

**MALAYSIAN REINSURANCE BERHAD**

**664194 V**

**(Incorporated in Malaysia)**

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2011**

**664194 V**

**Malaysian Reinsurance Berhad  
(Incorporated in Malaysia)**

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**Malaysian Reinsurance Berhad**  
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**Unaudited Income Statement**  
**for the half-year ended 30 September 2011**

	<b>30.09.2011</b>	<b>30.09.2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Operating revenue	<u>649,870</u>	<u>622,342</u>
Gross earned premiums	576,900	569,288
Premiums ceded to reinsurers	<u>(94,791)</u>	<u>(63,450)</u>
<b>Net earned premiums</b>	<u>482,109</u>	<u>505,838</u>
Investment income	41,695	33,133
Realised gains and losses	453	16,184
Fair value gains and losses	(2,770)	(5,142)
Commission income	7,592	5,010
Other operating revenue	<u>5,129</u>	<u>2,227</u>
<b>Other revenue</b>	<u>52,099</u>	<u>51,412</u>
Gross claims paid	(307,745)	(294,419)
Claims ceded to reinsurers	21,774	15,355
Gross change to contract liabilities	(263,036)	(22,957)
Change in contract liabilities ceded to reinsurers	<u>236,569</u>	<u>(7,511)</u>
<b>Net claims</b>	<u>(312,438)</u>	<u>(309,532)</u>
Commission expense	(138,782)	(146,913)
Management expenses	(30,842)	(28,912)
Other operating expenses	<u>(76)</u>	<u>(8,156)</u>
<b>Other expenses</b>	<u>(169,700)</u>	<u>(183,981)</u>
<b>Profit before taxation</b>	52,070	63,737
Taxation	<u>(11,523)</u>	<u>(14,720)</u>
<b>Net profit for the period</b>	<u>40,547</u>	<u>49,017</u>
<b>Earnings per share (sen)</b>		
Basic	<u>8.0</u>	<u>9.8</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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**Malaysian Reinsurance Berhad  
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**Unaudited Statement of Comprehensive Income  
for the half-year ended 30 September 2011**

	<b>30.09.2011</b>	<b>30.09.2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Net profit for the period</b>	40,547	49,017
Other comprehensive income:		
Net gain on Available for Sale ("AFS") financial assets:		
Gain on fair value changes	2,186	17,826
Realised gain transferred to income statement	(453)	(15,893)
Deferred tax relating to components of other comprehensive income	(664)	(494)
<b>Total comprehensive income for the period</b>	<u>41,616</u>	<u>50,456</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

**Malaysian Reinsurance Berhad**  
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**Unaudited Statement of Financial Position**  
**as at 30 September 2011**

	Note	30.09.2011 RM'000	31.03.2011 RM'000
<b>Assets</b>			
Property, plant and equipment		81,990	80,927
Investment properties	10	5,600	28,600
Intangible assets		5,626	6,382
Investment in associate	11	75,658	75,658
Financial assets:			
Financial assets at fair value through profit or loss ("FVTPL")	12(a)	15,237	11,798
Held-to-maturity ("HTM") investments	12(b)	258,164	262,799
AFS financial assets	12(c)	718,697	690,271
Loans and receivables ("LAR")	12(d)	884,198	826,318
Reinsurance assets		406,115	146,597
Insurance receivables	13	160,114	138,173
Tax recoverable		3,916	877
Cash and bank balances		583	1,457
		<u>2,615,898</u>	<u>2,269,857</u>
Non-current asset held for sale	14	57,173	34,173
<b>Total general reinsurance business and shareholder's fund assets</b>		<u>2,673,071</u>	<u>2,304,030</u>
<b>Liabilities</b>			
Insurance contract liabilities	15	1,686,388	1,392,077
Insurance payables		84,286	51,896
Other payables and provisions		7,343	14,974
Deferred tax liabilities		1,266	2,911
<b>Total general reinsurance business and shareholder's fund liabilities</b>		<u>1,779,283</u>	<u>1,461,858</u>
<b>Equity</b>			
Share capital		510,000	500,000
AFS reserve		11,623	10,554
Retained profits		372,165	331,618
<b>Total equity</b>		<u>893,788</u>	<u>842,172</u>
<b>Total liabilities and equity</b>		<u>2,673,071</u>	<u>2,304,030</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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**Unaudited Statement of Changes in Equity  
for the half-year ended 30 September 2011**

