

**LPI CAPITAL BHD**
**Condensed Consolidated Statement of Profit or Loss For The Quarter Ended 31 December 2013 - Audited**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31.12.2013 RM'000	Preceding Year Corresponding Quarter Ended 31.12.2012 RM'000	Current Year To Date Ended 31.12.2013 RM'000	Preceding Year Corresponding Period Ended 31.12.2012 RM'000
<b>Operating revenue</b>	294,649	271,929	1,119,022	1,039,326
Gross written premiums	243,280	214,654	1,105,678	1,033,860
Change in unearned premiums provision	41,624	48,228	(52,557)	(55,513)
Gross earned premiums	284,904	262,882	1,053,121	978,347
Gross written premiums ceded to reinsurers	(84,095)	(80,866)	(448,198)	(430,615)
Change in unearned premiums provision	(31,482)	(29,420)	15,797	36,790
Premiums ceded to reinsurers	(115,577)	(110,286)	(432,401)	(393,825)
<b>Net earned premiums</b>	169,327	152,596	620,720	584,522
Investment income	9,745	9,047	65,901	60,979
Realised gains and losses	113	4	911	75
Fair value gains and losses	3,173	2,075	3,173	2,075
Commission income	21,239	17,173	85,701	75,135
Other operating income	2,221	1,323	5,838	4,574
<b>Other income</b>	36,491	29,622	161,524	142,838
Gross claims paid	(107,118)	(87,169)	(352,225)	(326,067)
Claims ceded to reinsurers	36,968	25,885	110,073	95,157
Gross change in contract liabilities	(36,726)	(9,088)	(151,718)	(83,102)
Change in contract liabilities ceded to reinsurers	34,668	8,902	111,565	36,113
<b>Net claims incurred</b>	(72,208)	(61,470)	(282,305)	(277,899)
Commission expense	(32,737)	(30,388)	(124,734)	(121,134)
Management expenses	(29,292)	(27,668)	(117,928)	(113,642)
<b>Other expenses</b>	(62,029)	(58,056)	(242,662)	(234,776)
<b>Operating profit</b>	71,581	62,692	257,277	214,685
Finance costs	(338)	(338)	(1,342)	(1,403)
Share of profit after tax of equity accounted associated company	66	268	866	754
<b>Profit before tax</b>	71,309	62,622	256,801	214,036
Tax expense	(18,917)	(15,237)	(55,361)	(47,111)
<b>Profit for the year</b>	52,392	47,385	201,440	166,925
<b>Profit attributable to:</b>				
Owners of the Company	52,392	47,385	201,440	166,925
Earnings per ordinary share (sen)				
- Basic	23.79	21.51	91.44	75.77
- Diluted	N/A	N/A	N/A	N/A

N/A - *Not Applicable.*

**Note : The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Annual Financial Report for the year ended 31 December 2012.**

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**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income For The Quarter Ended 31 December 2013 - Audited**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31.12.2013 RM'000	Preceding Year Corresponding Quarter Ended 31.12.2012 RM'000	Current Year To Date Ended 31.12.2013 RM'000	Preceding Year Corresponding Period Ended 31.12.2012 RM'000
<b>Profit for the year</b>	52,392	47,385	201,440	166,925
<b>Other comprehensive income</b>				
<b>Items that are or may be reclassified subsequently to profit or loss</b>				
Foreign currency translation differences for foreign operation	1,064	86	3,823	852
Fair value of available-for-sale financial assets				
- Gains arising during the year	96,298	108,804	179,433	166,700
- Reclassification adjustments for gains included in profit or loss	(764)	-	(764)	-
	95,534	108,804	178,669	166,700
	96,598	108,890	182,492	167,552
Tax effect on net gain on fair value of available-for-sale financial assets	(165)	(74)	(223)	(216)
<b>Total other comprehensive income for the year, net of tax</b>	96,433	108,816	182,269	167,336
<b>Total comprehensive income for the year attributable to owners of the Company</b>	148,825	156,201	383,709	334,261

**Note : The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2012.**

## LPI CAPITAL BHD

### Condensed Consolidated Statement Of Financial Position As At 31 December 2013 - Audited

	As At 31.12.2013	As At 31.12.2012
	RM'000	RM'000
<b>Assets</b>		
Plant and equipment	10,162	11,966
Investment properties	19,737	15,857
Investment in associated company	15,153	13,127
Other investments	1,430,801	1,225,025
Available-for-sale financial assets	1,124,992	946,353
Held-to-maturity financial assets	305,809	278,672
Reinsurance assets	614,362	483,605
Loans and receivables, excluding insurance receivables	344,587	453,695
Insurance receivables	117,933	98,848
Deferred acquisition costs	28,145	27,467
Cash and cash equivalents	621,451	419,672
<b>Total assets</b>	<b>3,202,331</b>	<b>2,749,262</b>
<b>Equity</b>		
Share capital	221,324	221,324
Treasury shares, at cost	(8,300)	(8,300)
Reserves	1,393,519	1,159,620
<b>Total equity</b>	<b>1,606,543</b>	<b>1,372,644</b>
<b>Liabilities</b>		
Insurance contract liabilities	1,360,773	1,149,694
Deferred tax liabilities	1,371	1,123
Borrowings	32,500	32,500
Insurance payables	75,637	66,232
Other payables	110,790	115,033
Tax payables	14,717	12,036
<b>Total liabilities</b>	<b>1,595,788</b>	<b>1,376,618</b>
<b>Total equity and liabilities</b>	<b>3,202,331</b>	<b>2,749,262</b>

