'000	At 31.12.2007 RM'000	Recognised in income statement (Note 26) RM'000	Recognised in equity (Note 26) RM'000	At 31.12.2008 RM'000
Shareholders' fund							
Property, plant and equipment	(2,061)	1,302	(907)	(1,666)	(2,153)	48	(3,771)
Investment property	(113)	-	-	(113)	182	-	69
Provisions	30	(30)	-	-	-	-	-
Other items	319	(42)	-	277	(277)	-	-
	(1,825)	1,230	(907)	(1,502)	(2,248)	48	(3,702)

16. Unearned premium reserves

Group					
	Fire	Motor	Marine, aviation and transit	Miscellaneous	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
General business					
2008					
At 1 January 2008	49,945	153,396	7,983	68,225	279,549
Increase/(decrease) during the year	4,209	33,282	2,633	(1,307)	38,817
At 31 December 2008	54,154	186,678	10,616	66,918	318,366
2007					
At 1 January 2007	25,076	61,929	3,958	53,135	144,098
Increase/(decrease) during the year	11,390	13,252	(2,069)	1,685	24,258
Acquisition of subsidiary	13,479	78,215	6,163	13,337	111,194
At 31 December 2007	49,945	153,396	8,052	68,157	279,550
Company					
	Fire	Motor	Marine, aviation and transit	Miscellaneous	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
General business					
2008					
At 1 January 2008	-	-	-	-	-
Increase during the year	-	-	-	-	-
At 31 December 2008	-	-	-	-	-
2007					
At 1 January 2007	25,076	61,929	3,958	53,135	144,098
Increase during the year	111	1,688	381	5,713	7,893
Business Transfer	(25,187)	(63,617)	(4,339)	(58,848)	(151,991)
At 31 December 2007	-	-	-	-	-

17. Total life policyholders' fund

Group		Life fund	
	Note	2008 RM'000	2007 RM'000
Life policyholders' fund	17.1	1,687,184	1,418,934
Life assets revaluation reserve	17.2	962	921
		1,688,146	1,419,855

17. Total life policyholders' fund (continued)

17.1 Life policyholders' fund

Group	Note	Life fund	
		2008 RM'000	2007 RM'000
Actuarial liabilities			
At 1 January		1,315,294	1,084,858
Increase /(Decrease) in policy reserve:			
Participating policies		184,103	139,047
Non-participating policies		63,039	61,174
Investment-linked		(26,618)	3,451
Bonus allocated to participating Policyholders (including interim bonus)		31,210	26,927
Interim bonus		(569)	(163)
At 31 December	(a)	1,566,459	1,315,294
Unallocated surplus			
At 1 January		103,640	44,933
Surplus arising during the year		53,612	85,634
Bonus allocated to participating Policyholders (including interim bonus)		(31,210)	(26,927)
Less: Transfer to shareholders' fund		(5,317)	-
At 31 December	(b)	120,725	103,640
Life policyholders' fund at 31 December	(a)+(b)	1,687,184	1,418,934

Valuation of Life policyholders' fund involves the projection of the present value of net premium and sum assured, guaranteed cash bonuses, and certain underlying assumptions including interest rates, withdrawal rate, mortality rate, inflation rate and disability rate using a projection model.

As with all projections, there are elements of uncertainties and thus the projected future benefit payable may be different from the actual benefit paid due to the level of uncertainty involved in projecting the Life policyholders' fund.

17.2 Life assets revaluation reserve

Group	Life fund	
	2008 RM'000	2007 RM'000
At 1 January	921	921
Surplus on revaluation of owner-occupied properties	41	-
At 31 December	962	921

18. Share capital

	Group/Company			
	Amount 2008 RM'000	Number of shares 2008 '000	Amount 2007 RM'000	Number of shares 2007 '000
Ordinary shares of RM1 each:				
Authorised	200,000	200,000	200,000	200,000
Issued and fully paid				
On issue at 1 January	153,869	153,869	153,765	153,765
Issued for cash	-	-	104	104
On issue at 31 December	153,869	153,869	153,869	153,869

In 2007, the issued and paid-up share capital of the Company was increased from RM153,765,138 to RM153,869,238 by way of issuance of 104,100 new shares for cash pursuant to the ESS.

19. Reserves

	Note	Group		Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Share premium	19.1	5,529	5,529	5,529	5,529
Revaluation reserves	19.2	5,684	5,547	5,595	5,547
Retained earnings		223,036	154,585	216,542	223,159
At 31 December		234,249	165,661	227,666	234,235

19.1 Share premium

	Group/Company	
	2008 RM'000	2007 RM'000
At 1 January	5,529	5,321
Increase during the year	-	208
At 31 December	5,529	5,529

In 2007, the Company issued 104,100 new ordinary shares of RM1 each at RM3 per share for cash pursuant to the ESS, resulting in an increase in share premium of RM208,200.

19.2 Revaluation reserve

The revaluation reserve relates to the revaluation of owner occupied properties for the general business and shareholder's fund.

Owner occupied properties are stated at valuation based on revaluation conducted by independent professional qualified valuers using the comparison and investment methods.

19. Reserves (continued)

19.2 Revaluation reserve (continued)

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
At 1 January	5,547	6,454	5,547	6,454
Effect of deferred tax	-	(907)	-	(907)
Effect of change in tax rate	137	-	48	-
At 31 December	5,684	5,547	5,595	5,547

19.3 Section 108 tax credit

Subject to agreement by the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt income to frank in full all of its retained earnings at 31 December 2008 if paid out as dividends.

The Finance Act, 2007 introduced a single tier company income tax system with effect from year of assessment 2008. As such, the Section 108 tax credit as at 31 December 2007 will be available to the Company until such time the credit is fully utilised or upon expiring of the six years transitional period on 31 December 2013, whichever is earlier.

20. Operating revenue

Group					
	Note	General business RM'000	Shareholders' fund RM'000	Life business RM'000	Total RM'000
2008					
Gross premium		1,074,890	-	692,038	1,766,928
Investment income	21	51,771	4,992	63,578	120,341
Investment income from investment-linked business	32	-	-	11,598	11,598
		1,126,661	4,992	767,214	1,898,867
2007					
Gross premium		748,609	-	594,560	1,343,169
Investment income	21	35,486	4,329	50,270	90,085
Investment income from investment-linked business	32	-	-	12,112	12,112
		784,095	4,329	656,942	1,445,366
Company					
	Note	General business RM'000	Shareholders' fund RM'000	Life business RM'000	Total RM'000
2008					
Investment income	21	-	16,344	-	16,344
2007					
Gross premium		278,456	-	-	278,456
Investment income	21	13,722	5,311	-	19,033
		292,178	5,311	-	297,489