	Share capital	Non- distributable AFS reserve	Distributable Retained profits	Total
Note	RM'000	RM'000	RM'000	RM'000
<b>At 1 April 2011</b>	500,000	10,554	331,618	842,172
Shares issued	10,000	-	-	10,000
Total comprehensive income for the period	-	1,069	40,547	41,616
<b>At 30 September 2011</b>	<u>510,000</u>	<u>11,623</u>	<u>372,165</u>	<u>893,788</u>
<b>At 1 April 2010</b>	500,000	20,662	200,738	721,400
Total comprehensive income for the period	-	1,439	49,017	50,456
<b>At 30 September 2010</b>	<u>500,000</u>	<u>22,101</u>	<u>249,755</u>	<u>771,856</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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**Unaudited Statement of Cash Flows**  
**for the half-year ended 30 September 2011**

	<b>30.09.2011</b>	<b>30.09.2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	52,070	63,737
Adjustments for:		
Amortisation of intangible assets	801	801
Allowance for impairment of receivables	75	1,451
Depreciation of property, plant and equipment	1,556	1,521
Increase in premium liabilities	8,326	29,842
(Decrease)/increase in placements with licensed financial institutions	(40,644)	11,354
Impairment loss on AFS financial assets	1,966	5,455
Interest/profit income	(32,062)	(24,639)
Dividend income	(4,237)	(3,831)
Rental income	(5,410)	(4,262)
Fair value gains of financials asset at FVTPL	804	(313)
Realised gains on disposal of investments	(453)	(16,184)
Net accretion of discounts on investments	14	(401)
(Loss)/profit from operations before changes in operating assets and liabilities	(17,194)	64,531
Purchase of investments	(154,471)	(212,744)
Proceeds from disposal of investments	125,995	153,826
Decrease in staff loans	600	520
Increase in insurance receivables	(22,017)	(32,548)
Increase in other receivables	(17,217)	(11,601)
Increase in claim liabilities	26,467	30,469
Increase/(decrease) in insurance payables	32,390	(11,477)
Decrease in other payables	(7,631)	(3,523)
	(33,078)	(22,547)
Taxes paid	(16,222)	(4,749)
Interest/profit received	31,450	23,869
Dividend received	4,094	3,652
Rental received	5,546	4,209
Net cash (used in)/generated from operating activities	(8,210)	4,434

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**Unaudited Statement of Cash Flows**  
**for the half-year ended 30 September 2011 (cont'd.)**

	<b>30.09.2011</b>	<b>30.09.2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,619)	(510)
Purchase of intangible assets, net of transfers	(45)	(2)
Net cash used in investing activities	<u>(2,664)</u>	<u>(512)</u>
<b>Cash flow from financing activities</b>		
Proceeds from issuance of share capital	<u>10,000</u>	<u>-</u>
Net cash generated from financing activities	<u>10,000</u>	<u>-</u>
<b>Cash and bank balances</b>		
Net (decrease)/increase during the period	(874)	3,922
At beginning of period	<u>1,457</u>	<u>1,171</u>
At end of period	<u><u>583</u></u>	<u><u>5,093</u></u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



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**Notes to the financial statements - 30 September 2011**

**1. Corporate information**

Malaysian Reinsurance Berhad ("The Company") is principally engaged in the underwriting of all classes of general reinsurance business. There have been no significant changes in the nature of this principal activity during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at 12th Floor, Bangunan Malaysian Re, No. 17, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur, Malaysia.

The holding and ultimate holding company is MNRB Holdings Berhad, a company incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad.

**2. Significant accounting policies**

**2.1 Basis of preparation**

The interim financial statements of the Company are unaudited and have been prepared in accordance with Financial Reporting Standards ("FRSs") in Malaysia and Guidelines/Circulars issued by Bank Negara Malaysia ("BNM").

The interim financial statements should be read in conjunction with the audited financial statements of the Company for the year ended 31 March 2011.

