

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

**Notes to the unaudited condensed interim financial statements - 30 September 2014**

**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 period.

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.

The unaudited condensed interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 21 November 2014.

**2. Significant accounting policies**

**2.1 Basis of preparation**

These unaudited condensed interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB") and comply with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board.

The financial statements of the Company have been prepared under the historical cost convention, unless otherwise stated in the accounting policies.

As at the reporting date, the Company has met the minimum capital requirements as prescribed by the Risk-Based Capital Framework issued by Bank Negara Malaysia ("BNM").

The explanatory notes attached to these unaudited condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company since the year ended 31 March 2014.

The unaudited condensed interim financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

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

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

**2.2 Changes in accounting policies**

The significant accounting policies adopted in these unaudited condensed interim financial statements are consistent with those adopted in the audited financial statements for the year ended 31 March 2014 except for the adoption of the following amendments to the existing accounting standards and Issues Committee ("IC") Interpretation issued by MASB that are effective for the Company's financial year beginning 1 April 2014:

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to MFRS 10, MFRS 12 and MFRS 127: <i>Investment Entities</i>	1 January 2014
Amendments to MFRS 132: <i>Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014
Amendments to MFRS 136: <i>Recoverable Amount Disclosures for Non-Financial Assets</i>	1 January 2014
Amendments to MFRS 139: <i>Novation of Derivatives and Continuation of Hedge Accounting</i>	1 January 2014
IC Interpretation 21 <i>Levies</i>	1 January 2014

The adoption of the above Amendments to MFRSs and IC Interpretation did not have any significant effect on the financial statements of the Company.

**2.3 Standards issued but not yet effective**

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Company's unaudited condensed interim financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to MFRS 119: <i>Defined Benefit Plans: Employee Contributions</i>	1 July 2014
Annual Improvements to MFRSs 2010–2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011–2013 Cycle	1 July 2014
Amendments to MFRS 11: <i>Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016

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

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

**2.3 Standards issued but not yet effective (cont'd.)**

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
MFRS 14 <i>Regulatory Deferral Accounts</i>	1 January 2016
Amendments to MFRS 116 and MFRS 138: <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to MFRS 116 and MFRS 141: <i>Agriculture: Bearer Plants</i>	1 January 2016
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2017
MFRS 9 <i>Financial Instruments (IFRS 9 issued by IASB in November 2009)</i>	To be announced
MFRS 9 <i>Financial Instruments (IFRS 9 issued by IASB in October 2010)</i>	To be announced
MFRS 9 <i>Financial Instruments: Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139</i>	To be announced

The Directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application except as discussed below:

**MFRS 9 *Financial Instruments* ("MFRS 9")**

MFRS 9 reflects the first phase of work on the replacement of MFRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in MFRS 139. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to MFRS 9: *Mandatory Effective Date of MFRS 9 and Transition Disclosures*, issued in March 2012, moved the mandatory effective date to 1 January 2015. Subsequently, on 14 February 2014, it was announced that the new effective date will be decided when the project is closer to completion. The adoption of the first phase of MFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but will not have an impact on classification and measurements of the Company's financial liabilities. The Company will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

**3. Seasonality or cyclical factors**

During the financial period ended 30 September 2014, the operations of the Company were not materially affected by any seasonal factors. With regard 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 has business dealings with.

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

**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 of the Company during the financial period ended 30 September 2014.

**5. Changes in estimates**

There were no other material changes in estimates used in the preparation of these unaudited condensed interim financial statements.

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

There was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities during the current financial period ended 30 September 2014.

**7. Dividend paid**

No dividend was paid during the current financial period ended 30 September 2014.

**8. Significant events**

There were no significant events during the current financial period ended 30 September 2014.

**9. Subsequent events**

There were no significant events subsequent to 30 September 2014 that would require reflection in these unaudited condensed interim financial statements.

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

There were no significant changes in the composition of the Company during the current financial period ended 30 September 2014 other than the acquisition of 100% interest in a wholesale unit trust fund for a cash consideration of RM150 million as disclosed in further detail in Note 13(c)(ii).

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

**11. Investment property**

	<b>30.9.2014</b>	<b>31.3.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
At beginning of period/year	6,900	6,200
Fair value gains	-	700
At end of period/year	<u>6,900</u>	<u>6,900</u>

The investment property is 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 the property being valued. The fair value gains are recognised in the income statement.

**12. Investment in associate**

	<b>30.9.2014</b>	<b>31.3.2014</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% (2013: 20%). The associate is principally engaged in the underwriting of all classes of general reinsurance and general retakaful business pursuant to a licence given under the Labuan Financial Services and Securities Act 2010. Its financial year end is 31 December.

