

LIBERTY GENERAL INSURANCE BERHAD
197801007153
(Incorporated in Malaysia)

Directors' Report and Audited Financial Statements
31 December 2024

Company No: 197801007153

LIBERTY GENERAL INSURANCE BERHAD
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DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITY

The Company is engaged principally in the underwriting of all classes of general insurance business.

There have been no significant changes in the nature of the principal activity of the Company during the financial year.

RESULTS

RM'000

Net profit for the year	<u>233,677</u>
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There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the Directors, the results of operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

The amount of dividends paid by the Company since 31 December 2023 were as follows:

RM'000

In respect of financial period ended 31 December 2023:

Irredeemable non-cumulative convertible preference shares ("INCPS"):

Dividend of 5.5% per INCPS on 6,100,000 INCPS based on issue price of RM10.00 each declared on 21 March 2024 and paid on 24 June 2024	3,355
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Ordinary shares:

Final single tier dividend of 17.07 sen per ordinary share on 1,394,196,000 ordinary shares declared on 21 March 2024 and paid on 24 June 2024	<u>238,000</u>
	<u>241,355</u>

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SHARE OPTIONS

There were no options granted during the financial year by the Company to any parties to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

DIRECTORS

The Directors of the Company in office since the beginning of the financial year to the date of this report are:

Dato' Haji Kamil Khalid Ariff (Chairman)
(Non-Independent, Non-Executive Director)
Phoon Soon Keong
(Independent, Non-Executive Director)
Elsie Kok Yin Mei
(Independent, Non-Executive Director)
Saime Defne Turkes
(Non-Independent, Executive Director)
Jamie Ling Fou-Tsong (Appointed on 6 February 2024)
(Non-Independent, Non-Executive Director)
Tan Chong Liong (Appointed on 9 February 2024)
(Independent, Non-Executive Director)
Adil Ahmad (Appointed on 7 March 2025)
(Independent, Non-Executive Director)
Dato' Sulaiman Bin Mohd Tahir (Resigned on 2 February 2024)
(Non-independent, Non-Executive Director)
Keong Choon Keat (Resigned on 9 February 2024)
(Independent, Non-Executive Director)
Dato' Lim Heen Peek (Resigned on 6 March 2025)
(Independent, Non-Executive Director)

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CORPORATE GOVERNANCE

The Company has complied with the prescriptive requirements of, and adopted management practices that are consistent with the principles prescribed under Bank Negara Malaysia ("BNM") Policy Document on Corporate Governance.

Directors' Profiles

The following are the profiles of Directors of the Company:

DATO' HAJI KAMIL KHALID ARIFF (Chairman) **Non-Independent Non-Executive Director**

Dato' Haji Kamil Khalid Ariff, aged 70, is a Malaysian citizen and was appointed as a Non-Independent Non-Executive Director and Chairman of the Company on 22 February 2023. He is also a member of the Investment Committee.

Dato' Khalid graduated with a Bachelor of Science in Management from Syracuse University in New York. He also holds a Diploma in Public Administration from ITM and an MBA in International Business from Central Michigan University, United States of America.

Dato' Khalid is currently Chairman of Putrajaya Holdings Sdn Bhd, Public Islamic Bank Berhad, and FWD Insurance Berhad. He also sits on the Board of several private companies.

Throughout his renowned career spanning over 44 years, Dato' Khalid served in numerous Management and Board positions in several large corporate entities which among others include, The New Straits Times, Kumpulan Perangsang Selangor Berhad, Kumpulan Guthrie Berhad, Idris Hydraulic Berhad and Mahkota Technologies Sdn Bhd.

Dato Khalid was also an Independent Director of Liberty Insurance Berhad (now known as Liberty Global Holdings Sdn. Bhd.), Bank Muamalat Malaysia Berhad, Indah Water Consortium Sdn Bhd and FWD Insurance Berhad.

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CORPORATE GOVERNANCE (CONT'D.)

Directors' Profiles (Cont'd.)

