

**ALLIANZ MALAYSIA BERHAD (12428-W)**  
UNAUDITED QUARTERLY RESULTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2009

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET  
AS AT 30 SEPTEMBER 2009

	As at 30-Sep-09 RM'000	As at 31-Dec-08 RM'000
<b>Assets</b>		
<b>General business and shareholders' fund assets</b>		
Property, plant and equipment	70,204	72,397
Intangible assets	320,775	328,550
Prepaid lease payments	5,154	5,219
Investment property	1,662	1,662
Deferred tax assets	4,367	11,257
Loans	3,777	3,215
Receivables, deposits and prepayments	4,996	1,423
<b>Total non-current general business and shareholders' fund assets</b>	410,935	423,723
Investment in debt and equity securities	1,701,359	1,509,949
Loans	769	905
Receivables, deposits and prepayments	145,787	190,095
Current tax assets	7,886	8,441
Cash and cash equivalents	27,372	4,172
<b>Total current general business and shareholders' fund assets</b>	1,883,173	1,713,562
Less: Due from life fund	-	(40,622)
	1,883,173	1,672,940
<b>Total life business assets</b>		
Non-current assets	20,945	22,448
Current assets	2,238,337	1,864,942
	2,259,282	1,887,390
<b>Total assets</b>	4,553,390	3,984,053

The accompanying Notes form an integral part of, and should be read in conjunction with, this interim financial report.

**ALLIANZ MALAYSIA BERHAD (12428-W)**
**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET**
**AS AT 30 SEPTEMBER 2009**

(CONTINUED)

	As at 30-Sep-09 RM'000	As at 31-Dec-08 RM'000
<b>Equity</b>		
Share capital	153,869	153,869
Reserves	10,929	11,213
Retained earnings	279,683	223,036
<b>Total equity</b>	444,481	388,118
<b>Total life policyholders' fund</b>	2,074,479	1,688,146
<b>Liabilities</b>		
<b>General business and shareholders' fund liabilities</b>		
Payables and accruals	16,645	29,580
Deferred tax liabilities	3,356	5,293
Subordinated loans	490,000	490,000
<b>Total non-current general business and shareholders' fund liabilities</b>	510,001	524,873
Unearned premium reserves	366,640	318,366
Provision for outstanding claims	672,173	648,192
Payables and accruals	299,239	257,736
Current tax liabilities	1,574	-
<b>Total current general business and shareholders' fund liabilities</b>	1,339,626	1,224,294
<b>Total life business liabilities</b>		
Non-current liabilities	39,741	23,792
	39,741	23,792
Current liabilities	145,062	175,452
Less: Due to shareholders' fund	-	(40,622)
	145,062	134,830
	184,803	158,622
<b>Total equity and liabilities</b>	4,553,390	3,984,053
<b>Net asset per share (RM)</b>	2.89	2.52

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**ALLIANZ MALAYSIA BERHAD (12428-W)**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2009**

	← Attributable to Equity Shareholders →				
	← Non-Distributable Reserves →			Distributable Reserve	
	Share Capital	Share Premium	Asset Revaluation Reserve	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2008</b>	<b>153,869</b>	<b>5,529</b>	<b>5,547</b>	<b>154,585</b>	<b>319,530</b>
Profit for the period	-	-	-	70,728	70,728
Dividends to shareholders	-	-	-	(2,277)	(2,277)
Effect of change in tax rate	-	-	137	-	137
<b>At 31 December 2008</b>	<b>153,869</b>	<b>5,529</b>	<b>5,684</b>	<b>223,036</b>	<b>388,118</b>
<b>At 1 January 2009</b>	<b>153,869</b>	<b>5,529</b>	<b>5,684</b>	<b>223,036</b>	<b>388,118</b>
Profit for the period	-	-	-	58,665	58,665
Disposal of land and buildings	-	-	(284)	290	6
Dividends to shareholders	-	-	-	(2,308)	(2,308)
<b>At 30 September 2009</b>	<b>153,869</b>	<b>5,529</b>	<b>5,400</b>	<b>279,683</b>	<b>444,481</b>

