

**ALLIANZ MALAYSIA BERHAD (12428-W)**

UNAUDITED QUARTERLY RESULTS  
FOR THE PERIOD ENDED 31 MARCH 2013

**ALLIANZ MALAYSIA BERHAD (12428-W)**

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**Condensed consolidated statement of financial position  
as at 31 March 2013 - unaudited**

	<b>31 March 2013 RM'000</b>	<b>31 December 2012 RM'000</b>
<b>Assets</b>		
Property, plant and equipment	111,867	111,727
Intangible assets	334,946	288,037
Investment properties	4,962	4,962
Deferred tax assets	9,541	6,255
Reinsurance assets	1,178,646	1,170,471
Investments	7,094,088	6,826,218
Deferred acquisitions costs	67,729	59,315
Insurance receivables	193,029	144,569
Other receivables, deposits and prepayments	111,613	116,373
Current tax assets	4,688	4,242
Cash and cash equivalents	539,103	458,317
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<b>Total assets</b>	<b>9,650,212</b>	<b>9,190,486</b>
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The accompanying Notes form an integral part of these condensed consolidated interim financial statements.

**ALLIANZ MALAYSIA BERHAD (12428-W)**

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**Condensed consolidated statement of financial position  
as at 31 March 2013 - unaudited (continued)**

	<b>31 March 2013 RM'000</b>	<b>31 December 2012 RM'000</b>
<b>Equity</b>		
Share capital	158,770	158,636
Irredeemable Convertible Preference Shares ("ICPS")	187,436	187,570
Reserves	1,547,544	1,494,580
<b>Total equity attributable to owners of the Company</b>	<b>1,893,750</b>	<b>1,840,786</b>
<b>Liabilities</b>		
Insurance contract liabilities	6,869,781	6,562,995
Other financial liabilities	23,494	3,853
Insurance payables	307,095	328,933
Other payables and accruals	334,440	242,555
Benefits and claims liabilities	87,753	84,813
Deferred tax liabilities	115,969	115,147
Current tax liabilities	17,930	11,404
<b>Total liabilities</b>	<b>7,756,462</b>	<b>7,349,700</b>
<b>Total equity and liabilities</b>	<b>9,650,212</b>	<b>9,190,486</b>
<b>Net asset per ordinary share (RM)</b>	<b>11.93</b>	<b>11.60</b>
<b>Diluted net asset per ordinary share (RM)</b>	<b>5.47</b>	<b>5.32</b>

The accompanying Notes form an integral part of these condensed consolidated interim financial statements.

**ALLIANZ MALAYSIA BERHAD (12428-W)**
**Condensed consolidated statement of profit or loss  
for the period ended 31 March 2013 - unaudited**

	Note	Individual period Three months ended 31 March		Cumulative period Three months ended 31 March	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Operating revenue *		862,077	739,494	862,077	739,494
Gross earned premiums		790,239	676,028	790,239	676,028
Premiums ceded to reinsurers		(154,789)	(132,387)	(154,789)	(132,387)
<b>Net earned premiums</b>		<b>635,450</b>	<b>543,641</b>	<b>635,450</b>	<b>543,641</b>
Investment income	4	71,838	63,466	71,838	63,466
Realised gains and losses	5	16,347	22,467	16,347	22,467
Fair value gains and losses	6	(3,098)	(6,495)	(3,098)	(6,495)
Fee and commission income		24,544	24,781	24,544	24,781
Other operating income		2,568	1,561	2,568	1,561
<b>Other revenue</b>		<b>112,199</b>	<b>105,780</b>	<b>112,199</b>	<b>105,780</b>
Gross benefits and claim paid		(285,076)	(287,164)	(285,076)	(287,164)
Claims ceded to reinsurers		56,666	89,954	56,666	89,954
Gross change to contract liabilities		(212,880)	(174,512)	(212,880)	(174,512)
Change in contract liabilities ceded to reinsurers		(2,521)	(10,809)	(2,521)	(10,809)
<b>Net benefits and claims</b>		<b>(443,811)</b>	<b>(382,531)</b>	<b>(443,811)</b>	<b>(382,531)</b>
Fee and commission expense		(123,719)	(109,787)	(123,719)	(109,787)
Management expenses		(96,826)	(74,773)	(96,826)	(74,773)
Other operating expenditure		(4,551)	(5,638)	(4,551)	(5,638)
<b>Other expenses</b>		<b>(225,096)</b>	<b>(190,198)</b>	<b>(225,096)</b>	<b>(190,198)</b>
<b>Profit before taxation</b>	7	<b>78,742</b>	<b>76,692</b>	<b>78,742</b>	<b>76,692</b>
Tax expense	8	(25,022)	(23,648)	(25,022)	(23,648)
<b>Profit for the period</b>		<b>53,720</b>	<b>53,044</b>	<b>53,720</b>	<b>53,044</b>

