

2018 Annual Report



THE MALAYSIAN
INSURANCE INSTITUTE

LOOKING OUT INTO THE HORIZON

Throughout the year, we have extended our platform and reach by paying attention to emerging trends and leveraging on our inherent flexibility, our virtualized learning and education structure, and our considerable resources. We have been nimble and persistently opportunistic.

The Malaysian Insurance Institute (MII)

The cover of this year's Annual Report explains MII as the centre that puts a premium on forward thinking whilst exploring into new ventures to accommodate to a wider angle of education perspective.

At MII, we strive to make a difference every day – to our customers and to the Insurance fraternity. We believe that success is about having a purpose and making an impact to the environment around us. Our corporate values include service-centred leadership. We are committed to not only understanding our customers' needs and expectations, but striving to excel through outstanding service. We work to ensure that interactions our stakeholders have with MII are positive and productive, from start to finish by working together as a team.



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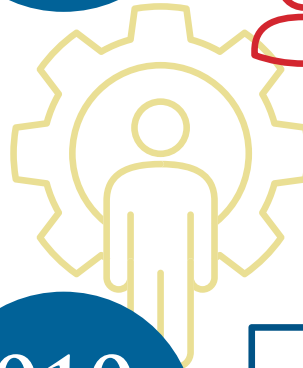
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VISION,
MISSION &
CORE
VALUES



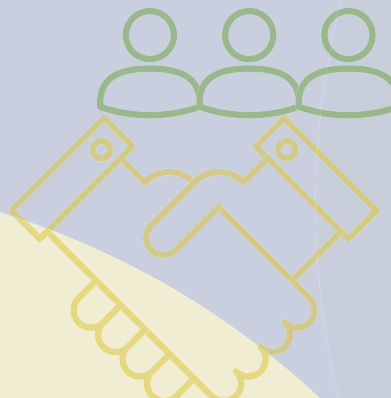
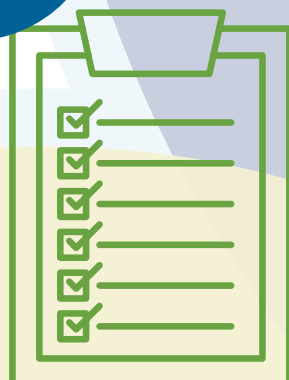
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OUR VISION

MII is the preferred institution for education in insurance, financial and risk management.

OUR MISSION

We conduct professional examinations, qualifying assessments and applied training programs to raise the professional standards of the industry by delivering value added products and quality services.

CORE VALUES

- Highest Ethical & Moral Standards
- Service-Centered
- Quality Mindset
- Growth & Teamwork Mindset
- Learning Culture



NOTICE OF ANNUAL GENERAL MEETING

THE MALAYSIAN INSURANCE INSTITUTE (Company No. 35445-H)

(Incorporated in Malaysia as a Company Limited By Guarantee and not having a Share Capital)

NOTICE is hereby given that the 41st Annual General Meeting of The Malaysian Insurance Institute (“**MII**”) will be held at Training Room 2.3 & 2.4, Sasana Kijang, 2 Jalan Dato’ Onn, 50480 Kuala Lumpur on Friday, 28 June 2019 at 10:00 a.m. for the following purposes:

AGENDA AS ORDINARY BUSINESS

1. To receive the audited financial statements for the financial year ended 31 December 2018 together with the Directors’ and Auditors’ Reports thereon. *
2. To re-elect the following Directors in accordance with MII’s Constitution:-

(i) To re-elect Mr. Tan Kok Guan as Director of MII (Article 72 (1)(b)(i))	Resolution 1
(ii) To re-elect Mr. T Sivapalan A/L Tharmapalan as Director of MII (Article 72 (1)(b)(i))	Resolution 2
(iii) To re-elect Mr. Wong Ah Kow as Director of MII (Article 72 (1)(b)(i))	Resolution 3
(iv) To elect Mr. Tapan Kumar Rangam Bir as Director of MII (Article 72(1)(b) (ii))	Resolution 4
3. To re-appoint Messrs Deloitte PLT as the auditors of MII, to hold office until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration. **Resolution 5**

AS SPECIAL BUSINESS

To consider, and if thought fit, to pass the following Resolutions:

4. **Ordinary Resolution** **Resolution 6**

Proposed Directors’ Benefits

“THAT approval be and is hereby given for the payment of directors’ meeting allowance of RM500 per meeting, payment of MII membership fees and subscriptions by MII for its directors effective from 1 January 2019.”
5. **Special Resolution** **Special Resolution 1**

Proposed Amendments to the Articles of Association of MII

“THAT the proposed amendments to the Articles of Association of MII as set out in Appendix I be and are hereby approved, subject to approval from Minister/ Registrar; AND THAT the Directors of the Company be and are hereby authorised to assent to any modifications, variations and/or amendments as may be required by the relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing.”

AS OTHER BUSINESS

6. To transact any other business which may be properly transacted at an Annual General Meeting for which due notice shall have been given.

By Order of the Board

LIM SECK WAH (MAICSA 0799845)
M. CHANDRASEGARAN A/L S. MURUGASU (MAICSA 0781031)
Company Secretaries

Kuala Lumpur

Dated: 27 May 2019



Notes:

- a. A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead.
- b. A proxy shall be an individual member of MII. No proxy shall be a proxy for more than two (2) individual members.
- c. The instrument appointing a proxy or accredited representative and the power of attorney or other authority (if any) under which it is signed or notarially certified or office copy thereof shall be deposited at the Registered Office of MII, No. 5 Jalan Sri Semantan Satu, Damansara Heights, 50490 Kuala Lumpur, not less than forty eight (48) hours before the time appointed for holding the meeting.

* The Annual Report and Financial Statements can also be accessed and obtained through our homepage address, www.insurance.com.my.

Explanatory Notes on Special Business

Resolution 6
Proposed Directors' Benefits

Section 230(1)(a) of the Companies Act 2016 provides that the fees of the directors and any benefits payable to directors of a public company shall be approved at a general meeting. As a matter of policy, MII Board members do not receive directors' fees.

The proposed Ordinary Resolution No.6, if duly passed, is to pay a meeting allowance of RM500 per meeting to all MII directors who are not employed in the insurance industry or by Bank Negara Malaysia (hereinafter referred to as "the Retiree Directors") for all Board and Board Committees' meetings attended by the Retiree Directors and all meetings attended by the Retiree Director(s) in which they/he/she sit(s) in as an official representative(s) of MII, and also to allow MII to pay the annual membership fees and subscriptions for and on behalf of the Directors who are not receiving Directors' fees for their voluntary service to sit and serve on MII Board.

Special Resolution 1

Proposed Amendments to the Articles of Association of MII - please refer to Appendix I

Appendix I

Article No	Existing Provisions	Amendments
76(c)	The quorum at a meeting of the Board shall be at least eight (8) of the total number of the Board members then in office when the meeting is called to order.	The quorum at a meeting of the Board shall be at least six (6) of the total number of the Board members then in office when the meeting is called to order.
New 76(g)	-	The conduct of a meeting of Directors may include a participation thereat by any Director via telephone or video conferencing or any other electronic communications whereby all participating persons are able to hear each other during the meeting. A Director's participation in the aforesaid manner shall be deemed to be present and counted for the purpose of a quorum.
79	A resolution in writing signed by all the Directors in Malaysia shall be as valid and effectual as if it had been passed at a duly constituted meeting of the Board of Directors	A resolution in writing, signed by majority of the Directors for the time being entitled to receive notice of a meeting of the Board shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held. Any such resolution may consist of several documents, including facsimile or any other electronic means of communication, in similar form and each document shall be signed or assented to by one or more Directors.

CORPORATE INFORMATION

BOARD OF DIRECTORS

- **Anusha Thavarajah (Chairman)**
(appointed on 16.8.2018)
- **Y.Bhg Dato' Adrian Low Heong Chow**
@ Loh Heong Chow
- **Y.Bhg Datuk Francis Lai**
@ Lai Yun Sen
- **YM Raja Zailan Putra bin Raja Dato' Seri Hj Azam**
- **Antony Fook Weng Lee**
- **Zainal Abidin bin Mohd Noor**
- **A.K. Wong**
- **Tan Kok Guan**
- **T. Sivapalan A/L Tharmapalan**
- **Ezamshah bin Ismail**
- **Lau Chin Ching**
(appointed on 16.8.2018)
- **Tan Ah Chuan**
(appointed on 16.8.2018)
- **Rangam Bir**
(appointed on 12.2.2019)

AUDIT COMMITTEE

Ezamshah bin Ismail
(Chairman)

Y.Bhg Datuk Francis Lai
@Lai Yun Sen

Tan Kok Guan

Rangam Bir

BOARD RISK MANAGEMENT COMMITTEE MEMBERS

**YM Raja Zailan Putra
bin Raja Dato' Seri Hj Azam**
(Chairman)

A.K. Wong

T. Sivapalan a/l Tharmapalan

Tan Ah Chuan

CHIEF EXECUTIVE OFFICER

Shalini Pavithran
(appointed on 01.04.2019)

**Y.Bhg Dato' Hj Syed Moheeb
bin Syed Kamarulzaman**
(tenure ended on 31.03.2019)

COMPANY SECRETARIES

Lim Seck Wah
(MAICSA: 0799845)

**M. Chandrasegaran A/L
S. Murugasu**
(MAICSA: 0781031)

AUDITORS

Deloitte PLT
Level 16, Menara LGB
No. 1 Jalan Wan Kadir
Taman Tun Dr Ismail
60000 Kuala Lumpur, Malaysia
(Firm No: AF 0080)

BANKERS

Malayan Banking Berhad
RHB Bank Berhad

MII WEBSITE

www.insurance.com.my

MII MEMBERS' E-MAIL

miimembers@mii.org.my

MII GENERAL ENQUIRY'S E-MAIL

customercare@mii.org.my

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

No. 5 Jalan Sri Semantan Satu,
Damansara Heights,
50490 Kuala Lumpur, Malaysia
Tel: 03 2087 8882
Fax: 03 2092 1455

MII CITY CENTRE

Suite 6.0W, 6th Floor,
Wisma FGV,
Jalan Raja Laut
50350 Kuala Lumpur, Malaysia
Fax: 03 2692 0898



BOARD OF DIRECTORS



Anusha Thavarajah

*MII Chairperson
CEO, AIA Berhad*

Life Insurance Association of Malaysia (LIAM) Chairperson



Antony Fook Weng Lee

MII Director

*CEO, AIG Malaysia Insurance Berhad
General Insurance Association
of Malaysia (PIAM) Chairman*



**Dato' Adrian Low
Heong Chow**

MII Director



**Datuk Francis Lai
@ Lai Yun Sen**

MII Director

CEO, Progressive Insurance Berhad



Tan Kok Guan

MII Director

*CEO/Executive Director,
LPI Capital Berhad*



**YM Raja Zailan Putra Raja
Dato' Seri Hj Azam**

MII Director

*Managing Director/CEO,
MIT Insurance Brokers Sdn Bhd
The Malaysian Insurance and Takaful
Brokers Association (MITBA) Chairman*



Zainal Abidin Mohd Noor

MII Director

*Director/CEO, Alloy Insurance
Brokers Sdn Bhd*



Tan Ah Chuan
MII Director
Managing Director,
Mestari Adjusters Sdn Bhd
Association of Malaysian Loss
Adjusters (AMLA) Chairman



Ezamshah Ismail
MII Director
Acting Deputy President
of Academic,
International Centre for Education
in Islamic Finance (INCEIF)



A.K. Wong
MII Director



T. Sivapalan A/L Tharmapalan
MII Director



Rangam Bir
MII Director
President & CEO,
Gibraltar BSN Life Berhad



Lau Chin Ching
MII Director
Director of Insurance
Development Department,
Bank Negara Malaysia



MANAGEMENT TEAM



Shalini Pavithran
Chief Executive Officer
(Appointed on 1 April 2019)



Liew Yoke On
Chief Marketing Officer



Wahida Shariff
Chief Academic Officer



Haslindah Atan
*Senior Vice President,
Finance, Human Resources
& Administration*



Tan Li Na
*Senior Vice President,
Business Development &
Customer Relations
Management*



Ann Margaret Joseph
*Senior Vice President,
Assessment & Fellowship
Advisory Services*



Hasri Hamidan
*Senior Vice President,
Content Development &
Programme Management*



Raveendran A Nadarajah
*Senior Vice President,
Professional Membership,
Risk Management & Compliance*



Muhammad Mohsin
*Vice President,
Internal Audit*



Nor Izmawati Mostapar
*Vice President,
e-Learning &
Corporate Communications*



Nazlihasri Abdul Rahman
*Vice President,
Information Technology*



Rosmaniwati Haji Agus
*Vice President,
Registry & Course
Management*



CHAIRMAN'S MESSAGE

Dear Fellow MII Members,

2018 was a year of profound political and economic change for Malaysia.

The year was equally stirring for the Malaysian Insurance Institute and the Malaysian insurance industry as a whole. As I take the helm at the Malaysian Insurance Institute (MII) this year, I am forging ahead, along with the team at MII with a renewed spirit to create greater visibility and increase engagement with the Malaysian insurance industry. We will continue to persevere in our pursuit of elevating the professional standards in the industry.

2018 was a year of accreditation and standards for MII.

In upholding our mission to raise the professional standards of the industry, MII ensures its programmes are accredited by industry accreditation bodies and develops quality education programmes and training courses for industry professionals. With the successful development of the Life Insurance curriculum and textbooks, this signifies MII's relentless efforts in providing the best insurance education, recognized by the Malaysian insurance industry. We aim to continue our work to design and produce progressive, relevant and impactful education and training for developing capacity of industry professionals.

MII looks forward to the forthcoming shift of its head office.

The ACE Project (A Centre of Excellence) initiated by Bank Negara Malaysia will house institutions within the financial services industry, under one roof to raise the level of capability and professionalism for the work force in the Malaysian financial services industry. ACE, which is an initiative spearheaded by the financial services industry, will house 10 institutions, involved in education, training and standard setting. Its integrated facilities will foster and facilitate collaboration amongst banking, insurance, capital market and Islamic finance industries to share intellectual capital, expert resources as well as benefit from economies of scale by the sharing of common infrastructure and facilities. Neighbouring Bank Negara Malaysia in Kuala Lumpur, the move is expected to take place by the second quarter of 2020. Historically, the existing building in Damansara Heights, Kuala Lumpur, which is jointly-owned by MII and the Asian Institute of Chartered Bankers (AICB), was purchased in 1992 via the issuance of Zero-Coupon Bonds to the insurance and banking sector to finance the acquisition where in respect of MII, its Bonds will mature by year 2022. Knight Frank, the world's leading independent property advisor was appointed to roll out the marketing campaign to profitably dispose of the property.

Preparing to serve customers in the digitalized world.

As the needs of the market have changed, our service offerings and delivery methods must keep with the times and demands of the industry. An important enabler to the delivery of MII's objective to its stakeholders will be the enhancement of its digital capabilities. Our online learning environment has matured over the years with the support of our customers and the industry at large. More licensing and training modules are now available online and we are continuing down this path with the development of online professional courses and certifications to cater to the industry and individual needs. This is in addition to the ongoing optimisation of the Integrated Learning Management System (ILMS), a key tool that will help to improve time efficiency, user experience and nurture continuous learning and development of skills and knowledge. We look forward to serving the needs of the current and future generation of industry professionals through traditional and innovative channels.

To ensure that MII remains relevant, industry-focused and better positioned for the future in a changing operating environment, MII is embarking on a transformation programme. MII is committed to continuously finding new ways to provide value to our members and increasing the number of industry professionals we serve. We welcome support from industry associations and companies as we expect to complete several strategic initiatives by this year which will contribute significantly to the achievement of our vision to be the preferred education institution in insurance, financial and risk management.

I am also pleased to welcome MII's new CEO, Shalini Pavithran, who will help steer the way for the betterment of the Institute and the industry. I would also like to convey our utmost gratitude to Y.Bhg. Dato' Hj Syed Moheeb Syed Kamarulzaman who completed his tenure as CEO of MII on 31 March 2019 for his invaluable contribution to MII over the years.

Allow me to close by thanking my fellow Directors for their dedication to the further development of MII. I also offer my heartfelt appreciation to the Audit Committee, Board Risk Management Committee, Academic Council and Professional Membership Council for their continued dedication to the cause. To our members, graduates, students, partners, industry

leaders and practitioners whose support and input has helped us to continually improve MII's service, we thank you for your invaluable support of MII in 2018.

I would also like to thank Bank Negara Malaysia for the continuous support and I look forward to working with them in our ongoing efforts to strengthen professionalism of the insurance industry.

To accomplish everything we did in 2018, we collaborated with various organizations that I would like to thank namely the Life Insurance Association of Malaysia, the General Insurance Association of Malaysia, the Association of Malaysian Loss Adjusters, the Malaysian Insurance and Takaful Brokers Association, Finance Accreditation Agency, the Chartered Insurance Institute, the Malaysian Financial Planning Council and other organizations who have supported MII to raise the bar for the insurance industry. Lastly, a big thank you to the team at MII for their support.

Thank you.



AUDIT COMMITTEE REPORT

1. Constitution

The Audit Committee was established by the Board of Directors (the Board) on 15th October 2001 to implement and support the oversight function of the Board relating to:

- accounting policies, financial reporting practices, risk management, control and governance processes; and
- provision of a line of communication between the Board and the external/internal auditors.

2. Membership and Composition

The members of the Audit Committee are appointed by the Board. The Audit Committee comprises no fewer than 3 members, all of whom are non-executive directors. The Chairman is either appointed by the Board or elected by members of the Audit Committee from among themselves.

3. Authority

The Audit Committee is authorised by the Board to review or investigate any activity within its terms of reference. It has full and unrestricted access to any information, records, personnel, and properties of MII.

The Audit Committee is also authorised to have access to independent professional or external legal advice, and to secure attendance of outsiders with relevant experience and expertise, whenever it is deemed necessary. MII will meet the cost of such advice or attendance.

4. Meeting and Quorum

The Audit Committee meets at least 3 times each year. The quorum for each meeting is 2 members, which must include the Chairman.

The Chief Executive Officer, the Chief Operating Officer, the Chief Academic Officer and the Head of Internal Audit are required to attend each meeting. Any other directors and employees of MII or outsiders may attend the meeting upon invitation of the Audit Committee. The Audit Committee meets with the external auditors at least once a year.

In 2018, the Audit Committee met 3 times according to the requirement of the Terms of Reference i.e. on 12 April, 8 August and 4 December. The record of attendance is as follows:

Members	Attendance
En. Ezamshah Ismail (Chairman)	3/3
Mr. Tan Kok Guan	2/3
YBhg. Datuk Francis Lai Vun Sen	3/3

The Chairman of the Audit Committee reports to the Board on all significant matters deliberated in each meeting.

5. Duties

The main duties of the Audit Committee are:

- to consider the appointment of a suitable accounting firm to act as external auditors. Among the factors that may be considered are adequacy of experience and resources of the firm, the credentials of the persons assigned to the audit, and the audit fee;
- to decide on the appointment and termination of the Head of Internal Audit;
- to discuss with the external and internal auditors, their audit plans, nature and scope;
- to review the half-year interim accounts (if any) and the audited annual financial statements;
- to discuss with the external auditors their evaluation of the quality and the effectiveness of the system of internal accounting controls;
- to review the internal audit reports and discuss with the internal auditors their evaluation of the risk management, control, and governance processes;
- to review the co-operation or assistance given by MII management and staff to the external and internal auditors;
- to examine the appropriateness of the accounting policies and management practices adopted;
- to review whether there is a reasonable ground to believe that the external auditors are not independent and/or not suitable for reappointment; and
- to consider any other matters, as proposed by the Board.

6. Highlight of Activities

The Audit Committee undertook the following duties in 2018:

- reviewed the Audited Financial Statements for the year ended 31 December 2017;
- reviewed the interim Audited Financial Statements for 6 months ended 30 June 2018;
- approved the 2019 Internal Audit Plan;
- reviewed the Internal Audit assurance reports regarding Membership, Sales & Marketing, Professional Course Management, Life Insurance Programme Development, AITRI Secretariat, and Corporate KPI;
- considered and endorsed Internal Audit's recommendations and Management's responses; and
- reviewed the Audit Findings Dashboard and implementation of the agreed corrective actions.

Apart from undertaking the above duties, the Audit Committee in its meeting also discussed with Management MII's financial performance, which had deteriorated over the previous 2 financial years.

7. Internal Audit Department

MIl has a dedicated Internal Audit department which was established in 2002. The Internal Audit department assists the Audit Committee and the management on matters pertaining to risk management, control and governance processes. The department is currently staffed with 2 personnel, including the Head of Internal Audit who reports functionally to the Audit Committee and administratively to the Chief Executive Officer.



HOW WE ADD VALUE

OUR ROLE AS A TRAINING AND DEVELOPMENT PARTNER

1. OVERVIEW

Our role in training is to support and complement the human capital development initiatives of the insurance industry. Our training products focus on technical, professional and specialised subjects not addressed at the company level.

We offer three main categories of training to the public, namely General Insurance Training, Life Insurance Training, and Professional and Certificated Programmes. These programmes are developed to build technical knowledge and competencies of industry professionals ranging from staff of general and life insurance companies, brokers, loss adjusters, insurance agents, financial planners, risk managers and many others.

2. GENERAL INSURANCE TRAINING

General insurance training comprises of 3 main streams, Technical Training Courses, Premier Series and Special Courses.

2.1. Technical Training Courses

The technical training courses offer 3 levels of programmes with target audiences ranging from new entrants to management staff. The courses are structured as basic/foundation, intermediate and advanced, to cater to various levels of complexities of roles and responsibilities.

In meeting the different and specific needs and requirements of individual companies in developing their staff competencies, all the above training can accordingly be customised as in-house training. In this case, the companies determine the training venue and the choice of trainers, while we recommend the topics based on the training needs of the company, trainers' areas of specialisation, experience and market exposure. For international customers, in-house training can be held either in their home country or in Malaysia and such training is identified as special courses for foreign participants.