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**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2009**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 30-Sep-09 RM'000	Preceding Year Corresponding Quarter 30-Sep-08 RM'000	Current Year To Date 30-Sep-09 RM'000	Preceding Year Corresponding Period 30-Sep-08 RM'000
Operating revenue *	631,843	512,200	1,698,194	1,409,283
Shareholders' fund:				
Investment income	1,325	1,357	3,753	4,125
Other operating expenses	(2,238)	(5,322)	(6,624) **	(11,059)
Management expenses	(384)	(3,872)	(1,455)	(8,832)
	(1,297)	(7,837)	(4,326)	(15,766)
Transfer from condensed insurance revenue account:				
- General Insurance	36,911	40,223	89,988	88,266
Profit before tax	35,614	32,386	85,662	72,500
Tax expenses	(12,482)	(9,005)	(26,997)	(22,261)
Profit for the year	23,132	23,381	58,665	50,239
Attributable to equity shareholders	23,132	23,381	58,665	50,239
Earnings per share attributable to equity shareholders:				
Basic (Sen)	15.03	15.20	38.13	32.65
Diluted (Sen)	15.03	15.20	38.13	32.65

\* Operating revenue consists of gross premium and investment income.

\*\* Other operating expenses include amortisation of intangible assets amounting to RM6.6 million.

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**ALLIANZ MALAYSIA BERHAD (12428-W)****UNAUDITED CONDENSED GENERAL INSURANCE REVENUE ACCOUNT  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2009**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 30-Sep-09 RM'000	Preceding Year Corresponding Quarter 30-Sep-08 RM'000	Current Year To Date 30-Sep-09 RM'000	Preceding Year Corresponding Year 30-Sep-08 RM'000
Gross premium	340,442	282,557	956,944	808,713
Less: Reinsurance	(122,993)	(106,015)	(348,612)	(304,173)
Net premium	217,449	176,542	608,332	504,540
Increase in unearned premium reserves	(21,905)	(6,826)	(48,274)	(22,520)
Earned premium	195,544	169,716	560,058	482,020
Net claims incurred	(121,579)	(111,088)	(349,552)	(293,759)
Net commission	(16,365)	(10,914)	(53,356)	(38,667)
Underwriting surplus before management expenses	57,600	47,714	157,150	149,594
Management expenses	(34,803)	(18,385)	(109,361)	(98,821)
Underwriting surplus	22,797	29,329	47,789	50,773
Investment income	14,527	13,201	42,505	38,033
Other operating income	156	(2,307)	1,248	(540)
Other operating expenses	(569)	-	(1,554)	-
Surplus transferred to condensed consolidated income statement	36,911	40,223	89,988	88,266

The accompanying Notes form an integral part of, and should be read in conjunction with, this interim financial report.

UNAUDITED CONDENSED LIFE FUND BALANCE SHEET  
AS AT 30 SEPTEMBER 2009

	As at 30-Sep-09 RM'000	As at 31-Dec-08 RM'000
<b>Assets</b>		
Property, plant & equipment	11,529	11,983
Intangible assets	115	242
Prepaid lease payments	4,686	4,732
Investment property	2,620	2,620
Deferred tax assets	-	438
Loans	1,895	2,333
Receivables, deposits and prepayment	100	100
<b>Total life business non-current assets</b>	20,945	22,448
Investment in debts and equity securities	1,868,237	1,528,812
Loans	40,750	33,354
Receivables, deposits & prepayment	56,973	59,127
Current tax assets	67	2,755
Cash and cash equivalents	7,307	12,139
	1,973,334	1,636,187
<b>Investment-linked business current assets</b>	265,003	228,755
<b>Total life business current assets</b>	2,238,337	1,864,942
<b>Total life business assets</b>	2,259,282	1,887,390