\* Operating revenue consists of gross earned premiums and investment income.

The accompanying Notes form an integral part of these condensed consolidated interim financial statements.

**ALLIANZ MALAYSIA BERHAD (12428-W)**

**Condensed consolidated statement of profit or loss and other comprehensive income  
for the period ended 31 March 2013 - unaudited**

	Individual period		Cumulative period	
	Three months ended		Three months ended	
	31 March		31 March	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
<b>Profit for the period attributable to owners of the Company</b>	53,720	53,044	53,720	53,044
<b>Other comprehensive income, net of tax</b>				
<b>Items that will not be reclassified subsequently to profit or loss</b>				
Revaluation of property, plant and equipment	-	802	-	802
Tax effects thereon	-	(201)	-	(201)
	-	601	-	601
<b>Items that may be reclassified subsequently to profit or loss</b>				
Fair value of available-for-sale financial assets	(1,009)	(4,079)	(1,009)	(4,079)
Tax effects thereon	253	1,021	253	1,021
	(756)	(3,058)	(756)	(3,058)
<b>Total other comprehensive income for the period, net of tax</b>	(756)	(2,457)	(756)	(2,457)
<b>Total comprehensive income for the period</b>	52,964	50,587	52,964	50,587
Profit attributable to:				
Owners of the Company	53,720	53,044	53,720	53,044
Total comprehensive income for the period attributable to:				
Owners of the Company	52,964	50,587	52,964	50,587
<b>Basic earnings per ordinary share (sen)</b>	33.85	33.90	33.85	33.90
<b>Diluted earnings per ordinary share (sen)</b>	14.02	14.10	14.02	14.10

The accompanying Notes form an integral part of these condensed consolidated interim financial statements.



**ALLIANZ MALAYSIA BERHAD (12428-W)****Condensed consolidated statement of cash flow  
for the period ended 31 March 2013 - unaudited**

	Period ended 31 March 2013 RM'000	Period ended 31 March 2012 RM'000
<b>Cash flows from operating activities</b>		
Profit before taxation	78,742	76,692
Investment income	(71,838)	(63,466)
Realised gains recorded in profit or loss	(16,347)	(22,441)
Fair value gains on investments recorded in profit or loss	3,098	6,495
Purchases of financial investments	(617,123)	(606,384)
Maturity of financial investments	245,000	128,396
Proceeds from sale of financial investments	120,149	189,511
Change in loans and receivables	(2,607)	7
Unrealised foreign exchange loss/(gain)	7	(207)
Non-cash items:		
Change in fair value of AFS financial assets	(2,700)	(1,399)
Depreciation of property, plant and equipment	2,748	2,476
Amortisation of intangible assets	3,699	2,842
Gain on disposal of property, plant and equipment	-	(26)
Impairment loss on financial investments	-	-
Interest expense	664	198
Property, plant and equipment written off	-	2
Insurance and other receivables:		
- Impairment loss written off	-	(68)
- Write back of allowance for impairment loss	3,197	1,719
- Impairment loss recovered	(77)	(67)
<b>Operating loss before changes in working capital</b>	<b>(253,388)</b>	<b>(285,720)</b>
Changes in working capital:		
Change in reinsurance assets	(8,175)	(49,510)
Change in insurance receivables	(51,670)	(107,819)
Change in other receivables, deposits and prepayments	7,700	(9,879)
Change in insurance contract liabilities	306,786	261,821
Change in deferred acquisition costs	(8,414)	(3,382)
Change in other financial liabilities	19,641	85
Change in insurance payables	(21,838)	53,746
Change in other payables	37,934	14,952
Change in benefits and claims liabilities	2,940	616
<b>Cash generated from/(used in) operating activities</b>	<b>31,516</b>	<b>(125,090)</b>