PHOON SOON KEONG

Independent Non-Executive Director

Mr. Phoon Soon Keong, a Malaysian, aged 69, was appointed Director on 15 August 2017. He is a member of the Audit Committee, Risk Management Committee and Nomination Committee.

He is a qualified Certified Public Accountant, Malaysia ("CPA") and is a member of the Malaysian Institute of Accountants. He started his career with Price Waterhouse (currently known as PricewaterhouseCoopers ("PwC")) in 1975 and obtained his CPA qualification in 1979. He left PwC to start his own practice in 1980 and was a partner in P.C Chan & Partners from 1981 to 1986. He re-joined PwC Audit Practice as a Senior Manager in December 1986 and was Executive Director in the Firm from 1994 to 2010. During his tenure in PwC, he was the Director-in-charge of the Valuation & Strategy Practice of PricewaterhouseCoopers Consulting Sdn Bhd.

He has extensive experience in audit, business recovery, turnaround management, corporate and debt restructuring, corporate finance, mergers and acquisitions and share valuation.

He was the Acting Chief Executive Officer of PanGlobal Insurance Berhad from January 2007 to April 2009. He was appointed as the Appointed Person of Tahan Insurance (Malaysia) Berhad ("Tahan") by Bank Negara Malaysia ("BNM") under Section 59(4)(a) of the Insurance Act 1996 to assume control of the whole of Tahan's property, business and affairs and carry on its business and affairs on behalf of BNM from May 2009 to December 2010.

He was a Director of Assisi Palliative Care Berhad from 2015 to January 2022. He also served on the Board of Assunta Hospital from 2005 to 2012 and was Chairman of the Assunta Board from June 2011 to December 2012. He was a Director of Good Shepherd Services, a charitable organisation from 2015 to May 2021 and Chairman of AmGeneral Insurance Berhad (now known as Liberty General Insurance Berhad) from August 2017 to February 2023. He was also an Independent Non-Executive Director of AmMetLife Insurance Berhad and AmMetLife Takaful Berhad.

Currently, he is a Director of Kiwanis Down Syndrome Foundation, a not-for-profit organisation and member of the Executive Committee of Breast Cancer Women Association.

DATO' LIM HEEN PEOK (Resigned on 6 March 2025)

Independent Non-Executive Director

Dato' Lim Heen Peok, aged 76, is a Malaysian citizen and is an Independent Non-Executive Director of the Company. He was appointed as a Director on 22 February 2023. He is also the Chairman of the Nomination Committee and the Remuneration Committee, and a member of the Risk Management Committee and Audit Committee.

He obtained his BSc. Mechanical Engineering (First Class Honors) from the University of Strathclyde, United Kingdom.

He was a Director in Liberty Insurance Berhad (now known as Liberty Global Holdings Sdn Bhd). Currently he is the Chairman of Furniweb Holdings Limited (Hong Kong) and Unitedstar Corporation Sdn Bhd and a board member of Assunta Hospital. He also sits on the Board of Governors of The Japanese Chamber of Trade & Industry, Malaysia ("JACTIM") Foundation.

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CORPORATE GOVERNANCE (CONT'D.)

Directors' Profiles (Cont'd.)

ELSIE KOK YIN MEI

Independent Non-Executive Director

Mdm. Elsie Kok Yin Mei, aged 64, is a Malaysian citizen and is an Independent Non-Executive Director of the Company. She was appointed as a Director on 22 February 2023. She is also the Chairman of the Risk Management Committee, and a member of the Remuneration Committee and Nomination Committee.

She obtained her Bachelor of Jurisprudence and LL.B. from Monash University, Melbourne, Australia. Mdm. Elsie was called to the Malaysian Bar in 1987 and practised as an Advocate & Solicitor until 1992 when she joined the HSBC Group in Malaysia as a legal adviser. She was their Head of Legal, General Counsel from 2003 to 2016.

Mdm. Elsie was a Director in Liberty Insurance Berhad (now known as Liberty Global Holdings Sdn. Bhd.) from 2017 to 2023 and currently she holds directorships in Maybulk Berhad (formerly known as Malaysian Bulk Carriers Berhad) and Kuchai Development Berhad.