21. Investment income

Group	Shareholders' fund	
	2008 RM'000	2007 RM'000
Interest from:		
Malaysian government securities	743	428
Malaysian government guaranteed bonds	156	172
Multilateral development bank guaranteed bonds	116	-
Cagamas bonds	-	108
Unquoted bonds of corporations	2,107	1,168
Negotiable certificate of deposits	169	169
Structured deposits	35	-
Fixed and call deposits	1,279	2,127
Mortgage loans	61	14
Other secured loans	1	5
Accretion of discounts on:		
Malaysian government securities	20	53
Malaysian government guaranteed bonds	87	-
Multilateral development bank guaranteed bonds	3	-
Unquoted bonds of corporations	407	167
Bankers' acceptances	11	35
Amortisation of premiums on:		
Malaysian government securities	(18)	(5)
Malaysian government guaranteed bonds	(4)	(4)
Negotiable certificate of deposits	(50)	(49)
Unquoted bonds of corporations	(131)	(89)
Rental of premises	-	30
	4,992	4,329

Group	General business		Life business	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Interest from:				
Malaysian government securities	21,952	11,285	20,060	10,223
Malaysian government guaranteed bonds	960	439	1,962	1,039
Multilateral development bank guaranteed bonds	2,833	530	3,183	868
Cagamas bonds	153	153	-	1,673
Unquoted bonds of corporations	16,187	14,357	24,317	23,239
Commercial loans	690	823	886	1,058
Negotiable certificate of deposits	1,336	709	1,053	1,353
Structured deposits	-	-	1,098	-
Fixed and call deposits	4,780	5,425	2,539	4,216
Policy loans	-	-	407	336
Mortgage loans	103	120	118	115
Automatic premium loans	-	-	1,806	1,430
Other secured loans	19	23	9	11
Gross dividends from:				
Quoted equity securities of corporations in Malaysia	432	928	2,122	2,356
Quoted unit trusts in Malaysia	331	468	486	656
Rental of premises from:				
Immediate holding company	-	-	65	-
Related company	-	-	100	135
Third parties	27	35	-	11

21. Investment income (continued)

Group	General business		Life business	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Accretion of discounts on:				
Malaysian government securities	146	285	848	844
Malaysian government guaranteed bonds	2,210	430	1,721	1,123
Multilateral development bank guaranteed bonds	7	3	63	6
Cagamas bonds	3	2	-	-
Quoted bonds of corporations in Malaysia	387	430	213	-
Unquoted bonds of corporations	2,648	1,931	3,361	3,129
Bankers' acceptances	46	-	83	192
Amortisation of premiums on:				
Malaysian government securities	(2,024)	(1,417)	(1,397)	(928)
Malaysian government guaranteed bonds	(4)	(4)	(13)	(14)
Multilateral development bank guaranteed bonds	(8)	(8)	(14)	(14)
Unquoted bonds of corporations	(1,348)	(1,461)	(1,271)	(2,560)
Negotiable certificate of deposits	(95)	-	(227)	(227)
	51,771	35,486	63,578	50,270

Company	Shareholders' fund	
	2008 RM'000	2007 RM'000
Interest from:		
Unquoted bonds of corporations	36	304
Fixed and call deposits	464	1,373
Mortgage loans	26	8
Other secured loans	1	-
Gross dividends from unquoted equity securities of corporations in Malaysia	4,928	-
Accretion of discounts on unquoted bonds of corporations	300	110
Amortisation of premiums on unquoted bonds of corporations	-	(26)
Rental of premises from subsidiary company	1,257	707
Rental of office equipment	9,332	2,835
	16,344	5,311

Company	General business	
	2008 RM'000	2007 RM'000
Interest from:		
Malaysian government securities	-	4,281
Malaysian government guaranteed bonds	-	180
Multilateral development bank guaranteed bonds	-	257
Cagamas bonds	-	76
Unquoted bonds of corporations	-	6,309
Commercial loans	-	426
Negotiable certificate of deposits	-	380
Fixed and call deposits	-	1,408
Mortgage loans	-	64
Other secured loans	-	13
Gross dividends from:		
Quoted equity securities of corporations in Malaysia	-	432
Quoted unit trusts in Malaysia	-	191

21. Investment income (continued)

Company	General business	
	2008 RM'000	2007 RM'000
Rental of premises from third parties	-	31
Accretion of discounts on:		
Malaysian government securities	-	28
Malaysian government guaranteed bonds	-	1
Cagamas bonds	-	1
Quoted bonds of corporations in Malaysia	-	217
Unquoted bonds of corporations	-	702
Amortisation of premiums on:		
Malaysian government securities	-	(560)
Malaysian government guaranteed bonds	-	(2)
Multilateral development bank guaranteed bonds	-	(4)
Unquoted bonds of corporations	-	(709)
	-	13,722

22. Other operating income

Group	Shareholders' fund	
	2008 RM'000	2007 RM'000
Gain on disposal of property, plant and equipment	100	1
Gain on disposal of leasehold land	71	-
Realised gain on foreign exchange	8	-
Gain on disposal of unquoted bonds of corporations	-	38
	179	39

Group	General business		Life business	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Gain on disposal of investments in:				
Cagamas bonds	-	-	-	71
Quoted equity securities of corporations in Malaysia	-	8,068	-	23,541
Unquoted bonds of corporations	242	813	119	5,767
Malaysian government securities	380	-	4	-
Malaysian government guaranteed bonds	2	-	-	-
Quoted unit trusts in Malaysia	-	441	43	211
Gain on disposal of property, plant and equipment	39	20	-	132
Change in fair value of investment property	-	-	125	-
Write back of allowance for diminution in value of quoted investments in Malaysia	-	107	131	211
Services and transfer fee	641	780	-	-
Realised gain on foreign exchange	90	-	-	-
Interest from reinsurance deposits	31	-	-	-
Interest from overdue premiums	-	-	156	140
Sundry income	5,918	304	2,740	3,255
	7,343	10,533	3,318	33,328

22. Other operating income (continued)

Company	Shareholders' fund	
	2008 RM'000	2007 RM'000
Gain on disposal of property, plant and equipment	100	-
Gain on disposal of prepaid lease payments	71	-
Realised gain on foreign exchange	8	-
	179	-

Company	General business	
	2008 RM'000	2007 RM'000
Gain on disposal of investments in:		
Quoted equity securities of corporations in Malaysia	-	3,749
Unquoted bonds of corporations	-	100
Quoted unit trusts in Malaysia	-	108
Services and transfer fee	-	358
Sundry income	-	79
	-	4,394

23. Other operating expenses

Group	Shareholders' fund	
	2008 RM'000	2007 RM'000
Loss on disposal of quoted equity securities of corporations in Malaysia	-	6
Property, plant and equipment written off	6	3,103
Voluntary separation scheme expenses	-	274
Realised loss on foreign exchange	-	2
Impairment loss on property, plant and equipment	-	1,218
Impairment loss on unquoted bonds of corporations	5,694	-
Loss on disposal of property, plant and equipment	-	62
Sundry expenses	752	3,006
	6,454	7,671

