

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

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter Ended	Quarter Ended	To Date Ended	Period Ended
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
	RM'000	RM'000	RM'000	RM'000
Operating revenue	301,236	283,508	870,525	824,373
Gross written premiums	287,726	273,558	893,737	862,398
Change in unearned premiums provision	(10,846)	(11,631)	(83,223)	(94,181)
Gross earned premiums	276,880	261,927	810,514	768,217
Gross written premiums ceded to reinsurers	(116,543)	(111,965)	(371,191)	(364,103)
Change in unearned premiums provision	7,465	8,205	37,622	47,279
Premiums ceded to reinsurers	(109,078)	(103,760)	(333,569)	(316,824)
Net earned premiums	167,802	158,167	476,945	451,393
Investment income	24,356	21,581	60,011	56,156
Realised gains and losses	-	759	3,923	798
Commission income	19,676	20,819	66,316	64,462
Other operating income	1,319	1,233	3,325	3,617
Other income	45,351	44,392	133,575	125,033
Gross claims paid	(133,097)	(84,673)	(300,411)	(245,107)
Claims ceded to reinsurers	70,226	25,281	121,360	73,105
Gross change in contract liabilities	64,918	4,411	(23,634)	(114,992)
Change in contract liabilities ceded to reinsurers	(74,792)	(13,857)	(10,752)	76,897
Net claims incurred	(72,745)	(68,838)	(213,437)	(210,097)
Commission expense	(31,365)	(31,763)	(92,796)	(91,997)
Management expenses	(31,396)	(29,981)	(95,859)	(88,636)
Other expenses	(62,761)	(61,744)	(188,655)	(180,633)
Operating profit	77,647	71,977	208,428	185,696
Finance costs	(578)	(338)	(652)	(1,004)
Share of profit after tax of equity accounted associated company	356	255	874	800
Profit before tax	77,425	71,894	208,650	185,492
Tax expense	(13,230)	(11,537)	(42,693)	(36,444)
Profit for the period	64,195	60,357	165,957	149,048
Profit attributable to:				
Owners of the Company	64,195	60,357	165,957	149,048
Earnings per ordinary share (sen)				
- Basic	29.14	27.40	75.33	67.65
- 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 September 2014 - Unaudited

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30.09.2014 RM'000	Preceding Year Corresponding Quarter Ended 30.09.2013 RM'000	Current Year To Date Ended 30.09.2014 RM'000	Preceding Year Corresponding Period Ended 30.09.2013 RM'000
Profit for the period	64,195	60,357	165,957	149,048
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operation	(744)	765	(1,056)	2,759
Fair value of available-for-sale financial assets				
- Gain / (loss) arising during the period	(9,532)	45,591	471	83,894
- Reclassification adjustments for gains included in profit or loss	-	(759)	(3,817)	(759)
	(9,532)	44,832	(3,346)	83,135
	(10,276)	45,597	(4,402)	85,894
Tax effect on net gain / (loss) on fair value of available-for-sale financial assets	(5)	97	962	(58)
Total other comprehensive income for the period, net of tax	(10,281)	45,694	(3,440)	85,836
Total comprehensive income for the period attributable to owners of the Company	53,914	106,051	162,517	234,884

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.

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Condensed Consolidated Statement Of Financial Position As At 30 September 2014 - Unaudited

