

LPI CAPITAL BHD
Condensed Consolidated Statement of Profit or Loss For The Quarter Ended 30 June 2014 - Unaudited

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter Ended	Quarter Ended	To Date Ended	Period Ended
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
	RM'000	RM'000	RM'000	RM'000
Operating revenue	291,491	282,398	569,289	540,865
Gross written premiums	251,407	273,303	606,011	588,840
Change in unearned premiums provision	30,612	120	(72,377)	(82,550)
Gross earned premiums	282,019	273,423	533,634	506,290
Gross written premiums ceded to reinsurers	(86,026)	(117,609)	(254,648)	(252,138)
Change in unearned premiums provision	(22,749)	2,634	30,157	39,074
Premiums ceded to reinsurers	(108,775)	(114,975)	(224,491)	(213,064)
Net earned premiums	173,244	158,448	309,143	293,226
Investment income	9,472	8,975	35,655	34,575
Realised gains and losses	-	5	3,923	39
Commission income	21,637	22,804	46,640	43,643
Other operating income	830	1,239	2,006	2,384
Other income	31,939	33,023	88,224	80,641
Gross claims paid	(78,903)	(97,140)	(167,314)	(160,434)
Claims ceded to reinsurers	22,499	32,685	51,134	47,824
Gross change in contract liabilities	(43,051)	(23,588)	(88,552)	(119,403)
Change in contract liabilities ceded to reinsurers	27,842	18,959	64,040	90,754
Net claims incurred	(71,613)	(69,084)	(140,692)	(141,259)
Commission expense	(32,738)	(32,108)	(61,431)	(60,234)
Management expenses	(32,441)	(27,635)	(64,463)	(58,655)
Other expenses	(65,179)	(59,743)	(125,894)	(118,889)
Operating profit	68,391	62,644	130,781	113,719
Finance costs	-	(335)	(74)	(666)
Share of profit after tax of equity accounted associated company	160	198	518	545
Profit before tax	68,551	62,507	131,225	113,598
Tax expense	(17,370)	(15,928)	(29,463)	(24,907)
Profit for the period	51,181	46,579	101,762	88,691
Profit attributable to:				
Owners of the Company	51,181	46,579	101,762	88,691
Earnings per ordinary share (sen)				
- Basic	23.23	21.14	46.19	40.25
- 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 2013.

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income For The Quarter Ended 30 June 2014 - Unaudited

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30.06.2014 RM'000	Preceding Year Corresponding Quarter Ended 30.06.2013 RM'000	Current Year To Date Ended 30.06.2014 RM'000	Preceding Year Corresponding Period Ended 30.06.2013 RM'000
Profit for the period	51,181	46,579	101,762	88,691
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operation	(617)	976	(312)	1,994
Fair value of available-for-sale financial assets				
- Gains arising during the period	24,096	39,181	10,003	38,303
- Reclassification adjustments for gains included in profit or loss	-	-	(3,817)	-
	24,096	39,181	6,186	38,303
	23,479	40,157	5,874	40,297
Tax effect on net gain on fair value of available-for-sale financial assets	(31)	(84)	967	(155)
Total other comprehensive income for the period, net of tax	23,448	40,073	6,841	40,142
Total comprehensive income for the period attributable to owners of the Company	74,629	86,652	108,603	128,833

Note : The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2013.

LPI CAPITAL BHD**Condensed Consolidated Statement Of Financial Position As At 30 June 2014 - Unaudited**

	As At 30.06.2014	As At 31.12.2013
	RM'000	RM'000
Assets		
Plant and equipment	8,517	10,162
Investment properties	19,737	19,737
Investment in associated company	15,344	15,153
Other investments	1,446,951	1,430,801
Available-for-sale financial assets	1,128,464	1,124,992
Held-to-maturity financial assets	318,487	305,809
Reinsurance assets	708,559	614,362
Loans and receivables, excluding insurance receivables	305,603	344,587
Insurance receivables	137,352	117,933
Deferred acquisition costs	27,589	28,145
Cash and cash equivalents	713,923	621,451
Total assets	3,383,575	3,202,331
Equity		
Share capital	221,324	221,324
Treasury shares, at cost	(8,300)	(8,300)
Reserves	1,387,561	1,393,519
Total equity	1,600,585	1,606,543
Liabilities		
Insurance contract liabilities	1,521,702	1,360,773
Deferred tax liabilities	404	1,371
Borrowings	-	32,500
Insurance payables	132,862	75,637
Other payables	107,153	110,790
Tax payables	20,869	14,717
Total liabilities	1,782,990	1,595,788
Total equity and liabilities	3,383,575	3,202,331

Note :The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2013.