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**ALLIANZ MALAYSIA BERHAD (12428-W)****UNAUDITED CONDENSED LIFE FUND BALANCE SHEET  
AS AT 30 SEPTEMBER 2009  
(CONTINUED)**

	<b>As at 30-Sep-09 RM'000</b>	<b>As at 31-Dec-08 RM'000</b>
<b>Life policyholders' fund</b>		
Life policyholders' fund	2,073,517	1,687,184
Life assets revaluation reserve	962	962
<b>Total life policyholders' funds</b>	<u>2,074,479</u>	<u>1,688,146</u>
<b>Liabilities</b>		
Payables and accruals	38,315	23,723
Deferred tax liabilities	336	-
	<u>38,651</u>	<u>23,723</u>
<b>Investment-linked business non-current liabilities</b>	1,090	69
<b>Total life business non-current liabilities</b>	<u>39,741</u>	<u>23,792</u>
Provision for outstanding claims	36,834	31,564
Payable and accruals	108,054	143,400
	<u>144,888</u>	<u>174,964</u>
<b>Investment-linked current liabilities</b>	174	488
<b>Total life business current liabilities</b>	<u>145,062</u>	<u>175,452</u>
<b>Total life business liabilities</b>	<u>184,803</u>	<u>199,244</u>
<b>Total life policyholders' funds and life business liabilities</b>	<u>2,259,282</u>	<u>1,887,390</u>

The accompanying Notes form an integral part of, and should be read in conjunction with, this interim financial report.



**UNAUDITED CONDENSED LIFE INSURANCE REVENUE ACCOUNT  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2009**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 30-Sep-09 RM'000	Preceding Year Corresponding Quarter 30-Sep-08 RM'000	Current Year To Date 30-Sep-09 RM'000	Preceding Year Corresponding Year 30-Sep-08 RM'000
Gross premium	252,456	194,380	630,319	503,372
Less: Reinsurance	(14,766)	(15,053)	(41,605)	(40,586)
Net Premium	237,690	179,327	588,714	462,786
Benefits paid and payable				
Surrender	(19,025)	(16,676)	(44,509)	(59,112)
Death	(4,167)	(4,280)	(12,424)	(11,548)
Maturity	(1,508)	(3,608)	(4,253)	(6,514)
Cash Bonus	(3,835)	(3,694)	(11,314)	(10,882)
Others	(11,288)	(8,127)	(32,080)	(23,163)
	(39,823)	(36,385)	(104,580)	(111,219)
	197,867	142,942	484,134	351,567
Commission and agency expenses	(52,389)	(39,363)	(146,454)	(110,699)
Management Expenses	(17,714)	(17,867)	(53,303)	(49,702)
	(70,103)	(57,230)	(199,757)	(160,401)
Underwriting surplus	127,764	85,712	284,377	191,166
Investment income	19,791	17,088	56,535	45,922
Other income/(expenses) *	7,844	(4,908)	12,289	(13,647)
Surplus before tax	155,399	97,892	353,201	223,441
Tax expense	(2,590)	(573)	(5,938)	(1,597)
Surplus after tax but before policy reserves	152,809	97,319	347,263	221,844
Surplus/(Deficit) from investment-linked but before policy reserves	17,907	(7,029)	39,069	(26,487)
Fund at beginning of period	1,902,801	1,524,001	1,687,185	1,418,934
Fund at end of period	2,073,517	1,614,291	2,073,517	1,614,291

\* Other income/(expenses) includes realised gains/(losses) and unrealised losses in investments.