SAIME DEFNE TURKES

Non-Independent Executive Director

Ms. Saime Defne Turkes, aged 49, a Turkish citizen, was appointed as a Director on 28 July 2022. She is the Chairman of the Investment Committee and a member of the Nomination Committee. She is a Chartered Accountant and holds a Bachelor of Arts Degree in Management from Bogazici University, Turkey.

In April 2024, Ms. Defne Turkes was appointed as Chief Operating Officer of Liberty International Insurance where she plays a key role in building Liberty Mutual's global operations.

Prior to her new role, Ms. Defne Turkes was President for Asia Retail Markets ("ARM") of Liberty Mutual Insurance from September 2022 in which she led four markets at ARM (previously GRM East), which includes China, India and Malaysia, as well as Asia Multi-Country Market ("AMCM") that comprises Thailand, Vietnam, Singapore and Hong Kong.

Ms. Defne Turkes joined Liberty Mutual Group in 2006 as Chief Financial Officer of Liberty Sigorta (Turkey), then ascended to Turkish Market President and later moved to Asia to become Malaysia Market President. In 2020, she became the President of AMCM when it was formed and was also the Chief Executive Officer of Liberty Singapore.

Ms. Defne Turkes is a director of several other Liberty Mutual Group's subsidiary companies.

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CORPORATE GOVERNANCE (CONT'D.)

Directors' Profiles (Cont'd.)

JAMIE LING FOU-TSONG (Appointed on 6 February 2024) **Non-Independent Non-Executive Director**

Mr Jamie Ling Fou-Tsong ("Mr Jamie Ling"), aged 56, is a Malaysian citizen and was appointed to the Board of the Company on 6 February 2024. Mr Jamie Ling is also a member of the Nomination Committee, Remuneration Committee and Investment Committee of the Company.

Mr Jamie Ling is the Group Chief Executive Officer ("Group CEO") of AMMB Holdings Berhad ("AMMB") and the Chief Executive Officer ("CEO") of AmBank (M) Berhad ("AmBank"), effective 23 November 2023. In his role as AMMB's Group CEO, he leads the management team, oversees all lines of businesses and operations, and orchestrates alignment with AMMB's strategic direction. As a steward of AMMB, his primary objectives include driving long-term value creation initiatives and ensuring that all endeavours are consistent with AMMB's purpose and core values.

He joined AMMB in 2017 as the Group Chief Financial Officer and was named 'Best CFO for Investor Relations' mid-cap category for 2021 by Malaysian Investor Relations Association Berhad ("MIRA").

Prior to joining AMMB, Mr Jamie Ling has over two decades of regional and international banking experience across Asia and Europe. His in-depth commercial and financial experience covers roles held in treasury, finance, risk management and sales.

He held senior leadership positions in Malaysia, the United Kingdom, and Northeast Asia. He was the Regional Chief Financial Officer of Standard Chartered Bank for Greater China and Northeast Asia, covering Hong Kong, Taiwan, China, South Korea and Japan. He was also a board member of Standard Chartered (Hong Kong) Limited and Hong Kong Note Printing Limited.

Mr Jamie Ling sits on the Board of several other subsidiaries and joint ventures of AMMB, namely AmMetLife Insurance Berhad, AmMetLife Takaful Berhad, AmGeneral Holdings Berhad and AMAB Holdings Sdn Bhd.

Mr Jamie Ling holds a B.A. (Hons) in Economics and Accounting from the University of Newcastle Upon Tyne in United Kingdom. He is a Fellow, Institute of Chartered Accountants in England and Wales and also a Member, Association of Chartered Certified Accountants. He is an Alumni, Executive Management Programmes of Templeton College, Oxford University and INSEAD.

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CORPORATE GOVERNANCE (CONT'D.)

Directors' Profiles (Cont'd.)

TAN CHONG LIONG (Appointed on 9 February 2024) **Independent Non-Executive Director**

Mr. Tan Chong Liong, aged 59, is a Malaysian citizen and is an Independent Non-Executive Director of the Company. He was appointed as a Director and Chairman of the Audit Committee on 9 February 2024.