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Condensed Consolidated Statement Of Changes In Equity For The Period Ended 30 June 2014 - Unaudited

	← Non-distributable →				Distributable		Total RM'000
	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	
6 Months Period Ended 30 June 2014							
Balance as at 1 January 2014	221,324	(8,300)	117,052	5,489	967,537	303,441	1,606,543
Foreign currency translation differences for foreign operation	-	-	-	(312)	-	-	(312)
Fair value of available-for-sale financial assets							
- Gains arising during the period	-	-	-	-	10,051	-	10,051
- Reclassification adjustments for gains included in profit or loss	-	-	-	-	(2,898)	-	(2,898)
Total other comprehensive income for the period	-	-	-	(312)	7,153	-	6,841
Profit for the period	-	-	-	-	-	101,762	101,762
Total comprehensive income for the period	-	-	-	(312)	7,153	101,762	108,603
Distribution to owners of the Company							
- Dividends to owners of the Company	-	-	-	-	-	(114,561)	(114,561)
Total transaction with owners of the Company	-	-	-	-	-	(114,561)	(114,561)
Balance as at 30 June 2014	<u>221,324</u>	<u>(8,300)</u>	<u>117,052</u>	<u>5,177</u>	<u>974,690</u>	<u>290,642</u>	<u>1,600,585</u>

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Condensed Consolidated Statement Of Changes In Equity For The Period Ended 30 June 2014 - Unaudited (cont'd)

	← Non-distributable			Distributable →			Total RM'000
	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	
<u>6 Months Period Ended 30 June 2013</u>							
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	-	-	-	1,994	-	-	1,994
Fair value of available-for-sale financial assets	-	-	-	-	38,148	-	38,148
Total other comprehensive income for the period	-	-	-	1,994	38,148	-	40,142
Profit for the period	-	-	-	-	-	88,691	88,691
Total comprehensive income for the period	-	-	-	1,994	38,148	88,691	128,833
Distribution to owners of the Company							
- Dividends to owners of the Company	-	-	-	-	-	(110,155)	(110,155)
Total transaction with owners of the Company	-	-	-	-	-	(110,155)	(110,155)
Balance as at 30 June 2013	<u>221,324</u>	<u>(8,300)</u>	<u>117,052</u>	<u>3,660</u>	<u>827,239</u>	<u>230,347</u>	<u>1,391,322</u>

Note :The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2013.

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Condensed Consolidated Statement of Cash Flow For The Period Ended 30 June 2014 - Unaudited

	Current Year To Date Ended 30.06.2014 RM'000	Preceding Year Corresponding Period Ended 30.06.2013 RM'000
Operating activities		
Profit before tax	131,225	113,598
Investment income	(35,655)	(34,575)
Realised gains recorded in profit or loss	(3,923)	(39)
Share of profit of equity accounted associated company	(518)	(545)
Purchase of available-for-sale financial assets	(57)	(63)
Proceeds from disposal of available-for-sale financial assets	6,588	-
Purchase of held-to-maturity financial assets	(33,929)	(29,796)
Maturity of held-to-maturity financial assets	21,379	20,035
Repayment of corporate loan	(500)	-
Non-cash items:		
Depreciation of plant and equipment	2,231	2,164
Unrealised foreign exchange (gain) / loss	(41)	168
Changes in working capital:		
Decrease / (Increase) in loans and receivables	39,485	(16,727)
Increase in reinsurance assets	(94,197)	(129,829)
Increase in insurance receivables	(19,419)	(40,837)
Decrease in deferred acquisition costs	556	1,011
Increase in insurance contract liabilities	160,929	201,953
Increase in insurance payables	57,225	29,725
Decrease in other payables	(3,637)	(965)
Cash generated from operating activities	227,742	115,278
Dividend income received	17,888	17,962
Interest income received	17,240	16,407
Rental income on investment property received	414	195
Income tax paid	(23,311)	(19,495)
Net cash flows generated from operating activities	239,973	130,347

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Condensed Consolidated Statement of Cash Flow For The Period Ended 30 June 2014 - Unaudited (cont'd)

	Current Year To Date Ended 30.06.2014 RM'000	Preceding Year Corresponding Period Ended 30.06.2013 RM'000
Investing activities		
Proceeds from disposal of plant and equipment	216	7
Purchase of plant and equipment	(711)	(717)
Net cash flows used in investing activities	<u>(495)</u>	<u>(710)</u>
Financing activities		
Dividends paid to owners of the Company	(114,561)	(110,155)
Repayment of borrowing	(32,500)	-
Net cash flows used in financing activities	<u>(147,061)</u>	<u>(110,155)</u>
Net increase in cash and cash equivalents	92,417	19,482
Cash and cash equivalents at beginning of year	621,451	419,672
Effect of movement in exchange rates	55	1,245
Cash and cash equivalents at end of period	<u>713,923</u>	<u>440,399</u>

Note : The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2013.