**ALLIANZ MALAYSIA BERHAD (12428-W)****Condensed consolidated statement of cash flow  
for the period ended 31 March 2013 - unaudited**

	<b>Period ended 31 March 2013 RM'000</b>	<b>Period ended 31 March 2012 RM'000</b>
<b>Cash flows from operating activities (continued)</b>		
Tax paid	(21,389)	(19,155)
Coupon interest received	65,578	57,042
Dividend received	4,254	4,644
Others	38	38
	<hr/>	<hr/>
<b>Net cash generated from/(used in) operating activities</b>	<b>79,997</b>	<b>(82,521)</b>
	<hr/>	<hr/>
<b>Cash flow from investing activities</b>		
Acquisition of intangible assets	(50,609)	(86)
Acquisition of property, plant and equipment	(2,890)	(1,740)
Proceeds from disposal of property, plant and equipment	1	557
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	<b>(53,498)</b>	<b>(1,269)</b>
	<hr/>	<hr/>
<b>Cash flow from financing activities</b>		
Proceeds from holding company	54,300	-
Repayment of finance lease liabilities	(13)	(42)
	<hr/>	<hr/>
<b>Net cash generated from/(used in) financing activities</b>	<b>54,287</b>	<b>(42)</b>
	<hr/>	<hr/>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>80,786</b>	<b>(83,832)</b>
Cash and cash equivalents at 1 January	458,317	511,892
	<hr/>	<hr/>
<b>Cash and cash equivalents at 31 March</b>	<b>539,103</b>	<b>428,060</b>
	<hr/>	<hr/>
<b>Cash and cash equivalents comprise:-</b>		
Fixed and call deposits with licensed financial institutions (with maturity less than three months)	516,061	404,125
Cash and bank balances	23,042	23,935
	<hr/>	<hr/>
	<b>539,103</b>	<b>428,060</b>
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The accompanying Notes form an integral part of these condensed consolidated interim financial statements.



**Part A: Explanatory notes to the condensed consolidated interim financial statements**

**1. Basis of preparation**

These condensed consolidated quarterly financial statements ("Condensed Report") of Allianz Malaysia Berhad ("AMB" or "Company") and its subsidiaries (AMB and its subsidiaries are collectively referred to as the "Group") as at and for the period ended 31 March 2013 have been prepared in accordance with:

- (a) The requirements of Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting and with IAS 34: Interim Financial Reporting; and
- (b) Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2012.

**2. Changes in accounting policies**

The accounting policies and presentation adopted by the Group for the Condensed Report are consistent with those adopted in the Group's consolidated audited financial statements for the financial year ended 31 December 2012, except for the adoption of the following:

<b>MFRS, Amendments to MFRS and IC Interpretation</b>	<b>Effective date</b>
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurement	1 January 2013
MFRS 119 Employee Benefits (2011)	1 January 2013
MFRS 127 Separate Financial Statements (2011)	1 January 2013
MFRS 128 Investments in Associates and Joint Ventures (2011)	1 January 2013
Amendments to MFRS 1 First-time adoption of Financial Reporting Standards - Government Loans	1 January 2013
Amendments to MFRS 1 First-time adoption of Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 7 Financial Instruments : Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 10 Consolidated Financial Statements - Transition Guidance	1 January 2013
Amendments to MFRS 11 Joint Arrangements - Transition Guidance	1 January 2013
Amendments to MFRS 12 Disclosures of Interests in Other Entities - Transition Guidance	1 January 2013
Amendments to MFRS 101 Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 116 Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)	1 January 2013

**2. Changes in accounting policies (continued)**

<b>MFRS, Amendments to MFRS and IC Interpretation</b>		<b>Effective date</b>
Amendments to MFRS 132	Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 134	Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

Material impacts of initial application of a standard, an amendment or an interpretation are discussed below:

**MFRS 9, Financial Instruments**

MFRS 9 replaces the guidance in MFRS 139, Financial Instruments: *Recognition and Measurement* on the classification and measurement of financial assets. Upon adoption of MFRS 9, financial assets will be measured at either fair value or amortised cost.