**2.2 Adoption of new and revised FRSs, Amendments to FRSs and Issues Committee ("IC") Interpretations**

The accounting policies adopted in the interim financial statements are consistent with those adopted in the audited financial statements for the year ended 31 March 2011 except for the adoption of the following new Financial Reporting Standards ("FRSs"), amendments to the existing FRSs, Issues Committee ("IC") Interpretations and Technical Release ("TR") issued by MASB that are effective for the Company's financial year beginning on 1 April 2011:

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**2. Significant accounting policies (cont'd.)**

**2.2 Adoption of new and revised FRSs, Amendments to FRSs and Issues Committee ("IC") Interpretations (cont'd.)**

*FRS 1 First-time Adoption of Financial Reporting Standards*  
*FRS 3 Business Combinations (Revised)*  
*Amendments to FRS 2 Share-based Payment*  
*Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations*  
*Amendments to FRS 127 Consolidated and Separate Financial Statements*  
*Amendments to FRS 138 Intangible Assets*  
*Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives*  
*Amendments to FRS 1 Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*  
*Amendments to FRS 1 Additional Exemptions for First-time Adopters*  
*Amendments to FRS 2 Group Cash-settled Share-based Payment Transactions*  
*Amendments to FRS 7 Improving Disclosures about Financial Instruments*  
*Amendments to FRSs 'Improvements to FRSs (2010)'*  
*Amendments to IC Interpretation 14 Prepayments of a Minimum Funding Requirement*  
*IC Interpretation 12 Service Concession Arrangements*  
*IC Interpretation 15 Agreements for the Construction of Real Estate*  
*IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation*  
*IC Interpretation 17 Distributions of Non-cash assets to Owners*  
*IC Interpretation 4 Determining whether an Arrangement contains a Lease*  
*IC Interpretation 18 Transfers of Assets from Customers*  
*TR 3 Guidance on Disclosures of Transition to IFRSs*  
*TR i-4 Shariah Compliant Sale Contracts*

The adoption of the above FRSs, Amendments to FRS and IC Interpretations did not have any significant effect on the financial performance and position of the Company.

**3. Seasonality or cyclicity factors**

During the period ended 30 September 2011, the operations of the Company were not materially affected by any seasonal factors. With regards to cyclical factors, the performance of the Company is directly correlated with the industry cycle and the economic performance of the countries in which the Company operates.

**4. Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period ended 30 September 2011.

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**5. Changes in estimates**

There were no material changes in estimates used in the preparation of this interim financial report.

**6. Issuances, cancellations, repurchase, resale and repayments of debt and equity securities**

On 6 April 2011, the Company issued 10,000,000 new ordinary shares of RM1 each to its holding company, MNRB Holdings Berhad, at par for cash. The new ordinary shares issued rank pari passu with the ordinary shares in existence as of the issue date above.

Saved as disclosed above, there were no issuances, cancellations, replacements, resale or repayments of debt and equity securities during the current financial period ended 30 September 2011.

**7. Significant events**

Included in the results for the current financial period ended 30 September 2011 are provisions made by the Company for its share of unprecedented losses incurred on the floods in Thailand, generally regarded as a "non-catastrophic territory". The net impact of the above event to the Company's profit before taxation was RM55.0 million.

There were no other significant events during the current financial period ended 30 September 2011 other than as disclosed above and in Note 6.

**8. Subsequent events**

There were no significant subsequent events from 30 September 2011 to the date of this report.

**9. Changes in the composition of the Company**

There were no changes in the composition of the Company during the current financial period ended 30 September 2011.

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**10. Investment properties**

	<b>30.09.2011</b>	<b>31.03.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At beginning of period/year</b>	28,600	57,600
Fair value gains	-	5,173
Transfer to non-current asset held for sale (Note 14)	(23,000)	(34,173)
<b>At end of period/year</b>	<u>5,600</u>	<u>28,600</u>
Analysed as:		
Leasehold land	-	5,200
Freehold land	4,800	4,800
Buildings	800	18,600
	<u>5,600</u>	<u>28,600</u>

Investment properties are stated at fair value as determined based on valuations performed by an accredited independent professional valuer with recent experience in the location and category of properties being valued. The fair value gains are recognised in the income statement.