**Note :The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2012.**

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**Condensed Consolidated Statement Of Changes In Equity For The Year Ended 31 December 2013 - Audited**

	← Non-distributable →			Distributable			
	Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Foreign currency translation reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total RM'000
<b><u>12 Months Year Ended 31 December 2013</u></b>							
Balance as at 1 January 2013	221,324	(8,300)	117,052	1,666	789,091	251,811	1,372,644
Foreign currency translation differences for foreign operation	-	-	-	3,823	-	-	3,823
Fair value of available-for-sale financial assets							
- Gains arising during the year	-	-	-	-	179,210	-	179,210
- Reclassification adjustments for gains included in profit or loss	-	-	-	-	(764)	-	(764)
Total other comprehensive income for the year	-	-	-	3,823	178,446	-	182,269
Profit for the year	-	-	-	-	-	201,440	201,440
Total comprehensive income for the year	-	-	-	3,823	178,446	201,440	383,709
Distribution to owners of the Company							
- Dividends to owners of the Company	-	-	-	-	-	(149,810)	(149,810)
Total transaction with owners of the Company	-	-	-	-	-	(149,810)	(149,810)
Balance as at 31 December 2013	<u>221,324</u>	<u>(8,300)</u>	<u>117,052</u>	<u>5,489</u>	<u>967,537</u>	<u>303,441</u>	<u>1,606,543</u>

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**Condensed Consolidated Statement Of Changes In Equity For The Year Ended 31 December 2013 - Audited (cont'd)**

	← Non-distributable →			Distributable			
	Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Foreign currency translation reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total RM'000
<b><u>12 Months Year Ended 31 December 2012</u></b>							
Balance as at 1 January 2012	221,324	(8,300)	117,052	814	622,607	228,087	1,181,584
Foreign currency translation differences for foreign operation	-	-	-	852	-	-	852
Fair value of available-for-sale financial assets	-	-	-	-	166,484	-	166,484
Total other comprehensive income for the year	-	-	-	852	166,484	-	167,336
Profit for the year	-	-	-	-	-	166,925	166,925
Total comprehensive income for the year	-	-	-	852	166,484	166,925	334,261
Distribution to owners of the Company							
- Dividends to owners of the Company	-	-	-	-	-	(143,201)	(143,201)
Total transaction with owners of the Company	-	-	-	-	-	(143,201)	(143,201)
Balance as at 31 December 2012	<u>221,324</u>	<u>(8,300)</u>	<u>117,052</u>	<u>1,666</u>	<u>789,091</u>	<u>251,811</u>	<u>1,372,644</u>

**Not The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2012.**

## LPI CAPITAL BHD

### Condensed Consolidated Statement of Cash Flow For The Year Ended 31 December 2013 - Audited

	Current Year To Date Ended 31.12.2013 RM'000	Preceding Year Corresponding Period Ended 31.12.2012 RM'000
<b>Operating activities</b>		
Profit before tax	256,801	214,036
Investment income	(65,901)	(60,979)
Realised gains recorded in profit or loss	(911)	(75)
Fair value gains recorded in profit or loss	(3,173)	(2,075)
Share of profit of equity accounted associated company	(866)	(754)
Purchase of available-for-sale financial assets	(96)	(109)
Proceeds from disposal of available-for-sale financial assets	1,094	-
Purchase of held-to-maturity financial assets	(54,796)	(34,664)
Maturity of held-to-maturity financial assets	27,980	32,318
Repayment of corporate loan	500	500
<b>Non-cash items:</b>		
Depreciation of plant and equipment	4,330	3,481
Unrealised foreign exchange loss	380	182
<b>Changes in working capital:</b>		
Decrease / (Increase) in loans and receivables	110,880	(100,001)
Increase in reinsurance assets	(127,361)	(72,903)
(Increase) / Decrease in insurance receivables	(18,285)	6,645
(Increase) / Decrease in deferred acquisition costs	(501)	985
Increase in insurance contract liabilities	204,273	138,615
Increase in insurance payables	9,161	4,719
(Decrease) / Increase in other payables	(5,504)	10,114
Cash generated from operating activities	338,005	140,035
Dividend income received	31,217	28,832
Interest income received	34,241	31,596
Rental income on investment property received	407	506
Income tax paid	(52,680)	(44,986)
<b>Net cash flows generated from operating activities</b>	<b>351,190</b>	<b>155,983</b>

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### Condensed Consolidated Statement of Cash Flow For The Year Ended 31 December 2013 - Audited (cont'd)

	Current Year To Date Ended 31.12.2013 RM'000	Preceding Year Corresponding Period Ended 31.12.2012 RM'000
<b>Investing activities</b>		
Proceeds from disposal of plant and equipment	115	90
Purchase of plant and equipment	(2,510)	(2,963)
<b>Net cash flows used in investing activities</b>	<u>(2,395)</u>	<u>(2,873)</u>
<b>Financing activities</b>		
Dividends paid to owners of the Company	(149,810)	(143,201)
Repayment of borrowing	-	(7,000)
<b>Net cash flows used in financing activities</b>	<u>(149,810)</u>	<u>(150,201)</u>
Net increase in cash and cash equivalents	198,985	2,909
Cash and cash equivalents at beginning of year	419,672	415,424
Effect of movement in exchange rates	2,794	1,339
<b>Cash and cash equivalents at end of year</b>	<u>621,451</u>	<u>419,672</u>

**Note : The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2012.**