The adoption of MFRS 9 will result in a change in accounting policy.

**MFRS 10, Consolidated Financial Statements**

MFRS 10, Consolidated Financial Statements introduces a new single control model to determining which investees should be consolidated. MFRS 10 supersedes MFRS 127, *Consolidated and Separate Financial Statements and IC Interpretation 112, Consolidation – Special Purpose Entities*. There are three elements to the definition of control in MFRS 10: (i) power by investor over an investee, (ii) exposure, or rights, to variable returns from investor's involvement with the investee, and (iii) investor's ability to affect those returns through its power over the investee.

**MFRS 13, Fair Value Measurement**

MFRS 13, Fair Value Measurement establishes the principles for fair value measurement and replaces the existing guidance in different MFRS.

The initial application of the aforesaid applicable standards, amendments or interpretations are not expected to have any material financial impacts to the current and prior periods financial statements upon their first adoption. MFRS 11, MFRS 128, Amendments to MFRS 1, Amendments to MFRS 11 and IC Interpretation 20 are not applicable to the Group.

**3. Items of an unusual nature**

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

**4. Changes in estimates**

There were no material changes in the basis used for accounting estimates for the financial period ended 31 March 2013.

**5. Seasonal or cyclical factors**

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

**6. Property, plant and equipment**

The Group's property, plant and equipment are stated at cost/valuation less accumulated depreciation and accumulated impairment losses if any. There were no changes 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 2012.

**7. Changes in group composition**

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

**8. Capital commitments**

**As at 31 March 2013**

Property, plant and equipment:

Approved but not contracted for

Contracted but not provided for

**Group  
RM'000**

34,532

6,392

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**9. Related party transactions**

Significant related party transactions are as follows:

	<b>Transactions value Three months ended 31 March</b>	
	<b>2013 RM'000</b>	<b>2012 RM'000</b>
<b>Related companies*</b>		
Reinsurance premium and commission	(76,069)	(104,106)

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\* Related companies are companies within the Allianz SE Group.

**10. Changes in contingent liabilities**

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

**11. Debt and equity securities**

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

**12. Subsequent events**

There were no material events subsequent to the end of the quarter under review that have not been reported in this report.

### 13. Operating segments

The Group has three reportable segments, as described below, which are the Group's strategic business units. For each of the strategic business units, the Chief Executive Officer of the Company reviews internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

#### Reportable segments

Investment holding

General business

Life business

#### Principal activities

Investment holding

Underwriting of all classes of general insurance business

Underwriting of all life insurance and investment-linked business

#### Information about reportable segments

for the period ended 31 March 2013 - unaudited

	Investment holding		General business		Life business		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Operating revenue	2,667	2,324	468,109	393,076	391,301	344,094	862,077	739,494
Inter-segment revenue	(1,288)	(1,031)	-	-	-	-	(1,288)	(1,031)
Segment (loss)/profit	(528)	2,534	72,152	60,014	7,118	14,144	78,742	76,692
Segment assets	393,203	291,431	4,444,647	4,064,673	4,812,362	3,963,221	9,650,212	8,319,325
Segment liabilities	65,227	5,221	3,161,153	2,915,224	4,530,082	3,710,281	7,756,462	6,630,726

**14. Dividend paid**

There was no dividend paid by the Company during the quarter under review (2012: Nil).

**Part B: Explanatory notes pursuant to the Main Market Listing Requirements of Bursa Securities**

**1. Review of results**

**1.1 Results of the current year-to-date ("YTD") against preceding YTD (YTD 1st Quarter 2013 versus YTD 1st Quarter 2012)**

**Operating revenue**

The Group recorded an operating revenue of RM862.1 million for the financial period ended 31 March 2013, an increase of 16.6% or RM122.6 million as compared to the preceding financial period ended 31 March 2012 of RM739.5 million due to higher gross earned premiums and investment income by RM114.2 million and RM8.4 million respectively.