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**ALLIANZ MALAYSIA BERHAD (12428-W)****UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2009**

	Period Ended 30-Sep-09 RM'000	Period Ended 30-Sep-08 RM'000
<b>Profit before taxation</b>	85,662	72,500
Adjustments for non-cash items	306,105	204,051
Operating profit before changes in operating assets and liabilities	<u>391,767</u>	<u>276,551</u>
Changes in operating assets and liabilities		
Net change in operating assets	(377,057)	(259,188)
Net change in operating liabilities	9,999	9,955
<b>Net cash generated from operating activities</b>	<u>24,709</u>	<u>27,318</u>
<b>Net cash used in investing activities</b>	<u>(4,141)</u>	<u>(16,392)</u>
<b>Net cash used in financing activities</b>	<u>(2,308)</u>	<u>(16,277)</u>
Net increase/(decrease) in cash and cash equivalents	18,260	(5,351)
Cash and cash equivalents at beginning of period	17,864	18,611
<b>Cash and cash equivalents at end of period</b>	<u><u>36,124</u></u>	<u><u>13,260</u></u>
<b>Cash and cash equivalents comprise:-</b>		
Cash and bank balances:-		
General business and shareholders' fund	27,372	687
Life fund	7,307	10,576
Investment-linked business	1,445	1,997
	<u><u>36,124</u></u>	<u><u>13,260</u></u>

The accompanying Notes form an integral part of, and should be read in conjunction with this interim financial report.

**PART A: EXPLANATORY NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**

**1 Basis of Preparation**

The quarterly condensed financial statements of Allianz Malaysia Berhad (“AMB” or “Company”) and its subsidiaries (AMB and its subsidiaries collectively referred to as the “Group”) are unaudited and have been prepared in accordance with:

- (a) The requirements of Financial Reporting Standard 134: Interim Financial Reporting;
- (b) Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”); and
- (c) Guidelines/circulars issued by Bank Negara Malaysia (“BNM”)

and should be read in conjunction with the Group’s audited financial statements for the year ended 31 December 2008.

BNM issued the Risk-Based Capital Framework (“RBC Framework”) for implementation by insurers with effect on 1 January 2009. The insurance subsidiaries of the Company have adopted the accounting policies on investments, receivables, unexpired risks and general and life insurance liabilities as specified in the RBC Framework for the annual period beginning on 1 January 2009. The financial impact arising from the adoption of RBC Framework has been eliminated at the Group level.

The notes attached to the quarterly condensed financial statements provide an explanation of events and transactions that are significant to the financial position and performance of the Group since the year ended 31 December 2008.

**2 Changes in Accounting Policies**

The significant accounting policies adopted are consistent with those adopted in the Group’s audited financial statements for the year ended 31 December 2008, unless otherwise stated.

**3 Auditors’ Report on Preceding Annual Financial Statements**

The auditors’ report of the Group’s audited financial statements for the financial year ended 31 December 2008 was not qualified.

**4 Items of an Unusual Nature**

The results of the Group for the period under review were not substantially affected by any item, transaction or event of a material and unusual nature.

**5 Changes in Estimates**

There were no significant changes in estimates of amounts reported in prior financial years that have a material effect in the period under review.

**6 Seasonal or Cyclical Factors**

The operations of the Group for the period under review were not significantly affected by seasonality or cyclical factors.

**7 Carrying Amount of Revalued Assets**

The Group's property, plant and equipment are stated at cost/valuation less any accumulated depreciation and any accumulated impairment losses. There was no change in the valuation of property, plant and equipment that were brought forward from the Group's audited financial statements for the year ended 31 December 2008.

**8 Changes in Group Composition**

There were no changes in the composition of the Group during the financial period under review.