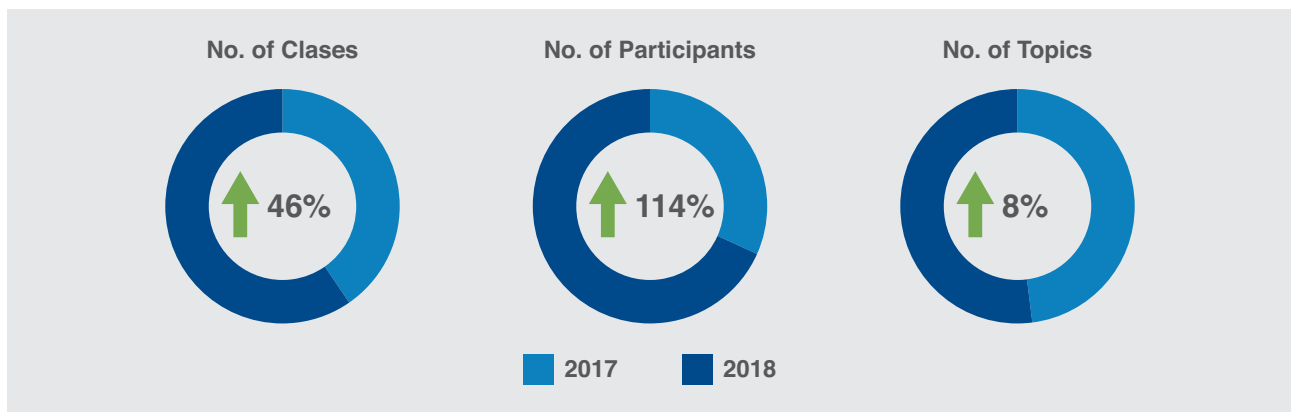
The overall performance of general insurance training for 2018 reported an increase of 46.5% or 27 classes as compared to 2017. The number of registered participants in 2017 was 822 as compared to 1762 in 2018, an increase of 114.3%.

Out of 85 classes, 39 were conducted as public courses while the remaining 46 classes were conducted as in-house. Demand for public classes in 2018 showed a slight decrease as compared to 2017 whereas in-house classes have shown a tremendous increase by 33 classes or 254% as compared to 2017 performance.

Statistics on General Insurance Training Courses conducted:

No.	Course	2018		2017	
		No. of Classes	No. of Participants	No. of Classes	No. of Participants
1.	Public				
	Technical	28	212	29	214
	Premier Series	9	112	9	115
	Special Courses for Local	2	49	4	125
	Special Courses for Foreign	0	0	1	82
	Certification	0	0	2	7
	Sub-Total:	39	373	45	543
2.	In-House				
	Technical	44	1342	12	264
	Special Courses for Foreign Participants	0	0	0	0
	Certification	2	47	1	15
	Sub-Total	46	1389	13	279
	Grand Total (Public + In-house)	85	1762	58	822

Overall Training Statistics by Categories in 2018 and 2017:



Public and In-House Training Courses conducted:

No.	Level	2018				2017			
		Public		In-House		Public		In-House	
		No. of Classes	No. of Participants	No. of Classes	No. of Participants	No. of Classes	No. of Participants	No. of Classes	No. of Participants
1	Basic	18	133	17	445	12	117	6	122
2	Intermediate	19	191	26	872	25	173	6	142
3	Advanced	0	0	1	25	1	39	0	0
4	Certification	0	0	2	47	2	7	1	15
5	Special Courses	2	49	0	0	5	207	0	0
	Total	39	373	46	1389	45	543	13	279



HOW WE ADD VALUE (CONT'D)

The number of participants for basic courses in 2018 had shown an increase of 13.7% or 16 participants as compared to 117 participants in 2017. The Intermediate courses also reported an increase of 10.4% or 18 participants, from 173 in 2017 to 191 in 2018. The Special courses had shown a lower participation rate, from 207 in 2017 to 49 in 2018, a decrease of 76.3%.



In-house Programme
20 September 2018
Tokio Marine Insurans (Malaysia) Berhad



In-house Programme
16 – 17 July 2018
RHB Insurance Berhad

2.2. Premier Series

The Premier Series are targeted at a more advanced audience and focus on topics meeting the current needs, trends and practices of local and regional markets. The courses blend the trainers' extensive working experience and exposure exclusive to their respective areas of expertise with study visits to bring classroom knowledge to the actual work site.

In 2018, we conducted 9 Premier Series courses. The courses attracted 112 participants, comprising 107 local participants and 5 overseas participants from Laos, Singapore, Brunei, Sudan, Maldives and Indonesia. A total of 115 participants attended the Premier Series courses in 2017, a slight decrease of 2.6% or 3 participants in comparison.



Premier Course:
Upstream and Downstream Oil and
Gas Insurance
-Understanding Contract
Requirement and Risk Management
Process (Site Visit to Melaka
Refinery)
23-26 July 2018



Premier Course:
Marine Hull & Protection and
Indemnity Insurance - Intricacies of
the Art of Underwriting
19 November 2018



Premier Course:
Workshop on Construction Projects
in Sarawak
-Focus on Risks and Insurance
(Visit to Kuching City Centralised
Sewage System)
8-9 November 2018

2.3. Special Courses

Special courses refer to the courses organised either as public or in-house programme in collaboration with other organisations or institutes in Malaysia or overseas, where the workshop methodology will be adapted. Participants are expected to have a certain level of knowledge as various actual case scenarios will be used to enhance understanding as well as study visits organised to bring classroom knowledge to the actual work site.

In 2018, two special courses were conducted locally. The courses attracted 49 participants, comprising 38 local participants and 11 overseas participants from Indonesia, Maldives, Singapore and Bangladesh. This is a decline in participation as compared to 207 participants in 2017.

The special courses conducted locally in 2018 were as follows:

No	Type	Topic
1	Technical	Microinsurance Workshop
2	Technical	MII-AICLA - A Technical Workshop on How to Manage Catastrophe Claims



Special Course:
Microinsurance Workshop
27-28 June 2018



MII-AICLA: Special Course
A Technical Workshop on Managing
Catastrophe Claims
12-13 November 2018

2.4. Professional and Certificated Programme

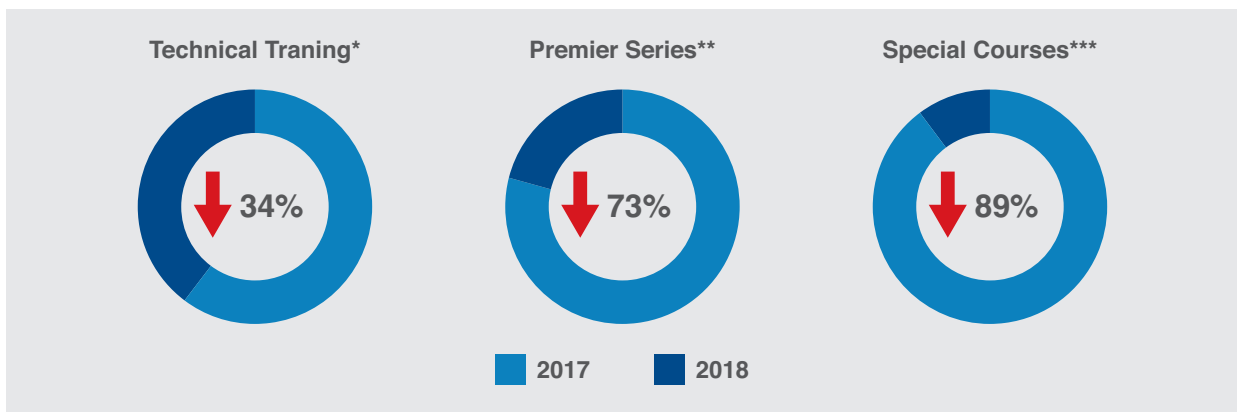
In 2018, 47 participants registered for the professional and certificated programme, which were in-house programmes conducted locally and overseas. Participation rate for the Professional Certificate in General Insurance Underwriting (PCGIU) in 2018 showed an increase compared to 2017. One of the in-house session (Stream A - Fire and Business Interruption) took place in Cambodia, with 22 participants.



HOW WE ADD VALUE (CONT'D)

2.5. Foreign Participants

Majority of foreign participants who attended the training courses are from Asia, namely Indonesia, Laos, Maldives, Oman, Kiribati, Brunei, Bangladesh and Singapore. Comparison of the two-year participation is summarized below:



Notes:

- * Technical Training – Three levels of courses (basic, intermediate and advanced) with target audiences ranging from new entrants to management staff.
- ** Premier Series – Specialised courses targeted at a more advanced audience and focus on topics meeting current needs, trends and practices of local and regional markets. The courses blend the trainers' extensive working experience and exposure exclusive to their respective areas of expertise with study visits to bring classroom knowledge to the actual work site.
- *** Special Courses – These special courses refer to courses organised either as public or in-house programmes in collaboration with other organisations where the workshop methodology will be adapted. Participants are expected to have a certain level of knowledge as various actual case scenarios are used to enhance understanding as well as study visits organised to bring classroom knowledge to the actual work site.

Number of Participants for Technical Training Courses, Premier Series and Special Courses by Country in 2018 and 2017:

No.	Country	Technical Training Courses		Premier Series		Special Courses	
		No. of Participants		No. of Participants		No. of Participants	
		2018	2017	2018	2017	2018	2017
1	Brunei	0	3	1	3	0	0
2	Bangladesh	0	0	0	0	1	0
3	Cambodia	0	0	0	1	0	0
4	Indonesia	13	21	0	5	8	11
5	Kribati	1	1	0	0	0	0
6	Laos	4	0	1	7	0	0
7	Maldives	3	2	0	0	1	0
8	Oman	4	2	2	0	0	0
9	Papua New Guinea	0	1	0	0	0	0
10	Philippines	0	0	0	0	0	2
11	Qatar	0	0	0	0	0	0
12	Saudi Arabia	0	2	0	0	0	0
13	Singapore	0	0	0	1	1	0
14	Sudan	0	0	0	2	0	0
15	Thailand	0	0	0	0	0	82
16	Vietnam	0	0	0	0	0	4
Total		21	32	4	19	11	99

3. LIFE INSURANCE TRAINING

Life Insurance Training is divided into four (4) main areas, namely Technical Training, Leadership and Teambuilding, Agency Management and Certification Programme.

In 2018, we continued to offer customised and relevant training to meet the training needs of staff and agents of life insurance companies and takaful operators

Life Insurance Training Courses in 2018 and 2017:

Activity	2018		2017	
	No. of Sessions	No. of Participants	No. of Sessions	No. of Participants
Life Insurance Courses	31	560	21	322
Total	31	938	31	560



HOW WE ADD VALUE (CONT'D)

Overall Number of Training Classes and Participants in 2018 and 2017:

Training Category	No. of Sessions		No. of Participants (Agents)		No. of Participants (Staff)	
	2018	2017	2018	2017	2018	2017
Skill-Building	27	28	0	98	880	337
Leadership & Teambuilding	0	2	0	103	0	0
Agency Management Training Course (AMTC)	1	1	17	22	0	0
Certification Programme	3	0	15	0	26	0
Total	31	31	32	223	906	337

Year 2018 saw the same trends in terms of number of programmes conducted as compared to 2017. However, the number of participants increased from 560 in 2017 to 938 in 2018. The increase in the number of participants was mainly due to the increase of the number of in-house programmes instead of public programmes.



3.1. Bumiputera Training Fund

The Bumiputera Training Fund (BTF) was established in 1996 with the main objective of encouraging more Bumiputeras to join the agency force and providing Bumiputera life insurance agents and staff with opportunities to develop the necessary skills and knowledge towards a long term career in life insurance sales.

The table below states the number of participants in BTF courses for 2018 and 2017

Training Category	No. of Sessions		Agent Participation		Staff Participation		Total No. of Participants	
	2018	2017	2018	2017	2018	2017	2018	2017
Skill-Building	0	1	0	50	0	0	0	50
Leadership & Teambuilding	0	2	0	103	0	0	0	103
Life Agents Convention	1	1	542	448			542	448
AMTC	0	0	0	0	0	0	0	0
Total	1	4	542	601	0	0	542	601

In 2018, RM86,720 was drawn from the fund to subsidize courses that benefited a total of 542 Bumiputera agents in life insurance companies.



HOW WE ADD VALUE (CONT'D)

OUR ROLE AS AN EXAMINATION CENTRE

1. OVERVIEW

As the official examination centre for the Malaysian insurance industry, we handle numerous examinations for various qualifications for the staff and agency force of the industry at our various centres throughout Malaysia.

We conducted 14 types of examinations in 2018 involving 64,795 candidates that sat for the examinations at 14 examination centres in 14 states throughout Malaysia. This was a decrease of 5% or 3,468 candidates that sat for the examinations at our centre from 68,263 in 2017.

AMII Level 1 & 2, RFPC, SRFP, CMII, BCCILA, PCGIU and PCGIA reported an increase whilst the other examinations reported a drop in number that sat for the examinations; i.e RFP, SRFP, BCCITB, BAMC, PCEIA and CEILLI PPE & CBE. PCEIA reported a major drop in number of candidates that sat for the examination by 7% or 2,639 candidates as compared to a total of 39,176 candidates in 2017.

The Pre-Contract Examination for Insurance Agents (PCEIA) recorded the largest number of candidates that sat for the examinations, numbering 36,537 candidates while the Certificate Examination in Investment-Linked Life Insurance (CEILLI) recorded 24,120 examination candidates.

Professional Certificate in General Insurance Underwriting (PCGIU) and Professional Certificate for General Insurance Agents (PCGIA) which were introduced for the first time in 2017 recorded 281 students that sat for the examinations in 2018.

Types of Examinations, Examination Sessions, Number of Candidates Sat for Examination and Examination Centres in 2018:

No.	Examination		Month/Day of Examination in 2018	No. of Candidates for Examination	No. of Examination Centres
Professional Examinations					
1	Associateship of The Malaysian Insurance Institute – Level 1	AMII Level 1	January, May, September	810	10
2	Associateship of The Malaysian Insurance Institute – Level 2	AMII Level 2			
3	Registered Financial Planner	RFP	March, August, November	548	6
4	Registered Financial Planner Capstone	RFPC		200	6
5	Shariah Registered Financial Planner	SRFP	March, August, November	SRFP	6
6	Shariah Registered Financial Planner Capstone	SRFPC		SRFPC	6

No.	Examination		Month/Day of Examination in 2018	No. of Candidates for Examination	No. of Examination Centres
Certificated Examinations					
7	Certificate of The Malaysian Insurance Institute – Insurance	CMII	January, May, September	365	8
8	Basic Certificate Course in Loss Adjusting	BCCILA	March, June, September, December	228	7
9	Basic Certificate Course in Insurance and Takaful Broking	BCCITB	March, June, September, December	137	7
10	Professional Certificate in General Insurance Underwriting	PCGIU	March, April, May, June, July, September, October, November, December	218	2
11	Professional Certificate for General Insurance Agents	PCGIA	December	63	1
12	Basic Agency Management Course	BAMC	March, June, September, December	909	14
Agents' Qualifying Examinations					
13 (a)	Pre-Contract Examination for Insurance Agents	PCEIA paper-and-pencil (PPE)	Scheduled examinations: Every month Ad-hoc: On average every Saturday	300	4
13 (b)		PCEIA computer-based (CBE)	KL Centre: Monday to Friday Outstation/Ad-hoc: Every Saturday	36,237	12
14 (a)	The Certificate Examination in Investment-Linked Life Insurance	CEILLI paper-and-pencil (PPE)	Scheduled examinations: Every month Ad-hoc: On average every Saturday	151	4
14 (b)		CEILLI computer-based (PPE)	KL Centre: Monday to Friday Outstation/Ad-hoc: Every Saturday	23,969	12
Total				64,795	105

2. COMPUTER-BASED EXAMINATION (CBE)

We offer computer-based examination (CBE) as an alternative to the paper-and-pencil (PPE) examination for the agents' qualifying examinations. The CBE, conducted via a web-based computerised assessment system (SARAS), comprises a robust question bank system (Q-Bank) and a computer-based examination system. SARAS is our new assessment system in place effective 2016 replacing Computer-Based Assessment System (CBASS).

We now have 12 CBE centres nationwide and we are planning to open more CBE centres in the near future.

In July 2009, we began to offer the CBE in Johor Bahru and Penang. In 2012, we opened six new centres, namely Kota Bharu, Kota Kinabalu, Kuching, Ipoh, Melaka and Kuantan. In January 2013, another two new CBE centres were opened in Sungai Petani and Miri and followed with another one (1) new centre in Sibul, Sarawak in June 2017.



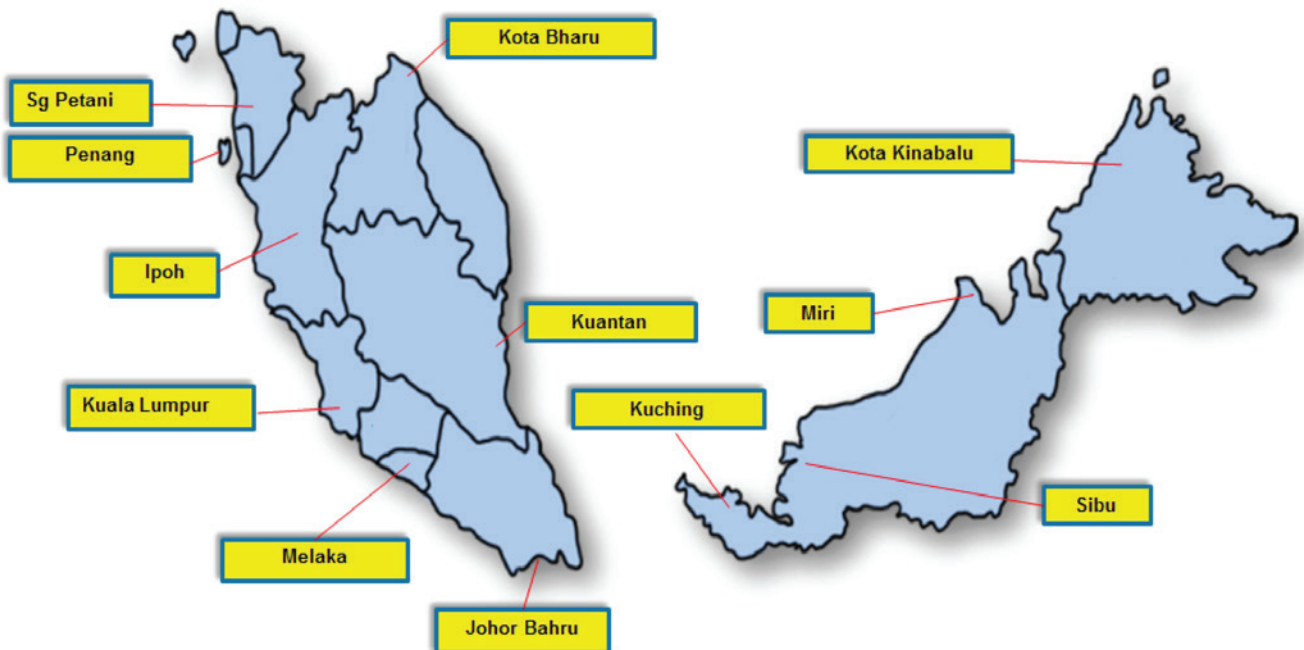
HOW WE ADD VALUE (CONT'D)

Apart from our outstation centres, we offer CBE in our Kuala Lumpur centre at MII City Centre in Wisma FGV, Kuala Lumpur, which caters for 69 seats per session.

The industry has responded positively to the functions of the 12 CBE centres and the trend has shown a significant increase in the number of candidates taking the CBE over the past few years.

The main advantage of candidates taking the CBE is immediate results can be obtained after each examination session and therefore potential agents can be recruited immediately upon their passing of the agents' qualifying examinations. In addition, the examinations can be conducted more frequently, allowing more candidates to pass through the system ready for recruitment.

2.1 CBE CENTRE



2.2 COMPUTER-BASED EXAMINATION CENTRES

(a) Kuala Lumpur Centre



Kuala Lumpur Centre

(b) Outstation Centres



Penang Centre



Johor Bahru Centre



Kota Kinabalu Centre



Kota Bharu Centre



Kuantan Centre



Penang Centre



Melaka Centre



Ipoh Centre



HOW WE ADD VALUE (CONT'D)



Sg. Petani Centre



Miri Centre



Sibu Centre

(c) In-House Centres



Zurich, Seremban



Great Eastern, Kuala Lumpur



MCIS, Petaling Jaya

3. PROFESSIONAL PROGRAMMES

3.1. Associateship of The Malaysian Insurance Institute (AMII - Level 1 & Level 2)

The new Associateship of the Malaysian Insurance Institute (AMII - Level 1 and 2) was developed by combining the intermediate and advanced level. The new AMII is an exclusive professional qualification programme tailored to the needs of the business and industry. The introduction of the new AMII (Level 1 and 2) will provide graduates a firm grounding in insurance fundamentals and enable them to advance towards higher order technical knowledge, thereby ensuring they have the means to function effectively in a challenging environment, as a competent, skilled and experienced professional.

AMII Level 1 and Level 2 was introduced for the first time in August 2016 to replace the MII main flagship learning programme i.e. Diploma of The Malaysian Insurance Institute (DMII) and Associateship of The Malaysian Insurance Institute (AMII) which has been phased out after July 2016 examination session.

The new AMII (Level 1 and 2) is accredited by the Finance Accreditation Agency (FAA) was rolled out in the October 2016 examination session. FAA is an independent quality assurance and accreditation body supported by Bank Negara Malaysia (Central Bank of Malaysia) and Securities Commission of Malaysia and managed by a committee of technical experts, industry professionals and leading academics from the international financial services industry

(a) AMII Level 1 and 2 - Local Students

The AMII Level 1 and 2 programmes are offered in two study options, class-based or self-study. Self-study students are for those not able to attend the class-based programme due to distance and time constraints. In case of assessment structure for level 1 and 2, both self-study and class-based students marks allocation is 40% for coursework and 60% for final examination.

In 2018, 797 candidates sat for the AMII Level 1 and 2 examinations locally. The average rate of passes by session ranged between 62% and 84%, with 19 subjects taken.

Examination sessions were conducted on 23 - 25 January, 22 – 24 May and 25-27 September 2018 at various examination centres throughout the country.

AMII Level 1 and 2 Examinations Statistics (Local Students) for 2018 and 2017:

Exam Session	AMII Level	2018 New Framework				2017 New Framework			
		No. of Subject	Sat	Passed	Average Pass %	No. of Subject	Sat	Passed	Average Pass %
January	Level 1	9	186	116	62%	9	116	64	55%
	Level 2	10	77	61	79%	8	64	31	48%
May	Level 1	9	192	125	65%	9	121	67	55%
	Level 2	9	78	55	71%	10	84	45	54%
September	Level 1	9	202	159	79%	8	147	82	56%
	Level 2	10	62	52	84%	8	78	57	73%
Total			797	568	71%		610	346	57%

(b) AMII Level 1 and 2 - International Students

In 2018 we continued to conduct the AMII Level 1 and 2 examinations outside Malaysia, namely in Maldives.

13 candidates sat for the AMII Level 1 and 2 examinations at this international centre. The average rate of pass was 46% for 8 subjects taken.