The general insurance operations recorded an operating revenue of RM468.1 million for the financial period ended 31 March 2013, an increase of 19.1% or RM75.0 million as compared to the preceding financial period ended 31 March 2012 of RM393.1 million due to the increase in gross earned premiums and investment income by RM72.3 million and RM2.7 million respectively.

The increase in gross earned premiums of the general insurance operations was due mainly to higher premium contribution from agency sales. The higher investment income was due mainly to bigger investment asset base.

The life insurance operations recorded an operating revenue of RM391.3 million for the financial period ended 31 March 2013, an increase of 13.7% or RM47.2 million as compared to the preceding financial period ended 31 March 2012 of RM344.1 million due to the increase in gross earned premiums and investment income by RM41.9 million and RM5.3 million respectively.

The increase in gross earned premiums of the life insurance business was mainly attributable to higher premiums from agency and employee benefit sales. The higher investment income was due mainly to a bigger investment asset base.

**Profit before tax**

The Group recorded a profit before tax of RM78.7 million for the financial period ended 31 March 2013, an increase of 2.6% or RM2.0 million as compared to the preceding financial period ended 31 March 2012 of RM76.7 million.

The profit was mainly attributable to the general insurance operations which recorded a profit before tax of RM72.2 million for the financial period ended 31 March 2013; an increase of 20.3% or RM12.2 million as compared to the preceding financial period ended 31 March 2012 of RM60.0 million. The increase in profit was due mainly to higher underwriting profit of RM49.6 million from lower claims ratio as compared to the preceding financial period ended 31 March 2012 of RM39.5 million.

**1.1 Results of the current year-to-date ("YTD") against preceding YTD (YTD 1st Quarter 2013 versus YTD 1st Quarter 2012)**

**Profit before tax (continued)**

The general insurance operations sustained its underwriting margins through prudent risk selection; enhanced operational efficiencies to achieve cost competitiveness; and continue to embark on growth strategies by strengthening the distribution capabilities

The life insurance operations recorded a lower profit before tax of RM7.1 million for the financial period ended 31 March 2013; a decrease of 49.6% or RM7.0 million as compared to the preceding financial period ended 31 March 2012 of RM14.1 million due mainly to higher expenses for investment in expanding distribution capabilities and higher claims incurred for medical products for financial period under review.

The investment holding segment registered a loss before tax of RM0.5 million as compared to a profit before tax of RM2.5 million in the preceding period due mainly to higher cost incurred for the period under review and higher realised gains from investments in the preceding financial period.

**1.2 Results of the current quarter against the preceding quarter (1st Quarter 2013 versus 4th Quarter 2012)**

**Operating revenue**

The Group recorded an operating revenue of RM862.1 million for the quarter under review, an increase of 1.4% or RM12.3 million as compared to the preceding quarter ended 31 December 2012 of RM849.8 million due mainly to the increase in gross earned premiums by RM13.2 million from both general and life insurance operations.

The general insurance operations recorded an operating revenue of RM468.1 million for the quarter under review, an increase of 8.8% or RM37.8 million as compared to the preceding quarter of RM430.3 million due mainly to higher gross earned premiums.

The life insurance operations registered an operating revenue of RM391.3 million for the quarter under review, a decrease of 6.1% or RM25.4 million as compared to the preceding quarter of RM416.7 million due mainly to lower gross earned premiums.

**Profit before tax**

The Group recorded a profit before tax of RM78.7 million for the quarter under review, an increase of 21.3% or RM13.8 million as compared to the preceding quarter ended 31 December 2012 of RM64.9 million due mainly to higher profit from general insurance operations.

The profit before tax of general insurance operations for the quarter under review was higher by 63.9% or RM28.1 million as compared to the preceding quarter of RM44.0 million due mainly to better underwriting profits from lower claims ratio.

The profit before tax of life insurance operations for the quarter under review decreased by 62.8% or RM12.0 million as compared to the preceding quarter of RM19.1 million due mainly to higher claims incurred for medical products for financial period under review and surplus transfer of RM8.3 million in the fourth quarter of 2012.

**1.2 Results of the current quarter against the preceding quarter (1st Quarter 2013 versus 4th Quarter 2012)**

**Profit before tax (continued)**

The investment holding segment registered a loss before tax of RM0.5 million as compared to profit before tax of RM1.8 million in the preceding quarter due mainly to higher cost incurred for the period under review.