23. Other operating expenses (continued)

Group	General business		Life business	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Loss on disposal of investments in:				
Malaysian government securities	-	-	-	15
Quoted equity securities of corporations in Malaysia	4,382	1	15,126	-
Unquoted bonds of corporations	-	376	-	-
Quoted unit trusts in Malaysia	2,092	18	-	-
Realised loss on foreign exchange	11	64	-	-
Loss on disposal of property, plant and equipment	-	-	10	-
Allowance for diminution in value of quoted investments in Malaysia	-	-	9,320	-
Property, plant and equipment written off	-	1,339	96	3
Intangible assets written off	-	-	117	-
Interest expense on:				
Cash collateral refund	815	724	-	-
Reinsurance deposits	-	99	175	199
Survival benefits	-	-	590	521
Agency Provident Fund	-	-	173	169
Claims	-	-	107	142
Sundry expenses	811	2,560	1,009	372
Voluntary separation scheme expenses	-	9,780	-	-
Impairment loss on property, plant and equipment	-	9,098	-	-
	8,111	24,059	26,723	1,421

Company	Shareholders' fund	
	2008 RM'000	2007 RM'000
Loss on disposal of investments in equity securities of corporations in Malaysia	-	7
Loss on disposal of property, plant and equipment	-	62
Impairment loss on property, plant and equipment	-	1,218
Impairment loss on unquoted bonds of corporations	5,694	-
Property, plant and equipment written off	6	3,035
Realised loss on foreign exchange	-	2
Sundry expenses	51	16
	5,751	4,340

Company	General business	
	2008 RM'000	2007 RM'000
Loss on disposal of quoted unit trusts in Malaysia	-	18
Realised loss on foreign exchange	-	11
Property, plant and equipment written off	-	22
Voluntary separation scheme expenses	-	4,572
Interest expense on:		
Cash collateral	-	341
Reinsurance deposits	-	42
Sundry expenses	-	100
	-	5,106

24. Management expenses

Group	Shareholders' fund	
	2008 RM'000	2007 RM'000
Auditors' remuneration	121	9
Advertising expenses	69	-
Bank charges	2	-
Depreciation of property, plant and equipment	6,225	3,030
Directors' remuneration:		
Non-executive directors		
Fees	219	112
Other remuneration	178	115
Insurance guarantee scheme fund	-	3
Rental of premises	16	32
Rental of office equipment	2	-
Staff costs (including key management personnel)		
Contribution to Employee Provident Fund	174	80
Wages, salaries and others	1,903	1,094
Amortisation of prepaid lease payments	76	39
Amortisation of intangible assets	13,570	-
Other expenses	(381)	1,019
	22,174	5,533

Group	General business		Life business	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Advertising expenses	3,847	1,109	9,400	13,923
Amortisation of prepaid lease payments	6	41	61	61
Amortisation of intangible assets	-	-	331	790
Auditors' remuneration	160	266	79	65
Bank charges	147	91	4,390	3,856
(Write back of)/Allowance for doubtful debts	(1,981)	4,249	(876)	849
Bad debts written off	1,987	1,105	9	75
Depreciation of property, plant and equipment	1,630	4,714	1,929	2,699
Directors' remuneration:				
Non-executive directors				
Fees	215	327	155	155
Other remuneration	75	188	157	152
Rental of office equipment	127	16	-	-
Insurance guarantee scheme fund	1,956	1,105	142	140
Rental of premises:				
Related company	-	-	2	7
Immediate holding company	-	-	-	54
Third parties	3,687	3,092	2,982	2,835
Staff costs (including key management personnel)				
Contribution to Employee Provident Fund	7,338	5,419	3,103	2,768
Wages, salaries and others	61,587	50,234	30,511	27,929
Other expenses	50,606	36,560	14,655	12,653
	131,387	108,516	67,030	69,011

24. Management expenses (continued)

Company	Shareholders' fund	
	2008 RM'000	2007 RM'000
Amortisation of prepaid lease payments	76	39
Amortisation of intangible assets	1,713	-
Advertising expenses	69	-
Bank charges	2	-
Auditors' remuneration	115	-
Depreciation of property, plant and equipment	6,221	2,920
Directors' remuneration: Non-executive directors		
Fees	219	105
Other remuneration	178	111
Rental of office equipment	2	-
Rental of premises to third parties	16	18
Staff costs (including key management personnel):		
Contribution to Employee Provident Fund	174	44
Wages, salaries and others	1,903	785
Other expenses	2,577	531
	13,265	4,553

Company	General business	
	2008 RM'000	2007 RM'000
Amortisation of prepaid lease payments	-	39
Auditors' remuneration	-	110
Depreciation of property, plant and equipment	-	2,891
Directors' remuneration: Non-executive directors		
Fees	-	105
Other remuneration	-	111
Rental of premises	-	141
Insurance guarantee scheme fund	-	448
Rental of premises to third parties	-	1,314
Staff costs (including key management personnel):		
Contribution to Employee Provident Fund	-	2,345
Wages, salaries and others	-	21,687
Allowance for doubtful debts	-	596
Other expenses	-	12,205
	-	41,992

25. Key management personnel compensation

The key management personnel compensation is as follows:

Group	General business and shareholders' fund		Life business	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Non-executive directors:				
Fees	434	439	155	155
Other remuneration	253	303	157	152
	687	742	312	307
Executive directors:				
Remuneration	745	-	1,370	251
Other short term employee benefits (including estimated monetary value of benefits-in-kind)	443	-	1,075	89
	1,188	-	2,445	340
Other key management personnel*				
Short-term employee benefits	3,062	7,398	4,866	5,229
	4,937	8,140	7,623	5,876

Company	Shareholders' fund	
	2008 RM'000	2007 RM'000
Non-executive directors:		
Fees	219	210
Other remuneration	178	222
	397	432
Executive director:		
Remuneration	139	-
Other short term employee benefits (including estimated monetary value of benefits-in-kind)	170	-
	309	-
Other key management personnel*		
Short-term employee benefits	29	3,798
	735	4,230

* Other key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and Company either directly or indirectly.

26. Tax expense

26.1 Recognised in the income statements/revenue accounts

Group	Note	General business and shareholders' fund		Life business	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Current tax expense					
Current year		31,427	21,361	3,656	3,693
Under/(Over) provision in prior years		568	(347)	983	(791)
		31,995	21,014	4,639	2,902
Deferred tax expense					
Derecognition of previously recognised tax assets		8,380	-	-	-
Origination of temporary differences		1,722	(6,523)	(886)	2,777
Effect of change in tax rate		574	382	-	-
(Over)/Under provision in prior years		(1,088)	-	(416)	360
	15	9,588	(6,141)	(1,302)	3,137
Tax expense		41,583	14,873	3,337	6,039

Company	Note	Shareholders' fund	
		2008 RM'000	2007 RM'000
Current tax expense			
Current year		(83)	9,980
(Over)/Under provision in prior years		(318)	101
		(401)	10,081
Deferred tax expense			
Origination of temporary differences		2,290	(1,272)
Effect of change in tax rate		(81)	42
Under provision in prior years		39	-
	15	2,248	(1,230)
Tax expense		1,847	8,851

26.2 Recognised directly in statement of changes in equity

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Revaluation reserve				
Effect of change in tax rate *	137	(907)	48	(907)

* The corporate tax rates are 26% for year of assessment 2008 and 25% for the subsequent years of assessment. Consequently deferred tax assets are measured using these tax rates.