HOW WE ADD VALUE (CONT'D)

AMII Examination Statistics (International Students) for 2018 and 2017:

Examination Venue	2018				2017			
	No. of Subjects	Sat	Passed	Average Pass %	No. of Subjects	Sat	Passed	Average Pass %
Male, Maldives	8	13	6	46%	No examination offered			
Myanmar	No examination offered				2	2	0	0%
Jakarta, Indonesia	No examination offered				1	56	34	61%
Total		13	6	46%		58	34	59%

3.2. MFPC - Registered Financial Planner (RFP)

The MFPC is an independent body set up with the noble objectives of promoting nationwide development and enhancement of the financial planning profession.

In 2017, MII was given the mandate by the Malaysian Financial Planning Council (MFPC) to facilitate the Shariah RFP, RFP Capstone and RFP Shariah Capstone examinations besides the conventional RFP.

3.3 Performance of Registered Financial Planners (RFP)

548 candidates sat for the RFP examination in 2018, a drop of 13% or 81 candidates for the various modules as compared to 2017. The average rate of passes decreased from 64% to 61% as compared to that in 2017. Three modules i.e. Fundamentals of Financial Planning, Tax Planning and Estate Planning recorded an increase in the rate of passes for 2018 as compared to 2017.

Since the inception of the programme, the Estate Planning module reported the highest rate of passes of 96% for all the examination sessions.

RFP Statistics for Each Module for 2018 and 2017:

No.	Module	2018			2017		
		Sat	Passed	Pass %	Sat	Passed	Pass %
1	Fundamentals of Financial Planning	120	76	63%	186	115	62%
2	Risk Management and Insurance Planning	82	69	84%	132	111	84%
3	Investment Planning	127	56	44%	137	60	44%
4	Tax Planning	22	16	73%	33	22	67%
5	Estate Planning	26	25	96%	34	28	82%
6	Retirement Planning	75	45	60%	86	53	62%
7	Application of Financial Planning	96	48	50%	21	12	57%
	Total	548	335	61%	629	401	64%

3.4 Result Performance of Shariah Registered Financial Planner (SRFP)

MII has been appointed as the examination facilitator for Shariah RFP examinations in 2015 which offer the same examination sessions as RFP conventional. Three examination sessions were conducted i.e in the month of March, August and November 2018.

In 2018, the number of candidates that sat for the Shariah RFP examination had dropped to 11% or 24 candidates for the various modules as compared to 2017. The average rate of passes had dropped to 73% as compared to 74% in 2017.



HOW WE ADD VALUE (CONT'D)

Shariah RFP Statistics for Each Module for 2018 and 2017:

No.	Module	2018			2017		
		Sat	Passed	Pass %	Sat	Passed	Pass %
1	Fundamentals of Shariah Financial Planning	38	34	89%	79	70	89%
2	Risk Management & Takaful Planning	43	35	81%	41	36	88%
3	Shariah Investment Planning	34	25	74%	73	45	62%
4	Zakat & Tax Planning	11	8	73%	2	0	0%
5	Shariah Estate Planning	25	20	80%	6	5	83%
6	Retirement Planning	42	18	43%	22	9	41%
7	Application of Shariah Financial Planning	8	6	75%	2	1	50%
	Total	201	146	73%	225	166	74%

3.5 Performance Of RFP Capstone (RFPC) Programme

The RFP Capstone and Shariah RFP Capstone programme aims to equip practitioners with updated and required professional and practical skills to practice financial planning. The programmes also prepared the practitioners with knowledge on how to set up new business or to expand their existing business apart from preparing them to provide value-added advisory services to clients.

Four examinations were conducted in March, July, August and November 2018.

200 candidates sat for the RFP Capstone examination as compared to 158 candidates in 2017 an increase of 36%. The average rate of passes increased from 45% to 55% as compared in 2017.

RFP Capstone Statistics for 2018 and 2017:

Month	2018				2017			
	Registration	Sat	Pass	Pass %	Registration	Sat	Pass	Pass %
March	54	54	26	48%	42	42	24	57%
Adhoc July	16	16	11	69%				
August	61	60	39	65%	69	68	31	46%
November	70	70	34	49%	47	37	11	30%
Total	201	200	110	55%	158	147	66	45%

3.6 Performance Of Shariah RFP Capstone (SRFPC) Programme

459 candidates sat for the RFP Capstone examination as compared to 454 candidates in 2017 an increase of 1% or 5 candidates. However, the average rate of passes had increased from 47% to 56% as compared in 2017.

Shariah RFP Capstone Statistics for 2018 and 2017:

Month	2018				2017			
	Registration	Sat	Pass	Pass %	Registration	Sat	Pass	Pass %
March	33	33	25	76%	75	72	39	54%
August	57	57	39	68%	55	54	29	54%
Adhoc September	153	153	69	45%	140	140	58	41%
November	26	26	15	58%	189	188	86	46%
Adhoc December	192	190	107	56%				
Total	461	459	255	56%	459	454	212	47%

4 CERTIFICATED EXAMINATIONS**4.1 Certificate of The Malaysian Insurance Institute (CMII)**

In 2018, 365 candidates sat for the CMII examination with the average rate of passes by session ranging between 60% and 100%. The examination sessions were conducted in January, May, August and September 2018.



HOW WE ADD VALUE (CONT'D)

CMII Examination Statistics for 2018 and 2017:

Month	2018			2017		
	Sat	Passed	Pass %	Sat	Passed	Pass %
January	59	48	81%	40	25	63%
February	No examination offered			32	32	100%
May	129	101	78%	49	32	65%
July	No examination offered			1	1	100%
August	2	2	100%	No examination offered		
September	175	105	60%	41	22	54%
November	No examination offered			25	18	72%
Total	365	256	70%	188	130	69%

4.2 Basic Certificate Course in Insurance Loss Adjusting (BCCILA)

In 2018, 228 candidates sat for the BCCILA examination. Six examination sessions in 2018 were conducted in March, May, June, July, October and November.

BCCILA Examination Statistics for 2018 and 2017:

Month	2018			2017		
	Sat	Passed	Pass %	Sat	Passed	Pass %
March	41	32	78%	No examination in January 2017		
May	46	38	83%	59	44	75%
June	2	1	50%	No examination in May 2017		
July	30	22	73%	30	29	97%
October	3	3	100%	72	56	78%
November	93	83	89%	No examination in November 2017		
December	No examination in December 2018			76	65	86%
Total	228	192	84%	224	181	81%

4.3 Basic Certificate Course in Insurance And Takaful Broking (BCCITB)

Basic Certificate Course in Insurance and Takaful Broking (BCCITB) was introduced for the first time in April 2013 to replace the Basic Certificate Course in Insurance Broking (BCCIB). The examination consists of 2 parts. Part A – Conventional Broking and Part B – Takaful Broking. Candidates are required to pass both parts and the passing mark increased to 60% instead of 50% under the old programme.

The overall rate of passes in 2018 registered an average of 62%, which was 9% lower as compared to the 2017 average rate of passes. The examination is conducted after the candidates completed a 6-day course at MII or IBFIM. The examination sessions in 2018 were held in March, May, July and November.

BCCITB Examination Statistics for 2018 and 2017:

Month	2018			2017		
	Sat	Passed	Pass %	Sat	Passed	Pass %
March	41	31	76%	6	2	33%
April	No examination in April 2018			7	7	100%
May	23	12	52%	No examination in May 2017		
June	No examination in June 2018			55	43	78%
July	26	16	62%	No examination in November 2017		
September	No examination in September 2018			38	27	71%
October	No examination in October 2018			18	13	72%
November	47	26	55%	No examination in July 2017		
December	No examination in December 2018			37	23	62%
Total	137	85	62%	161	115	71%

4.4 Professional Certificate in General Insurance Underwriting (PCGIU) and Professional Certificate for General Insurance Agents (PCGIA)

Professional Certificate in General Insurance Underwriting and The Professional Certificate for General Insurance Agents courses were introduced for the first time in March 2017. The examination consists of three modules, comprising five subjects. First two modules comprising three subjects are compulsory, whilst the 3rd module comprising two subjects are elective. Candidates are required to pass five subjects and the passing mark is 70% for all three modules.

PCGIU Examination Statistics for 2018 and 2017:

Month	2018			2017		
	Sat	Passed	Pass %	Sat	Passed	Pass %
January	1	0	0%	No examination in January 2017		
March	No examination in March 2018			9	9	100%
April	3	3	100%	12	12	100%
May	1	1	100%	12	11	92%
June	No examination in June 2018			24	24	100%
July	No examination in July 2018			1	1	100%
August	41	40	98%	No examination in August 2017		
September	46	36	78%	5	4	80%
October	90	69	77%	10	10	100%
November	36	7	19%	5	2	40%
December	No examination in December 2018			5	3	60%
Total	218	156	72%	83	76	92%



HOW WE ADD VALUE (CONT'D)

PCGIA Examination Statistics for 2018 and 2017:

Month	2018			2017		
	Sat	Passed	Pass %	Sat	Passed	Pass %
January	2	2	100%	No examination in January 2017		
September	30	29	97%	No examination in September 2017		
November	1	1	100%	No examination in November 2017		
December	30	30	100%	13	13	100%
Total	63	62	98%	13	13	100%

4.5 Performance of Basic Agency Management Certificate (BAMC) Examination

In 2018, 909 candidates sat for the BAMC examination, a decrease of 6% or 59 candidates as compared to 2017. The average rate of passes remains unchanged at 95% for 2017 and 2018. Four examinations in 2018 were conducted in March, June, September, and December.

BAMC Examination Statistics for 2018 and 2017:

Examination Session	2018			2017		
	Sat	Passed	Pass %	Sat	Passed	Pass %
March	63	59	94%	149	141	95%
June	302	276	91%	308	299	97%
September	389	378	97%	353	326	92%
December	155	149	96%	158	152	96%
Total	909	862	95%	968	918	95%

5. AGENTS' QUALIFYING EXAMINATIONS

5.1 Pre-Contract Examination for Insurance Agents (PCEIA)

(a) Overview

The Pre-Contract Examination for Insurance Agents (PCEIA) is a pre-qualifying examination for which a pass is a must to be a life or general insurance agent. This examination is offered in two modes, Pencil and Paper Examination (PPE) and Computer-Based Examination (CBE) and divided into three parts.

Part A tests the Principles of Insurance, Part B focuses on General Insurance and Part C focuses on Life Insurance. Passing Part A of the PCEIA is compulsory for those wanting to join the agency force, whether in the life or the general insurance sector.

The PCEIA (PPE) and the PCEIA (CBE) examinations are available in Bahasa Malaysia, English and Mandarin. The PCEIA (PPE) is also offered in Tamil upon request.

In 2018, the PCEIA (PPE) was conducted once in every two months. The reduction in the number of sessions conducted was due to more candidates opting for CBE exams which saw a significant increase, where the candidates received immediate results after completing the examination.

There were only four (4) centres for PCEIA (PPE) offered in 2018 namely Bintulu, Kuala Terengganu, Sandakan and Tawau. We have closed another three (3) PCEIA (PPE) centres, i.e Labuan, Lahad Datu and Sibul. With the reduction of PPE centres, the reduced number of candidates taking PPE in 2018 is expected.

As an alternative, candidates are able to register at 12 PCEIA CBE centres, i.e. Penang, Sg. Petani, Ipoh, Kuala Lumpur, Melaka, Johor Bahru, Kuantan, Kota Bahru, Kuching, Miri, Kota Kinabalu and Sibul.

5.1.1 Results Performance of PCEIA – Overall (PPE and CBE)

In 2018, 36,537 candidates sat for the PCEIA examination throughout Malaysia. Of these, 300 candidates or 0.8% sat for the PCEIA (PPE) and 36,237 candidates or 99.2% sat for the PCEIA (CBE). Overall, 2018 saw a decrease of 7% or 2,639 candidates for the PCEIA examination.

The number of candidates who sat for the PCEIA declined by 50% or 306 candidates and 8% or 2,333 candidates for PCEIA PPE and CBE respectively as compared to 2017. In 2018, 99% of the candidates opted for the PCEIA (CBE) as compared to 98% in 2017.

PCEIA (PPE and CBE) Statistics for 2018 and 2017:

Year	Examination Session	Paper-and-Pencil Examination (PPE)			Computer-Based Examination (CBE)			Total PPE & CBE
		Life	General	Total	Life	General	Total	
2018	Sat	125	175	300	29,145	7,092	36,237	36,537
	Passed	67	101	168	19,626	4,967	24,593	24,761
	Pass %	54%	58%	56%	67%	70%	68%	68%
2017	Sat	346	260	606	31,498	7,072	38,570	39,176
	Passed	200	167	367	20,999	5,081	26,080	26,447
	Pass %	58%	64%	61%	67%	72%	68%	68%
Variance 2018 vs. 2017	Sat	(221)	(85)	(306)	(2,353)	20	(2,333)	(2,639)
	Variance %	-64%	-33%	-50%	-7%	0.3%	-6%	-7%

5.1.2 Result Performance of PCEIA - Paper-and-Pencil Examination (PPE)

2018 saw a decline of 50% or 306 candidates sitting for the PCEIA (PPE) as compared to the figure for 2017. The average rate of passes reported a drop of 5% to 56% as compared to 61% in 2017.



HOW WE ADD VALUE (CONT'D)

PCEIA (PPE) Overall Statistics for 2018 and 2017:

	2018			2017		
	Life	General	Total	Life	General	Total
PCEIA Paper-and-Pencil Examination						
Sat	125	175	300	346	260	606
Passed	67	101	168	200	167	367
Pass %	54%	58%	56%	58%	64%	61%
Variance 2018 vs. 2017						
	Life		General		Total	
Sat	(221)	-64%	(85)	-33%	(306)	-50%

(a) PCEIA (PPE) - Life Insurance Route

In 2018, the number of candidates sitting for the PCEIA (PPE) - life insurance route decreased by 64% or 221 candidates from 346 candidates in 2017 to 125 candidates. These candidates contributed 41% of the total number of candidates who sat for the PCEIA (PPE) in 2018 as compared to 57% in 2017. The average rate of passes reported a drop of 4% to 54% as compared to 58% in 2017.

PCEIA (PPE) Life Route Statistics for 2018 and 2017:

	2018	2017	Variance 2018 vs 2017
Sat	125	346	(221) / -64%
Passed	67	200	(133)
Pass %	54%	58%	

Out of the total of 125 candidates that sat for PCEIA (PPE) Life route in 2018, 69 sat for English language, followed by 32 candidates that sat for Mandarin language and 24 candidates that sat for Bahasa Malaysia.

PCEIA (PPE) Life Route Statistics by Language for 2018 and 2017:

	2018					2017				
	Bahasa Malaysia	English	Mandarin	Tamil	Total	Bahasa Malaysia	English	Mandarin	Tamil	Total
Sat	24	69	32	0	125	104	114	128	0	346
Passed	14	32	21	0	67	56	71	73	0	200
Pass %	58%	46%	66%	0%	54%	54%	62%	57%	0%	58%

(b) PCEIA (PPE) – General Insurance Route

The number of candidates sitting for the PCEIA (PPE) - general insurance route decreased by 33% or 85 candidates to 175 candidates in 2018 as compared to 260 candidates in 2017. The overall rate of passes reported a drop of 5% to 58% as compared to 64% in 2017.

PCEIA (PPE) General Route Statistics for 2018 and 2017:

	2018	2017	Variance 2018 vs 2017
Sat	175	260	(85) / -33%
Passed	101	167	(66)
Pass %	58%	64%	

Out of the total of 175 candidates that sat for PCEIA (PPE) General route in 2018, 109 sat for Bahasa Malaysia language, followed by 61 candidates that sat for English language and five candidates sat for Mandarin.

PCEIA (PPE) General Route Statistics by Language for 2018 and 2017:

	2018					2017				
	Bahasa Malaysia	English	Mandarin	Tamil	Total	Bahasa Malaysia	English	Mandarin	Tamil	Total
Sat	109	61	5	0	175	132	108	20	0	260
Passed	61	38	2	0	101	78	73	16	0	167
Pass %	56%	62%	40%	0%	58%	68%	80%	59%	0%	64%

5.1.2. Result Performance of PCEIA: Computer-Based Examination (CBE)

The PCEIA (CBE) was conducted from Mondays to Friday except on public holidays at MII City Centre in Wisma Sime Darby Kuala Lumpur. Four sessions were conducted on Mondays to Thursdays, and 3 sessions on Fridays. The increase in the number of sessions during weekdays was to cater to the demand from companies and the public. Thus, it shortened the waiting period for the next available dates/session.

Four sessions of the CBE were conducted each month from 9.00 am to 7.00 pm at other outstation centres, namely Kota Kinabalu, Kuching, Kota Bharu, Ipoh, Melaka, Kuantan, Miri, Sibul and Sungai Petani.

As for the centres in Johor Bahru and Penang, four sessions of the CBE were conducted every Saturday from 9.00 am to 7.00 pm.

Due to increased demand, the CBE sessions were also conducted on Saturdays at the MII City Centre and on Sundays in Johor Bahru and Penang centres on ad-hoc basis in addition to the pre-determined schedule to cater to the requests by companies.

We also have increased the number of CBE sessions for Ipoh, Melaka, Sungai Petani, Kuching and Kota Kinabalu by having the examination on Saturdays on a bi-weekly basis.

2018 recorded a decline of 6% or 2,333 candidates as compared to 2017.

The CBE is preferred due to the immediate release of results after each examination, speeding up the candidates' recruitment registration process as insurance agents. The average rate of passes reported the same at 68% for 2018 and 2017.



HOW WE ADD VALUE (CONT'D)

PCEIA (CBE) Overall Statistics for 2018 and 2017:

	2018			2017		
	Life	General	Total	Life	General	Total
PCEIA Computer-Based Examination						
Sat	29,145	7,092	36,237	31,498	7,072	38,570
Passed	19,626	4,967	24,593	20,999	5,081	26,080
Pass %	67%	70%	68%	67%	72%	68%
Variance 2018 vs. 2017						
	Life		General		Total	
Sat	(2,353)	-7%	20	0.3%	(2,333)	-6

(a) PCEIA (CBE) - Life Insurance Route

In 2018, the number of candidates who sat for the PCEIA (CBE) - life insurance route decreased by 7% or 2,353 candidates as compared to 2017. The average rate of passes reported the same at 67% for 2018 and 2017.

PCEIA (CBE) Life Route Statistics for 2018 and 2017 :

	2018	2017	Variance 2018 vs 2017
Sat	29,145	31,498	(2,353) / -7%
Passed	19,626	20,999	(1,373)
Pass %	67%	67%	

b) PCEIA (CBE) - General Insurance Route

The number of candidates taking the PCEIA (CBE) - general insurance route in 2018 increased by 0.3% or 20 candidates as compared to 2017. The average rate of passes reported a drop of 2% to 70% as compared to 72% in 2017.

PCEIA (CBE) General Route Statistics for 2018 and 2017:

	2018	2017	Variance 2018 vs 2017
Sat	7,092	7,072	20 / 0.3%
Passed	4,967	5,081	(114)
Pass %	70%	72%	

5.2. The Certificate Examination In Investment-Linked Life Insurance (CEILLI)

(a) Overview

CEILLI is a pre-qualifying examination for life insurance agents who want to sell investment-linked life insurance products for life insurance companies. This examination is offered in two modes, PPE and CBE. The PPE and CBE examinations are available in Bahasa Malaysia, English and Mandarin.

In 2018, 24,120 candidates sat for the CEILLI examinations throughout Malaysia. 151 candidates sat for the PPE and 23,969 sat for the CBE. Overall, the total number of candidates who sat for the examination in 2018 reported a decrease of 5% or 1,207 candidates as compared to 2017. The average rate of passes increased by 1% to 63% as compared to 62% in 2017.

The number of candidates who sat for the CEILLI (PPE) declined by 67% or 303 candidates as compared to 2017. The number of candidates sitting for the CEILLI (CBE) also showed the same trend of a decrease of 4% or 904 candidates as compared to 2017. In 2018, 99.4% of the candidates opted for the CEILLI (CBE) while in 2017 the figure stood at 98%.

CEILLI Overall Statistics for 2018 and 2017:

Year	Examination Session	Paper-and-Pencil Examination (PPE)	Computer-Based Examination (CBE)	Total PPE & CBE
2018	Sat	151	23,969	24,120
	Passed	69	15,114	15,183
	Pass %	46%	63%	63%
2017	Sat	454	24,873	25,327
	Passed	253	15,544	15,797
	Pass %	56%	62%	62%
Variance 2018 vs. 2017	Sat	(303)	(904)	(1,207)
	Variance %	-67%	-4%	-5%

5.2.1 Results Performance of CEILLI Paper-and-Pencil Examination (PPE)

The CEILLI (PPE) is conducted on average once in two (2) months at four examination centres all over the country. However, due to request by companies, the CEILLI (PPE) sessions were also conducted as unscheduled or on an ad-hoc basis on average every Saturday.

With the reduction of number of centres offering CEILLI (PPE), the number of candidates sitting for the CEILLI (PPE) declined by 67% or 303 candidates in 2018 as compared to 2017. The overall average rate of passes was 46%, a drop of 10% as compared to 56% in 2017.

CEILLI (PPE) Overall Statistics for 2018 and 2017 :

	2018	2017	Variance 2018 vs 2017
Sat	151	454	(303) / -67%
Passed	69	253	(184)
Pass %	46%	56%	

In 2018, the number of candidates taking the examination in all available languages declined as compared to 2017.



HOW WE ADD VALUE (CONT'D)

Candidates who sat for the examination in Mandarin reported the highest rate of passes of 58%, followed by English at 55% and Bahasa Malaysia at 26%.

CEILLI (PPE) Statistics by Language for 2018 and 2017:

	2018				2017			
	Bahasa Malaysia	English	Mandarin	Total	Bahasa Malaysia	English	Mandarin	Total
Sat	53	62	36	151	174	118	162	454
Passed	14	34	21	69	86	86	81	253
Pass%	26%	55%	58%	46%	49%	73%	50%	56%

5.2.2 Result Performance of CEILLI Computer-Based Examination (CBE)

The CEILLI (CBE) was conducted throughout 2017 from Mondays to Fridays except on public holidays at MII City Centre in Wisma Sime Darby Kuala Lumpur. Four sessions were conducted on Mondays to Thursdays, and 3 sessions on Fridays. The increase in sessions during weekdays was to cater to the demand from companies and the public. Thus, it shortened the waiting period for the next available dates/session.

4 sessions of the CBE were conducted each month from 9.00 am to 7.00 pm at other outstation centres, namely Kota Kinabalu, Kuching, Kota Bharu, Ipoh, Melaka, Kuantan, Miri, Sibul and Sungai Petani.

As for the centres in Johor Bahru and Penang, four sessions of the CBE were conducted every Saturday from 9.00 am to 7.00 pm.

Due to increased demand, the CBE sessions were also conducted on Saturdays at the MII City Centre and on Sundays in Johor Bahru and Penang centres on an ad-hoc basis in addition to the pre-determined schedule to cater to the requests by companies.

We also have increased the number of days for Ipoh, Melaka, Sungai Petani, Kuching and Kota Kinabalu by having the examination on Saturdays on a bi-weekly basis.