**9 Segment Information**

The segmental reporting for the 9 months ended 30 September 2009 is as follows:-

**9 months ended 30 September 2009**

<b>Business Segments</b>	<b>Investment holding RM' 000</b>	<b>General business RM' 000</b>	<b>Life business RM' 000</b>	<b>Consolidated adjustments RM' 000</b>	<b>Consolidated RM' 000</b>
Operating revenue	6,292	999,750	694,992	(2,840)	1,698,194
Profit before tax	12,044	86,364	-	(12,746)	85,662
Tax (expense)/ income	1,639	(25,270)	-	(3,366)	(26,997)
Profit after tax	13,683	61,094	-	(16,112)	58,665
Segment assets	1,328,899	1,801,285	2,259,282	(836,076)	4,553,390
Segment liabilities	656,970	1,396,461	184,803	(203,804)	2,034,430

**9 months ended 30 September 2008**

<b>Business Segments</b>	<b>Investment holding RM' 000</b>	<b>General business RM' 000</b>	<b>Life business RM' 000</b>	<b>Consolidated adjustments RM' 000</b>	<b>Consolidated RM' 000</b>
Operating revenue	8,916	847,825	558,412	(5,870)	1,409,283
Profit before tax	3,005	81,093	-	(11,598)	72,500
Tax expense	(2,533)	(22,743)	-	3,015	(22,261)
Profit after tax	472	58,350	-	(8,583)	50,239
Segment assets	986,988	1,556,558	1,797,469	(486,453)	3,854,562
Segment liabilities	523,511	1,220,140	146,951	(18,882)	1,871,720

Financial information by geographical segments is not applicable as the Group operates in Malaysia only.

## 10 Capital Commitments

<b>As at 30 September 2009</b>	
	<i>RM '000</i>
Property, plant and equipment	
Approved but not contracted for	10,899
Contracted but not provided for	1,088

## 11 Changes in Contingent Liabilities

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

As at 30 September 2009, bank guarantees and other credit facilities of the Group had been utilised up to approximately RM51.3 million. The bank guarantees were utilised mainly by the Group's general insurance operation for its performance bond and immigration bond businesses.

## 12 Debt and Equity Securities

There were no issuance and repayment of debts and equity securities, share buy backs, share cancellations, shares held as treasury shares and resale of treasury shares by the Group in the period under review.

### 13 Related Party Transactions

The significant related party transactions are as follows:-

Name	Nature	Income RM '000	Expense RM '000
Allianz SE Group	Reinsurance arrangements between AMB's insurance subsidiaries and Allianz SE Group where the risk and premium are shared between the parties in accordance with the reinsurance arrangements entered into between the parties	32,671 *	139,829 *
	The Group's sharing of marketing measures undertaken by Allianz SE	-	736
Allianz Global Investors Singapore Limited ("AGI")	Payment of fund management fees by AMB's life insurance subsidiary in relation to its funds managed by AGI.	-	132
	Investment by AMB's life insurance subsidiary in Allianz Global Investors Asian Value Opportunity Fund	-	10,000
Allianz Shared Infrastructure Services SE	The Group's sharing of Allianz Worldwide Intranet Network access	-	88
Allianz Investment Management Singapore Pte Ltd ("AIM")	Payment of investment advisory service fees for advisory services rendered by AIM to AMB's insurance subsidiaries	-	71
Symphony BPO Solutions Sdn Bhd ("BPO")	Payment of telemarketing fee by AMB's life insurance subsidiary for telemarketing services rendered by BPO for promotion or selling of its insurance products.	-	1,379

\*As the Group is in the insurance business, the figures do not include payment obligations arising from claims duly made pursuant to any insurance policies issued.

### 14 Dividend Paid

The first and final dividend of 2.00 sen per ordinary share less tax at 25% amounting to RM2,308,038 for the financial year ended 31 December 2008 was paid to the entitled shareholders of the Company on 3 August 2009.

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS**

**1 Review of Results**

**1.1 Results of the 9 months ended 30 September 2009 against the preceding year's 9 month period**

**Operating Revenue**

The Group recorded an increase in operating revenue by 20.5% or RM288.9 million. The general and life insurance gross premium grew by RM148.2 million or 18.3% and RM126.9 million or 25.2% respectively.

**Profit Before Tax**

The profit before tax of the Group increased by 18.2% or RM13.2 million due mainly to the growth in business of the general insurance subsidiary.