26. Tax expense (continued)

26.3 Reconciliation of tax expense

Group	General business and shareholders' fund		Life business	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Profit before tax/Surplus before tax	112,311	12,263	311,718	240,291
Tax at Malaysian tax rates	29,201	3,311	24,937	19,223
Items excluded from life insurer tax computation	5	-	(21,924)	(12,813)
Non-deductible expenses	4,256	11,296	-	-
Tax exempt income	(62)	(133)	-	-
Utilisation of unabsorbed losses	(856)	-	-	-
Derecognition of previously recognised tax assets	8,380	-	-	-
Other items	605	364	(243)	60
Effect of change in tax rate	574	382	-	-
	42,103	15,220	2,770	6,470
(Over)/Under provision in prior years	(520)	(347)	567	(431)
Total tax expense	41,583	14,873	3,337	(6,039)

Company	Shareholders' fund	
	2008 RM'000	2007 RM'000
(Loss)/Profit before tax	(2,493)	21,812
Tax at Malaysian tax rates	(648)	5,889
Non-deductible expenses	2,385	3,013
Tax exempt income	-	(56)
Other items	470	(138)
Effect of change in tax rate	(81)	42
	2,126	8,750
(Over)/Under provision in prior year	(279)	101
Total tax expense	1,847	8,851

The income of the general business and shareholders' fund is taxed at 26% (2007: 27%). The income tax provided in the Life Fund for the current financial year and previous financial year is in respect of investment income which is taxed at a reduced tax rate of 8% applicable for life insurance business and 26% (2007: 27%) on income other than investment income which is taxed under Section 60(8) of the Income Tax Act, 1967.

27. Basic earnings per ordinary share – Group

27.1 Profit/(Loss) for the year attributable to shareholders

The calculation of basic earnings per ordinary share at 31 December 2008 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

	Group	
	2008 RM'000	2007 RM'000
Profit/(Loss) for the year attributable to shareholders	70,728	(2,610)

27.2 Weighted average number of ordinary shares

	Group	
	2008	2007
Issued ordinary shares at 1 January	153,869,238	153,765,138
Effect of ordinary shares issued on 25 September 2007	-	25,725
Effect of ordinary shares issued on 26 October 2007	-	200
Weighted average number of ordinary shares at 31 December	153,869,238	153,791,063

27.3 Basic earnings per ordinary share

	Group	
	2008 Sen	2007 Sen
Basic earnings per ordinary share	45.97	(1.7)

28. Dividends

Dividends recognised in the current year by the Company are:

	Sen per share (net of tax)	Total amount RM'000	Date of payment
2008			
Final 2007 ordinary paid	1.48	2,277	1 August 2008
2007			
Final 2006 ordinary paid	9.06	13,931	1 August 2007

After the balance sheet date, the following dividend was proposed by the Directors. This dividend will be recognised in subsequent financial reports upon approval by the shareholders.

	Sen per share (net of tax)	Total amount RM'000
Final 2008 ordinary	1.50	2,308

29. Net claims incurred

Group					
	Fire	Motor	Marine, aviation and transit	Miscellaneous	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
General business					
2008					
Gross claims paid less salvage	71,157	250,835	19,084	137,411	478,487
Reinsurance recoveries	(42,738)	(11,651)	(12,877)	(65,145)	(132,411)
Net claims paid	28,419	239,184	6,207	72,266	346,076
Net outstanding claims:					
At 31 December	59,169	448,070	16,566	124,387	648,192
At 1 January	(64,119)	(404,724)	(14,576)	(117,590)	(601,009)
Net claims incurred	23,469	282,530	8,197	79,063	393,259
2007					
Gross claims paid less salvage	83,060	136,747	20,198	98,858	338,863
Reinsurance recoveries	(48,511)	(7,069)	(12,931)	(32,523)	(101,034)
Net claims paid	34,549	129,678	7,267	66,335	237,829
Net outstanding claims:					
At 31 December	64,119	404,724	19,328	112,838	601,009
At 1 January	(37,912)	(144,142)	(10,501)	(71,350)	(263,905)
Acquisition of subsidiary	(25,582)	(233,066)	(7,369)	(33,616)	(299,633)
Net claims incurred	35,174	157,194	8,725	74,207	275,300
Company					
	Fire	Motor	Marine, aviation and transit	Miscellaneous	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
General business					
2008					
Gross paid claims less salvage	-	-	-	-	-
Reinsurance recoveries	-	-	-	-	-
Net claims paid	-	-	-	-	-
Net outstanding claims:					
At 31 December	-	-	-	-	-
At 1 January	-	-	-	-	-
Net claims incurred	-	-	-	-	-
2007					
Gross claims paid less salvage	41,279	47,189	4,746	47,913	141,127
Reinsurance recoveries	(26,697)	(3,315)	(1,661)	(17,695)	(49,368)
Net claims paid	14,582	43,874	3,085	30,218	91,759
Net outstanding claims:					
At 31 December	-	-	-	-	-
At 1 January	(37,912)	(144,142)	(10,501)	(71,350)	(263,905)
Business Transfer	34,789	148,500	10,390	73,114	266,793
Net claims incurred	11,459	48,232	2,974	31,982	94,647

30. Operating leases

30.1 Leases as lessee

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Less than one year	3,013	4,721	-	-
Between one and five years	2,765	7,919	-	-
	5,778	12,640	-	-

The leases typically run for an initial period of three years, with an option to renew the leases. None of the leases include contingent rentals.