Mr. Tan holds a Bachelor's degree in Accounting from the University of Malaya and a Master's Degree in Business Administration in International Management from the Royal Melbourne Institute of Technology, Australia. He is also a member of the Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants.

He is a highly experienced and certified financial professional with over 30 years of experience in financial and strategic management across a range of sectors, including reinsurance, insurance, investment, fund management, telecommunications, broadcasting, films and TV content distribution, property, power and digital technologies.

Throughout his career, Mr Tan held various leadership positions and directorships in multiple organisations. He was a Director of the Board and Chairman of Investment Committee at Berjaya Sampo Insurance Berhad. He was a co-founder and Director of a digital investment management platform, Akru, which is licensed by the Securities Commission of Malaysia. He currently also serves as a Director of a venture financing company focuses on nurturing startups in Fintech, eCommerce, Internet of Things (IoT) and space tech.

ADIL AHMAD (Appointed 7 March 2025) **Independent Non-Executive Director**

Mr. Adil Ahmad, aged 67, is an Australian citizen and is an Independent Non-Executive Director of the Company. He was appointed as a Director on 7 March 2025. He is also the Chairman of the Nomination Committee and the Remuneration Committee, and a member of the Risk Management Committee and Audit Committee.

He holds an MBA in Finance & Accounting and a BA in Economics, both from Cornell University, USA. He has also attended the Insead Senior Executive Management program. He is a retired senior international banker, with more than 35 years of experience in various countries namely, Australia, Kuwait, Malaysia, Pakistan, United Kingdom and Vietnam. His last fulltime role was as CEO of Kuwait International Bank, Kuwait ("KIB") and prior to joining KIB he was with the ANZ Bank for two decades in a range of senior roles in Australia, UK, Pakistan and Vietnam.

Mr. Adil also has experience serving as board member of both listed and unlisted entities of multiple organisations (including financial institutions) both in Malaysia and internationally. He is currently an Independent Director at FIDE Forum and Vingroup Joint Stock Company (Vietnam).

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CORPORATE GOVERNANCE (CONT'D.)

Directors' Training

The Board of Directors (the "Board") recognises the importance of ensuring that Directors are continuously being developed to acquire or enhance their knowledge and skills in discharging their duties effectively.

All new Directors appointed to the Board attended a formal induction programme to familiarise themselves with the Company's strategy and operating structure, financial highlights, product and marketing strategies, risk management strategy, legal and regulatory compliance requirements and talent initiatives presented by the Chief Executive Officer with various Head of Departments and organised by the Company Secretarial Department.

Apart from the Financial Institutions Directors' Education ("FIDE") Programme accredited by Asia School of Business, all Directors appointed to the Board have also attended other relevant training programmes and seminars organised by the regulatory authorities and professional bodies to further enhance their business acumen and professionalism associated with their duties to the Company. The Directors also attend a Strategy Meeting to have an in-depth understanding and continuous engagement with Management pertaining to the Company's strategic direction and information relating to the Company's development, or industry development through discussion at Board meetings with the Senior Management team.

Board Responsibilities

The Board remains fully committed in ensuring that the principles and best practices in corporate governance are observed by the Company. The Board supervises the management of the Company in business policies and affairs with the goal of enhancing shareholder's value and promotes sustainability through appropriate environmental, social and governance considerations in the Company's business strategies.

Board meetings are scheduled at least six (6) times per year where the Board addresses key matters concerning strategy, finance, organisation structure, business development, human resource, and establishes guidelines for overall business, risk and control policies, capital allocation as well as approves all key business developments.

Board Activities

As at reporting date, the Board comprises seven (7) members with wide-ranging skills and experience. The Board is represented by two (2) Non-Independent, Non-Executive Directors, one (1) Non-Independent, Executive Director and four (4) Independent, Non-Executive Directors of calibre, and with necessary skills and diverse corporate experience to ensure that strategies proposed by the Management are fully discussed and examined, as well as to take into account the long term interests of various stakeholders. During the financial year, the Board has met nine (9) times.

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CORPORATE GOVERNANCE (CONT'D.)

Board Activities (Cont'd.)