	As At 30.09.2014	As At 31.12.2013
	RM'000	RM'000
Assets		
Plant and equipment	8,125	10,162
Investment properties	19,508	19,737
Investment in associated company	15,783	15,153
Other investments	1,506,721	1,430,801
Available-for-sale financial assets	1,197,753	1,124,992
Held-to-maturity financial assets	308,968	305,809
Reinsurance assets	640,417	614,362
Loans and receivables, excluding insurance receivables	306,521	344,587
Insurance receivables	162,847	117,933
Deferred acquisition costs	29,646	28,145
Cash and cash equivalents	689,774	621,451
Total assets	3,379,342	3,202,331
Equity		
Share capital	221,324	221,324
Treasury shares, at cost	(8,300)	(8,300)
Reserves	1,397,413	1,393,519
Total equity	1,610,437	1,606,543
Liabilities		
Insurance contract liabilities	1,465,841	1,360,773
Deferred tax liabilities	401	1,371
Borrowings	53,000	32,500
Insurance payables	118,118	75,637
Other payables	112,884	110,790
Tax payables	18,661	14,717
Total liabilities	1,768,905	1,595,788
Total equity and liabilities	3,379,342	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 September 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	
9 Months Period Ended 30 September 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	-	-	-	(1,056)	-	-	(1,056)
Fair value of available-for-sale financial assets							
- Gains arising during the period	-	-	-	-	479	-	479
- Reclassification adjustments for gains included in profit or loss	-	-	-	-	(2,863)	-	(2,863)
Total other comprehensive income for the period	-	-	-	(1,056)	(2,384)	-	(3,440)
Profit for the period	-	-	-	-	-	165,957	165,957
Total comprehensive income for the period	-	-	-	(1,056)	(2,384)	165,957	162,517
Distribution to owners of the Company							
- Dividends to owners of the Company	-	-	-	-	-	(158,623)	(158,623)
Total transaction with owners of the Company	-	-	-	-	-	(158,623)	(158,623)
Balance as at 30 September 2014	<u>221,324</u>	<u>(8,300)</u>	<u>117,052</u>	<u>4,433</u>	<u>965,153</u>	<u>310,775</u>	<u>1,610,437</u>

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Condensed Consolidated Statement Of Changes In Equity For The Period Ended 30 September 2014 - Unaudited (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
<u>9 Months Period Ended 30 September 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	-	-	-	2,759	-	-	2,759
Fair value of available-for-sale financial assets							
- Gains arising during the period	-	-	-	-	83,684	-	83,684
- Reclassification adjustments for gains included in profit or loss	-	-	-	-	(607)	-	(607)
Total other comprehensive income for the period	-	-	-	2,759	83,077	-	85,836
Profit for the period	-	-	-	-	-	149,048	149,048
Total comprehensive income for the period	-	-	-	2,759	83,077	149,048	234,884
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 30 September 2013	<u>221,324</u>	<u>(8,300)</u>	<u>117,052</u>	<u>4,425</u>	<u>872,168</u>	<u>251,049</u>	<u>1,457,718</u>

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

	Current Year To Date Ended 30.09.2014 RM'000	Preceding Year Corresponding Period Ended 30.09.2013 RM'000
Operating activities		
Profit before tax	208,650	185,492
Investment income	(60,011)	(56,156)
Realised gains recorded in profit or loss	(3,923)	(798)
Share of profit of equity accounted associated company	(874)	(800)
Purchase of available-for-sale financial assets	(78,933)	(63)
Proceeds from disposal of available-for-sale financial assets	6,588	1,088
Purchase of held-to-maturity financial assets	(38,929)	(44,796)
Maturity of held-to-maturity financial assets	35,934	25,035
Repayment of corporate loan	500	500
Non-cash items:		
Depreciation of plant and equipment	3,366	3,237
Unrealised foreign exchange (gain) / loss	(722)	292
Changes in working capital:		
Decrease / (Increase) in loans and receivables	37,451	(18,980)
Increase in reinsurance assets	(26,869)	(124,176)
Increase in insurance receivables	(45,115)	(51,800)
(Increase) / Decrease in deferred acquisition costs	(1,511)	667
Increase in insurance contract liabilities	106,857	209,171
Increase in insurance payables	42,523	53,592
Increase in other payables	2,403	1,988
Cash generated from operating activities	187,385	183,493
Dividend income received	32,558	30,723
Interest income received	26,651	25,125
Rental income on investment property received	584	285
Income tax paid	(38,747)	(33,948)
Net cash flows generated from operating activities	208,431	205,678

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

	Current Year To Date Ended 30.09.2014 RM'000	Preceding Year Corresponding Period Ended 30.09.2013 RM'000
Investing activities		
Proceeds from disposal of plant and equipment	216	7
Purchase of plant and equipment	(1,460)	(1,405)
Net cash flows used in investing activities	<u>(1,244)</u>	<u>(1,398)</u>
Financing activities		
Dividends paid to owners of the Company	(158,623)	(149,810)
Proceeds from borrowing	67,000	-
Repayment of borrowing	(46,500)	-
Net cash flows used in financing activities	<u>(138,123)</u>	<u>(149,810)</u>
Net increase in cash and cash equivalents	69,064	54,470
Cash and cash equivalents at beginning of year	621,451	419,672
Effect of movement in exchange rates	(741)	2,017
Cash and cash equivalents at end of period	<u>689,774</u>	<u>476,159</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.