30.2 Leases as lessor

The Group leases out its investment property under operating leases (see Note 6). The future minimum lease receipts under non-cancellable leases are as follows:

	Group	
	2008 RM'000	2007 RM'000
Less than one year	65	52
Between one and five years	43	13
	108	65

31. Capital commitment

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Property, plant and equipment				
Approved but not contracted for	12,023	4,485	-	3,852
Contracted but not provided for	5,093	2,788	2,219	2,040

32. Investment-linked business - Group

Balance sheet as at 31 December 2008

	Note	2008 RM'000	2007 RM'000
Assets			
Investments in debt and equity securities	8	223,502	256,761
Receivables, deposits and prepayments		3,260	1,164
Current tax assets		582	601
Cash and bank balances		1,411	2,582
Total current assets		228,755	261,108
Total assets		228,755	261,108
Liabilities			
Deferred tax liabilities		69	8
Total non-current liabilities		69	8
Provision for outstanding claims		396	2,385
Payables and accruals		92	329
Total current liabilities		488	2,714
Total liabilities		557	2,722
Net asset value of funds		228,198	258,386
Represented by:			
Unit holders' account		228,198	258,386

Income statement for the year ended 31 December 2008

	Note	2008 RM'000	2007 RM'000
Investment income	20	11,598	12,112
Net realised gain on disposal of investments		2,470	44,618
Unrealised (loss)/gain of investments in debt and equity securities		(50,351)	8,038
Unrealised foreign exchange gain/(loss)		2,805	(1,775)
Other operating expenses		(2,787)	(3,239)
(Deficit)/Surplus before tax		(36,265)	59,754
Tax expense		1,451	(4,863)
(Deficit)/Surplus after tax and before policy reserve for the year		(34,814)	54,891

33. Segment information

Segment information is presented in respect of the Group's business segments. The primary format, business segment, is based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segmental capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

33. Segment information (continued)

33.1 Business segments

The Group comprises the following main business segments:

Investment holding	Investment holding
General insurance	Underwriting of all classes of general insurance business
Life insurance	Underwriting of all classes of life insurance business

33.2 Geographical segments

The Group operates predominantly in Malaysia and, accordingly, the Directors are of the opinion that the financial information by geographical segments of the Group's operations is not necessary to be presented.

Business segments	Investment holding RM'000	General business and shareholders' fund RM'000	Life business RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
2008						
Segment revenue	19,072	1,128,098	767,214	1,914,384	(15,517)	1,898,867
Segment results	215	120,600	5,317	126,132	(13,821)	112,311
Profit before tax						112,311
Tax expense						(41,583)
Profit for the year						70,728
Segment assets	987,053	1,598,332	1,887,390	4,472,775	(488,722)	3,984,053
Segment liabilities	528,180	1,240,492	158,622	1,927,294	(19,505)	1,907,789
Capital expenditure	20,298	97	1,299	21,694	-	21,694
Depreciation of property, plant and equipment	6,225	1,630	1,929	9,784	-	9,784
Amortisation of:						
Prepaid lease payments	76	6	61	143	-	143
Intangible assets	1,712	-	331	2,043	8,893	10,936
Impairment loss of:						
Unquoted bonds of corporations	5,694	-	-	5,694	-	5,694
Property, plant and equipment	-	-	-	-	-	-
Write back of doubtful debts	-	1,981	876	2,857	-	2,857
Allowance for diminution in value of investments	-	-	9,189	9,189	-	9,189
Amortisation of premiums	-	3,603	-	3,603	-	3,603
Accretion of discounts	397	5,498	4,321	10,216	-	10,216

33. Segment information (continued)

33.2 Geographical segments (continued)

Business segments	Investment holding	General business and shareholders' fund	Life business	Total	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2007						
Segment revenue	2,476	786,624	656,942	1,446,042	(676)	1,445,366
Segment results	(3,582)	18,698	-	15,116	(2,853)	12,263
Profit before tax						12,263
Tax expense						(14,873)
Loss for the year						(2,610)
Segment assets	892,091	1,550,678	1,608,802	4,051,571	(479,133)	3,572,438
Segment liabilities	503,987	1,191,922	153,642	1,849,551	(16,498)	1,833,053
Capital expenditure	9,256	1,438	1,478	12,172	-	12,172
Depreciation of property, plant and equipment	2,920	4,824	2,699	10,443	-	10,443
Amortisation of:						
Prepaid lease payments	39	41	61	141	-	141
Intangible assets	-	-	790	790	-	790
Impairment loss of:						
Unquoted bonds of corporations	-	-	-	-	-	-
Property, plant and equipment	1,218	9,098	-	10,316	-	10,316
Write back of diminution in value of investments	-	108	210	318	-	318
Allowance for doubtful debts	-	4,249	890	5,139	-	5,139
Amortisation of premiums	26	3,011	4,239	7,276	-	7,276
Accretion of discounts	110	3,226	6,200	9,536	-	9,536

34. Related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel include all the Directors of the Group and the Company, and certain members of senior management of the Group and the Company. Compensation of key management personnel have been disclosed in Note 25. Apart from this, there are no other transactions with key management personnel.

34. Related parties (continued)

The significant transactions and balances with related parties are as follows:

Group	2008		2007	
	Transactions amount RM'000	Balance outstanding RM'000	Transactions amount RM'000	Balance outstanding RM'000
General business and shareholders' fund				
Trade				
Related companies				
Reinsurance premium	(120,739)	(2,293)	(95,467)	(15,677)
Reinsurance commission	17,030	-	16,739	-
Non-trade				
Holding company				
Expenses paid on behalf	-	-	330	-
Reimbursement of staff costs	-	-	893	-
Subordinated loan	-	(490,000)	490,000	(490,000)
Payment of global marketing cost	(573)	-	-	-
Payment of intranet portal network cost	(120)	-	-	-
Related companies				
Reimbursement of staff costs	-	-	(138)	-

Group	2008		2007	
	Transactions amount RM'000	Balance outstanding RM'000	Transactions amount RM'000	Balance outstanding RM'000
Life fund				
Trade				
Related companies				
Reinsurance arrangement	(33,837)	(7,286)	(29,165)	(4,838)
Non-trade				
Holding company				
Group equity incentive	(315)	-	(817)	-
Licence and maintenance fees	(320)	-	(743)	-
Reimbursement of personnel expenses	(4)	-	(206)	-
Sharing of common expenses	(700)	-	-	-
Related companies				
Fund management fees	(265)	-	(291)	-
Reimbursement of other expenses	(707)	-	(975)	-
Rental income	105	-	135	-
Sharing of common expenses	871	-	214	212

34. Related parties (continued)

Company	2008		2007	
	Transactions amount RM'000	Balance outstanding RM'000	Transactions amount RM'000	Balance outstanding RM'000
Shareholders' fund				
Trade				
Related companies				
Reinsurance premium	-	-	(46,267)	-
Reinsurance arrangement	-	-	8,083	-
Non-trade				
Holding company				
Reimbursement of staff costs	(644)	-	(893)	-
Subordinated loan	-	(490,000)	490,000	(490,000)
Subsidiaries				
Rental of other premises	1,257	7	302	-
Rental of property, plant and equipment	9,276	1,184	70	-
Reimbursement of expenses related to common resources	6,331	727	3,064	(1,358)
Subordinated loans	-	17,600	(14,000)	17,600
Related companies				
Reimbursement of staff costs	(230)	-	(59)	-

These transactions of the Group and of the Company have been entered into in the normal course of business and have been established under negotiated terms.

35. Financial instruments

35.1 Financial risk management objectives and policies

Exposure to market, underwriting, credit, liquidity, foreign currency and interest rate risks arise in the normal course of the Group business. The Group is guided by its risk management framework as well as policies and guidelines from the ultimate holding company which set out its general risk management philosophy. Through financial risk management, business strategies are evaluated to ensure their appropriateness to the strategic, operational and financial risks tolerance.