All Directors review the Board reports prior to the Board meetings. The reports are issued with sufficient time to enable the Directors to obtain further explanations, where necessary, before the meetings.

In addition, the Board decides on matters reserved specifically for its decision, including the approval of corporate and business plans and budgets, acquisitions and disposals of assets that are material to the Company, major investments, changes to the management and control structure of the Company, including key policies, procedures and authority limits.

The Board has also adopted a policy for induction and education of Directors. The program is to provide essential and comprehensive information to a new director in order for him to be familiar with relevant insurance industry regulatory requirements and the Company's nature of business. The Directors may also request independent professional advice, at the Company's expense. The Company Secretary, to whom the Directors have independent access, assists the Board and keeps it abreast of relevant laws and regulations.

Membership and Board meetings for the financial year ended 31 December 2024

<u>Members</u>	<u>Number of Meetings (Attended/Held)</u>
Dato' Haji Kamil Khalid Ariff (Chairman)	9/9
Phoon Soon Keong	9/9
Saime Defne Turkes	9/9
Elsie Kok Yin Mei	9/9
Jamie Ling Fou-Tsong (Appointed on 6 February 2024)	8/8
Tan Chong Liong (Appointed on 9 February 2024)	8/8
Keong Choon Keat (Resigned on 9 February 2024)	1/1
Dato' Lim Heen Peek (Resigned on 6 March 2025)	9/9

Board Committees

The Board delegates certain responsibilities to the Board Committees which were set up to assist the Board in certain areas of deliberation are as follows:

- (1) Nomination Committee
- (2) Remuneration Committee
- (3) Risk Management Committee
- (4) Audit Committee

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CORPORATE GOVERNANCE (CONT'D.)

Nomination Committee

As at reporting date, the Committee comprises three (3) Independent, Non-Executive Directors, one (1) Non-Independent, Non-Executive Director and one (1) Non-Independent, Executive Director. The Chairman of the Committee is an Independent, Non-Executive Director.

The Nomination Committee ("NC") is mandated by the Board of Directors ("the Board") primarily to:

- (a) oversee the appointment of Directors, Chief Executive Officer ('CEO'), direct reports of the CEO ('Senior Management Team members') and Company Secretary;
- (b) review and assess the effectiveness of each Director, the CEO, Senior Management Team members and Company Secretary; and
- (c) review and assess the balance and effectiveness of the Board as a whole.

The NC also assists the Board in ensuring that the Company practices good corporate governance in a fair and thorough manner as required by the relevant Bank Negara Malaysia guidelines/policy.

**Membership and meetings of the Nomination Committee
for the financial year ended 31 December 2024**

<u>Members</u>	<u>Number of Meetings (Attended/Held)</u>
Dato' Lim Heen Peok (Chairman) (Resigned on 6 March 2025)	5/5
Saime Defne Turkes	5/5
Elsie Kok Yin Mei	5/5
Phoon Soon Keong	5/5
Jamie Ling Fou-Tsong (Appointed on 6 February 2024)	3/4

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CORPORATE GOVERNANCE (CONT'D.)

Remuneration Committee

As at reporting date, the Committee comprises two (2) Independent, Non-Executive Directors and one (1) Non-Independent, Non-Executive Director. The Chairman of the Committee is an Independent, Non-Executive Director.

The Remuneration Committee ("RC") is mandated by the Board primarily to support the Board in actively overseeing the design and operation of the Company's remuneration system and policy. The RC shall periodically review the remuneration of:

(a) the Chief Executive Officer, Company Secretary and direct reports of the Chief Executive Officer (collectively 'Senior Management Team members'); and

(b) Directors on the Board.

to ensure that remuneration remains appropriate to each of their contribution, taking into account the level of expertise, commitment and responsibilities undertaken.

The RC also assists the Board in ensuring that the Company practices good corporate governance in a fair and thorough manner as required by the relevant Bank Negara Malaysia guidelines or policy documents.