The number of candidates sitting for the CEILLI (CBE) decreased by 4% or 904 candidates in 2018 as compared to 2017. The average rate of passes was 63%, a slight increase of 1% as compared to 62% in 2017. CBE has become the preferred mode of examination due to the immediate release of results after each examination, speeding up candidates' recruitment registration process as insurance agents.

CEILLI (CBE) Overall Statistics for 2018 and 2017:

	2018	2017	Variance 2018 vs 2017
Sat	23,969	24,873	(904) / -4%
Passed	15,114	15,544	(430)
Pass %	63%	62%	

Out of the total of 23,969 candidates that sat for CEILLI (CBE) in 2018, 13,809 sat for English language, followed by 7,774 candidates sat for Mandarin language and 2,386 candidates sat for Bahasa Malaysia.

Out of the total of 23,969 candidates that sat for CEILLI (CBE) in 2018, 13,809 sat for English language, followed by 7,774 candidates sat for Mandarin language and 2,386 candidates sat for Bahasa Malaysia.

CEILLI (CBE) Statistics by Language for 2018 and 2017:

	2018				2017			
	Bahasa Malaysia	English	Mandarin	Total	Bahasa Malaysia	English	Mandarin	Total
Sat	2,386	13,809	7,774	23,969	2,540	13,536	8,797	24,873
Passed	863	9,991	4,261	15,115	918	9,820	4,806	15,544
Pass %	36%	72%	55%	63%	36%	73%	55%	62%

6. EXTERNAL EXAMINATION FACILITATED BY MII

We continued to be given the trust and mandate as the regional examination centre by several international examining bodies during the year. We facilitated the following examinations for 390 candidates taking various external examinations in 2018 as compared to a total of 507 candidates in 2017.

No	Examination	No. of Candidates	
		2018	2017
1	Casualty Actuarial Society (CAS), UK	100	113
2	The Chartered Insurance Institute (CII), UK	23	56
3	The Chartered Institute of Loss Adjusters (CILA), UK	1	2
4	Society of Actuaries (SOA), USA	266	336
	Total	390	507

7. EXAMINATIONS DEVELOPMENT AND EXEMPTIONS

The Assessment and Exemptions Unit (AAEU) under the Faculty Department ensures quality standards while maintaining our question bank for all examinations conducted by MII.

The development of questions papers involves appointing question setters, moderators, translators and proof readers, right up to the production of the final examination papers.

AAEU also assesses and awards accreditation of prior learning for some of the major and compulsory examinations offered by MII.

The Unit is committed to continuously enhancing the quality and standard of the examinations offered to be in line with international standards. As such, the AAEU.

- Develops the questions using the guidelines given by the Cambridge Assessment Network (UK), Finance Accreditation Agency (FAA), Majlis Peperiksaan Malaysia (MPM), The Chartered Insurance Institute (CII), UK, and other professional bodies to ensure reliability, validity and quality.
- Continuously reviews the questions periodically to ensure that the questions remain current, relevant and in tandem with the needs of the industry.



HOW WE ADD VALUE (CONT'D)

- c) Ensures the setting of, moderation and review of examination questions by subject matter experts (SME).
- d) Imposes a high level of security in the process of ensuring the questions are reliable and valid.

7.1 Significant Activities in 2018

- a) Quality assurance - All the essay and multiple choice question (MCQ) items had undergone the process of technical & grammar proofreading, editing and translations where applicable carried out by our appointed SME's.
- b) The questions moderation process is to uphold the quality, standards and relevancy of the examination items.

7.2 Development of questions and question papers

- a) In 2018 the unit continued to develop and increase the question bank for AMII Level 1 and Level 2 qualification. MII has since developed 1,497 essay questions for the AMII level 1 and 1,360 essay questions for AMII level 2. The questions were developed by subject matter experts in their respective fields to be used in assignments, tests & final examinations.
- b) The Institute has also developed 36 case-studies for 13 subjects at the AMII L2. These case studies will be used as a teaching tool to show the application of theory or concept to real situations. In addition, MII developed 108 caselets or mini case-studies to be incorporated as part of the assessment for AMII Level 2 examinations. Again, using case studies in examinations is to allow the studently to apply theories to real situations, thus bridging the gap between theory and practice. It also encourages the development of key skills such as communication and problem solving.
- c) A total of 229 questions papers were set for 11 scheduled and ad-hoc paper and pencil examinations. About 42% or 90 of these question papers developed were mainly for PCEIA and CEILLI examinations.
- d) Developed 1,823 digital or e-question paper for PCEIA (CBE), CEILLI (CBE) and BCCILA examinations respectively.

7.3 Recognition of prior learning / exemptions

- a) Recognition of prior learning allows individuals to claim exemptions / credits for relevant exams and qualifications obtained through awarding bodies other than the MII, such as professional bodies or universities.
- b) A total of 96 exemption applications were received and processed for AMII, CMII, PCEIA and CEILLI examinations in 2018.

8. FELLOWSHIP OF THE MALAYSIAN INSURANCE INSTITUTE

Fellowship of the MII is the most distinguished level of membership awarded to insurance professionals who have completed the MII Associateship qualification and have strong technical knowledge and experience in the insurance industry. It is universally regarded as an exclusive qualification held by fewer than 100 insurance practitioners in Malaysia.

Previously, those aspiring to add value and prestige to their careers and to be in an elite and selected group of insurers had to take the FCII route. The Malaysian Insurance Institute (MII) now has its own Fellowship route following the launch of the FMII in 2016.

Our FMII is designed to help underwriters, claims professionals, managers, directors, insurance brokers, supervisors and executives make strategic decisions in leadership roles with confidence whilst demonstrating knowledge and professionalism to colleagues and peers.

The Fellowship ladder

- Action 1 - Complete MII Associateship
- Action 2 - Enrolment and Fellowship Plan
- Action 3 - Ethics In Business (EIB)
- Action 4 - Major Accomplishment
- Action 5 - Continuing Professional Development (CPD)
- Action 6 - Testimony of Individual Advancement (TIA)
- Action 7 - Election to Fellowship

As part of the inaugural launch, we have also developed a special route for CEOs and Senior Leaders of insurance companies. The Senior Status Route is offered through invitation only. The number of enrolments is indicated in the table below.

Year	Senior route no. of enrolments	Candidates Graduated	Remarks
2016	16	15	The Senior Status Route is offered through invitation only.
2017	27	26	
2018	9	7	
Total	52	48	

Year	Qualification route no. of enrolments	Candidates Graduated	Remarks
2016	1	1	The programme duration is 5 years.
2017	8	0	
2018	2	1	
TOTAL	11	2	

The FMII is also a reflection of MII's further growth in its quest to provide a full range of professional qualifications for insurers in the industry. Furthermore, this qualification also comes with the expectation for Fellows to continue contributions not only to the industry but equally significant, to society at large.

9. 2018 MII GRADUATION CEREMONY

The Malaysian Insurance Institute (MII) has successfully organised its 2018 MII Graduation Ceremony on Saturday 10 November 2018 at Lanai Kijang, Bank Negara Malaysia.

Ms Lau Chin Ching, Director of Insurance Development Department at Bank Negara Malaysia was the Guest of Honour. She delivered the keynote address and presented the certificates and awards to each of the graduating students.

The ceremony celebrated the success and recognition of the academic achievements of 362 local and international graduates who completed their studies from April 2017 to May 2018 in any one of the following programme :

- 5 graduates of Professional Certificate of General Insurance Underwriting (PCGIU)
- 231 graduates of the Certificate of the Malaysian Insurance Institute (CMII)
- 33 graduates of the Diploma of the Malaysian Insurance Institute (DMII)
- 46 graduates of the Associateship of the Malaysian Insurance Institute (AMII)
- 31 graduates of the Associateship of the Malaysian Insurance Institute (AMII Level 1 and 2)
- 16 graduates of the Fellowship of the Malaysian Insurance Institute (FMII)



HOW WE ADD VALUE (CONT'D)

There were 99 international graduates, namely from Cambodia, Indonesia, Myanmar and Maldives.



MII AS A PROFESSIONAL BODY

1. OVERVIEW

We are a professional body, comprising of Individual and Institutional members. Individual members include Affiliate Members, Ordinary Members, Associate Members and Fellow Members. Institutional Members comprise insurers, reinsurers, brokers and loss adjusters in Malaysia.

We provide premier professional qualifications and training for persons engaged or employed in the insurance industry with a view to raising the level of professionalism and securing and maintaining the confidence of the public and employers via reliable tests and assurance of the competence and trustworthiness of persons engaged or employed in or in any way connected with the insurance industry.

1.1. Membership Status In 2018

As at 31 December 2018, MII had 1935 Individual Members and 117 Institutional Members.

1.1.1 Number of Individual Members in 2017:

No.	Category	Year	
		2017	2018
1	Fellow	46	57
2	Associate	429	438
3	Ordinary	535	726
4	Affiliate	434	714
	Total	1,444	1,935

The substantial increase of 34% (or 491 in the total number) of Individual Members in 2018 was mainly attributable to an increase in the number of Affiliate and Ordinary Members.

1.1.2 Number of Institutional Members in 2018:

No.	Sector	Year	
		2017	2018
1	Reinsurance	7	7
2	Composite	4	0
3	General	18	20
4	Life	10	14
5	Brokers	30	28
6	Adjusters	28	28
7	Takaful	2	3
8	International Offshore Financial Centre (IOFC)	8	10
9	Others (Non- Insurance)	5	7
	Total	112	117

The increase to 117 Institutional Members in 2018 saw an increase in number of their staff from 27,084 persons in 2017 to 27,852 persons in 2018.



HOW WE ADD VALUE (CONT'D)

2. MEMBERSHIP ACTIVITIES

MII had organised 15 activities which had attracted 972 members in 2018. The activities ranged from industry-wide events to specific activities for members' networking and gaining general knowledge.

In order to appeal to all categories of members, the topics of Breakfast Talks in 2018 covered a wide range of subjects. We also continued to participate in exhibitions at seminars and conventions organised by our partners. These initiatives were to create awareness of our membership to potential individual members.

2.1 List of Membership Activities in 2018:

No	Date	Topic
1	12 January 2018	Preview by International Compliance Association (ICA) Topic: ICA's Compliance Certification Programmes on Insurance. Speaker: Mr. Andrew Glover, CEO of International Compliance Training Academy (ICA's training arm), Singapore
2	26 January 2018	ANZIIF-MII Members & Networking Programme Topic: Workshop on Machinery Breakdown Insurance Speaker: Mr. Stephen Grandige, Executive Chartered Loss Adjuster, McLarens
3	29 January 2018	MII Breakfast Talk Topic: The Malaysian Ethical Landscape and the Role of Insurance Professionals Speaker: Mr. Jimmy Ong Cheng Keat, Director Professional Standards, Asian Institute of Finance
4	27 February 2018	MII Breakfast Talk Topic: Protection & Indemnity - The Difference between "mutual" and "fixed" and the risks that are covered Speaker: Mr. Mark A. Stevens, Director, SeaQuest Intermediate (L) Limited
5	15 March 2018	MII Breakfast Talk Topic: Can Your Organization Demonstrate That it Has Put in Place Reasonable and Proportionate Measures to Prevent Bribery? Speaker: Mr. Dorai Sinna, Executive Director, MFQ, Asia
6	24 April 2018	MII Breakfast Talk Topic: Preparing for IFRS Insurance Transformation. Speakers: Rahul Phondke, Head of Insurance, Cognizant; Liza Gonzalo, Technical Director, Deloitte; Liza Richardson, Functional Lead & Project Manager, Aptitude Software; Nishanth Ramesh, Lead Consultant & Practitioner, Analytics, Performance & Compliance Management, Cognizant
7	25 May 2018	MII Breakfast Talk Topic: LIFE Framework - Are you prepared? Speaker: Mr. George Kau, Fellow Society of Actuaries, FASM, Associate
8	28 June 2018	MII Breakfast Talk Topic: New Davids vs Old Goliaths – Surprising & Delighting Your Customers in the Digital Era Speaker: Mr. Warren Woo, Technology Consultant

No	Date	Topic
9	17 July 2018	MII Breakfast Talk Topic: Insurance Tax 101: Corporate Tax Basics for Insurance Companies Morning Session: Life Insurance : How to determine the adjusted income of a Life insurer Afternoon Session: General Insurance and Reinsurance : How to determine the adjusted income of a General insurer and Reinsurer Speaker: Mr Mark Chan Keat Jin, Tax Director, Deloitte Tax Services Sdn Bhd
10	31 July 2018	MII Breakfast Talk Topic: Latest Developments in Credit Reporting and How Credit Bureau Malaysia Can Help the Insurance Industry in Malaysia Speakers: Mr. KC Wong, CEO, Credit Bureau Malaysia Mr Michael Harris, Director of TruNarrative
11	17 August 2018	MII Breakfast Talk 9/2018 Topic: Impact of Service Tax on the Insurance Industry Speakers: Mr Senthuran Elalingam, Partner – Indirect Tax, Deloitte Tax Services Sdn Bhd Mr Ahmad Amiruddin Ridha Allah, Manager - Indirect Tax, Deloitte Tax Services Sdn Bhd
12	29 August 2018	MII Breakfast Talk Topic: MASB-IFRS Foundation Regional Talk on IFRS 17 Insurance Contracts Speakers: Mr Raj Juta, Partner, Deloitte ; Mr Graham Robertson, Director ; Sharon Kok, Senior Manager ; Kim Kok Mun, Director
13	5 September 2018	ANZIIF: SEMINAR & NETWORKING, MALAYSIA. Topic: Understand insurtech and its impact on the insurance industry Speaker: Simon O'Dell, CEO and Co-founder, Insurtech Australia
14	29 November 2018	MII Breakfast Talk Topic: A global perspective on insurance protection gaps – why most economic and societal losses remain uninsured? Speaker: Dr. Kai-Uwe Schanz, Chairman and a founding partner of Dr. Schanz, Alms & Company AG, a Zurich-based insurance research organisation.



Breakfast Talk on Preparing for IFRS Insurance Transformation on 24 April 2018 at MII City Centre



Breakfast Talk on Impact of Service Tax on the Insurance Industry on 17 August 2018 at MII City Centre



HOW WE ADD VALUE (CONT'D)

2.2 MII Inter-Insurance Companies Bowling Tournament 2018

As part of our objective to provide a platform for social and networking opportunities to staff of our Institutional Members, our 12th Inter-Insurance Companies Bowling Tournament 2018 was held on 10 November 2018 at Sunway Mega Lanes, Sunway Pyramid, Selangor. This served as an excellent opportunity for the industry to get together. Despite the recent increase in the tournament fees from RM400 to RM650 per team, all 48 lanes were quickly taken up. 48 teams consisting of 240 players from 22 insurers, 8 brokers and 1 adjuster participated in the tournament.

Winners

Place	Company/Team	Total Pins Score
Champion	Great Eastern Life Assurance (Malaysia) Berhad	2,122
Runner-up	Etiqa Insurance & Takaful - A	1,979
2 nd runner-up	AmGeneral Insurance Berhad - Gempita	1,882
3 rd runner-up	MSIG Insurance (Malaysia) Berhad - A	1,881
4 th runner-up	Etiqa Insurance & Takaful - B	1,864

Best Bowlers

Category	Name/Company	Total Pins Score
Men	Kevin Tan – Great Eastern Life Assurance (M) Bhd	675
Women	Muzlifah – Great Eastern Life Assurance (M) Bhd	515



2.3 MII #Miiletsread# Book Donation Campaign

As an education institution in Malaysia, MII feels compelled to support the cultivation of reading habit, especially among children and teenagers in Malaysia. We chose to organise a book donation campaign to provide better and diverse reading materials for underprivileged children.

To ensure that all MII Institutional members were able to participate in this cause, invitations were sent to them via PIAM and LIAM. 10 insurance companies participated as book donors - AIA Malaysia Bhd, Allianz Malaysia Bhd, AXA Affin Life Insurance Bhd, Gibraltar BSN Life Bhd, Great Eastern General Insurance (Malaysia) Bhd, Hong Leong Assurance Bhd, Malaysian Life Reinsurance Group Bhd, Manulife Insurance Bhd, Sun Life Malaysia Bhd, and Tokio Marine Life Insurance Malaysia Bhd.





HOW WE ADD VALUE (CONT'D)

During the campaign period from 25th October 2018 until 7th December 2018, 1,000 books from multiple genres for children and teenagers were received. After the sorting process, 685 books were identified as suitable for the first phase of the donation to children from the following child care centres:

Beneficiary	Quantity	Date
Children's Home of Hope National Cancer Society of Malaysia, 66, Jalan Raja Muda Abdul Aziz, 50300 Kuala Lumpur	3 boxes (186 books)	3rd January 2019
Hatching Centre Special Needs School Jaya One, Jalan Universiti, 46200 Petaling Jaya, Selangor	3 boxes (245 books)	3rd January 2019
Perpustakaan Puspanita Hospital Kuala Lumpur (HKL) Aras 2, Bangunan Utama HKL, Jalan Pahang, 50586 Kuala Lumpur	3 boxes (254 books)	4th January 2019



Perpustakaan Puspanita Hospital Kuala Lumpur
- 254 Books



Hatching Centre Special Needs School
- 245 Books



Children Home of Hope National Cancer Society of
Malaysia - 186 Books



The centres were grateful for the books as it helped increase the quantity of reading material for the children under their care. They were also happy to note that MII, as the professional body of the insurance industry, were committed to assisting their cause. We will continue to arrange more projects that would bridge our members with the community.

MII AS A KNOWLEDGE MANAGEMENT CENTRE

1. OVERVIEW

MII Knowledge Centre has developed considerable strengths over the years to support MII's vision to be the renowned professional body and institution for education in insurance, financial and risk management.

The year 2018 has been a continuum of the previous years. MII Knowledge Centre had recorded a total of 4,050 physical visitors. Whereas, our MII Digital Library visitor statistics has recorded more than 2 million digital visitors. Our digital content use and members' search and discovery activities had increased yearly.

Today, we have more than 7,000 physical collection and more than 1,000 digital documents residing in the MII Digital Library.

Fast Facts:

Loans : 312

Visits : 4,050

Digital Library Visits : 2,414,471

Digital Downloads : 3,884

In 2018, MII Knowledge Centre was also actively involved as a member of Project Management Office for ACE Integrated Library Project. This project will merge three (3) separate organisations' libraries i.e. Bank Negara Knowledge Management Centre, IBFIM Knowledge Management Centre and MII Knowledge Centre which will then relocate into the new ACE building that is currently being built. This new library will primarily cater to the Financial Services Community and is to be operational in mid 2020.

2. PROGRAMMES AND ACTIVITIES

2.1 Visit from Politeknik Sultan Salahuddin Abdul Aziz Shah (PSSAAS) Shah Alam

MII Knowledge Centre received a delegation of 44 students and 4 lecturers from Politeknik Sultan Salahuddin Abdul Aziz Shah on 18th January 2018. The aim of the visit was to introduce the students to MII and its facilities at the Knowledge Centre. Also, to expose them to consider having insurance as a career and further study options through MII's professional programme.





HOW WE ADD VALUE (CONT'D)

2.2 Managing Collections for Relevance and Discovery

In an effort to make our library collections more relevant to MII's education and research activities, MII Knowledge Centre leveraged best practices in collection management. The project had resulted in 1,962 weeded library materials. Stock-taking project also had been done as part of the library planning on the preparation for ACE Integrated Library Project.



2.3 ACE Integrated Library Project Workshop

MII Knowledge Centre had attended workshops conducted by Bank Negara for the ACE Integrated Library Project. The workshops aimed to present proposed policies, procedures and guideline framework, to share existing and proposed new library services, and also to discuss and assess for approval.

Acquisition workshop was held on 2nd – 3th April 2018 and cataloguing, content management policies and set up codes workshop was held on 19th – 20th April 2018. Both workshops were held at Sasana Kijang, Bank Negara.



2.4 Study Visit to National Archive for ACE Integrated Library Project

On 18th January 2018, MII Knowledge Centre together with Bank Negara Knowledge Management Centre and IBFIM Knowledge Management Centre went for a study visit to the National Archive. We had the chance learn their best practices in conserving their archive materials.

2.5 Study Visit to Bank Rakyat Library for ACE Integrated Library Project

On 30th January 2018, MII Knowledge Centre together with Bank Negara Knowledge Management Centre and IBFIM Knowledge Management Centre went on a study visit to Bank Rakyat Library that is known as 'Serambi Ilmu Rakyat'. We had the chance to learn their best practices, both in terms of infrastructure e.g. seating arrangements, facilities, services, availability of power sources to users etc.



2.6 KM Exchange 2018

As one of Knowledge Management Community of Practice (KM CoP), our staff was invited to attend KM Exchange 2018 as a participant on 5th April 2018. This one-day conference was held at Dewan Tan Sri Mahfuz Khalid, Ministry of Works (JKR). The conference was created and organised by members of the Kuala Lumpur KM Roundtable to showcase knowledge management in Malaysia. It comprised representatives from International Centre for Education in Islamic Finance (INCEIF), Jabatan Kerja Raya (JKR), Malaysian Technology Development Corporation (MTDC), National Sports Institute of Malaysia (ISN), PETRONAS, Capital Market Regulator Malaysia, and Straits Knowledge Sdn Bhd. This conference has given in-depth exploration of innovation knowledge management practices and applications in a case study format followed by a peer assist around common KM challenges and issues.



2.7 International Federation of Library Associations and Institutions World Library and Information Congress (IFLA WLIC) 2018

Our librarian from MII Knowledge Centre has been selected as a volunteer for 84th IFLA WLIC 2018 which was held from 23rd – 30th August 2018 at Kuala Lumpur Convention Centre. It was an international conference that fosters the relationship and recognition of libraries and information profession. It was hosted by Ministry of Tourism, Arts and Culture (MOTAC) through its agency, the National Library of Malaysia (PNM) and the Malaysian Librarians Association (PPM) in collaboration with the Malaysia Convention & Exhibition Bureau (MyCEB). There was a total of 3,264 participants in the conference. 2,170 were international participants and 1,094 were local participants from 110 countries in the world. It was a great opportunity and experience for MII Knowledge Centre staff to learn the best practices in library and information management.





HOW WE ADD VALUE (CONT'D)

3 NETWORKING

3.1 Special Library Committee (SLC)

MII has been appointed as a committee member of the Special Library Committee (SLC) since 2011. The SLC under the umbrella of Persatuan Pustakawan Malaysia (PPM) has been carrying out many activities such as meetings, visits, seminars and the publication of a newsletter known as SLIB Link for the compilation of all the activities. SLC comprises of librarians from PETRONAS Resource Centre, The Malaysian Insurance Institute, BERNAMA Infolib, Bioeconomy Resource Centre, Bank Rakyat library, Malaysia Productivity Corporation library, and Institute of Diplomacy and Foreign Relations Malaysia library.