**11. Investment in associate**

	<b>30.09.2011</b>	<b>31.03.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Unquoted shares in Malaysia, at cost	<u>75,658</u>	<u>75,658</u>

The associate is Labuan Reinsurance (L) Ltd., a company incorporated in the Federal Territory of Labuan, Malaysia. The Company's proportion of ownership interest and voting power in its associate is 20% (2010: 20%). The associate is engaged principally in the underwriting of all classes of general reinsurance business in the Federal Territory of Labuan pursuant to a license given under the Labuan Financial Services and Securities Act 2010. Its financial year end is 31 December.

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**11. Investment in associate (cont'd.)**

The results of the associate are not equity accounted as the holding company, MNRB Holdings Berhad, produces financial statements that are available for public use and which comply with Financial Reporting Standards in Malaysia. The summarised financial information of the associate is as follows:

	<b>30.09.2011</b>	<b>31.03.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Assets and liabilities</b>		
Current assets	1,577,510	1,474,823
Non-current assets	20,754	36,548
Total assets	<u>1,598,264</u>	<u>1,511,371</u>
Current liabilities	7,065	20,395
Non-current liabilities	987,726	907,318
Total liabilities	<u>994,791</u>	<u>927,713</u>
<b>Results</b>		
(Loss)/profit for the period/year	<u>(4,573)</u>	<u>31,977</u>

**12. Financial assets**

The following tables summarise the fair values and carrying values of financial assets of the Company:

	<b>30.09.2011</b>		<b>31.03.2011</b>	
	<b>Carrying value</b>	<b>Fair value</b>	<b>Carrying value</b>	<b>Fair value</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Financial assets at FVTPL	15,237	15,237	11,798	11,798
HTM investments	258,164	260,840	262,799	264,288
AFS financial assets	718,697	718,697	690,271	690,271
Loans and receivables	884,198	884,198	826,318	826,318
	<u>1,876,296</u>	<u>1,878,972</u>	<u>1,791,186</u>	<u>1,792,675</u>

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**12. Financial assets (cont'd.)**

	30.09.2011		31.03.2011	
	Carrying value RM'000	Fair value RM'000	Carrying value RM'000	Fair value RM'000
Malaysian government securities	49,287	49,960	100,414	100,842
Government investment issues	111,351	112,396	50,084	50,250
Islamic BNM monetary notes	-	-	4,996	4,996
Debt securities	673,484	674,442	698,938	699,833
Equity securities	147,873	147,873	100,298	100,298
Institutional trust deposit	53,314	53,314	52,003	52,003
Structured products	10,103	10,103	10,138	10,138
Fixed and call deposits	610,093	610,093	556,056	556,056
Islamic investment accounts	147,739	147,739	162,442	162,442
Other loans and receivables	73,052	73,052	55,817	55,817
	<u>1,876,296</u>	<u>1,878,972</u>	<u>1,791,186</u>	<u>1,792,675</u>

The Company's financial instruments are summarised by categories as follows:

	30.09.2011 RM'000	31.03.2011 RM'000
<b>(a) Financial assets at FVTPL</b>		
<b>At fair value:</b>		
Shares quoted in Malaysia:		
Shariah approved equities	4,136	1,660
Others	998	-
Structured products	10,103	10,138
	<u>15,237</u>	<u>11,798</u>
<b>(b) HTM investments</b>		
<b>At amortised cost:</b>		
Islamic BNM monetary notes	-	4,996
Malaysian government securities	49,287	100,414
Unquoted corporate debt securities:		
Government guaranteed	65,021	65,041
Secured	15,706	25,735
Government investment issues	111,351	50,084
Short term commercial papers	14,805	14,534
Islamic commercial papers	1,994	1,995
	<u>258,164</u>	<u>262,799</u>

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**12. Financial assets (cont'd.)**