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 Malaysian Financial Reporting Standards and International Financial Reporting Standards. The summarised financial information of the associate is as follows:

	<b>30.9.2014</b>	<b>31.3.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Assets and liabilities</b>		
Current assets	1,679,728	1,634,494
Non-current assets	49,279	49,921
Total assets	<u>1,729,007</u>	<u>1,684,415</u>
Current liabilities	285,828	215,548
Non-current liabilities	967,489	999,644
Total liabilities	<u>1,253,317</u>	<u>1,215,192</u>
Total Equity	<u>475,690</u>	<u>469,223</u>

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

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

	<b>30.9.2014</b>	<b>31.3.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Results</b>		
Revenue	478,085	737,873
Profit for the period/year	<u>24,818</u>	<u>14,770</u>

**13. Financial assets**

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

	<b>30.9.2014</b>		<b>31.3.2014</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	249	249	397	397
HTM investments	209,521	205,282	209,760	204,840
AFS financial assets	1,311,215	1,311,215	1,062,840	1,062,840
Loans and receivables	941,025	941,025	1,105,424	1,105,424
	<u>2,462,010</u>	<u>2,457,771</u>	<u>2,378,421</u>	<u>2,373,501</u>
Malaysian government securities	118,406	116,875	108,217	104,839
Government investment issues	138,994	136,201	129,380	127,706
Debt securities	939,405	939,490	920,512	920,644
Equity securities	174,180	174,180	114,888	114,888
Wholesale unit trust fund	150,000	150,000	-	-
Fixed and call deposits	644,355	644,355	714,525	714,525
Uncallable Negotiable Islamic Deposits	29,529	29,529	18,743	18,743
Islamic investment accounts	177,712	177,712	295,267	295,267
Other loans and receivables	89,429	89,429	76,889	76,889
	<u>2,462,010</u>	<u>2,457,771</u>	<u>2,378,421</u>	<u>2,373,501</u>

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

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

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

	<b>30.9.2014</b>	<b>31.3.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(a) Financial assets at FVTPL</b>		
<b>At fair value:</b>		
Quoted Shariah approved equities in Malaysia	249	397
<b>(b) HTM investments</b>		
<b>At amortised cost:</b>		
Malaysian government securities	78,836	78,936
Unquoted corporate debt securities	25,005	25,006
Government investment issues	105,680	105,818
	<u>209,521</u>	<u>209,760</u>
<b>At fair value:</b>		
Malaysian government securities	77,305	75,558
Unquoted corporate debt securities	25,090	25,138
Government investment issues	102,887	104,144
	<u>205,282</u>	<u>204,840</u>
<b>(c) AFS financial assets</b>		
<b>At cost:</b>		
Unquoted shares in Malaysia <sup>(i)</sup>	44,503	44,503
<b>At fair value:</b>		
Unquoted corporate debt securities	914,400	895,506
Government investment issues	33,314	23,562
Malaysian government securities	39,570	29,281
Quoted shares in Malaysia:		
Shariah approved equities	71,711	41,885
Others	57,717	27,823
Wholesale unit trust fund <sup>(ii)</sup>	150,000	-
Quoted shares outside Malaysia	-	280
	<u>1,266,712</u>	<u>1,018,337</u>
Total AFS financial assets	<u>1,311,215</u>	<u>1,062,840</u>

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

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

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

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

- (i) The pertinent information of the investments in unquoted shares in Malaysia are as follows:

	<b>30.9.2014</b>	<b>31.3.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
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>	28,283 <u>(4,759)</u>
	23,524	23,524
20,000,000 redeemable preference shares of RM1.00 each of FPL	<u>20,569</u>	<u>20,569</u>
	<u>44,093</u>	<u>44,093</u>
410,000 ordinary shares of Malaysian Rating Corporation Berhad ("MARC") of RM1.00 each, representing an equity shareholding of 4%. Total unquoted shares in Malaysia	410 <u>44,503</u>	410 <u>44,503</u>

- (ii) During the financial period, the Company acquired all the units in a wholesale unit trust fund which is managed by an external fund manager. Details of the investment in the wholesale unit trust fund are as follow:

<b>Name of fund</b>	<b>Principal activities</b>	<b>% of ownership interest held by the Company</b>	
		<b>30.9.2014</b>	<b>31.3.2014</b>
Amlslamic Cash 1	Investment in money market instruments and Sukuk	100%	-

The Company has control over the wholesale unit trust fund as defined in MFRS 10 *Consolidated Financial Statements* and in accordance with the exemption provisions of MFRS 10, the financial statements of the fund are not consolidated as it is a wholly owned subsidiary of MNRB Holdings Berhad, a company incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad which produces financial statements that are available for public use and which comply with Malaysian Reporting Standards.