**Membership and meetings of the Remuneration Committee
for the financial year ended 31 December 2024**

<u>Members</u>	<u>Number of Meetings (Attended/Held)</u>
Dato' Lim Heen Peok (Chairman) (Resigned on 6 March 2025)	5/5
Elsie Kok Yin Mei	5/5
Jamie Ling Fou-Tsong (Appointed on 6 February 2024)	4/4

Risk Management Committee

As at reporting date, the Committee comprises three (3) Independent, Non-Executive Directors. The Chairman of the Committee is an Independent, Non-Executive Director. The primary objective of the Risk Management Committee is to oversee Senior Management's activities in managing the key risk areas of the Company and to determine that the risk management process is in place and functioning effectively.

The Risk Management Committee ("RMC") is mandated by the Board primarily to establish a documented, formal and transparent procedure to ensure that the Company's corporate objectives are supported by a sound risk management strategy and an effective risk management framework that is appropriate to the nature, scale and complexity of its activities.

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CORPORATE GOVERNANCE (CONT'D.)

Risk Management Committee (Cont'd.)

The RMC also assists the Board in overseeing and reviewing the Company's Enterprise Risk Management ("ERM") Framework, including its policies and procedures for identifying, assessing, managing and monitoring risks, to ensure that they are aligned with the Company's corporate objectives and risk appetite.

The Company shall be seen to practice good corporate governance in a fair and thorough manner as required by:

- (a) BNM/RH/GL 013-5 *Risk Governance*
- (b) BNM/RH/PD 029-9 *Corporate Governance*

**Membership and meetings of the Risk Management Committee
for the financial year ended 31 December 2024**

<u>Members</u>	<u>Number of Meetings (Attended/Held)</u>
Elsie Kok Yin Mei (Chairman)	7/7
Phoon Soon Keong	7/7
Dato' Lim Heen Peek (Resigned on 6 March 2025)	7/7

Internal Control Framework

The Internal Control Framework is guided by the principles documented within the Board approved Enterprise Risk Management ("ERM") Framework in managing all relevant sources of risk faced by the Company by defining the standards and expectations consistent with the views of the Board of Directors, regulatory requirements, industry guidelines and risk management best practices.

The ERM Framework enables the Board of Directors and the Management to maintain and manage a comprehensive view of the risk profiles of all facets of the Company through transparency, reporting and escalation of risk matters.

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CORPORATE GOVERNANCE (CONT'D.)

Internal Control Framework (Cont'd.)

- a) The Company adopts the three lines of defense model in implementing an effective ERM model across the Company as illustrated below:

Line of Defense	Functions	Roles and Responsibilities
First Line of Defense	Business Units	<ul style="list-style-type: none">• Own and manage all risk identified in their business unit• Ensure risk management policies are implemented in their respective areas• Be fully aware of the risk factors that should be considered in every decision and action• Consider Environmental, Social and Governance ("ESG") impact and risks to their respective strategy and business objectives• Responsible to establish a risk and control environment as part of day-to-day operations
Second Line of Defense	Risk Management	<ul style="list-style-type: none">• Drives the implementation of an effective risk management framework• Monitor and support the implementation of effective risk management practices through the development of risk governance guidance and tools• Assist the risk owners in the reporting and escalation of risk• Provide guidance and direction on implementing policies and procedures that support effective risk management• Provide the framework to identify and assess ESG related risk and its potential impacts• Provides assurance oversight to the Board

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CORPORATE GOVERNANCE (CONT'D.)

Internal Control Framework (Cont'd.)

- a) The Company adopts the three lines of defense model in implementing an effective ERM model across the Company as illustrated below (Cont'd.):

Line of Defense	Functions	Roles and Responsibilities
Second Line of Defense (Cont'd.)	Compliance	<ul style="list-style-type: none">• Oversees the implementation of Compliance Policy• Designs and implements the compliance annual plan and strategy and defines compliance objectives across the Company• Designs and implements compliance policies and frameworks, including but not limited to the relevant policies pertaining to prevention of money laundering, terrorism financing, bribery and corruption• Reviews, facilitates and reports compliance issues to the Board in a timely manner• Reviews, assesses and deliberates corrective measures to address compliance risk concerns as highlighted by the Compliance function, internal audit and regulatory authorities, where relevant• Evaluates the effectiveness of the Company's overall management of compliance risk annually
Third Line of Defense	Internal Audit	<ul style="list-style-type: none">• Provide independent assurance on the effectiveness of the organization's risk management and internal controls• Provide assurance on the effectiveness of the first and second lines of defense• Report regularly to the Board and Senior Management on the effectiveness and adequacy of the risk management and compliance functions, and whether the internal controls in the organisation are working effectively

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CORPORATE GOVERNANCE (CONT'D.)