35.2 Market risk

The carrying amounts of the investments by the Group may fluctuate due to changing economic, political or market conditions. Market risk is managed through portfolio diversification and asset allocation.

35.3 Underwriting risk

Underwriting risk includes the risk of incurring higher claims costs than expected owing to the random nature of claims and their frequency and severity and the risk of change in legal or economic conditions of insurance or reinsurance cover. This may result in the insurer having either received too little premium for the risks it has agreed to underwrite and hence has not enough funds to invest and pay claims, or that claims are in excess of those expected.

The Group seeks to minimise underwriting risks with an appropriate mix and spread of business between classes of business based on its overall strategy. This is complemented by observing formalised underwriting guidelines and limits and standards applied to the security of reinsurers.

35. Financial instruments (continued)

35.4 Credit risk

Credit risk involves the potential losses that may result due to the default of counterparties to meet their contractual obligations. The Group is exposed to credit risk from the underwriting of general business and group life business and the Group has a general business and group life business credit policy in place to mitigate this risk. The exposure to credit risk is monitored on an ongoing basis.

All bond investments must carry a minimum rating of A or P2 by rating agencies established in Malaysia or by any internationally recognised rating agency as outlined in the Company's Manual on Investment Policies, Organisation, Function and Processes approved by the Board of Directors.

At balance sheet date, there was no significant concentration of credit risk. The maximum exposure to credit risk for the Group and the Company is represented by the carrying amount of each financial asset.

35.5 Liquidity risk

Liquidity risk is the risk whereby the Group entities are unable to meet their obligations at a reasonable cost or at any time. The Group manages this risk by holding sufficient quantity of liquid investments that can be readily converted to cash.

35.6 Foreign currency risk

The Group incurs foreign currency risk on transactions that are denominated in a currency other than Ringgit Malaysia. Exposures to foreign currency risk are monitored on an ongoing basis. The Group does not hedge their foreign currency risk.

35.7 Interest rate risk

The Group earnings are affected by changes in market interest rate due to the impact such changes have on interest income from investments.

In managing interest rate risk, the Group aims to reduce the impact of short term fluctuations on its earnings by adopting an approach which focuses on achieving the overall targeted interest rate based on its long term view of the interest rate and the macroeconomic conditions. Over the longer term, however, any prolonged adverse changes in interest rates would have an impact on earnings.

35.8 Effective interest rates and repricing analysis

In respect of interest-earning financial assets, the following table indicates their average effective interest rates at balance sheet date and the period in which they mature, or if earlier, reprice.

35. Financial instruments (continued)

35.8 Effective interest rates and repricing analysis (continued)

Group	Average effective interest rate %	Total RM'000	Less than 1 year RM'000	1 – 2 years RM'000	2 – 3 years RM'000	3 – 4 years RM'000	4 – 5 years RM'000	More than 5 years RM'000
General business and shareholders' fund								
2008								
Fixed income instruments:								
Malaysian government securities	3.85	638,887	39,944	115,476	329,106	104,359	14,765	35,237
Malaysian government guaranteed bonds	3.98	61,263	-	14,458	44,619	-	-	2,186
Multilateral development bank guaranteed bonds	4.04	86,416	-	5,009	8,002	-	69,938	3,467
Cagamas bonds	4.07	3,750	3,750	-	-	-	-	-
Commercial loans	7.67	8,255	-	-	-	-	8,255	-
Quoted bonds of corporations in Malaysia	7.38	7,070	-	-	-	7,070	-	-
Unquoted bonds of corporations	4.65	424,236	76,208	120,411	124,389	54,079	37,149	12,000
Bankers' acceptances	3.11	4,985	4,985	-	-	-	-	-
Structured deposits	5.25	2,000	-	-	-	-	-	2,000
Negotiable certificate of deposits	4.34	37,899	-	-	37,899	-	-	-
Fixed and call deposits	3.18	233,041	217,326	15,715	-	-	-	-
Mortgage loans	4.14	3,147	490	392	366	352	315	1,232
Other secured loans	4.33	961	403	237	174	107	29	11
Group								
General business and shareholders' fund								
2007								
Fixed income instruments:								
Malaysian government securities	3.68	493,029	39,683	40,681	130,954	259,580	4,983	17,148
Malaysian government guaranteed bonds	3.56	83,989	78,996	-	-	4,993	-	-
Multilateral development bank guaranteed bonds	3.94	13,019	-	-	5,016	8,003	-	-
Cagamas bonds	3.85	8,747	-	3,747	5,000	-	-	-
Commercial loans	4.69	37,978	27,903	-	-	-	-	10,075
Quoted bonds of corporations in Malaysia	9.94	7,559	-	-	-	7,559	-	-
Unquoted bonds of corporations	4.82	385,408	77,509	83,493	120,357	51,862	51,121	1,066
Negotiable certificate of deposits	3.94	37,752	30,000	-	-	7,752	-	-
Fixed and call deposits	3.40	230,282	230,282	-	-	-	-	-
Mortgage loans	4.35	3,782	693	306	299	270	260	1,954
Other secured loans	4.65	688	132	123	133	216	74	10

35. Financial instruments (continued)

35.8 Effective interest rates and repricing analysis (continued)

Group	Average effective interest rate %	Total RM'000	Less than 1 year RM'000	1 – 2 years RM'000	2 – 3 years RM'000	3 – 4 years RM'000	4 – 5 years RM'000	More than 5 years RM'000
Life fund								
2008								
Fixed income instruments:								
Malaysian government securities	4.17	632,789	20,009	-	33,253	-	-	579,527
Malaysian government guaranteed bonds	3.90	90,025	-	28,992	-	-	-	61,033
Multilateral development bank guaranteed bonds	4.19	87,957	-	10,018	11,988	-	10,000	55,951
Commercial loans	7.68	10,605	-	-	-	-	10,605	-
Quoted bonds of corporations in Malaysia	9.92	3,964	-	-	3,964	-	-	-
Unquoted bonds of corporations	5.44	528,888	16,206	25,609	65,432	93,102	53,545	274,994
Structured deposits	3.86	73,000	20,000	-	-	-	-	53,000
Negotiable certificate of deposits	4.27	12,472	-	-	12,472	-	-	-
Fixed and call deposits	3.19	59,528	59,528	-	-	-	-	-
Policy loans	7.50	6,148	6,148	-	-	-	-	-
Mortgage loans	4.25	2,625	373	367	361	355	348	821
Automatic premium loans	7.50	26,797	26,797	-	-	-	-	-
Other secured loans	4.00	101	24	22	19	18	17	1