The profit for the quarter under review excludes any surplus to be transferred from the Life Fund to the Shareholders' Fund which will be determined at the financial year end after the annual valuation of the Life Fund's liabilities has been carried out by the appointed actuary.

**1.2 Results of the current quarter against the preceding quarter (3rd Quarter 2009 versus 2nd Quarter 2009)**

**Operating Revenue**

Operating revenue increased by 10.7% or RM60.9 million due mainly to the growth in gross premium of RM58.0 million.

**Profit Before Tax**

The profit before tax of the Group increased by 58.9% or RM13.2 million due mainly to lower claims incurred in the general insurance subsidiary for the current quarter.



## 2 Prospects For 2009

The Group continues its cautious approach towards capital preservation and focus on target segments for growth and profitability.

The Group expects the performance in remaining 2009 to be satisfactory.

## 3 Profit Forecast

The Group did not issue any profit forecast or profit guarantee.

## 4 Taxation

	Individual Period		Cumulative Period	
	Quarter Ended 30-Sep-09 RM' 000	Quarter Ended 30-Sep-08 RM' 000	Period Ended 30-Sep-09 RM' 000	Period Ended 30-Sep-08 RM' 000
Profit before tax	35,614	32,386	85,662	72,500
Current year taxation:-				
Income tax	7,713	4,868	22,766	23,368
Deferred tax	4,769	4,137	4,231	(1,107)
	12,482	9,005	26,997	22,261
Effective tax rate (%)	35.0%	27.8%	31.5%	30.7%

The effective tax rate of the Group for the quarter under review was higher than the statutory tax rate due mainly to certain non-deductible expenses and reversal of deferred tax assets.

## 5 Unquoted Investments and Properties

During the period under review, there was no sale of unquoted investments.

The Company:

- (a) sold a property to third party with a gain of RM38,723; and
- (b) transferred ten properties to its wholly-owned subsidiary company, Allianz General Insurance Company (Malaysia) Berhad ("AGIC") at net book value. These ten properties formed part of the fourteen properties to be transferred by the Company to AGIC under the corporate proposal disclosed in item 7.

## 6 Quoted Investments

There was no purchase or disposal of quoted securities by the Company during the period under review. The insurance subsidiaries are exempted from such disclosure.

**7 Status of Corporate Proposal Announced/Implemented**

- (a) The status of corporate proposal announced but not fully completed by the Company is as follows:-

Corporate Proposal	Status
<p>Proposed disposal of assets and fourteen properties by AMB to AGIC.</p> <p>Please refer to AMB's announcements dated 26 March 2009, 27 March 2009, 13 April 2009 and 23 April 2009 for detailed background of this proposal.</p>	<p>The Asset Purchase Agreement for the disposal of assets was completed on 1 April 2009 with a sale consideration of RM30,669,576.71.</p> <p>As at 1 November 2009, thirteen out of the fourteen Sale and Purchase Agreements in relation to thirteen properties in East and West Malaysia have been completed with total sale consideration of RM18,332,668.74.</p> <p>The application made to the relevant state authority for disposal of the remaining one property in West Malaysia is currently pending approval from the said state authority.</p> <p>Pursuant to the Master Subordinated Loan Agreement dated 26 March 2009 entered into between AMB and AGIC, the consideration amount for the sale of fourteen properties by AMB and AGIC would be treated as a subordinated loan from AMB to AGIC.</p> <p>Bank Negara Malaysia ("BNM") has granted approval for the subordinated loans arising from the sale of the fourteen properties by AMB to AGIC to be treated as AGIC's "Tier-2" capital and capital available under the Risk-Based Capital Framework issued by BNM.</p>

**8 Borrowing and Debt Securities**

There were no borrowings and debt securities as at 30 September 2009.

**9 Off Balance Sheet Financial Instruments**

The Group did not enter into any contracts involving off balance sheet financial instruments as at the date of this report.