Meeting was held on 17th January 2018 at Bioeconomy Resource Centre, Menara Atlan, Kuala Lumpur.

4. USERS' FEEDBACKS OF THE MII KNOWLEDGE CENTRE

"Conducive place for study and learning"

Muhd Heykal Hakim, Politeknik Shah Alam

"Aesthetic"

Raja Norsyazani Hakimi, Politeknik Shah Alam

"Pleasant environment"

Abdul Halim

"Excellent and superb"

Assoc. Prof. Dr Kamal Ab Hamid, University Utara Malaysia

"Conducive"

Muhd Hasryiman, UiTM Puncak Perdana

"Very neat"

Pooba Mahalingam

"Great environment"

Lee, Berjaya Sompo Insurance Berhad

"Good environment and choice of books"

Joeaiza Juhari

"Very resourceful"

Afizul Mohamad

"Cozy environment"

Rahimah Roslan

"Very nice library"

Tsukasa Yonekara, OLIS Japan

MII AS A CONFERENCE ORGANISER

1. OVERVIEW

In 2018, MII conducted five national and international seminar and conferences specially designed to meet the specific needs of the industry. These events received tremendous support from various local and international organisations. In addition to gaining and sharing of knowledge and experiences, our seminar and conferences provide valuable platforms for networking.

We successfully organised four main conferences and one seminar for the insurance industry in 2018. These drew at least 680 participants from Brunei, Cambodia, Indonesia, Saudi Arabia, and Malaysia. Total of 53 International and local speakers presented papers and shared their expertise with the delegates. We have been very honoured to receive invaluable support of speakers with their voluntary presence at all the events. This has been extremely beneficial to MII in our aim of providing world class knowledge and expertise to delegates attending the conferences.

Conferences Organised in 2018:

No.	Conferences / Convention / Seminar	Date	No. of participants	No. of speakers
1	International Claims Convention 2017	26 & 27 March 2018	125	19
2	Liability Insurance Seminar	21 June 2018	60	10
3	MDRT Day	4 August 2018	1,730	26
4	Konvensyen Insurans Hayat Bumiputera	20 October 2018	542	6
5	Malaysian Insurance Summit 2017	27 & 28 September 2018	276	24

2. CONFERENCES ORGANISED

2.1 International Claims Convention 2018

With the support from General Insurance Association of Malaysia (PIAM), Life insurance Association of Malaysia (LIAM), Association of Malaysia Loss Adjusters (AMLA), The Malaysia Insurance and Takaful Brokers Association (MITBA), Insurance Services Malaysia (ISM), and The National Insurance Claims Society (NICS) the International Claims Convention 2018 was successfully held at the Sime Darby Convention Centre, Kuala Lumpur with the theme “Claims in A Changing World”. The convention was well attended with 125 local and international participants.

The International Claims Convention 2018 discussed the topical issues of the day and looked at new approaches for Claims Management. 19 Experienced Speakers shared their experiences and expertise, the panel discussion and questions from the floor drew out new information and perspectives.





HOW WE ADD VALUE (CONT'D)



2.2 Liability Insurance Seminar

The Liability Insurance Seminar was held on 21 June 2018 at Aloft Kuala Lumpur Sentral, Kuala Lumpur. It provided an invaluable professional development opportunity and featured leading industry trends and developments and provided insights into what the future might hold.

Speakers from Singapore as well as local experts shared their fresh perspectives, overview of the South-East Asian Liability Market. The seminar was also looking ahead beyond the current challenges and concluded with a panel discussion on the challenges. The seminar was well attended with 60 participants mostly from Malaysia and Singapore.



2.3 Malaysia MDRT Day

MII and the MDRT Communication Committee Malaysia (MCC) organised the Malaysia MDRT Day 2018 with the theme “Changing Lives with MDRT” on 4 August 2018 at Dewan Merdeka, PWTC, Kuala Lumpur. A line-up of top Million Dollar Round Table (MDRT), Court of The Table (COT) and Top of The Table (TOT) speakers shared their success stories at the event.

This one-day convention aimed to inspire insurance agents and financial planners to face challenges to ensure survival and sustain success in the business. The convention also provided a platform for insurance agents and financial planners to acquire new knowledge, skills and experiences. 2018 saw the attendance of 1,730 agents, a decrease of 3% or 52 participants from 1,782 participants in 2017.

Testimonials from participants:

“Well organized”

“So inspired”

“Speakers are super-duper awesome and see you guys next year”

“Very good, short and precise”

“Best sharing from MDRTs”

“Registrations was quick, all crew was smiling, love the positive vibes”

“Each main speaker had solid content that were detailed. Helpful input”

“The best convention I attend”





HOW WE ADD VALUE (CONT'D)

2.4 Konvensyen Ejen Insurans Hayat Bumiputera (Bumiputera Life Insurance Agents Convention And Award)

The Bumiputera Life Insurance Agents Convention is an annual event organised with the support of LIAM. The convention organised on 24 November 2018 at Sime Darby Convention Centre, Kuala Lumpur was graciously officiated by Ms Anusha Thavarajah, President of Life Insurance Association of Malaysia (LIAM).

The objective of the event was to create a platform for Bumiputera agents in the life insurance industry to learn and share new knowledge, skills and experiences to sustain and further enhance business success. 121 Top Agency Leaders, Top Personal Producers and MDRTs from 14 life insurance companies received their awards during the convention. The awards were introduced to acknowledge and recognise the achievements of agents of life insurance companies. It was extremely well received and highly appreciated not only by the companies but also Bumiputera agency leaders and agents.

The convention themed “Berani Untuk Cemerlang” saw the attendance of 542 Bumiputera agents, an increase of 18% or 94 participants from 448 participants in 2017.

Testimonials from participants:

“Bagus dan Terbaik!”

“Dapat memberi banyak idea dalam bisnes”

“Banyak teknik closing diperolehi dan cara untuk capai MDRT. Perlu pelbagai topik lagi untuk MDRT”





2.5 Malaysian Insurance Summit 2018

The Malaysian Insurance Summit (MIS) is MII’s annual flagship event, where it gathered a wide array of participants. The organization of MIS serves as a platform for networking amongst insurance professionals. The MIS 2018 discussed topical issues and raised the awareness in preparing for the inevitable. Both local and international speakers shared their diverse experiences for the industry to learn, adopt and change.

A total of 276 participants and 24 speakers attended the Summit that was held on 27 and 28 September 2018 at the Hotel Istana, Kuala Lumpur, and it was officiated by the Governor of the Bank Negara Malaysia (BNM), Y.Bhg. Datuk Nor Shamsiah Mohd Yunus, who also delivered the keynote addressed in addition to other internationally renowned speakers who addressed the current issues and challenges facing the industry.

MII has been successfully organizing the Summit with overwhelming response from industry professionals both locally and abroad. The Summit was well-supported by PIAM, LIAM, MTA, AMLA and MITBA.





HOW WE ADD VALUE (CONT'D)

E-LEARNING@MII

The Malaysian Insurance Institute has developed an online learning environment to launch the industry's e-pedagogy initiative. Teaching and learning industry-related courses is now made available without the constraints of time, space and location. Traditional contents are converted into interactive, age-appropriate and self-paced modules. e-Learning offers countless benefits to the users as it is accessible anywhere and at any time. As an alternative and complementary solution to learning, MII's e-learning answers to the crucial need for continuous learning and professional growth; without jeopardizing daily commitments and work-life balance.

e-Learning is Cost-effective

“e-learning is more cost effective to deliver than traditional classroom-based training.”

Go Green with e-Learning

Online learning promotes sustainability as it is the most effective way for organizations to reduce carbon emissions. The main reduction is in the frequency of student travel. e-learning can also save trees by saving paper. Many e-learning courses are entirely self-contained, presenting all learning content online, or providing alternatives to paper-based forms of communication through such tools as email, PDF manuals, authoring tools, VLEs, LMS and other web-based systems and tools.

Localization & Customization

e-Learning is customizable in the sense that it does not promote generic content. Companies can easily customize content based on the learning needs of the employees. Taking into consideration diversity of cultures and languages, e-learning enables localization of content whether images or text; to benefit diverse groups of learners with unique needs. Real-time assessments can be made available with instantaneous results and useful references for future learning.

A Multimedia Melting Pot

An e-learning module is not merely an animated version of traditional training slides. It constitutes instructional capabilities that are essential in learning and curriculum delivery; as well as allowing learners to experience multimedia – all on a single screen. Static content is made visually attractive and useful to learners. Learners can read, download, copy, comment, watch videos, listen to narration, and undergo assessment activities; all of which are integral to the entire sphere of learning.

How to Subscribe

Subscriptions to MII e-Learning modules can be made via MII's iLMS - www.mii4u.org.

MII e-Learning Products and Pricing

MII e-Learning content complements the actual training materials used in its traditional classroom trainings. The e-contents in the modules listed below are created by e-learning experts and approved by Subject Matter Experts (SME) of the insurance industry.

Bundled Certification Courses e-Learning

PCEIA e-Learning and CEILLI e-Learning are the first batch of modules that were made available to the public. Learning content of these modules are extracted from the PCEIA and CEILLI textbooks and approved by Subject Matter Experts in the insurance industry. These certifications are offered in a special bundled package with PCEIA Examination and CEILLI Examination.

Module	No. of Modules	Recommended Learning Hours	Language	Normal Fee (per subscription)	*Bundled Price via Exam registration (e-learning content + e-book)	Validity Period (per subscription)
PCEIA (Part A, B & C)	4	6	<ul style="list-style-type: none"> • English • Bahasa Malaysia • Mandarin 	RM 60 (per subscription)	RM 5	3 months
CEILLI	2	3		RM 80 (per subscription)	RM 5	3 months

* **Bundled Price:** Candidates who register for the exam(s) are given access to the e-learning content and e-book, which can be used as study material and revision purposes.

Short Courses e-Learning

Learning content of the Foundation Short Courses e-Learning is packed with useful information, illustrations, examples and quizzes that promote self-paced learning. The content mirrors that of the actual face-to-face trainings, ensuring relevancy and scope of content is maintained throughout the learning experience.

Module	No. of Modules	Recommended Learning Hours	Language	Normal Price (per subscription)	Validity Period (per subscription)
Foundation Course in Miscellaneous Accident Insurance	1	5	English	RM 235.80	3 months
Foundation Course in Medical and Health Insurance	1	3	English	RM 141.80	3 months
Foundation Course in Fire Insurance	1	4	English	RM 188.65	3 months
Introduction to General Insurance Company Operations	1	3	English	RM 141.80	3 months
Introduction to General Insurance	3	9	English	RM 424.50	3 months
Foundation Course in Reinsurance	1	3	English	RM 141.80	3 months
Foundation Course in Marine Cargo Insurance	1	3	English	RM 141.80	3 months
Foundation Course in Motor Insurance	1	3	English	RM 141.80	3 months
Foundation Course in Personal Accident Insurance	1	3	English	RM 141.80	3 months



HOW WE ADD VALUE (CONT'D)

e-RFP (Registered Financial Planner) Module 1 & Module 2

The Malaysian Financial Planning Council (MFPC) has recognized MII as the sole provider of the e-Registered Financial Planner (e-RFP) Module 1 and Module 2 certifications. The contents in Module 1 and Module 2 are designed using sound instructional design and theories of self-paced learning. The content is extracted from the textbooks, ensuring accuracy and scope of content is maintained throughout the learning experience.

Module	No. of Chapters	Recommended Learning Hours	Language	Individual Price (per subscription)	* Bulk Price (per subscription)	Validity Period (per subscription)
e-RFP Module 1	13	11	English	RM 66	*RM 47.15	3 months
e-RFP Module 2	11	9	English	RM 66	*RM 47.15	3 months

* **Bulk Price:** Company can enjoy lower price with a minimum of 20 pax per subscription.

LIAM 5 CPD Hours Balance Scorecard (BSC) - Client Building for Sustainable Results

The Life Insurance Association Malaysia's (LIAM) 5 CPD Hours BSC e-Learning module is an alternative mode of study to the classroom-based course. This e-learning module is approved by LIAM and the associated education committee. The Malaysian Insurance Institute is the e-Learning developer for this module and entrusted by LIAM to host the module for online subscriptions.

This Online Learning Content (OLC) is offered as Individual and Bulk subscriptions. Subscribers will be awarded the Compulsory 5 CPD Hours when successfully passing the Learning Assessment.

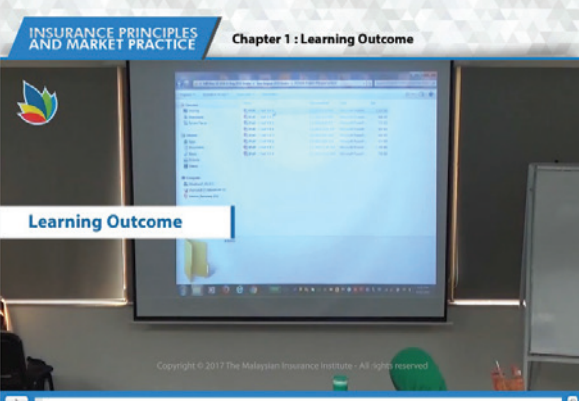
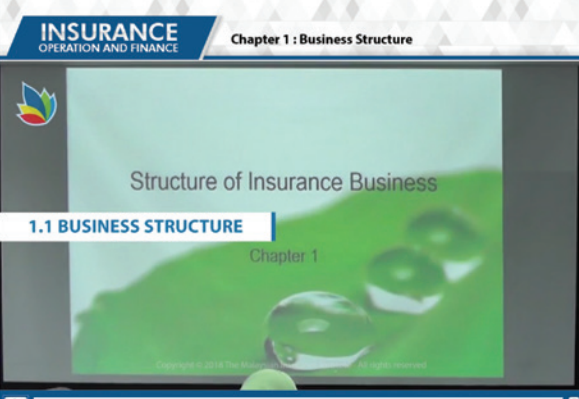
Module	No. of Chapters	Recommended Learning Hours	Language	Price (per subscription)	Validity Period (per subscription)
LIAM BSC	4	5	English/ Bahasa Malaysia/ Mandarin	RM 5.00	By calendar year

New e-Learning Products in 2018

Vodcast

To meet the needs and demands of self-study and distance learners, as well as to continuously encourage insurance staff and agents to embark on professional certifications, MII has converted the traditional classroom sessions into short video clips called Vodcast.

Through this online version, learners can subscribe and view past classroom video recordings. The video clips are filtered and catalogued by chapters and topics to complement the textbook and for easy cross-referencing.

Module	Interface
<p>1. Insurance Principles and Market Practice (general) / IPMP (General) – AMII Level 1</p> <p>also known as</p> <p>e-Certificate of The Malaysian Insurance Institute (General) / e-CMII (General)</p>	 <p>The screenshot shows a video player interface. At the top, it reads 'INSURANCE PRINCIPLES AND MARKET PRACTICE Chapter 1: Learning Outcome'. The main content is a presentation slide with a table. The table has columns for 'Item', 'Date', 'Time', 'Location', and 'Status'. Below the slide, there is a 'Learning Outcome' banner. At the bottom, a copyright notice reads 'Copyright © 2017 The Malaysian Insurance Institute - All rights reserved'.</p>
<p>2. Insurance Operations and Finance – AMII Level</p>	 <p>The screenshot shows a video player interface. At the top, it reads 'INSURANCE OPERATION AND FINANCE Chapter 1: Business Structure'. The main content is a presentation slide titled 'Structure of Insurance Business' with a sub-heading '1.1 BUSINESS STRUCTURE Chapter 1'. At the bottom, a copyright notice reads 'Copyright © 2018 The Malaysian Insurance Institute - All rights reserved'.</p>




HOW WE ADD VALUE (CONT'D)

Module	Interface
<p>1. Foundation Course in Motor Insurance</p>	
<p>2. Foundation Course in Personal Accident Insurance</p>	
<p>3. Ethics for General Insurance Agent</p>	

LIAM 5 CPD Hours BSC - Client Building for Sustainable Results – BAHASA MALAYSIA & MANDARIN versions

The Malaysian Insurance Institute supported by LIAM has introduced two new versions of BSC, in Bahasa Malaysia and Mandarin. The modules have been available for subscription in iLMS from August 2018.

With this launch, insurance agents can choose their preferred language to help them complete and pass the course.

Module	Interface
<p>1. LIAM BSC – “Membentuk Profil Pelanggan Untuk Hasil Yang Mampan“.</p>	
<p>2. LIAM BSC - 可持续发展之客户构建</p>	

MII’s e-Learning Content Development Services

The Malaysian Insurance Institute provides e-learning development services to help convert, develop and modify e-learning content to suit industry and organizational needs.

Customized e-Learning Content Development

MII’s customized e-Learning content development service is attuned to the specific needs and requirements of each of our clients and their user base. For time-critical information, this may involve creating short courses. For larger scale projects, it may involve the design, development and delivery of highly interactive multimedia content.

Our strength lies in the application of best-in-class instructional design techniques. With job-relevant storylines and client-specific scenarios, our experts can transfer core knowledge in an engaging manner, assuring users’ confidence in learning. As an industry-specific learning institution, MII understands industry requirements and expectations, offering only the best content for the holistic growth of the insurance industry.



HOW WE ADD VALUE (CONT'D)

e-Learning Strategic Assessment Service

MII's e-Learning experts can assess developer/company resources capabilities and develop an e-Learning plan of action tailored to the company needs. In developing an organization's bespoke solution, we are focused on the learner experience and the business issue.

Save on Costs

By building a course once and deploying to desktop, iPad and Android tablet, organizations have the flexibility to support corporate device and BYOD policies.

ALL RIGHTS RESERVED

Online content published in the e-learning modules are copyrighted and may not be reproduced in whole or in part including copying or recording, for any purpose without the written permission of The Malaysian Insurance Institute.

This online content is supplied for study by the original subscriber and must not be sold, lent, hired or given to anyone else.

Every attempt has been made to ensure the accuracy of the content. However, no liability can be accepted for any loss incurred in any way whatsoever by any person relying solely on the information contained in this online content.

Inquiries

For corporate demos and/or any inquiries regarding MII's e-Learning products and services, please write to us at: ellearning@mii.org.my

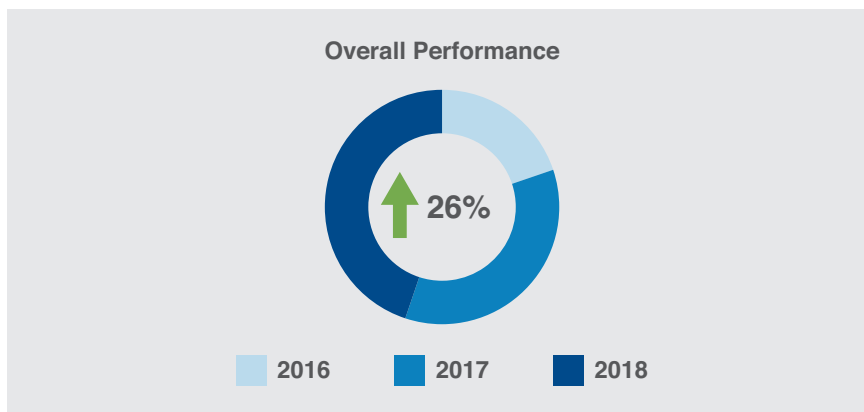
Comparison of e-Learning Subscriptions by Products between 2016 until 2018

No	PRODUCT TITLE	2016	2017	2018
1	PCEIA	24,500	42,780	41,655
2	CEILLI	15,735	27,871	26,417
3	e-RFP Module 1	N/A	959	2,658
4	e-RFP Module 2	N/A	628	1,636
5	Short Courses	N/A	N/A	1
6	LIAM BSC – Building sustainable Future	N/A	76	18,773
7	e-CMII	N/A	N/A	230
	TOTAL	40,235	72,314	91,370

Comparison of e-Learning subscriptions by Products (2016-2018)

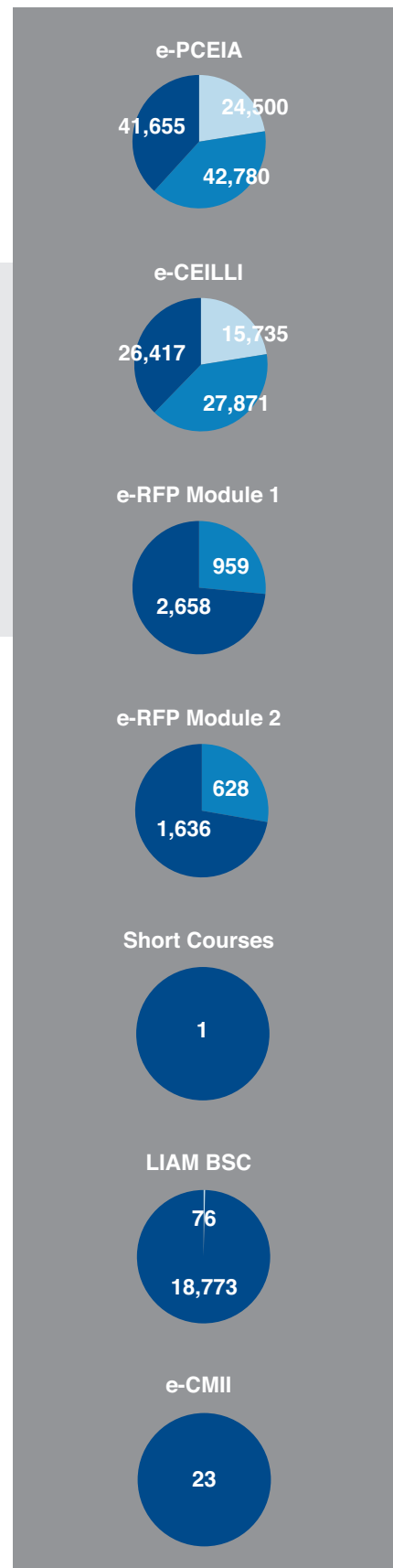
Since 2016, MII e-Learning products can be subscribed online through iLMS. Subscriptions to e-learning modules include access to multimedia learning content, interactive e-book and accompanying manuals.

MII has seen a steady increase in the number of subscriptions since the launch of the e-learning products, specifically in licensing and CPD-related courses.



Note

1. e-PCEIA and e-CEILLI were offered as bundled products with examinations, starting from August 2016.
2. e-RFP Module 1 and Module 2 were officially launched in May 2017. statistics shown are not inclusive of subscriptions through self-hosting contracts.
3. LIAM BSC was launched in October 2017. Bahasa Malaysia and Mandarin versions were made available from August 2018.
4. e-CMII (General) was introduced in January 2018.
5. Data extracted from MII Integrated Learning Management System (iLMS).