Group	Average effective interest rate %	Total RM'000	Less than 1 year RM'000	1 – 2 years RM'000	2 – 3 years RM'000	3 – 4 years RM'000	4 – 5 years RM'000	More than 5 years RM'000
Life fund								
2007								
Fixed income instruments:								
Malaysian government securities	4.05	440,527	4,591	30,169	-	33,354	-	372,413
Malaysian government guaranteed bonds	3.64	77,924	14,898	-	28,026	-	-	35,000
Multilateral development bank guaranteed bonds	3.91	22,014	-	-	10,031	11,983	-	-
Cagamas bonds	4.33	28,917	-	-	-	1,000	-	27,917
Quoted bonds of corporations in Malaysia	9.92	4,241	-	-	-	4,241	-	-
Unquoted bonds of corporations	5.25	455,926	53,755	24,081	39,565	64,060	92,622	181,843
Commercial loans	7.68	12,943	-	-	-	-	-	12,943
Negotiable certificate of deposits	3.92	22,699	10,000	-	-	12,699	-	-
Fixed and call deposits	3.32	80,322	80,322	-	-	-	-	-
Policy loans	7.50	4,988	4,988	-	-	-	-	-
Mortgage loans	4.27	2,724	337	332	327	321	315	1,092
Automatic premium loans	7.50	21,289	21,289	-	-	-	-	-
Other secured loans	4.00	326	98	85	80	28	19	16

35. Financial instruments (continued)

35.8 Effective interest rates and repricing analysis (continued)

Group	Average effective interest rate	Total	Less than 1 year	1 – 2 years	2 – 3 years	3 – 4 years	4 – 5 years	More than 5 years
	%	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Investment-linked fund								
2008								
Fixed income instruments:								
Malaysian government securities	4.27	5,263	-	-	-	-	-	5,263
Quoted bonds of corporations in Malaysia	8.60	1,065	-	-	1,065	-	-	-
Unquoted bonds of corporations	5.47	77,579	16,279	12,414	12,424	5,770	20,865	9,827
Commercial loans	7.68	192	-	-	-	-	192	-
Negotiable certificate of deposits	4.27	424	-	-	424	-	-	-
Structured deposits	4.80	2,116	-	-	-	-	2,116	-
Fixed and call deposits	3.20	52,332	52,332	-	-	-	-	-
2007								
Fixed income instruments:								
Quoted bonds of corporations in Malaysia	8.77	1,169	-	-	-	1,169	-	-
Unquoted bonds of corporations	6.28	77,957	5,968	11,928	33,977	12,987	5,907	7,190
Commercial loans	7.68	232	-	-	-	-	-	232
Negotiable certificate of deposits	4.27	429	-	-	-	429	-	-
Fixed and call deposits	3.18	26,483	26,483	-	-	-	-	-
Company								
	Average effective interest rate	Total	Less than 1 year	1 – 2 years	2 – 3 years	3 – 4 years	4 – 5 years	More than 5 years
	%	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Shareholders' fund								
2008								
Unquoted bonds of corporations	-	*	-	*	-	-	-	-
Fixed and call deposits	3.39	31,435	15,720	15,715	-	-	-	-
Mortgage loans	4.00	749	95	95	95	95	95	274
Other secured loans	4.00	97	23	23	23	23	5	-
2007								
Unquoted bonds of corporations	11.67	8,394	2,799	956	4,639	-	-	-
Fixed and call deposits	3.44	29,057	29,057	-	-	-	-	-
Mortgage loans	4.00	395	36	36	36	36	36	215

* Denotes RM3

35. Financial instruments (continued)

35.9 Fair values

The carrying amounts of financial instruments in respect of cash and bank balances, receivables, deposits and prepayments and payables and accruals approximate their fair values due to the relatively short term nature of these financial instruments.

The aggregate fair values of the other financial assets and liabilities on the balance sheet as at 31 December are as shown below:

Group	2008		2007	
	Carrying Value RM'000	Fair Value RM'000	Carrying Value RM'000	Fair Value RM'000
General business and shareholders' fund				
Financial assets				
Malaysian government securities	638,887	652,604	493,029	495,302
Malaysian government guaranteed bonds	61,263	61,957	83,989	83,903
Multilateral development bank guaranteed bonds	86,416	84,914	13,019	13,084
Cagamas bonds	3,750	3,751	8,747	8,705
Quoted equity securities of corporations in Malaysia	-	-	17,598	21,923
Unquoted equity securities in corporations	2,147	*	2,147	*
Quoted unit trusts in Malaysia	-	-	4,681	5,205
Quoted bonds of corporations in Malaysia	7,070	7,323	7,559	8,130
Unquoted bonds of corporations	424,236	424,920	385,408	387,496
Commercial loans	8,255	8,255	37,978	37,978
Bankers' acceptances	4,985	4,985	-	-
Negotiable certificate of deposits	37,899	37,954	37,752	37,752
Structured deposits	2,000	2,318	-	-
Fixed and call deposits	233,041	233,041	230,282	230,282
Mortgage loans	3,147	3,147	3,782	3,782
Other secured loans	961	961	688	688
Other unsecured loans	12	12	35	35
Financial liabilities				
Subordinated loan	490,000	*	490,000	*

35. Financial instruments (continued)

35.9 Fair values (continued)

Group	2008		2007	
	Carrying Value RM'000	Fair Value RM'000	Carrying Value RM'000	Fair Value RM'000
Life fund				
Financial assets				
Malaysian government securities	632,789	674,433	440,527	439,448
Malaysian government guaranteed bonds	90,025	92,069	77,924	77,394
Multilateral development bank guaranteed bonds	87,957	86,887	22,014	22,116
Cagamas bonds	-	-	28,917	27,991
Quoted equity securities of corporations in Malaysia	25,649	25,649	77,740	81,632
Quoted bonds of corporations in Malaysia	3,964	4,153	4,241	4,549
Quoted unit trusts in Malaysia	3,935	3,935	9,084	9,944
Unquoted bonds of corporations	528,888	524,258	455,926	461,287
Commercial loans	10,605	10,605	12,943	12,943
Structured deposits	73,000	81,054	-	-
Negotiable certificate of deposits	12,472	12,722	22,699	22,699
Fixed and call deposits	59,528	59,528	80,322	80,322
Policy loans	6,148	6,148	4,988	4,988
Mortgage loans	2,625	2,625	2,724	2,724
Automatic premium loans	26,797	26,797	21,289	21,289
Other secured loans	101	101	326	326
Other unsecured loans	16	16	10	10

Group	2008		2007	
	Carrying Value RM'000	Fair Value RM'000	Carrying Value RM'000	Fair Value RM'000
Investment-linked funds				
Financial assets				
Malaysian government securities	5,263	5,263	-	-
Quoted equity securities of corporations in Malaysia	56,254	56,254	106,449	106,449
Quoted bonds of corporations	1,065	1,065	1,169	1,169
Quoted unit trusts in Malaysia	5,213	5,213	7,080	7,080
Unquoted foreign unit trusts	23,064	23,064	36,962	36,962
Unquoted bonds of corporations	77,579	77,579	77,957	77,957
Commercial loans	192	192	232	232
Structured deposits	2,116	2,116	-	-
Negotiable certificate of deposits	424	424	429	429
Fixed and call deposits	52,332	52,332	26,483	26,483

35. Financial instruments (continued)**35.9 Fair values (continued)**

Company	2008		2007	
	Carrying Value RM'000	Fair Value RM'000	Carrying Value RM'000	Fair Value RM'000
Shareholders' funds				
Financial assets				
Unquoted bonds of corporations	**	**	8,394	8,243
Fixed and call deposits	31,435	31,435	29,057	29,057
Mortgage loans	749	749	395	395
Other secured loans	97	97	-	-
Other unsecured loans	-	-	2	2
Financial liabilities				
Subordinated loans	17,600	*	17,600	*

* It was not practicable to estimate the fair value of the Group and Company's investment in unquoted equity securities in corporations and subordinated loans due to the lack of comparable quoted market prices and the inability to estimate fair value without incurring excessive costs.