## 10 Changes in Material Litigation

Save as disclosed below, the Group is not engaged in any material litigation, claims and/or arbitration, either as plaintiff or defendant as at the date of this announcement, which have a material effect on the financial position or the business of the Group and the Directors do not have any knowledge of any proceedings pending or threatened against the Group or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Group:-

### **Litigation instituted against the wholly-owned subsidiaries of the Company**

Two of the Company's wholly owned subsidiaries, Bright Mission Berhad (formerly known as Commerce Assurance Berhad) ("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 ("Scheme"), which involved the transfer and vesting by BMB to AGIC of BMB's entire general insurance business, undertaking and assets including its 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:-

- (a) Commerce Assurance Berhad (now known as BMB) ("CAB") surrendered its general insurance licence to Bank Negara Malaysia and changed its name to Bright Mission Berhad with effect from 5 January 2009.
- (b) Save for the legal suit (Kuala Lumpur High Court Civil Suit No: S4-22-1197-2007) in relation to the Plaza Sentral properties, the rest of the legal suits instituted against BMB are now regarded as suits against AGIC and shall be defended by AGIC. Accordingly, AGIC will be taking over the reporting of the status of the said suits and necessary documents will be filed in Court to record AGIC as the defendant of the same at the appropriate time.

The status of the litigation instituted against BMB and AGIC are disclosed below. For detailed litigation background, please refer to the Company's Quarterly Report for the financial quarter ended 31 March 2008.

11 Changes in Material Litigation (continued)

Name of Subsidiaries	Litigation	Status
BMB	<i>Kuala Lumpur High Court Civil Suit No: S4-22-1197-2007 in the matter of Duopharma Properties Sdn Bhd ("First Plaintiff"), Michaelian (Malaysia) Sdn Bhd ("Second Plaintiff"), Michaelian Holdings Sdn Bhd ("Third Plaintiff") &amp; Duomark Properties Sdn Bhd ("Fourth Plaintiff") (collectively, "Plaintiffs") -v- Commerce International Group Berhad ("First Defendant") &amp; CAB (collectively "Defendants")</i>	The suit is fixed for its seventh Case Management on 26 November 2009. With regard to BMB's Appeal for the removal of the private caveats, no hearing date has yet been fixed for the Appeal.
AGIC	<i>Kota Bharu High Court Suit No: 22-115-05 in the matter of Mohd Shokri bin Abdul Rahim -v-CAB</i>	CAB's Notice of Appeal to strike out the Plaintiff's claim was dismissed on 3 December 2008. The case is fixed for its Sixth Case Management on 27 December 2009.
	<i>High Court of Sabah &amp; Sarawak Originating Summons No: T(24)15 of 2006 in the matter of Lau Yee Fai @ Lau Yee Ming -v-CAB</i>	No hearing date has yet been fixed for CAB's Appeal dated 3 December 2007 against the judgment in favour of the Plaintiff.

12 Dividend

No dividend has been proposed or declared for the quarter under review. (2008: Nil).

**13 Earnings Per Share**

The earnings per share is calculated based on the profit attributable to equity holders of the Company divided by the weighted average number of shares.

	<b>Individual Period</b>		<b>Cumulative Period</b>	
	Quarter Ended <b>30-Sep-09</b>	Quarter Ended <b>30-Sep-08</b>	Period Ended <b>30-Sep-09</b>	Period Ended <b>30-Sep-08</b>
Profit attributable to equity shareholders (RM'000)	23,132	23,381	58,665	50,239
Weighted average number of shares ('000)	153,869	153,869	153,869	153,869
Basic earnings per share (sen)	15.03	15.20	38.13	32.65
Diluted earnings per share (sen)	15.03	15.20	38.13	32.65

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By Order of the Board

Ng Siew Gek  
Secretary

Kuala Lumpur  
23 November 2009