MII AS AITRI SECRETARIAT

1. OVERVIEW

The ASEAN Insurance Training and Research Institute (AITRI), a non-profit organisation established by the Insurance Regulators of the 10 ASEAN member countries, was officially incorporated on 1 December 2004 in Malaysia. We were given the honour to lead and drive the mandate as the Secretariat of AITRI. AITRI continues to fulfil its mandate to serve and facilitate human capital development needs through education, training and research for ASEAN regulators and insurers.

2. PROGRAMMES FOR REGULATORS

In 2018, AITRI successfully conducted five human capital development programmes for insurance regulators in Philippines, Malaysia, Singapore, Indonesia and Thailand respectively. These training programmes were delivered by 24 field experts from regulatory bodies and private institutions.

AITRI managed to obtain funding and sponsorship from Bank Negara Malaysia (BNM), Monetary Authority of Singapore (MAS), Indonesia Financial Services Authority (OJK), Office of Insurance Commission Thailand (OIC), International Association of Insurance Supervisors (IAIS), Toronto Centre (TC), The Financial Stability Institute (FSI) and AITRI Members Contribution Fund for the regulators' programmes.

In 2018, 114 participants from ASEAN countries and 25 participants from non-ASEAN countries, namely Bangladesh, Hong Kong, Kazakhstan, Maldives, Nepal, Papua New Guinea, Timor Leste and Sri Lanka attended the programmes.



Workshop on Self-Assessment on IAIS Insurance Core Principles (ICPs)
19 – 22 March, 2019
Manila, Philippines



Regional Seminar on Reinsurance / Natural
Catastrophe Reinsurance / Alternative risk Transfer /
Cross-Border Supervision / Marine, Aviation & Transit
23 – 26 April, 2018
Kuala Lumpur, Malaysia



Seminar on Global Capital & Accounting Standard
(Inclusive RBC)
4 – 6 July, 2018
Singapore



Workshop on Insurtech Supervisions
18 – 21 September, 2018
Jakarta, Indonesia



Seminar on Market Conduct Regulation and
Compliance
24 – 26 October, 2018
Bangkok, Thailand



HOW WE ADD VALUE (CONT'D)

AITRI Programmes for Regulators Conducted in 2018:

Title	Date	Host/Venue	Funded/Supported
Self-Assessment on IAIS Insurance Core Principles (ICPs)	19 – 22 March, 2018	Manila, Philippines	<ul style="list-style-type: none"> Insurance Commission of Philippines Toronto Centre International Association of Insurance Supervisors (IAIS) AITRI Members Contribution Fund
Reinsurance / Natural Catastrophe Reinsurance / Alternative Risk Transfer / Cross-Border Supervision / Marine, Aviation & Transit	23 – 26 April, 2018	Kuala Lumpur, Malaysia	<ul style="list-style-type: none"> Bank Negara Malaysia (BNM) Ramani Consulting Pty. Ltd. Lloyds Asia Pacific
Global Capital & Accounting Standard (Inclusive RBC)	4 - 6 July, 2018	Singapore	<ul style="list-style-type: none"> Monetary Authority of Singapore Japan Financial Services Agency (FSA) International Accounting Standards Board (IASB) International Association of Insurance Supervisors (IAIS) Bank Negara Malaysia (BNM) Meiji Yasuda Life Insurance Company AIA Group Ltd. Deloitte Southwest Asia Ltd.
Insuretech Supervision	18 – 21 September, 2018	Jakarta, Indonesia	<ul style="list-style-type: none"> Indonesia Financial Services Authority (OJK) Toronto Centre
Market Conduct Regulation and Compliance	24 – 26 October, 2018	Bangkok, Thailand	<ul style="list-style-type: none"> The Office of Insurance Commission Thailand (OIC) Financial Stability Institute (FSI) International Association of Insurance Supervisors (IAIS)

Participants from ASEAN Member Countries at 2018 AITRI Programmes for Regulators:

Country	Self-Assessment on IAIS Insurance Core Principles (ICPs)	Reinsurance / Natural Catastrophe Reinsurance / Alternative Risk Transfer / Cross-Border Supervision / Marine, Aviation & Transit	Global Capital & Accounting Standard (Inclusive RBC)	Insuretech Supervision	Market Conduct Regulation and Compliance	Total
Brunei	-	2	2	-	-	4
Cambodia	2	3	-	1	1	7
Indonesia	-	1	2	13	2	18
Laos	2	2	2	1	1	8
Malaysia	2	13	-	1	2	18
Myanmar	-	-	-	-	-	-
Philippines	21	-	2	1	-	24
Singapore	-	-	9	1	2	12
Thailand	4	2	2	2	13	23
Vietnam	-	-	-	-	-	-
Total	31	23	19	20	21	114

Participants from Non-ASEAN Member Countries at 2018 AITRI Programmes for Regulators:

Country	Self-Assessment on IAIS Insurance Core Principles (ICPs)	Reinsurance / Natural Catastrophe Reinsurance / Alternative Risk Transfer / Cross-Border Supervision / Marine, Aviation & Transit	Global Capital & Accounting Standard (Inclusive RBC)	Insuretech Supervision	Market Conduct Regulation and Compliance	Total
Bangladesh	-	-	-	-	2	2
Hong Kong	1	-	3	-	-	4
Kazakhstan	-	-	-	-	1	1
Maldives	1	-	1	-	1	3
Nepal	-	-	-	2	2	4
Papua New Guinea	4	-	-	1	1	6
Timor Leste	1	-	2	1	-	4
Sri Lanka	-	-	-	-	1	1
Total	7	0	6	4	8	25
Grand Total	38	23	25	24	29	139



HOW WE ADD VALUE (CONT'D)

3. INDUSTRY EVENT

3.1. Young Asean Manager Award 2018

The Young ASEAN Manager Award (YAMA) is a project initiated by the ASEAN Insurance Council (AIC) and organised by the ASEAN Insurance Training and Research Institute (AITRI). This prestigious award is inspired under the spirit of ASEAN to honour outstanding young managers for their achievement, contribution and dedication to the insurance industry and to recognise their potential, talent and leadership qualities.

The Young ASEAN Manager Award 2018 event was held in Kuala Lumpur, Malaysia and in conjunction with the annual ASEAN Insurance Regulators Meeting (AIRM) and ASEAN Council Meeting. A total of 26 candidates from 8 ASEAN countries competed for this prestigious award in 2018 and only 3 were shortlisted for the final selection interview with the judges.

YAMA 2018 Judges

The panel of judges for the award comprised eight (8) industry leaders from Indonesia, Malaysia, Philippines, Singapore and Vietnam. The judges had a challenging time to name the recipient of the award due to the high quality of the finalists. The process involved online assessment based on essay write-up and interview with the finalists.



YAMA 2018 Recipient

The recipient of the award for 2018 was Mr. Kelvin Hii Chee Yun, Vice President at the Actuarial Division of MSIG Insurance (M) Bhd Malaysia. He was chosen based on his commendable leadership qualities, series of achievements and significant contributions to the growth and development of the insurance industry.

The award was presented by the Governor of Bank Negara Malaysia (BNM), YBhg Datuk Nor Shamsiah Bt. Mohd Yunus accompanied by Mrs. Evelina Pietruschka, Secretary General of the ASEAN Insurance Council (AIC) and Mr. Patrick Teow, the AIC Chairman at the Gala Dinner, hosted by the BNM at Hilton Kuala Lumpur on 28th November 2018.

The two finalists were Mr. Efren C Caringal of Allianz PNB Life Insurance, Inc., Philippines and Mr. Yeong Song Bor of AIA Bhd. from Malaysia. Both received tokens of recognition.



Standing proud: Winner of YAMA 2018
Mr. Kelvin Hii Chee Yun, MSIG Insurance (M) Bhd Malaysia won the title of Young ASEAN Insurance Manager Award 2018.



The prize of the winners has been conveyed by the Governor of BNM, YBhg Datuk Nor Shamsiah accompanied by Mr. Patrick Teow Chairman of AIC and Mrs. Evelina Pietruschka, Secretary General of AIC

4. RESEARCH

4.1. AITRI as a research body

AITRI undertakes regional study projects on a collective need basis for the member countries. Two researches have been carried out by AITRI, so far. They are “A Comparative Analysis on Current Insurance Law and Its Supervision in the ASEAN Region” and “Study on Human Resource Development Needs for ASEAN Insurance Regulators and Insurance Industry”.



HOW WE ADD VALUE (CONT'D)

STAFF TRAINING AND DEVELOPMENT

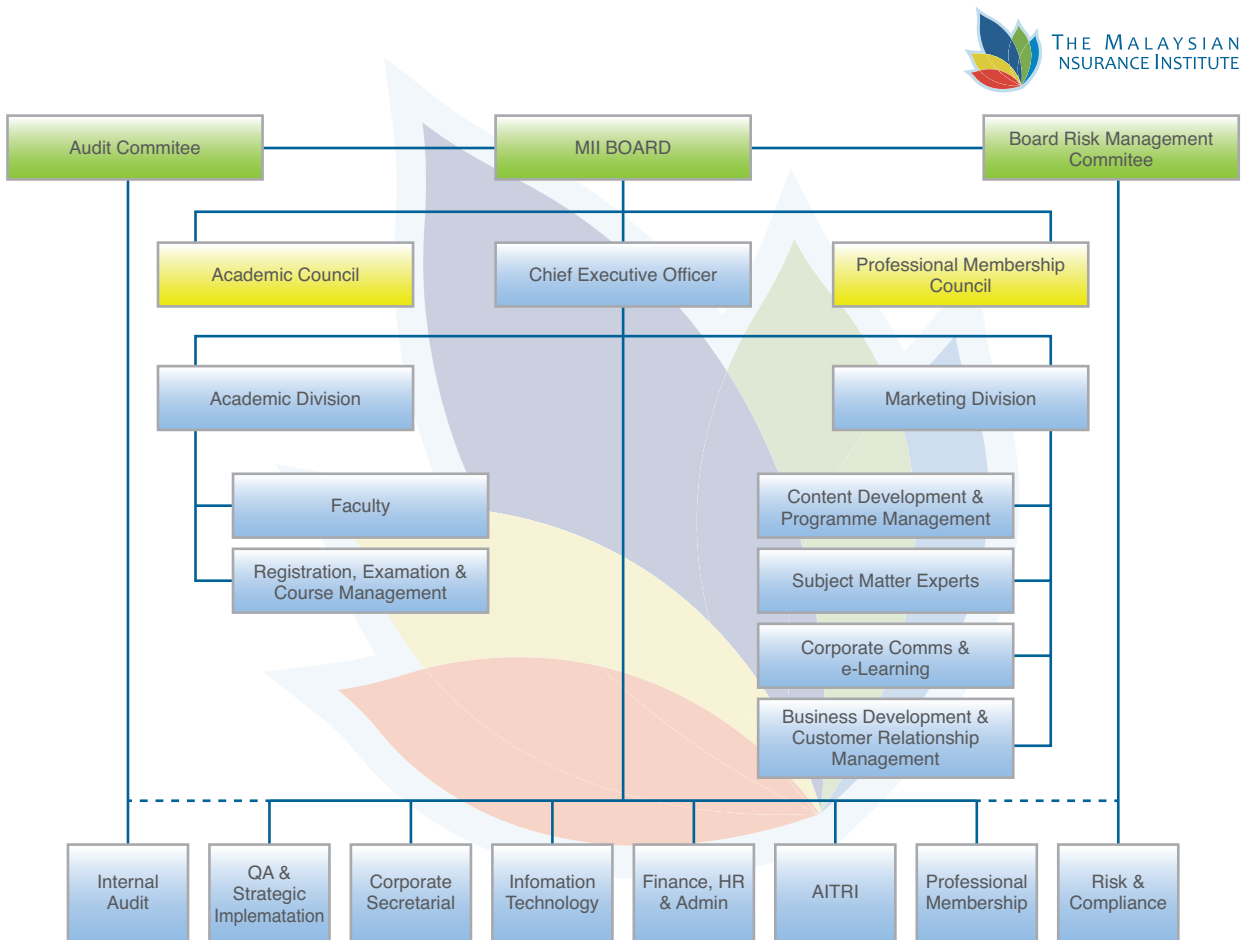
OVERVIEW

We recognise our staff as our most important resource and are committed to consistently upgrade their competencies and skills through training and development such as on-the-job-training and coaching, external courses, internal sharing sessions conducted by management staff, job rotation and further education through sponsorships and study loans.

As an on-going effort in developing our human capital, the learning needs of the staff are carefully planned. The objective is to determine the appropriate training programmes for the staff to further strengthen and further expand their knowledge and skills. These efforts will be a catalyst in pursuing the mandates entrusted to us as a professional body and an education centre.

We also initiated programme on lean sigma to provide awareness to staff on the importance of improving processes and quality at work.

Below is our Organisation Structure which was approved by the Board in January 2018:



In 2018, 97 staff participated in a total of 44 training programmes in their respective areas ranging from Academic, Information Technology, e-Learning and Insurance Programmes, Company Secretaries, Knowledge Management, Auditing, Project Management, Lean Sigma, Human Resource Management and Financial Planning. They were either conducted internally, in-house, or by external providers which were attended by the staff.

Below are the details of training programmes by category:

No.	Type of Training	No of Programmes	Attendance
1	In-house Training Programme	4	76 staff
2	Academic Programme	3	89 Staff
3	External Training	22	44 staff
4	CEO Briefing	1	96 Staff
5	Management Sharing & Knowledge Transfer	14	96 Staff
6	Total	44	

1. INHOUSE TRAINING PROGRAMME

In 2018, MII focused on strengthening the internal capability on task management to promote efficiency and enhancing business writing skills among the staff force. In total, there were 4 in-house programmes facilitated by an external trainer. A total of 76 staff were involved and attended the courses. The courses were held at MII Head Office in Damansara Heights, Kuala Lumpur:

No.	Category	Date	Programme	Attendance
1	Senior Management	a) 4 April 2018 b) 2 May 2018	Leadership Journey Program	13
2	AVP & Below	18 – 19 Sept 2018	Project Management	24
3	Clerks	2 – 3 Oct 2018	Business Writing Essentials	19
4	AVP & Below	9 – 10 Oct 2018	Advanced Business Writing	20

2. ACADEMIC PROGRAMME

In line with our focus in 2018, which is enhancing capability to efficiency, we initiated small projects within the staff force, on quality management and lean six sigma. This is to create awareness to staff on the importance of process improvement. We also exposed the staff force to digital education, which is the way forward.

No.	Programme	Date	Attendance
1	Leading Quality Initiative	5 April 2018	32
2	Digital Education Talk & Workshop	a) 1 Aug 2018 b) 15 Aug 2018	33
3	Lean Six Sigma Deployment	17 July – 28 Nov 2018	24
	TOTAL		89



HOW WE ADD VALUE (CONT'D)

3. EXTERNAL TRAINING PROGRAMME

3 (a) External Programmes conducted Locally

44 staff had the opportunity to attend external programmes conducted locally. Among the training providers are AIF, as part of MII's industry support.

Month	Programme	Provider	Executive & below	Manager & Above	Total
Feb	Certificate in Instructional & Courseware Development (CCD)	ITD Group		1	1
Mar	Fujitsu World Tour 2017 Asia Conference KL	Fujitsu (Malaysia) Sdn Bhd		1	1
Apr	The AI Financial Summit APAC	Bosco Training Institute		1	1
	KM Exchange 2018	Straits Knowledge Sdn Bhd	1		1
	Your IT Roadmap towards Digital Transformation	JOS & Huawei		2	2
	Kursus Multimedia Reka Montaj Video Adobe After affect & Premier Pro	SIFOO Art and Multimedia Sdn Bhd	3		3
	Konvensyen Mini Team Excellence (MTEx)	MPC		3	3
May	Takaful Innovation Summit 2018	Red Money Group		2	2
	AIF Business Ethics Conference 2018	AIF	1	1	2
Jun	Red Hat Certified System Admin	Iverson	1		1
Jul	Case Writing Workshop 2018	AIF		1	1
	Premier RFP Capstone Programme	MFPC		1	1
Aug	Power Influencing & Negotiation Skills for Project Success Workshop	AIF		4	4
	SSM National Conference	SSM	1		1
	AIF International Symposium 2018	AIF	1	1	2
Sep	Fundamentals in Artificial Intelligence	MaGIC	3	2	5
	CIIF Chartered & Fellowship Masterclass (CFM)	CIIF		1	1
	Artificial Intelligence Application	MaGIC	2	1	3

Month	Programme	Provider	Executive & below	Manager & Above	Total
Oct	MIA Accountant Conference	MIA		2	2
	ACIIA Conference 2018	IIA (M)		1	1
Nov	Consumer Trust Forum 2018	AIF		3	3
	3rd ASEAN Insurance Summit 2018	ASEAN Insurance Summit		3	3
	Total		13	31	44

4. MANAGEMENT SHARING & KNOWLEDGE TRANSFER

Besides the training programmes, MII also continuously promotes staff engagement through Management Sharing and Coaching, whereby the Management Team is given the opportunity to share their knowledge to the team.

In 2018, we conducted a total of 14 sessions by 14 Management Team members, with the topics ranging from technical skills (eg. Industry Performance, Business Ethics, Differences between Life Insurance and Family Takaful), soft skills (eg. Service Excellence Start With Us, Introduction to Critical Thinking) to motivational and personal development topic (eg. Stress Management, Importance of Financial Training, Etiquette/Grooming and Values that Drives to Excellence).



HOW WE ADD VALUE (CONT'D)

INFORMATION TECHNOLOGY

OVERVIEW

With a capacity of 11 staff, the MII IT team segregates areas of services ranging from IT-related strategy, applications, infrastructure to support services to MII community. MII IT ensures that leading-edge technology is readily accessible to staff and students to complement their teaching, administrative and learning experience. The focus in 2017 was to enhance Integrated Learning Management System (iLMS) functionalities and upgrade the internet line infrastructure.

1. Enhancement of iLMS Functionalities

As part of the strategy to be self-dependent, the MII IT team, with the support of management team, had taken initiatives to strengthen its competencies in applications development. With the addition of three skilful staff to the previously three-team member, the application team is now capable to deliver additional features on iLMS, as well as maintaining a reliable support service.

The approach was to deliver the enhancement in stages or phases, where the first objective was to offer professional courses in iLMS, followed by students learning portal, additional functions and mobile apps. With a combination of Waterfall and Agile project management methodologies, the first phase of the project was closely monitored, and finally completed in eight (8) months period.

This achievement enabled MII to administer all professional courses and online training from registration to examination.

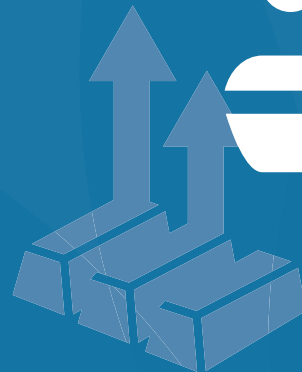
2. Internet Line Upgrade

In line with the implementation of web based iLMS, cloud based Office365 email system and Skype for Business teleconference, the internet usage at MII HQ is increasing. For that reason, MII IT team has taken initiative to upgrade the internet line by subscribing to two new internet lines with TM Unifi at a bandwidth of 30 MB each line, in addition to the existing a 30 MB line. At the same time, the MII team has terminated the existing 2 MB leased line from TIME Metro-E.

This upgrade had enabled MII to increase internet bandwidth, significantly reducing annual recurring cost and better distribution of internet bandwidth usage among MII HQ users.

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The directors of **THE MALAYSIAN INSURANCE INSTITUTE** (“the Institute”) hereby submit their report and the audited financial statements of the Institute for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The Institute is engaged in the provision and promotion of insurance education, training and research in insurance and related disciplines. The Institute is the sole examining body for professional insurance examinations in the country leading to the award of the Associateship of the Malaysian Insurance Institute (“AMII”). It is also a membership body of insurance professionals. The Institute is affiliated to other insurance examining institutes internationally and works closely with local institutions of higher learning in promoting the development of insurance education in Malaysia.

The subsidiary company was incorporated on September 3, 1999 and has not commenced operations since the date of incorporation. It has been liquidated during the year as disclosed in Note 15 of the financial statements.

RESULTS OF OPERATIONS

The results of operations of the Institute for the financial year are as follows:

	RM
Deficit before tax	(3,598,124)
Tax credit	638,491
<hr/>	
Deficit for the year	(2,959,633)

In the opinion of the directors, the results of operations of the Institute during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

OTHER STATUTORY INFORMATION

Before the statement of profit or loss and other comprehensive income and statement of financial position of the Institute were made out, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and have satisfied themselves that there were no known bad debts need to be written off and that no allowance for doubtful debts was necessary; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of the business including the value of current assets as shown in the accounting records of the Institute had been written down to an amount which the current assets might be expected so to realise.

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

- (a) which would require the writing off of bad debts or render the amount of the allowance for doubtful debts in the financial statements of the Institute inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Institute misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Institute misleading or inappropriate; or
- (d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Institute misleading.

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

- (a) any charge on the assets of the Institute which has arisen since the end of the financial year which secures the liabilities of any other person; and
- (b) any contingent liability of the Institute which has arisen since the end of the financial year.

No contingent or other liability 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 Institute to meet their obligations as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the Institute for the succeeding financial year in which this report is made.

DIRECTORS

The directors of the Institute in office during the financial year and during the period from the end of the financial year to the date of this report are:

Y.Bhg Dato' Adrian Low Heong Chow @ Loh Heong Chow
 Y.Bhg Datuk Francis Lai @ Lai Yun Sen
 Encik Zainal Abidin bin Mohd Noor
 YM Raja Zailan Putra bin Raja Dato' Seri Hj Azam
 Encik Antony Fook Weng Lee
 Encik Wong Ah Kow
 Encik Tan Kok Guan
 Encik T. Sivapalan A/L Tharmapalan
 Encik Ezamshah bin Ismail
 Ms Lau Chin Ching (appointed on 16.8.2018)
 Ms Anusha A/P Thavarajah (Chairman) (appointed on 16.8.2018)
 Encik Tan Ah Chuan (appointed on 16.8.2018)
 Encik Yoon Yew Khuen (resigned on 18.4.2018)
 Encik Wong Teck Wai (resigned on 6.7.2018)
 Encik Phillip Wallace Smith (resigned on 30.9.2018)
 Encik Toi See Jong (Chairman) (resigned on 30.3.2018)



DIRECTORS' REPORT (CONT'D)

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Institute has received or become entitled to receive any benefit by reason of a contract made by the Institute with a firm of which he is a member, or with a company in which he has a substantial financial interest.

During and at the end of the financial year, no arrangement subsisted to which the Institute was a party whereby the directors of the Institute might acquire benefits by means of the acquisition of shares in, or debentures of, the Institute or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Institute maintains directors' and officers' liability insurance for purposes of Section 289 of the Companies Act, 2016, throughout the year, which provides appropriate insurance cover of RM4,500,000 for the directors of the Institute. The amount of insurance premium paid during the year amounted to RM15,510.

No indemnity was given to or insurance effected for auditors of the Institute during the financial year.