** Denotes RM3

The basis of estimation of fair values for financial instruments is as follows:

- The fair values of Malaysian government securities, Malaysian government guaranteed bonds and Cagamas bonds are based on the indicative market prices;
- The fair values of quoted equity securities of corporations quoted in Malaysia, quoted bonds of corporations in Malaysia and quoted unit trusts in Malaysia are based on quoted closing market prices as at balance sheet date;
- The fair values of unquoted foreign unit trusts are based on the net asset values of the unit trusts as at the date of the statements of assets and liabilities obtained from fund managers;
- The fair values of multilateral development bank guaranteed bonds and unquoted bonds of corporations are based on the average indicative market yields obtained from three financial institutions; and
- The carrying amount of commercial loans, policy loans, automatic premium loans, mortgage loans, other secured loans, other unsecured loans, structured deposits, negotiable certificate of deposits, bankers' acceptances and fixed and call deposits are assumed to approximate their fair values.

Estimation of the fair values of multilateral development bank guaranteed bonds and unquoted bonds of corporations are based on the average indicative market yields obtained from three financial institutions which involve projections of the market yields based on past transactions. There are elements of uncertainty in projecting the expected market yields and these uncertainties arise from changes in underlying risk and overall economic conditions. As such, the projected market yield may be different from its actual market yields in future.

Statement by Directors pursuant to Section 169(15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 82 to 160 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 31 December 2008 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Tan Sri Razali Ismail

Cornelius Alexander Ioannis Ankel

Kuala Lumpur,

Date: 23 March 2009

Statutory declaration pursuant to Section 169(16) of the Companies Act, 1965

I, **Ong Eng Chow**, the officer primarily responsible for the financial management of Allianz Malaysia Berhad, do solemnly and sincerely declare that the financial statements set out on pages 82 to 160 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Kuala Lumpur in the Wilayah Persekutuan on 23 March 2009.

Ong Eng Chow

Before me:

Manmohan Singh A/L Chanan Singh

W186

Commissioner of Oaths

Kuala Lumpur

Independent Auditors' Report to the members of Allianz Malaysia Berhad

Report on the Financial Statements

We have audited the financial statements of Allianz Malaysia Berhad, which comprise the balance sheets as at 31 December 2008 of the Group and of the Company, and the income statements, revenue accounts, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 82 to 160.

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 Financial Reporting Standards and the Companies Act, 1965 in Malaysia. 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 judgment, 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 statement.

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2008 and of their financial performance and cash flows for the 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 the following:

- i) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- ii) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- iii) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) 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.

KPMG

Firm Number: AF 0758
Chartered Accountants

Foong Mun Kong

Approval Number: 2613/12/10(J)
Chartered Accountant

Petaling Jaya,

Date: 23 March 2009

ALLIANZ MALAYSIA BERHAD (12428-W)
(Incorporated in Malaysia)

FORM OF PROXY

Number of Shares Held	
CDS Account No.	

I/We (*name of shareholder*) _____

NRIC No./Passport No./Company No. _____ (new) _____ (old)

of (*full address*) _____

being a member of ALLIANZ MALAYSIA BERHAD, hereby appoint (*name of proxy/proxies*) _____

NRIC No./Passport No. _____ of (*full address*) _____

or failing him/her, _____ NRIC No./Passport No. _____

of (*full address*) _____

as my/our proxy to attend and vote for me/us on my/our behalf at the 35th Annual General Meeting of the Company to be held at Junior Ballroom, Level 2, Hotel Nikko, 165 Jalan Ampang, 50450 Kuala Lumpur on Thursday, 25 June 2009 at 10.00 a.m. and at any adjournment thereof.

NO.	RESOLUTIONS	FOR	AGAINST
1	To receive and adopt the Audited Financial Statements and Directors' and Auditors' Reports thereon		
2	To approve the first and final dividend		
3	To approve Directors' fees		
4	To re-elect Y.Bhg. Dato' Seri Nik Abidin Bin Nik Omar, as Director		
5	To re-elect Mr. Craig Anthony Ellis, as Director		
6	To re-appoint Y. Bhg. Tan Sri Razali Ismail, as Director		
7	To re-appoint Auditors		
Special Business			
8	To approve the Proposed Renewal of Shareholders' Mandate		

Please indicate with an "X" in the appropriate boxes on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain as he/she thinks fit.

As witness my/our hand this _____ day of _____ 2009.

Signature of shareholder/common seal

Representation at Meeting

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two (2) proxies to attend and vote instead of him. If two (2) proxies are appointed, the instrument of proxy must specify the proportion of his shareholdings to be represented by each proxy.
2. A proxy may but need not be a member of the Company and Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
3. A member who is an authorised nominee as defined under the Central Depository Act, may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. The instrument appointing a proxy/proxies must be in writing under the hand of the appointor or his attorney. If the appointor is a corporation, under its common seal or the hand of its attorney.
5. The instrument of proxy shall be deposited at the Registered Office of the Company at Suite 3A-15, Level 15, Block 3A, Plaza Sentral, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur not later than forty-eight (48) hours before the appointed time for holding the Annual General Meeting.

Affix Stamp

Allianz Malaysia Berhad (12428-W)

Suite 3A-15, Level 15 Block 3A
Plaza Sentral, Jalan Stesen Sentral 5
Kuala Lumpur Sentral
50470 Kuala Lumpur

Attention : The Company Secretary

Allianz Malaysia Berhad ^(12428-W)

Allianz General Insurance Company (Malaysia) Berhad ^(735426-V)

Bright Mission Berhad ^(59131-M)
(Formerly known as Commerce Assurance Berhad)

Suite 3A-15, Level 15, Block 3A,
Plaza Sentral, Jalan Stesen Sentral 5,
Kuala Lumpur Sentral,
50470 Kuala Lumpur,
Malaysia.

Tel : 03-2264 1188 / 2264 0688

Fax : 03-2264 1199

Allianz Life Insurance Malaysia Berhad ^(104248-X)

Level 23 & 23A, Wisma UOA II, 21, Jalan Pinang,
50450 Kuala Lumpur, Malaysia.

Tel : 03-2162 3388

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