**2. Current year prospect**

The Malaysian economy performed better than expected in 2012, recording a strong growth of 5.6 percent. The Malaysian economy is expected to remain on a steady growth path with an expansion of 5.0 to 6.0 percent in 2013. (Source: Bank Negara Malaysia Annual Report 2012)

The Group will continue to build on the strong momentum gained in 2012 to drive business growth. The Group will continue to leverage on the competitive strengths of providing both general and life insurance solutions to maintain its leading position in the market. The Group aims for further growth while sustaining underwriting margins and profit through better risk selection.

Both the general and life insurance operations will continue to embark on growth strategies through expanding distribution reach and enlarging agency force. The Group will continue to offer comprehensive insurance solutions and improve operational capabilities to deliver better customer service to a wider market.

Moving forward, the Board is optimistic that the Group will continue to grow and create long-term sustainable value for our shareholders and other stakeholders.

**3. Profit forecast**

The Group did not issue any profit forecast or profit guarantee as at the date of this report.

**4. Investment income**

	Individual period		Cumulative period	
	Three months ended		Three months ended	
	31 March		31 March	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Coupon interest income	68,019	59,145	68,019	59,145
Dividend income	4,254	4,338	4,254	4,338
Accretion of discounts	831	1,139	831	1,139
Rental income	38	38	38	38
Other income	1,404	1,224	1,404	1,224
Amortisation of premiums	(2,708)	(2,418)	(2,708)	(2,418)
	<u>71,838</u>	<u>63,466</u>	<u>71,838</u>	<u>63,466</u>

**ALLIANZ MALAYSIA BERHAD (12428-W)**

**5. Realised gains and losses**

	Individual period		Cumulative period	
	Three months ended		Three months ended	
	31 March		31 March	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Realised gains on disposal of investments in debt and equity securities:				
Malaysian government securities	-	1,038	-	1,038
Quoted equity securities of corporations in Malaysia	12,488	12,841	12,488	12,841
Quoted unit trusts in Malaysia	4,779	860	4,779	860
Quoted bonds of corporations in Malaysia	-	5,457	-	5,457
Unquoted bonds of corporations in Malaysia	1,717	1,772	1,717	1,772
Unquoted debts securities in Malaysia	-	975	-	975
Realised losses on disposal of investments in debt and equity securities:				
Quoted equity securities of corporations outside Malaysia	(990)	-	(990)	-
Quoted unit trusts outside Malaysia	-	(502)	-	(502)
Unquoted unit trusts outside Malaysia	(496)	-	(496)	-
Quoted bonds of corporations in Malaysia	-	-	-	-
Structured deposits	(1)	-	(1)	-
Put option	(1,150)	-	(1,150)	-
Realised gains on disposal of plant and equipment	-	26	-	26
	<b>16,347</b>	<b>22,467</b>	<b>16,347</b>	<b>22,467</b>



**6. Fair value gains or losses**

	Individual period		Cumulative period	
	Three months ended		Three months ended	
	31 March		31 March	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Fair value gains or losses:				
Financial assets at Fair Value Through Profit or Loss:				
- held for trading	3,764	3,803	3,764	3,803
- designated upon initial recognition	(4,488)	(8,207)	(4,488)	(8,207)
Derivative financial assets - Held for trading	(1,603)	(1,917)	(1,603)	(1,917)
Impairment loss on AFS financial assets	(771)	(174)	(771)	(174)
	<b>(3,098)</b>	<b>(6,495)</b>	<b>(3,098)</b>	<b>(6,495)</b>

**7. Profit before taxation**

Profit before taxation for the financial year under review is arrived at after charging/(crediting):

	Individual period		Cumulative period	
	Three months ended		Three months ended	
	31 March		31 March	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Amortisation of intangible assets	3,699	2,842	3,699	2,842
Depreciation on property, plant and equipment	2,748	2,476	2,748	2,476
Insurance and other receivables:				
- Impairment loss written off	-	(68)	-	(68)
- Write back of allowance for impairment loss	3,197	1,719	3,197	1,719
- Impairment loss recovered	(77)	(67)	(77)	(67)
Interest expense	664	198	664	198
Property, plant and equipment written off	-	2	-	2
Unrealised foreign exchange loss/(gain)	7	(207)	7	(207)

Other than as disclosed in Note 6 and 7, there are no exceptional items for the current quarter ended 31 March 2013.