AUDITORS

The auditors, Deloitte PLT, have indicated their willingness to continue in office.

AUDITORS' REMUNERATION

The amount paid or payable as remuneration of the auditors for the financial year ended 31 December 2018 is disclosed in Note 7 to the financial statements.

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

ANUSHA A/P THAVARAJAH
(DIRECTOR)

EZAMSAH BIN ISMAIL
(DIRECTOR)

Kuala Lumpur,
April 29, 2019

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MALAYSIAN INSURANCE INSTITUTE (INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **THE MALAYSIAN INSURANCE INSTITUTE**, which comprise the statement of financial position of the Institute as of 31 DECEMBER 2018 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Institute for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 50.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Institute as of 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Institute in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Institute are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Institute and our auditors' report thereon.

Our opinion on the financial statements of the Institute does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Institute, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Institute or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Institute are responsible for the preparation of financial statements of the Institute that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Institute that are free from materials misstatement, whether due to fraud or error.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MALAYSIAN INSURANCE INSTITUTE (CONT'D) (INCORPORATED IN MALAYSIA)

In preparing the financial statements of the Institute, the directors are responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Institute or to cease operations, or have no realistic alternatives but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Institute as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Institute, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit 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 Institute's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- (d) Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Institute or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Institute to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Institute, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

This report is made solely to the members of the Institute, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

DELOITTE PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)

KHONG SIEW CHIN
Partner - 03049/03/2021 J
Chartered Accountant

April 29, 2019



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	2018 RM	2017 RM
Revenue	6	13,473,868	13,406,243
Other income	7	793,228	862,128
Employee benefits expense	7	(8,507,488)	(8,086,181)
Depreciation of property, plant and equipment	9	(210,399)	(383,718)
Amortisation of prepaid lease payments	10	-	(65,039)
Interest on zero coupon bonds	20	(613,497)	(594,459)
Other expenses		(8,533,836)	(7,904,067)
Deficit before tax	7	(3,598,124)	(2,765,093)
Tax credit	8	638,491	726,078
Deficit for the year		(2,959,633)	(2,039,015)

The accompanying Notes form an integral part of the Financial Statements.

STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2018

	Note	2018 RM	2017 RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	9	242,816	360,405
Prepaid lease payments	10	-	-
Fixed deposits	11	8,171,989	7,879,031
Total Non-Current Assets		8,414,805	8,239,436
Current Assets			
Inventories	12	94,221	72,022
Trade receivables	13	1,097,303	1,334,957
Other receivables and prepaid expenses	14	2,126,606	1,773,698
Amount due from a subsidiary company	15	-	54,204
Bumiputra Training Fund	16	-	-
Capacity Building Fund	17	2,686,255	2,172,071
Tax recoverable		590,940	590,940
Fixed deposits	11	12,601,642	17,138,482
Cash and bank balances	23	572,522	1,667,714
Total Current Assets		19,769,489	24,804,088
Non-Current Assets Held for sale	22	12,032,190	12,032,190
Total Assets		40,216,484	45,075,714

(Forward)



STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2018 (CONT'D)

	Note	2018 RM	2017 RM
RESERVES AND LIABILITIES			
General reserves	18	6,673,042	6,673,042
Surplus		13,582,479	16,598,857
Accumulated Fund		20,255,521	23,271,899
Non-Current Liabilities			
Deferred tax liabilities	19	1,125,821	1,764,312
Total Non-Current Liabilities		1,125,821	1,764,312
Current Liabilities			
Trade payables	21	189,168	1,625,919
Other payables and accrued expenses	21	3,404,515	3,785,622
Zero coupon bonds - Secured	20	15,241,459	14,627,962
Total Current Liabilities		18,835,142	20,039,503
Total Liabilities		19,960,963	21,803,815
Total Reserves and Liabilities		40,216,484	45,075,714

The accompanying Notes form an integral part of the Financial Statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2018

	General Reserves RM	Surplus RM	Total RM
As of January 1, 2017	6,673,042	18,637,872	25,310,914
Deficit for the year	-	(2,039,015)	(2,039,015)
As of December 31, 2017	6,673,042	16,598,857	23,271,899
As of January 1, 2018	6,673,042	16,598,857	23,271,899
Effect of adoption of MFRS 9 (Note 2)	-	(11,729)	(11,729)
Effect of adoption of MFRS 15 (Note 2)	-	(45,016)	(45,016)
As of 1 January 2018 (restated)	6,673,042	16,542,112	23,215,154
Deficit for the year	-	(2,959,633)	(2,959,633)
As of December 31, 2018	6,673,042	13,582,479	20,255,521

The accompanying Notes form an integral part of the Financial Statements.



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	2018 RM	2017 RM
CASH FLOWS USED IN OPERATING ACTIVITIES			
Deficit before tax		(3,598,124)	(2,765,093)
Adjustments for:			
Depreciation of property and equipment	9	210,399	383,718
Interest on zero coupon bonds		613,497	594,459
Impairment loss on trade receivables		3,359	-
Amortisation of prepaid lease payments		-	65,039
Adjustment of property and equipment		-	7,065
Impairment on amount due from subsidiary company		-	5,516
Effect of adoption of MFRS 9 (Note 2)		(11,729)	-
Effect of adoption of MFRS 15 (Note 2)		(45,016)	-
Interest income	7	(716,715)	(765,888)
Operating Loss Before Working Capital Changes		(3,544,329)	(2,475,184)
(Increase)/Decrease in:			
Inventories		(22,199)	14,443
Trade receivables		234,295	66,161
Other receivables and prepaid expenses		(225,627)	(143,397)
Amount due from a subsidiary company		54,204	-
Increase/(Decrease) in:			
Trade payables		(1,436,751)	1,140,657
Other payables and accrued expenses		(515,092)	253,024
Cash Used In Operations		(5,455,499)	(1,144,296)
Income tax paid		-	(206,175)
Income tax refunded		-	79,520
Net Cash Used In Operating Activities		(5,455,499)	(1,270,951)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		723,419	805,034
Placement of fixed deposits		(292,958)	(269,109)
Additions to property and equipment	9	(92,810)	(62,970)
Net Cash From Investing Activities		337,651	472,955

(Forward)

	Note	2018 RM	2017 RM
CASH FLOWS FROM INVESTING ACTIVITIES			
Bumiputra Training Fund received		87,520	84,127
Utilisation of Bumiputra Training Fund		(87,520)	(84,127)
Capacity Building Fund received		468,084	6,216,539
Utilisation of Capacity Building Fund		(982,268)	(5,407,140)
Net Cash (Used In)/From Financing Activities		(514,184)	809,399
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(5,632,032)	11,403
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		18,806,196	18,794,793
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	23	13,174,164	18,806,196

The accompanying Notes form an integral part of the Financial Statements.



NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Malaysian Insurance Institute (“the Institute”) is a private company limited by guarantee, incorporated and domiciled in Malaysia.

The Institute is engaged in the provision and promotion of insurance education, training and research in insurance and related disciplines. The Institute is the sole examining body for professional insurance examinations in the country leading to the award of the Associateship of the Malaysian Insurance Institute (“AMII”). It is also a membership body of insurance professionals. The Institute is affiliated to other insurance examining institutes internationally and works closely with local institutions of higher learning in promoting the development of insurance education in Malaysia.

The subsidiary company was incorporated on 3 September 1999 and has not commenced operations since the date of incorporation. It has been liquidated during the year as disclosed in Note 15 of the financial statements.

There have been no significant changes in the nature of the activities of the Institute during the financial period.

The principal place of business and registered office of the Institute is located at No.5, Jalan Sri Semantan 1, Damansara Heights, 50490 Kuala Lumpur, Malaysia.

The financial statements of the Institute have been authorised by the Board of Directors for issuance on 29 April 2019.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Institute have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards (“IFRSs”) and the requirements of the Companies Act, 2016 in Malaysia.

Adoption of New and Revised MFRSs, Amendment to MFRSs and Issue Committee (“IC”) Interpretation

In the current financial year, the Institute has applied a number of new and revised MFRSs issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatorily effective for an accounting period that begins on or after 1 January 2018 as follows:

MFRS 9	Financial Instruments (IFRS 9 as issued by International Accounting Standards Board in July 2014)
MFRS 15	Revenue from Contracts with Customers (and the related Clarifications)
Amendments to MFRS 2	Clarification and Measurement of Share-based Payment Transactions
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 140	Transfers of Investment Property
Amendments to MFRSs	Annual Improvements to MFRSs 2014 – 2016
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration ¹
Amendments to MFRSs	Annual Improvements to MFRSs 2014-2016 cycle

The Institute has adopted all applicable new and revised MFRSs, amendment to MRFSS and IC Interpretation, which have become effective during the financial year ended 31 December 2018. The adoption of the new pronouncements did not result in any material financial impact in the financial statements, except for MFRS 9 and MFRS 15.

The financial impact upon the adoption of MFRS 9 and MFRS 15 on the opening balances of the respective balances as shown below.

	As of 1 January 2018 RM	MFRS 9 impact RM	MFRS 15 impact RM	As of 1 January 2018 (revised) RM
Assets				1,323,228
Trade receivables	1,334,957	(11,729)	-	
Liabilities				
Other payables and accrued expenses	(3,785,622)	-	(45,016)	(3,830,638)
Reserve				
Surplus	(16,598,857)	11,729	45,016	(16,542,112)

As the Institute applied the modified retrospective approach on the adoption of MFRS 9 and MFRS 15, the financial impact on the date of adoption would be adjusted through the Surplus balances of the Institute. The potential tax implications arising from the adoption of MFRS 9 and MFRS 15 are not material.

Based on the assessment performed by the Institute, there is no financial impact arising from classifications and measurements upon the adoption of MFRS 9. The financial impact shown above is the Expected Credit Loss ("ECL") provided for by the Institute based on the requirements of MFRS 9. The Institute has assessed the ECL of other financial assets and concluded that the financial impact is immaterial.

New and Revised Standards, Amendments and IC Interpretations in Issue but Not Yet Effective

At the date of authorisation for issue of these financial statements, the new and revised MFRSs, Amendments to MFRSs and IC Interpretation, which were in issue but not yet effective and not early adopted by the Institute are as listed below:

MFRS 16	Leases ¹
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement ¹
Amendments to MFRS 128	Long-Term Interests in Associates and Joint Ventures ¹
Amendments to MFRSs	Annual Improvements to MFRSs 2015 - 2017 ¹
Amendments to MFRSs	Amendment to Reference to the Conceptual Framework in MFRS Standards ²
Amendments to MFRS 3	Definition of Business ²
Amendments to MFRS 101 and MFRS 108	Definition of Material ²
MFRS 17	Insurance Contracts ³
Amendment to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associates or Joint Venture ⁴
IC Interpretation 23	Uncertainty over Income Tax Treatments ¹

¹ Effective for annual periods beginning on or after 1 January 2019.

² Effective for annual periods beginning on or after 1 January 2020.

³ Effective for annual periods beginning on or after 1 January 2021.

⁴ Effective date deferred to a date to be determined and announced.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

The Institute anticipates that the abovementioned MFRSs, Amendments to MFRSs and IC Interpretation will be adopted in the annual financial statements of the Institute when they become effective and that the adoption of these new and revised MFRSs, Amendments to MFRSs and IC Interpretation may have an impact on the amount reported and disclosures made in the Institute financial statements. However, it is not practicable to provide a reasonable estimate of the effects until the Institute performs a detailed review.

3. FINANCIAL AND CAPITAL RISK MANAGEMENT POLICIES

The Institute's financial risk management policies seeks to ensure that adequate financial resources are available for the development of the Institute's business whilst managing their risks. The Institute operates within guidelines that are approved by the Board and the Institute's policy is not to engage in speculative transactions.

The main areas of financial risks faced by the Institute and the policies in respect of the major areas of treasury activities are set out as follows:

(a) Foreign currency risk

The Institute is exposed to foreign currency risk as a result of its normal operating activities, where the currency denomination differs from the local currency, Ringgit Malaysia ("RM"). The Institute's policy is to minimise the exposure to foreign currency risk by monitoring and approving requisitions which involves foreign currencies. No sensitivity analysis is prepared as the Institute do not expect any material effect on the Institute's loss after tax and equity arising from the effect of reasonably possible changes to exchange rates on the foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period as the balances are immaterial. The Institute did not engage in any transactions involving financial derivative instruments during the financial year.

(b) Credit risk

The credit risk is controlled by not granting any credit to individuals and companies with the exception of entities within the insurance industry, which have a special arrangement with the Institute.

The maximum credit risk associated with recognised financial assets is the carrying amount shown in the statement of financial position.

The Institute has no significant concentration of credit risk with any single counterparty.

(c) Liquidity and cash flow risks

The Institute seeks to achieve a balance between certainty of funding even in difficult times for the markets of the Institute and to meet its cash obligation in a timely and cost-effective manner. This is to ensure that at the minimum, all projected net funding needs are covered by committed contributions. Also, the objective for debt maturity is to ensure that the amount of debts maturing in any one year is not beyond the Institute's means to repay and refinance.

The following tables detail the Institute's remaining contractual maturity for its financial assets and financial liabilities. The tables have been drawn up based on the undiscounted cash flows for financial assets and financial liabilities based on the earlier date on which the Institute expected to earn or may be required to pay. The tables included both interest and principal cash flows.

To the extent that interest flows are floating rates, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

	Effective interest rate during the period %	Less than 1 year/ on demand RM	1 to 5 years RM	Total RM
2018				
Financial assets:				
Fixed deposits	2.95 to 3.30	12,995,443	8,427,364	21,422,807
Cash and bank balances	-	572,522	-	572,522
Trade receivables	-	1,112,391	-	1,112,391
Other receivables and refundable deposits	-	811,527	-	811,527
Capacity building fund	-	2,686,255	-	2,686,255
Financial liabilities:				
Trade payables	-	189,168	-	189,168
Other payables and accrued expenses	-	2,751,503	-	2,751,503
Zero coupon bonds - secured	-	18,000,000	-	18,000,000

	Effective interest rate during the year %	Less than 1 year/ on demand RM	1 to 5 years RM	Total RM
2017				
Financial assets:				
Fixed deposits	2.95 to 3.40	17,682,629	8,129,190	25,811,819
Cash and bank balances	-	1,667,714	-	1,667,714
Trade receivables	-	1,334,957	-	1,334,957
Other receivables and refundable deposits	-	885,390	-	885,390
Amount due from subsidiary company	-	54,204	-	54,204
Capacity building fund	-	2,172,071	-	2,172,071
Financial liabilities:				
Trade payables	-	1,625,919	-	1,625,919
Other payables and accrued expenses	-	2,999,966	-	2,999,966
Zero coupon bonds	-	18,000,000	-	18,000,000

Sensitivity analysis for interest rate

At the end of reporting period, if the Institute's average interest rate increased or decreased by 24 basis point (2017: 24 basis point), with all other variables held constant, the Institute's surplus for the year will be higher or lower by RM50,636 (2017: RM60,980).

The assumed movement in interest rates for interest rate sensitivity analysis is based on the current observable market environment.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Capital risk management

The Institute manages its capital to ensure that the Institute will be able to continue as a going concern, through regular reviews of the capital structure.

The capital structure of the Institute consists of net debts (zero coupon bonds as disclosed in Note 20 offset by cash and cash equivalents as disclosed in Note 23) and reserves and surplus as disclosed in the statement of changes in equity.

The Institute is not subject to any externally imposed capital requirements.

4. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements of the Institute have been prepared under the historical cost convention, unless otherwise indicated in the accounting policies stated below. The financial statements are presented in Ringgit Malaysia ("RM") which is the Institute's functional currency.

Revenue recognition

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied i.e. when the "control" of the services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise to transfer a distinct service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Institute's customary business practices.

Revenue is measured at the amount of consideration to which the Institute expects to be entitled in exchange for transferring the promised services to the customers, excluding the amounts collected on behalf of third parties such as sales taxes or goods and services taxes. If the amount and consideration varies due to discounts, rebates, refunds or other similar items, the Institute estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices promised in the contract.

Revenue is recognised to the extent that is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Institute offers an extensive range of quality education programmes and training courses for professionals in the insurance and financial services industry. The Institute recognises revenue from the following major source:

Point of time revenue:

(a) Examination fees

The Institute conducts examinations with a fee which to be paid by its customer. Revenue is recognised when the service is completed as this represents the point in time at which the right to consideration becomes unconditional, as only passage of time is required before the payment is due.

(b) Training, seminar and conference fees

The Institute conducts training, seminar and conference to its members and such services are recognised as a performance obligations satisfied over time. Revenue is recognised for the performance of the services based on stage of completion of the contract. Seminar and conferences fees will be recognised during the month of the programme as the duration of these seminar and conferences are short. Revenue from trainings conducted will be recognised over time.

(c) E-learning fees and sale of books

For e-learning and sale of books, revenue is recognised when control of the goods has transferred being at the point the customer purchases the goods from the Institute. Payment of the transaction price is due immediately at the point the customer purchases the goods.

Over time revenue:**(a) Membership fees**

Membership fees comprise both corporate and individual memberships. Only subscription which is attributable to the current financial year is recognised as revenue. Subscription relating to periods beyond the current financial year is recognised as subscriptions in advance.

Other income:**(a) Interest income**

Interest income is measured at the fair value of the consideration received on receivables. Interest income is recognised on the accrual basis using the effective interest rate mentioned.

Foreign Currency

The Institute's financial statements are presented in the currency of the primary economic environment in which the entity operates (its functional currency).

In preparing the financial statements of the Institute, transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transactions.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of gains and losses that are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Taxation

(a) Current income tax

Current income tax assets and liabilities for the current year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date in the countries where the Institute operates and generates taxable income.

(b) Deferred Tax

Deferred tax is provided for, using the “liability” method, on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the deferred tax is also recognised outside profit or loss, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill.

The carrying amount of deferred tax assets, if any, is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Institute intends to settle its current tax assets and liabilities on a net basis.

Employee benefits

(a) Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by employees. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined contribution plans

The Institute is required by law to make monthly contributions to the Employees Provident Fund (“EPF”), a statutory defined contribution plan for all their eligible employees based on certain prescribed rates of the employees’ applicable remuneration. Contributions are charged to profit or loss in the period in which they relate. The Institute’s contributions to EPF are disclosed separately and the employees’ contributions to EPF are included in salaries, bonuses, allowances and other staff benefits. Once the contributions have been paid, the Institute has no further payment obligations.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the operating lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term. However, contingent rentals arising from operating leases are recognised as an expense in the periods in which they are incurred.

Impairment of non-financial assets

At the end of each reporting period, the Institute reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, the Institute estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating unit, or otherwise they are allocated to the smallest group of cash-generating unit for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. 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 assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment loss.

Subsequent cost is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Institute and the cost can be measured reliably. The carrying amount of the part of the asset being replaced is derecognised. All other repairs and maintenance costs are charged to profit or loss in the year in which they are incurred.

Depreciation of property and equipment are computed on the straight-line method at the following annual rates based on the estimated useful lives of the various property, plant and equipment:

Leasehold building	2%
Furniture and fittings, audio visual and office equipmen	10% - 33.33%
Motor vehicles	20%
Computers and peripherals	20% - 33.33%
Renovation	20% - 33.33%



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

At the end of each reporting period, the residual values, useful lives and depreciation method of the property and equipment are reviewed, and the effects of any changes are recognised prospectively.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset, and is recognised in profit or loss.

Non-current asset held for sale

Non-current asset is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sales in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Institute is committed to a sale plan involving disposal of assets, the assets are classified as held for sale when the criteria describe above are met.

Non-current asset classified as held for sale is measured at the lower of their carrying amount and fair value less costs to sell.

Prepaid lease payments

Lease of land where title is not expected to pass to the lessee at the end of the lease term is classified as operating leases as land normally has an indefinite useful life. The upfront payments made on entering into or acquiring a leasehold land that is an operating lease represents prepaid lease payments which are amortised on a straight line basis over the lease term.

Inventories

Inventories are valued at the lower of cost and net realisable value. Inventories represent books and publications for sale.

In arriving at net realisable value, impairment is made for obsolete and slow moving inventories.

Cost included the cost of purchase plus the cost incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated cost necessary to make the sale.

Provisions

Provisions are made when the Institute has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the end of each reporting period, and are discounted to a present value where the effect is material.

At the end of each reporting period, provisions are revised by the directors and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that the Institute will be required to settle the obligation.

Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when, and only when, the Institute becomes a party to the contractual provisions of the financial instruments.

(a) Financial Assets - financial year 2018

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Institute changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(i) Amortised cost

Amortised cost category comprises financial assets that are held within the business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding. The financial assets are not designated as at Fair Value Through Profit or Loss ("FVTPL"). Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Any gains or losses on derecognition is recognised in statement of comprehensive income.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised costs.

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts or payments through the expected life of the financial assets, or where appropriate, a shorter period.

All financial assets, except those measured at FVTPL, are subject to impairment assessment.

(b) Financial Assets - financial year 2017

In the previous financial year, financial assets of the Institute were classified and measured under MFRS 139.

(i) Loans and receivables

Loans and receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method less impairment.

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts or payments through the expected life of the financial assets, or where appropriate, a shorter period.

(c) Financial Liabilities - financial years 2018 and 2017

Financial liabilities not categorised as FVTPL are categorised as other financial liabilities, which subsequently measured at amortised cost using the effective interest method. Interest expense is recognised in the statement of comprehensive income. Any gains or losses on derecognition are also recognised in statement of comprehensive income. Other financial liabilities comprising payables, accrued expenses and debt instruments.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

(d) Derecognition - financial years 2018 and 2017

The Institute derecognised a financial asset only when the contractual rights to the cash flows from the financial asset expires, or it transfers the financial assets and substantially all of the risks and rewards of ownership of the financial asset to another entity. If the Institute neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred financial asset, the Institute recognises its retained interest in the financial asset and an associated liability for amounts it may have to pay. If the Institute retains substantially all the risks and rewards of ownership of a transferred financial asset, the Institute continues to recognise the financial asset and also recognises a collateralised borrowing from the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the financial asset's carrying amount and the sum of consideration received and receivable and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in statement of comprehensive income.

A financial liability is derecognised when, and only when the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid is recognised in statement of comprehensive income.

Impairment of financial assets

Unless specifically disclose below, the Institute generally applied the following accounting policies retrospectively. Nevertheless, as permitted by MFRS 9, the Institute elected not to restate the comparatives.

(a) Financial year 2018

The Institute recognises ECL on financial assets measured at amortised cost. ECL are a probability-weighted estimate of credit losses. The Institute measure loss allowance at an amount equal to lifetime expected credit loss, except for other receivables, capacity building fund, fixed deposits and cash and bank balances that are determined to have low credit risk at the reporting date or the credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowance for trade receivables is always measured at an amount equal to lifetime expected credit loss.