Internal Control Framework (Cont'd.)

- b) Key Policies and Frameworks of the internal control framework are reviewed periodically, to reflect the latest changes from the political, economic, social, technological, legal/regulatory, and environmental landscape:
- The Enterprise Risk Management ("ERM") Framework sets out a formal documented framework of how risks in the Company should be managed, using the International Standard for Risk Management ISO 31000 standards as the foundation.
 - The Internal Capital Adequacy Assessment Process (ICAAP) Policy is to ensure that the Company maintains an appropriate and effective ICAAP which is aligned to its Risk Appetite Statement, Capital Management Plan and Stress Testing Policy.
 - The Operational Risk Management Framework determines the extent of the Company's operational risk exposure, to understand what drives it, to allocate capital against it, to identify internal and external risks that would help in developing effective controls to mitigate the risks.
 - The Technology Risk Management Framework determines the extent of the Company's technology risk exposure, to understand what drives it, to allocate capital against it, and to identify internal and external risks that would help in developing effective controls to mitigate the risks.
 - The Cyber Resilience Framework outlines the core governing principles, objectives and high-level approach for cyber resilience, in order to continuously identify, protect, detect, respond and recover from internal as well as external cyberattacks and threats.
 - The Business Continuity Management Framework outlines the principles and specific requirements regarding the formulation of Crisis Management Plan, Business Continuity Plan (BCP) and Disaster Recovery Plan, implementation, testing and maintenance of these plans.
 - The Outsourcing Risk Management Framework outlines the basis and approach for identifying outsourcing risk, and the essential components in managing outsourcing risk.
 - The Credit Risk Management Policy articulates the Company's governance for managing credit risks and to ensure that credit risk management practices of the Company remain effective moving forward.
 - The Anti-Fraud Policy documents the Company's standards with regards to principles for the effective management of fraud risk, roles and responsibilities of all stakeholders involved in the management of fraud risks, and fraud risk management process.

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CORPORATE GOVERNANCE (CONT'D.)

Internal Control Framework (Cont'd.)

c) For the Compliance function, the Key Policies/Frameworks and Guidelines include:

- Liberty Mutual Code of Business Ethics and Conduct lays the foundation for ethical behavior across the Company. It comprises 4 areas, namely, Speak Up, Avoid Conflict of Interest, Protect Information and Comply with the Law.
- The Compliance Policy aims to protect the Company from regulatory, financial or reputational risks that could arise from noncompliant or unethical conduct, assist to prevent, detect and remediate compliance failures or risks, and seek to ensure that the Company and its employees are in compliance with all applicable laws and regulations.
- The Regulatory Relationship Guideline provides the basis on which relationships between the Company and the Regulators are managed. It sets out clear guidance on the roles and responsibilities of stakeholders to ensure that the Company manages the relationships with Regulators holistically across the Company.
- The Liberty Mutual Insurance Global Anti-Money Laundering Policy aims to provide all employees with an understanding of the facts and circumstances that can give rise to suspicion of potential criminal activity in the course of Liberty's business and what to do when an employee becomes aware of or suspects such activity.
- The Liberty Mutual Insurance International Economic & Trade Sanctions Policy provides guidance to employees in complying with local and international sanctions obligations.
- The Liberty Mutual Insurance Anti-Corruption Policy aims to help Company employees to recognize, detect and avoid potential violations of anti-corruption laws.
- The Whistleblower Protection Policy provides the framework, guidance and channel for all employees and external parties to disclose any improper conduct committed or about to be committed by those in authority.

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CORPORATE GOVERNANCE (CONT'D.)