	<b>30.09.2011</b>	<b>31.03.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(b) HTM investments (cont'd.)</b>		
<b>At fair value:</b>		
Islamic BNM monetary notes	-	4,996
Malaysian government securities	49,960	100,842
Unquoted corporate debt securities:		
Government guaranteed	65,680	65,602
Secured	15,984	26,058
Government investment issues	112,396	50,250
Short term commercial papers	14,825	14,545
Islamic commercial papers	1,995	1,995
	<u>260,840</u>	<u>264,288</u>
<b>(c) AFS financial assets</b>		
<b>At cost:</b>		
Unquoted shares in Malaysia	<u>44,503</u>	<u>44,503</u>
<b>At fair value:</b>		
Unquoted corporate debt securities	535,814	551,381
MNRB IMTN	40,144	40,252
Quoted shares in Malaysia:		
Shariah approved equities	54,452	30,874
Others	43,521	22,920
Quoted shares outside Malaysia	263	341
	<u>674,194</u>	<u>645,768</u>
	<u>718,697</u>	<u>690,271</u>

The investments in unquoted shares are measured at cost and their fair value are not disclosed as they cannot be measured reliably based on available information.

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**12. Financial assets (cont'd.)**

**(c) AFS financial assets (cont'd.)**

The pertinent information of the investments in unquoted shares in Malaysia are as follows:

	<b>30.09.2011</b>	<b>31.03.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
(i) 27,500,000 ordinary shares of RM1.00 each of Financial Park (Labuan) Sdn. Bhd. ("FPL"), representing an equity shareholding of 9%. Less: Impairment loss	28,283 <u>(4,759)</u> 23,524	28,283 <u>(4,759)</u> 23,524
20,000,000 redeemable preference shares of RM1.00 each of FPL	<u>20,569</u> <u>44,093</u>	<u>20,569</u> <u>44,093</u>
(ii) 410,000 ordinary shares of Malaysian Rating Corporation Berhad ("MARC") of RM1.00 each, representing an equity shareholding of 4%.	410	410
Total unquoted shares in Malaysia	<u>44,503</u>	<u>44,503</u>

**(d) Loans and receivables**

**At amortised cost/fair value:**

Fixed and call deposits with licensed:		
Commercial banks	223,339	126,022
Investment banks	386,600	430,034
Islamic investment accounts with licensed:		
Co-operative bank	74,710	73,209
Islamic banks	73,183	89,233
Institutional trust deposit	53,314	52,003
Secured staff loans:		
Receivable within 12 months	1,017	1,230
Receivable after 12 months	4,653	5,040
Due from insurance Pool accounts	26,197	18,369
Income due and accrued	14,221	13,603
Due from related companies:		
Fellow subsidiaries	825	1,293
Other receivables and deposits	<u>26,139</u>	<u>16,282</u>
	<u>884,198</u>	<u>826,318</u>



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**12. Financial assets (cont'd.)**

**(d) Loans and receivables (cont'd.)**

The amounts due from the holding company and fellow subsidiaries are unsecured, interest-free and repayable upon demand.

**(e) Fair values of financial assets**

	<b>Financial assets at FVTPL RM'000</b>	<b>AFS financial assets RM'000</b>	<b>Total RM'000</b>
<b>30.09.2011</b>			
Quoted market price	5,134	98,236	103,370
Valuation techniques - market observable inputs	10,103	575,958	586,061
At cost	-	44,503	44,503
	<u>15,237</u>	<u>718,697</u>	<u>733,934</u>
<b>31.03.2011</b>			
Quoted market price	1,660	54,135	55,795
Valuation techniques - market observable inputs	10,138	591,633	601,771
At cost	-	44,503	44,503
	<u>11,798</u>	<u>690,271</u>	<u>702,069</u>

**13. Insurance receivables**

	<b>30.09.2011 RM'000</b>	<b>31.03.2011 RM'000</b>
Amounts due from brokers and ceding companies	166,009	143,993
Allowance for impairment losses	(5,895)	(5,820)
	<u>160,114</u>	<u>138,173</u>

Included in amounts due from brokers and ceding companies is an amount of RM2,141,000 (2010: RM551,000) due from an associate, Labuan Reinsurance (L) Ltd. This amount receivable is subject to settlement terms stipulated in the reinsurance contracts.

**Malaysian Reinsurance Berhad  
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	<b>30.09.2011</b>	<b>31.03.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Freehold land and building	<u>57,173</u>	<u>34,173</u>

During the period ended 30 September 2011, the Company had entered into negotiations to dispose of two buildings previously classified as investment properties. Subsequent to the end of the financial period, the sale and purchase agreement for one of the two properties was signed. As at the date of this report, the disposal of the remaining property has yet to be completed.