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

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

	<b>30.9.2014</b>	<b>31.3.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(d) Loans and receivables</b>		
<b>At amortised cost/fair value:</b>		
Fixed and call deposits with licensed:		
Commercial banks	222,109	294,520
Investment banks	422,246	420,005
Islamic investment accounts with licensed:		
Islamic banks	177,712	295,267
Uncallable Negotiable Islamic Deposits	29,529	18,743
Secured staff loans:		
Receivable within 12 months	313	473
Receivable after 12 months	3,718	3,901
Due from insurance Pool accounts	35,896	35,266
Income due and accrued	19,169	20,032
Due from fellow subsidiaries	367	130
Other receivables and deposits	29,966	17,087
	<u>941,025</u>	<u>1,105,424</u>

**14. Insurance receivables**

	<b>30.9.2014</b>	<b>31.3.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Amounts due from brokers and ceding companies	260,853	234,201
Allowance for impairment losses	<u>(6,992)</u>	<u>(5,295)</u>
	<u>253,861</u>	<u>228,906</u>

Included in amounts due from brokers and ceding companies are balances amounting to RM399,356 (31.3.2014: RM203,000) due from an associate, Labuan Reinsurance (L) Ltd. The amounts receivable are subject to settlement terms stipulated in the reinsurance contracts.

**15. Non-current assets held for sale**

	<b>30.9.2014</b>	<b>31.3.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Freehold land and buildings:</b>		
At beginning of period/year	1,696	-
Transfer from property, plant and equipment	-	1,696
At end of period/year	<u>1,696</u>	<u>1,696</u>

The disposal of non-current assets held for sale is expected to be completed within one year from the reporting date.

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

**16. Insurance contract liabilities**

	← 30.9.2014 →			← 31.3.2014 →		
	Gross RM'000	Reinsurance RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000
Claim liabilities (i)	1,484,378	(160,714)	1,323,664	1,449,068	(144,879)	1,304,189
Premium liabilities (ii)	251,569	(3,061)	248,508	268,960	(5,336)	263,624
	<u>1,735,947</u>	<u>(163,775)</u>	<u>1,572,172</u>	<u>1,718,028</u>	<u>(150,215)</u>	<u>1,567,813</u>
<b>(i) Claim liabilities</b>						
At beginning of period/year	1,449,068	(144,879)	1,304,189	1,384,717	(218,160)	1,166,557
Adjustment to claims incurred:						
- Outstanding reserves for current underwriting year	27,470	-	27,470	118,100	(2,445)	115,655
- Movements in outstanding reserve from prior underwriting years	382,853	(56,216)	326,637	575,110	(33,148)	541,962
- Movement in claims incurred but not reported ("IBNR") and provision of risk margin for adverse deviation ("PRAD")	(1,037)	4,993	3,956	56,463	10,948	67,411
- Claims paid during the period/year	(373,976)	35,388	(338,588)	(685,322)	97,926	(587,396)
At end of period/year	<u>1,484,378</u>	<u>(160,714)</u>	<u>1,323,664</u>	<u>1,449,068</u>	<u>(144,879)</u>	<u>1,304,189</u>
<b>(ii) Premium liabilities</b>						
At beginning of period/year	268,960	(5,336)	263,624	258,607	(6,556)	252,051
Premiums written during the period/ year	633,538	(50,344)	583,194	1,344,926	(95,833)	1,249,093
Premiums earned during the period/year	(650,929)	52,619	(598,310)	(1,334,573)	97,053	(1,237,520)
At end of period/year	<u>251,569</u>	<u>(3,061)</u>	<u>248,508</u>	<u>268,960</u>	<u>(5,336)</u>	<u>263,624</u>

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

**17. Insurance payables**

	<b>30.9.2014</b>	<b>31.3.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Due to brokers and retrocessionaires	<u>104,460</u>	<u>90,447</u>

Included in amounts due to brokers and retrocessionaires are balances amounting to RM4,483 (31.3.2014: RM4,000), RM288 (31.3.2014: RM337) due to the Company's associate, Labuan Reinsurance (L) Ltd., and its fellow subsidiaries, Takaful Ikhlas Berhad (formerly known as Takaful Ikhlas Sdn. Bhd.) respectively. The amounts payable are subject to settlement terms stipulated in the reinsurance contracts.