The Institute considers reasonable and supportable information that is relevant and available without undue cost or effort when assessing the ECL. This includes both quantitative and qualitative information and analysis, based on the Institute's historical experience and forward-looking information, where available.

Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month ECL are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date.

An impairment loss in respect of financial assets measured at amortised cost is recognised in statement of comprehensive income and the carrying amount of the asset is reduced through the use of an allowance account.

(b) Financial year 2017

Receivables are assessed for indicators of impairment at the end of each reporting period. Receivables are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the trade receivables, the estimated future cash flows of the receivables have been impacted.

For receivables, objective evidence of impairment could include:

- Significant financial difficulty of the customers; or
- Default or delinquency in interest or principal payments; or
- It becoming probable that the customers will enter bankruptcy or financial re-organisation.

Receivables that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Institute's past experience of collecting payments, an increase in the number of delayed payments in the portfolio, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the receivables is reduced by the impairment loss through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the impairment account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in statement of comprehensive income.

The amount of impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

Classification as debt or equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable transactions costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Institute. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participants that would use the asset in its highest and best use.

The Institute uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which all inputs that are significant to the fair value measurement are directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Cash and cash equivalents

The Institute adopts the indirect method in the preparation of the statement of cash flows.

Cash equivalents are short-term, highly liquid investments and are readily convertible to cash with insignificant risk of changes in value.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(a) Critical judgements in applying the Institute's accounting policies

In the process of applying the Institute's accounting policies, which are described in Note 4 above, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

6. REVENUE

	2018 RM	2017 RM
At point of time:		
Examination fees	6,876,936	7,102,860
Training, seminar and conference fees	4,342,431	4,706,453
E-learning	1,009,632	464,443
Sale of books	123,416	164,682
Over time:		
Membership fees	1,121,453	967,805
	13,473,868	13,406,243

7. DEFICIT LOSS BEFORE TAX

Deficit before tax is arrived at after crediting/(charging):

	2018 RM	2017 RM
Interest income from fixed deposits	716,715	765,888
Rental income	32,276	18,738
Realised loss on foreign exchange	(141)	(66)
Rental of venue and office premises	(1,416,869)	(1,337,659)
Rental of equipment	(92,294)	(153,333)
Auditors' remuneration	(40,000)	(40,000)
Directors' fee	(7,000)	(2,500)
Impairment loss on trade receivables	(3,359)	-
Impairment on amount due from subsidiary company	-	(5,516)

Employee benefits expense include salaries, contributions to EPF and all other staff related expenses. During the financial period, contributions of EPF made by the Institute amounted to RM966,116 (2017: RM919,485).

Included in other income is Hibah, a voluntary gift on saving account in licenced banks, amounted to RM11,281 (2017: RM20,660).

8. TAX CREDIT

	2018 RM	2017 RM
Estimated tax payable:		
Deferred tax (Note 19)	605,356	494,774
Over/(Under) provision in prior years:		
Current tax	-	6,781
Deferred tax (Note 19)	33,135	224,523
	638,491	726,078

For tax purpose, the Institute is treated as a "Trade Association" under Section 53(3) of the Income Tax Act 1967 under which its income is taxed at scale rates.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

A numerical reconciliation of tax credit applicable to the deficit before tax at the statutory income tax rate to tax credit at the effective tax rate of the Institute is as follows:

	2018 RM	2017 RM
Deficit before tax	(3,598,124)	(2,765,093)
Tax at 28%	1,007,475	774,226
Tax effects of:		
Expenses not deductible for tax purposes	(404,255)	(299,532)
Non-taxable items	2,136	20,080
Over/(Under) provision in prior years:		
Current tax	-	6,781
Deferred tax	33,135	224,523
Tax credit for the year	638,491	726,078

9. PROPERTY AND EQUIPMENT

	Leasehold building RM	Furniture and fittings, audio visual and office equipment RM	Motor vehicles RM	Computers and peripherals RM	Renovation RM	Total RM
Cost						
As of January 1, 2017	13,212,131	1,815,050	488,152	3,743,041	1,246,138	20,504,512
Additions	-	3,500	-	59,470	-	62,970
Reclassification	-	(8,831)	-	-	-	(8,831)
Asset held for sales (Note 22)	(13,212,131)	-	-	-	-	(13,212,131)
As of December 31, 2017/ January 1, 2018	-	1,809,719	488,152	3,802,511	1,246,138	7,346,520
Additions	-	26,050	-	66,760	-	92,810
As of December 31, 2018	-	1,835,769	488,152	3,869,271	1,246,138	7,439,330

(Forward)

	Leasehold building RM	Furniture and fittings, audio visual and office equipment RM	Motor vehicles RM	Computers and peripherals RM	Renovation RM	Total RM
Accumulated Depreciation						
As of 1 January 2017	4,637,840	1,707,330	349,007	3,518,904	1,180,681	11,393,762
Charge for the year	151,759	31,834	76,553	100,208	23,364	383,718
Reclassification	-	(1,766)	-	-	-	(1,766)
Asset held for sale (Note 22)	(4,789,599)	-	-	-	-	(4,789,599)
<hr/>						
As of 31 December 2017/ 1 January 2018	-	1,737,398	425,560	3,619,112	1,204,045	6,986,115
Charge for the period	-	22,021	62,583	107,171	18,624	210,399
<hr/>						
As of 31 December 2018	-	1,759,419	488,143	3,726,283	1,222,669	7,196,514
<hr/>						
Net Book Value						
As of 31 December 2018	-	76,350	9	142,988	23,469	242,816
<hr/>						
As of 31 December 2017	-	72,321	62,592	183,399	42,093	360,405

The following assets were acquired using the Capacity Building Fund (Note 17) during the current period/year:

	Furniture and fittings, audio visual and office equipment	Computers and peripherals RM	Total RM
2018			
Cost	-	437,075	437,075
Fund received	-	(437,075)	(437,075)
<hr/>			
Net book value	-	-	-
<hr/>			
2017			
Cost	18,498	499,657	518,155
Fund received	(18,498)	(499,657)	(518,155)
<hr/>			
Net book value	-	-	-



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. PREPAID LEASE PAYMENTS

	2018 RM	2017 RM
Cost		
At beginning and end of period/year	-	5,662,342
Reclassified to non current asset held for sale (Note 22)	-	(5,662,342)
At end of year	-	-
Accumulated Amortisation		
At beginning of period/year	-	1,987,645
Amortisation for the period/year	-	65,039
Reclassified to non current asset held for sale (Note 22)	-	(2,052,684)
At end of year	-	-
Carrying amount	-	-

The unexpired portion of the said leasehold land as of 31 December 2018 is 54 years (31 December 2017: 55 years).

The leasehold land has been charged as a security for the Zero coupon bonds as disclosed in Note 20.

11. FIXED DEPOSITS

	2018 RM	2017 RM
Deposits placed with licensed bank:		
Current (Note 23)	12,601,642	17,138,482
Non-current	8,171,989	7,879,031
	20,773,631	25,017,513

The long-term fixed deposit of the Institute placed with a licensed bank amounting to RM8,171,989 (2017: RM7,879,031) is deposited for the purpose of redemption of the Zero coupon bonds as disclosed in Note 20.

Fixed deposits placed with licensed banks earn interest at rates ranging from 2.95% to 3.30% (2017: 2.95% to 3.40%) per annum.

All fixed deposits are denominated in Ringgit Malaysia.

12. INVENTORIES

	2018 RM	2017 RM
Bookshop books	94,221	72,022

The cost of inventories recognised as an expense for the year was RM17,217 (2017: RM14,443).

13. TRADE RECEIVABLES

Trade receivables comprise amounts receivable from customers for academic and training courses conducted. These are non-interest bearing and recognised at their original invoice amounts which represent their fair values on initial recognition. In general, the Institute practices no credit to its customers. However, the Institute allows credit to customers with special arrangement with the Institute.

The reconciliation between the ending provision for impairment in accordance with MFRS 139 to the opening loss allowance determined in accordance with MFRS 9 for the above financial instruments on 1 January 2018 is as follows:

	Loss allowance RM
As of December 31, 2017	-
Adjustment upon application of MFRS 9	11,729
As of January 1, 2018 (revised)	11,729
Additions during the year	3,359
As of December 31, 2018	15,088

Credit terms of trade receivables is 90 days (2017: 90 days). No interest is charged on outstanding trade receivables.

The Institute measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate should there be any and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Institute writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

The following table details the risk profile of trade receivables based on the Institute's provision matrix. As the Institute's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Institute's different customer base.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	Trade receivables - days past due					
	< 30 RM	31 - 60 RM	61 - 90 RM	91 - 120 RM	> 120 RM	Total RM
December 31, 2018						
Estimated total gross						
carrying amount at default	354,902	227,976	223,997	56,698	248,818	1,112,391
Lifetime ECL	1,447	932	848	229	11,632	15,088
January 1, 2018						
Estimated total gross						
carrying amount at default	180,544	370,759	425,092	159,137	211,144	1,346,686
Lifetime ECL	1,665	3,110	3,617	1,468	1,869	11,729

As at 31 December 2017, a total of RM1,156,078 trade receivables were past due but not impaired. Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Institute. In determining the recoverability of a trade receivable, the Institute considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

14. OTHER RECEIVABLES AND PREPAID EXPENSES

	2018 RM	2017 RM
Prepaid expenses	1,315,079	888,308
Other receivables	323,372	360,459
Refundable deposits	330,492	360,564
Interest receivable	157,663	164,367
	2,126,606	1,773,698

Included in other receivables of the Institute is an amount of RM72,673 (2017: RM134,255) representing amount owing by the ASEAN Insurance Training and Research Institute. This amount arose mainly from expenses paid on behalf, is unsecured, interest-free and repayable on demand.

15. AMOUNT DUE FROM A SUBSIDIARY COMPANY

The Institute resolved to place the subsidiary company M.I.I Academy Sdn. Bhd., a company incorporated in Malaysia, under member's voluntary liquidation on 22 July 2016.

The liquidation process has been completed on 13 March 2018 and the amount owing by the subsidiary company of RM54,204 has been returned to the Institute during the financial year.

Amount due from a subsidiary company in 2017, which arise mainly from unsecured advances, is interest free and repayable on demand.

16. BUMIPUTRA TRAINING FUND

	2018 RM	2017 RM
At beginning of year	-	-
Payments of subsidies for Bumiputra life insurance agents	87,520	84,127
Subsidy received	(87,520)	(84,127)
At end of year	-	-

The Bumiputra Training Fund (“BTF”) was set up with the objective of assisting the development of the bumiputra life insurance agents and staff in Malaysia.

The contributions are collected by Life Insurance Association of Malaysia (“LIAM”) from the various life insurance companies. Eligible bumiputra life agents and staff would utilise this fund to subsidise the course fees for approved programmes conducted by the institute. The basis of subsidy depends on the programme and it is determined and approved by LIAM.

17. CAPACITY BUILDING FUND

	2018 RM	2017 RM
At beginning of year	2,172,071	2,981,470
Payments	982,268	5,407,140
Fund received	(468,084)	(6,216,539)
At end of year	2,686,255	2,172,071

Following the idea of having a permanent funding mechanism from the industry, Bank Negara Malaysia initiated the move to set up a capacity building fund to be jointly funded by Bank Negara Malaysia and the insurance industry. The basis of the contribution is that Bank Negara Malaysia will match ringgit-for-ringgit the contribution by the insurance industry. The funds will be channelled through the Board of Trustees of Asian Institute of Finance which will disburse the necessary funds for any approved projects. The balance at the end of the reporting period of RM2,686,255 (2017: RM2,172,071) is pending reimbursement from the fund. The fund was also utilised to acquire assets as disclosed in Note 9.

18. GENERAL RESERVES

	2018 RM	2017 RM
Building and renovation fund	157,037	157,037
Scholarship fund	85,646	85,646
Institute Insurans Malaysia (“IIM”) fund	122,171	122,171
General reserves	6,308,188	6,308,188
	6,673,042	6,673,042



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

General reserves arose mainly from contributions by insurance companies, brokers, agents and adjusters and the surplus arising on the disposal of a subsidiary company in prior years.

19. DEFERRED TAX LIABILITIES

	2018 RM	2017 RM
At beginning of year	1,764,312	2,483,609
Credited to profit or loss for the year (Note 8)	(638,491)	(719,297)
At end of year	1,125,821	1,764,312

Deferred tax liabilities of the Institute comprise the following:

	2018 RM	2017 RM
Deferred tax liabilities (before offsetting):		
Taxable temporary differences arising from:		
Property, plant and equipment	7,432	45,473
Non-current asset held for sale	2,358,308	2,358,308
Other receivables	42,600	46,022
	2,408,340	2,449,803
Offsetting	(1,282,519)	(685,491)
Deferred tax liabilities (after offsetting)	1,125,821	1,764,312
Deferred tax assets (before offsetting):		
Deductible temporary differences arising from deferred income	182,843	219,984
Unutilised tax losses	1,007,549	409,992
Unabsorbed capital allowances	92,127	55,515
Offsetting	1,282,519	685,491
	(1,282,519)	(685,491)
Deferred tax assets (after offsetting)	-	-

20. ZERO COUPON BONDS - SECURED

	2018 RM	2017 RM
Zero coupon bonds	18,000,000	18,000,000
Less: Accumulated amortisation		
At beginning of year	(3,372,038)	(3,966,497)
Interest charged to profit or loss	613,497	594,459
At end of year	(2,758,541)	(3,372,038)
Amortised cost	15,241,459	14,627,962

The bonds are secured by way of a fixed charge over the leasehold land and the building erected thereon (Note 9) and a floating charge over the assets of the Institute.

These bonds carry a 30 year maturity period which is subject to early redemption by the Institute. Date of redemption of the bonds is 1 December 2022.

As of the end of the reporting period, the directors of the Institute expect to undertake an early redemption of these bonds upon the completion of the proposed disposal of Wisma IBI currently classified as non-current asset held for sale in the statement of financial position (Note 22).

The bonds are measured at amortised cost. The interest expense is calculated by applying an effective interest rate of 4.11% (2017: 4.11%) per annum.

21. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs. These payables are non-interest bearing and the credit period granted to the Institute for trade purchases ranges from 30 days to 90 days (2017: 30 days to 90 days).

Other payables and accrued expenses consist of the following:

	2018 RM	2017 RM
Other payables	2,066,205	2,220,644
Accrued expenses	685,298	779,322
Deferred income	653,012	785,656
	3,404,515	3,785,622

Included in other payables is deposit received in relation to the proposed disposal of Wisma IBI (classified as non-current asset held for sale in Note 22) amounted to RM1,693,454 (2017: RM1,693,454).



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

22. NON-CURRENT ASSET HELD FOR SALE

	2018 RM	2017 RM
Non-current asset classified as held for sale from:		
Property and Equipment (Note 9)	8,422,532	8,422,532
Prepaid lease payment (Note 10)	3,609,658	3,609,658
	12,032,190	12,032,190

On November 22, 2016, the Institute entered into a conditional sale and purchase agreement binding the Institute, Asian Institute of Chartered Bankers (“AICB”), both are the joint owners of Wisma IBI, and a third party, for the proposed disposal of Wisma IBI to the third party at a total consideration of RM36,288,288.

As of the end of the reporting period, deposit of RM1,693,454 (2017: RM1,693,454) had been received by the Institute and included in other payables and accrued expenses (Note 21).

As of the date of this report, all the conditions precedent to the proposed disposal had been met and that the completion of the proposed disposal is pending full payment of the consideration to the Institute and AICB which had been determined to be on or before September 30, 2019.

23. CASH AND CASH EQUIVALENTS

	2018 RM	2017 RM
Cash and bank balances	572,522	1,667,714
Fixed deposits (Note 11)	12,601,642	17,138,482
	13,174,164	18,806,196

The currency profile of cash and bank balances is as follows:

	2018 RM	2017 RM
Ringgit Malaysia	568,858	1,536,225
United States Dollar	3,664	130,031
Great Britian Pound	-	1,458
	572,522	1,667,714

24. CAPITAL COMMITMENTS

As of the end of the reporting period, the Institute has the following capital commitments in respect of plant and equipment:

	2018 RM	2017 RM
Approved but not contracted for	1,149,690	732,530

25. RENTAL COMMITMENT

As of the end of the reporting period, the Institute has the following rental commitment in respect of office premises and equipment:

	Future Minimum Lease Payments	
	2018 RM	2017 RM
Financial years ending 31 December,		
2018	-	1,055,302
2019	398,348	338,991
2020 onwards	8,695	-
	407,043	1,394,293

26. COMPENSATION OF KEY MANAGEMENT PERSONNEL**Compensation of key management personnel**

The compensation of key management personnel which comprises key members of senior management of the Institute during the financial year are as follows:

	2018 RM	2017 RM
Short-term employee benefits	2,035,748	2,313,942
Contributions to EPF	262,801	303,385
	2,298,549	2,617,327



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

27. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2018 RM	2017 RM
Financial assets		
Fixed deposits (Note 11)	20,773,631	25,017,513
Cash and bank balances	572,522	1,667,714
Trade receivables	1,097,303	1,334,957
Other receivables and refundable deposits	811,527	885,390
Amount due from a subsidiary company (Note 15)	-	54,204
Capacity Building Fund (Note 16)	2,686,255	2,172,071
Financial assets/loans and receivables at amortised costs	25,941,238	31,131,849
Financial liabilities		
Trade payables	189,168	1,625,919
Other payables and accrued expenses	2,751,503	2,999,966
Zero coupon bonds-Secured	15,241,459	14,627,962
Other financial liabilities at amortised cost	17,449,700	19,253,847

The carrying amounts of all financial assets and liabilities of the Institute at the end of the reporting period approximate their fair values except for the following financial liability:

	2018		2017	
	Carrying Value RM	Fair Value RM	Carrying Value RM	Fair Value RM
Zero coupon bonds	15,241,459	15,321,551	14,627,962	14,716,695

The above fair value is estimated based on Level 3 fair value measurement using discounted cash flow analysis based on current borrowing rates for similar type of borrowing arrangement. The discounted rate used is 4.11% (2017: 4.11%).

STATEMENT BY DIRECTORS

The directors of **THE MALAYSIAN INSURANCE INSTITUTE** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Institute as of December 31, 2018 and of the financial performance and the cash flows of the Institute for the year ended on that date.

Signed in accordance with a resolution of the Directors,

ANUSHA A/P THAVARAJAH
(DIRECTOR)

EZAMSHAH BIN ISMAIL
(DIRECTOR)

Kuala Lumpur,
April 29, 2019

DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE INSTITUTE

I, **ANUSHA A/P THAVARAJAH** the Officer primarily responsible for the financial management of **THE MALAYSIAN INSURANCE INSTITUTE**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, 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.

ANUSHA A/P THAVARAJAH

Subscribed and solemnly declared by the abovenamed **ANUSHA A/P THAVARAJAH** at **KUALA LUMPUR** this April 29, 2019
Before me,

COMMISSIONER FOR OATHS



PROXY FORM

THE MALAYSIAN INSURANCE INSTITUTE (Company No. 35445-H) 41st ANNUAL GENERAL MEETING

I, Membership No.:

of

a member of The Malaysian Insurance Institute ("MII"), hereby appoint individual member,
Membership No.: of

.....

failing him/her,

also an individual member, (Membership No. :) of

..... to
attend and vote on my behalf at the **41st Annual General Meeting** of MII to be held at Training Room 2.3 & 2.4, Sasana Kijang, 2 Jalan Dato' Onn, 50480 Kuala Lumpur on **Friday, 28 June 2019 at 10:00 a.m.** and at any adjournment thereof.

My proxy is to vote as indicated below:

(Please indicate with an "x" in the space provided on how you wish your vote to be cast.)

Ordinary resolution		For	Against
1.	To re-elect Mr. Tan Kok Guan as Director of MII		
2.	To re-elect Mr. T Sivapalan A/L Tharmapalan as Director of MII		
3.	To re-elect Mr. Wong Ah Kow as Director of MII		
4.	To elect Mr. Tapan Kumar Rangam Bir as Director of MII		
5.	To re-appoint Messrs Deloitte PLT as the auditors of MII		
6.	Proposed Directors' Benefits		
Special resolution			
1,	Proposed amendments to the Articles of Association		

Dated this day of, 2019.

Signature of individual member

Note:-

- A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his/her stead.
- A proxy shall be an individual member of the Institute. No proxy shall be a proxy for more than two (2) individual members.
- The instrument appointing a proxy under which it is signed thereof shall be deposited at the Registered Office of MII, No. 5 Jalan Sri Semantan Satu, Damansara Heights, 50490 Kuala Lumpur, not less than forty eight (48) hours before the time appointed for holding the meeting.

ACCREDITED REPRESENTATIVE FORM

THE MALAYSIAN INSURANCE INSTITUTE (Company No. 35445-H) 41st ANNUAL GENERAL MEETING

We, Membership No.:

of

an institutional member of The Malaysian Insurance Institute ("MII"), hereby appoint

NRIC No:..... of

and failing him/her,.....NRIC No:.....

of

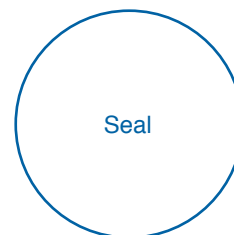
attend and vote for us on our behalf at the **41st Annual General Meeting** of MII to be held at Training Room 2.3 & 2.4, Sasana Kijang, 2 Jalan Dato' Onn, 50480 Kuala Lumpur on **Friday, 28 June 2019 at 10:00 a.m.** and at any adjournment thereof. Our nominee is to vote as indicated below:

(Please indicate with an "x" in the space provided on how you wish your vote to be cast.)

Ordinary resolution		For	Against
1.	To re-elect Mr. Tan Kok Guan as Director of MII		
2.	To re-elect Mr. T Sivapalan A/L Tharmapalan as Director of MII		
3.	To re-elect Mr. Wong Ah Kow as Director of MII		
4.	To elect Mr. Tapan Kumar Rangam Bir as Director of MII		
5.	To re-appoint Messrs Deloitte PLT as the auditors of MII		
6.	Proposed Directors' Benefits		
Special resolution			
1,	Proposed amendments to the Articles of Association		

In witness whereof the Common Seal of the Company is affixed on this day of....., 2019.

Signature(s) & Common Seal



Note:-

- A member entitled to attend and vote at this meeting is entitled to appoint an accredited representative to attend and vote in its stead.
- The instrument appointing an accredited representative shall be in writing under the seal of the institutional member.
- The instrument appointing an accredited representative and the power of attorney or other authority (if any) under which it is signed or notarially certified thereof shall be deposited at the Registered Office of MII, No. 5 Jalan Sri Semantan Satu, Damansara Heights, 50490 Kuala Lumpur, not less than forty eight (48) hours before the time appointed for holding the meeting.



Head office

THE MALAYSIAN INSURANCE INSTITUTE (35445-H)

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