**8. Taxation**

	Individual period		Cumulative period	
	Three months ended		Three months ended	
	31 March		31 March	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	78,742	76,692	78,742	76,692
<b>Tax expense</b>				
Income tax	27,468	22,489	27,468	22,489
Deferred tax	(2,446)	1,159	(2,446)	1,159
Total tax expense	25,022	23,648	25,022	23,648
Effective tax rate	32%	31%	32%	31%

The Group's consolidated effective tax rate for the financial year under review is higher than the statutory tax rate of 25% (2012: 25%) due mainly to the following:

- In addition to the 25% income tax on the assessable income of the Shareholders' Fund, there is also an 8% income tax on the assessable investment income net of allowable deductions of the Life Fund; and
- Effects of certain non-deductible expenses.

**9. Status of corporate proposal announced/implemented**

As at the date of this report, there are no corporate proposals announced but not completed.

**10. Borrowings and debts securities**

Save as disclosed below, the Group has no other outstanding borrowings and debts securities for the financial year under review.

**As at 31 March 2013**

	<b>Group RM'000</b>
Finance lease liability (interest bearing)	52
Amount due to holding company (interest bearing)	54,300

A 5-year term loan from its holding company, Allianz SE was unsecured and subject to interest 4.3% per annum.

**11. Changes in material litigations**

There are no material litigations pending at the date of this report.

12. Earnings per ordinary share

(a) Basic earnings per ordinary share

Basic earnings per ordinary share of the Group are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue.

		Individual period		Cumulative period	
		Three months ended		Three months ended	
		31 March		31 March	
		2013	2012	2013	2012
Profit attributable to ordinary shareholders	(RM'000)	53,720	53,044	53,720	53,044
Weighted average number of ordinary shares in issue	('000)	158,687	156,472	158,687	156,472
Basic earnings per ordinary share	(sen)	33.85	33.90	33.85	33.90

(b) Diluted earnings per ordinary share

Diluted earnings per ordinary share of the Group are calculated by dividing the net diluted profit attributable to shareholders by the diluted weighted average number of ordinary shares in issue.

		Individual period		Cumulative period	
		Three months ended		Three months ended	
		31 March		31 March	
		2013	2012	2013	2012
Profit attributable to ordinary shareholders	(RM'000)	53,720	53,044	53,720	53,044
Weighted average number of ordinary shares in issue	('000)	158,687	156,472	158,687	156,472
Effect of conversion of ICPS, including bonus element	('000)	224,384	219,853	224,384	219,853
Diluted weighted average number of ordinary shares in issue	('000)	383,071	376,325	383,071	376,325
Diluted earnings per ordinary share	(sen)	14.02	14.10	14.02	14.10

**13. Dividend**

No dividend has been proposed or declared for the quarter under review (2012 : Nil).

**14. Disclosure of realised and unrealised earnings**

The breakdown of the retained earnings of the Group as at 31 March 2013, into realised and unrealised profits, is as follow:

	<b>As at 31.03.2013 RM'000</b>	<b>As at 31.12.2012 RM'000</b>
Total retained earnings of the Group:		
- Realised	1,155,421	1,104,017
- Unrealised	(76,413)	(78,729)
Total retained earnings	<u>1,079,008</u>	<u>1,025,288</u>

The disclosure of realised and unrealised profit or loss above is solely for complying with the disclosure requirements of Bursa Securities and should not be applied for any other purposes.

The determination of realised and unrealised earnings is based on the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities' Listing Requirements, issued by Malaysian Institute of Accountants on 20 December 2010.

**15. Auditors' report on preceding annual financial statements**

The auditors' report of the Group's audited financial statements for the financial year ended 31 December 2012 was not qualified.

**BY ORDER OF THE BOARD**

Ng Siew Gek  
**Company Secretary**

Kuala Lumpur  
17 May 2013