**18. Dividends**

A first and final single-tier dividend in respect of the financial year ended 31.3.2014 of 9.8% based on the issued and paid-up share capital of 510,000,002 ordinary shares, amounting to a total dividend of RM50,000,000 was approved at the last Annual General Meeting held on 18 September 2014 and was paid on 14 October 2014.

**19. Operating lease arrangements**

**(a) 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>30.9.2014</b>	<b>31.3.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Not later than 1 year	3,015	2,926
Later than 1 year and not later than 5 years	<u>12,060</u>	<u>11,704</u>
	<u>15,075</u>	<u>14,630</u>

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

**20. Capital commitments**

	<b>30.9.2014</b>	<b>31.3.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Capital expenditure</b>		
Approved and contracted for:		
Property, plant and equipment	629	1,127
Intangible assets	989	637
	<u>1,618</u>	<u>1,764</u>
Approved but not contracted for:		
Intangible assets	<u>3,519</u>	<u>2,500</u>

**21. Significant related party disclosures**

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The significant related party transactions during the period are as follows:

	<b>30.9.2014</b>	<b>30.9.2013</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Income/(expenses):</b>		
Transactions with Labuan Reinsurance (L) Ltd., an associate:		
Net reinsurance inward	450	615
Transactions with MNRB Holdings Berhad, the holding company:		
Management fees	(11,099)	(8,464)
Profit from Islamic Medium Term Notes	-	950
Net dividend declared/paid	(50,000)	(72,000)
Rental income	572	595

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

**21. Significant related party disclosures (cont'd.)**

	<b>30.9.2014</b>	<b>30.9.2013</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Income/(expenses) (cont'd.):</b>		
Transactions with MMIP Services Sdn. Bhd., a fellow subsidiary:		
Management fees	2,431	2,377
Transactions with Malaysian Re (Dubai) Ltd., a fellow subsidiary:		
Management fees for marketing activities	(1,739)	(2,143)
Transactions with MNRB Retakaful Berhad, a fellow subsidiary:		
Net retakaful inward	1,028	966
Net retakaful outward	(558)	(486)
Management fees	417	352
Rental income	56	49
	<u>          </u>	<u>          </u>

**22. Regulatory capital requirement**

The total capital available of the Company as at 30.9.2014, as prescribed and reported under the RBC Framework, is provided below:

	<b>30.9.2014</b>	<b>31.3.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Eligible Tier 1 Capital</b>		
Share capital	510,000	510,000
Retained profits	618,122	589,908
	<u>1,128,122</u>	<u>1,099,908</u>
<b>Tier 2 Capital</b>		
Revaluation reserves	32,244	32,244
AFS reserves	(8,297)	(9,388)
	<u>23,947</u>	<u>22,856</u>
Deductions	<u>1,701</u>	<u>(6,244)</u>
<b>Total Capital Available</b>	<u>1,153,770</u>	<u>1,116,520</u>

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

**23. Fair values of assets**

MFRS 7 *Financial Instruments: Disclosures* ("MFRS 7") requires the classification of financial instruments measured at fair value according to a hierarchy that reflects the significance of inputs used in making the measurements, in particular, whether the inputs used are observable or unobservable. MFRS 13 *Fair Value Measurement* requires similar disclosure requirements as MFRS 7, but extended to include all assets and liabilities measured and/or disclosed at fair value. The following levels of hierarchy are used for determining and disclosing the fair value of the Company's financial instruments:

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

Level 2 - Inputs that are based on observable market data, either directly or indirectly

Level 3 - Inputs that are not based on observable market data

The fair values of the Company's assets are determined as follows:

- (i) The carrying amounts of financial assets and financial liabilities, such as loans and receivables, insurance receivables, cash and bank balances, insurance payables and other payables, are reasonable approximation of their fair values due to the relatively short term maturity of these balances;
- (ii) The fair values of quoted equities are based on quoted market prices as at the reporting date;
- (iii) The fair values of Malaysian government securities, government investment issues and unquoted corporate debt securities are based on indicative market prices;
- (iv) The fair values of investments in mutual funds, unit trust funds and real estate investment trusts are valued based on the net asset values of the underlying funds as at the reporting date.
- (v) Freehold land and buildings and investment property have been revalued based on valuations performed by an accredited independent valuer having an appropriate recognised professional qualification. The valuations are based on the income approach. In arriving at the fair value of the assets, the valuer had also taken into consideration the future developments in terms of infrastructure in the vicinity of the properties.