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**15. Insurance contract liabilities**

	<b>30.09.2011</b>			<b>31.03.2011</b>		
	<b>Gross RM'000</b>	<b>Reinsurance RM'000</b>	<b>Net RM'000</b>	<b>Gross RM'000</b>	<b>Reinsurance RM'000</b>	<b>Net RM'000</b>
Claim liabilities (i)	1,394,475	(364,770)	1,029,705	1,131,439	(128,201)	1,003,238
Premium liabilities (ii)	291,913	(41,345)	250,568	260,638	(18,396)	242,242
	<u>1,686,388</u>	<u>(406,115)</u>	<u>1,280,273</u>	<u>1,392,077</u>	<u>(146,597)</u>	<u>1,245,480</u>

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**15. Insurance contract liabilities (cont'd.)**

	<b>Gross RM'000</b>	<b>30.09.2011 Reinsurance RM'000</b>	<b>Net RM'000</b>	<b>Gross RM'000</b>	<b>31.03.2011 Reinsurance RM'000</b>	<b>Net RM'000</b>
<b>(i) Claim liabilities</b>						
At beginning of period/year	1,131,439	(128,201)	1,003,238	1,073,150	(123,025)	950,125
Adjustment to claims incurred:						
- Outstanding reserves for current underwriting year	202,808	(174,651)	28,157	140,486	(26,973)	113,513
- Movements in outstanding reserve from prior underwriting years	(295,816)	(16,052)	(311,868)	514,533	(19,441)	495,092
- Movement in IBNR and PRAD	48,299	(24,092)	24,207	(112)	1,050	938
- Claims paid during the period/year	307,745	(21,774)	285,971	(596,618)	40,188	(556,430)
At end of period/year	<u>1,394,475</u>	<u>(364,770)</u>	<u>1,029,705</u>	<u>1,131,439</u>	<u>(128,201)</u>	<u>1,003,238</u>
<b>(ii) Premium liabilities</b>						
At beginning of period/year	260,638	(18,396)	242,242	240,142	(29,627)	210,515
Premiums written in the period/year	608,175	(97,321)	510,854	1,172,385	(114,718)	1,057,667
Premiums earned during the period/year	(576,900)	74,372	(502,528)	(1,151,889)	125,949	(1,025,940)
At end of period/year	<u>291,913</u>	<u>(41,345)</u>	<u>250,568</u>	<u>260,638</u>	<u>(18,396)</u>	<u>242,242</u>

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**16. Dividends**

An interim dividend of 9.8% less 25% tax based on the issued and paid-up share capital of 510,000,002 ordinary shares at the date of this report, amounting to a total net dividend of RM37,500,000, was approved by the Board on 19 July 2011 and paid on 3 October 2011.

**17. Operating lease arrangements**

**The Company as lessee**

The Company has entered into non-cancellable operating lease agreements for the use of office premises. This lease is for a period of 5 years and subject to review every 2 years. There are no restrictions placed upon the Company by entering into this lease.

The future aggregate minimum lease payments under non-cancellable operating leases contracted for as at the reporting date but not recognised as liabilities, are as follows:

	<b>30.09.2011</b>	<b>31.03.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Not later than 1 year	2,816	2,816
Later than 1 year and not later than 5 years	5,632	5,632
	<u>8,448</u>	<u>8,448</u>

**18. Capital commitments**

	<b>30.09.2011</b>	<b>31.03.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Capital expenditure</b>		
Approved and contracted for:		
Property, plant and equipment	2,843	5,800
Intangible assets	892	810
	<u>3,735</u>	<u>6,610</u>

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**19. Regulatory capital requirement**

The total capital available of the Company as at 30 September 2011, as prescribed and reported under the RBC Framework, is provided below:

	<b>30.09.2011</b>	<b>31.03.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Eligible Tier 1 Capital</b>		
Share capital	510,000	500,000
Retained profits	372,165	331,616
	<u>882,165</u>	<u>831,616</u>
<b>Tier 2 Capital</b>		
AFS reserves	<u>11,623</u>	<u>10,554</u>
<b>Total Capital Available</b>	<u>893,788</u>	<u>842,170</u>