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

**23. Fair values of assets (cont'd.)**

**Description of significant unobservable inputs:**

	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Range</b>
<u>Property, plant and equipment</u>			
Office building	Income approach	Yield Rental per square foot	6.0% to 6.5% RM4.50
<u>Investment property</u>			
Shoplots	Income approach	Rental per square foot	RM2.00

A significant increase or decrease in the unobservable inputs used in the valuation would result in a correspondingly higher or lower fair value.

There have been no transfers between Level 1 and Level 2 during the financial period.

The fair valuation of all assets measured at fair value are recurring, with the exception of the non-current assets held for sale.

	<b>Level 1 RM'000</b>	<b>Level 2 RM'000</b>	<b>Level 3 RM'000</b>	<b>Total RM'000</b>
<b>30.9.2014</b>				
<b>Assets measured at fair value:</b>				
(a) Property, plant and equipment				
Freehold land	-	-	32,260	32,260
Buildings	-	-	78,526	78,526
	-	-	110,786	110,786
(b) Investment property	-	-	6,900	6,900
(c) Non-current assets held for sale	1,696	-	-	1,696
(d) Financial assets at FVTPL				
Quoted shariah approved equities in Malaysia	249	-	-	249

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

**23. Fair values of assets (cont'd.)**

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>30.9.2014 (cont'd.)</b>				
(e) AFS financial assets				
Unquoted corporate debt securities	-	914,400	-	914,400
Government investment issues	-	33,314	-	33,314
Malaysian government securities	-	39,570	-	39,570
Quoted shares in Malaysia:				
Shariah approved equities	71,711	-	-	71,711
Others	57,717	-	-	57,717
Wholesale unit trust fund	-	150,000	-	150,000
	<u>129,428</u>	<u>1,137,284</u>	<u>-</u>	<u>1,266,712</u>
	<u>131,373</u>	<u>1,137,284</u>	<u>117,686</u>	<u>1,386,343</u>

**Assets for which fair values are disclosed:**

HTM investments

Malaysian government securities	-	77,305	-	77,305
Unquoted corporate debt securities	-	25,090	-	25,090
Government investment issues	-	102,887	-	102,887
	<u>-</u>	<u>205,282</u>	<u>-</u>	<u>205,282</u>

**31.3.2014**

**Assets measured at fair value:**

(a) Property, plant and equipment

Freehold land	-	-	32,260	32,260
Buildings	-	-	80,341	80,341
	<u>-</u>	<u>-</u>	<u>112,601</u>	<u>112,601</u>

(b) Investment property	<u>-</u>	<u>-</u>	<u>6,900</u>	<u>6,900</u>
-------------------------	----------	----------	--------------	--------------

(c) Non-current assets held for sale	<u>1,696</u>	<u>-</u>	<u>-</u>	<u>1,696</u>
--------------------------------------	--------------	----------	----------	--------------

(d) Financial assets at FVTPL

Quoted shariah approved equities in Malaysia	<u>397</u>	<u>-</u>	<u>-</u>	<u>397</u>
---	------------	----------	----------	------------



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

**23. Fair values of assets (cont'd.)**

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>31.3.2014 (cont'd.)</b>				
(e) AFS financial assets				
Unquoted corporate debt securities	-	889,391	6,115	895,506
Government investment issues	-	23,562	-	23,562
Malaysian government securities	-	29,281	-	29,281
Quoted shares in Malaysia:				
Shariah approved equities	41,885	-	-	41,885
Others	27,823	-	-	27,823
Quoted shares outside Malaysia	280	-	-	280
	<u>69,988</u>	<u>942,234</u>	<u>6,115</u>	<u>1,018,337</u>
	<u>72,081</u>	<u>942,234</u>	<u>125,616</u>	<u>1,139,931</u>

**Assets for which fair values are disclosed:**

HTM investments

Malaysian government securities	-	75,558	-	75,558
Unquoted corporate debt securities	-	25,138	-	25,138
Government investment issues	-	104,144	-	104,144
	<u>-</u>	<u>204,840</u>	<u>-</u>	<u>204,840</u>

**Reconciliation of Level 3 fair value hierarchy**

	30.9.2014 RM'000	31.3.2014 RM'000
AFS financial assets		
At beginning of period	6,115	-
Unquoted corporate debt securities transferred from Level 2	-	6,115
Disposal of unquoted corporate debt securities	<u>(6,115)</u>	<u>-</u>
At end of period	<u>-</u>	<u>6,115</u>