Sustainability Framework

At Liberty General Insurance Berhad (“LGIB”), we remain committed to embedding sustainability into every part of our business. Guided by our Board-approved Sustainability Framework and Liberty Mutual’s values, we continue to drive meaningful progress through our strategic pillars: Increase Customer Resilience, Enable Sustainable Growth, Improve Lives and Communities, and Advance Diversity, Equity and Inclusion.

For year 2024, our focus continues to center on addressing climate change. As part of our climate efforts, we recognize the challenges posed by climate-related physical and transition risks. Physical risks stem from the impacts of more frequent and severe extreme weather events and long-term shifts in climatic patterns. Transition risks, on the other hand, arise from economy-wide decarbonization efforts aimed at mitigating the most extreme physical effects of climate change. Understanding these risks and aligning them with Liberty Mutual is central to our strategy as we work towards building resilience and supporting sustainable growth.

Given the role we play in supporting our policyholders as we plan to transition to a low-carbon economy, we implemented further actions in year 2024 to strengthen our climate-related initiatives:

- We formed a dedicated cross-departments Task Force to oversee the implementation of the Climate Risk Management and Scenario Analysis (“CRMSA”) and Climate Risk Management and Stress-testing (“CRST”).
- We put in place a Board-approved Climate Disclosure Policy which ensures that our disclosures are accurate, balanced, and clear which serves as the basis for our upcoming Task Force on Climate-related Financial Disclosures (“TCFD”) reporting.
- We updated our Risk Appetite Statement (“RAS”) to include climate-related risks, reinforcing the importance of climate considerations in our decision-making.
- We adopted the Climate Change and Principle-based Taxonomy (“CCPT”) to better manage climate-related exposures in our investment portfolio, aligning our financial strategies and supporting our aspiration for responsible growth.

Building on our achievements, we remain focused on addressing climate change and creating a positive impact for our customers, employees and communities. Together, we aim to support a more sustainable and resilient future for everyone.

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LIBERTY GENERAL INSURANCE BERHAD
(Incorporated in Malaysia)

CORPORATE GOVERNANCE (CONT'D.)

Audit Committee

As at reporting date, the Audit Committee ("AC") comprises three (3) Independent, Non-Executive Directors. The Chairman of the Committee is an Independent, Non-Executive Director. The Board has appointed the AC to assist in discharging its duties of maintaining a sound system of internal control to safeguard the Company's assets and shareholder's investments.

The AC is mandated by the Board primarily to assist the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process, the corporate governance process and the Company's process for monitoring compliance with relevant laws and regulations.

The Company shall be seen to practice good corporate governance in a fair and thorough manner as required by:

- (a) BNM/RH/GL 013-4 *Guidelines on Internal Audit Function of Licensed Institutions*
- (b) BNM/RH/GL 013-5 *Risk Governance*
- (c) BNM/RH/PD 029-9 *Corporate Governance*
- (d) Financial Services Act (FSA) 2013
 - i) Section 62 - Notice of Cessation from Office
 - ii) Section 143 - Submission of Document or Information to Bank

Membership and meetings of the Audit Committee
for the financial year ended 31 December 2024

<u>Members</u>	<u>Number of Meetings</u> <u>(Attended/Held)</u>
Tan Chong Liong (Chairman) (Appointed on 9 February 2024)	6/6
Phoon Soon Keong	7/7
Keong Choon Keat (Resigned on 9 February 2024)	1/1
Dato' Lim Heen Peek (Resigned on 6 March 2025)	7/7

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LIBERTY GENERAL INSURANCE BERHAD
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CORPORATE GOVERNANCE (CONT'D.)

Remuneration Framework

Qualitative Disclosures

The Company Remuneration Objectives

The Company's remuneration practice, which is applicable to all divisions within the Company, seeks to ensure that we are able to attract, develop and retain employees and motivate these employees to succeed and to demonstrate good corporate governance, compliance with all relevant local legislation and minimize risky behavior.

The Company seeks to ensure that performance goals are clearly designed and communicated to employees of the organisation through a robust and transparent performance management process. Performance goals are aligned with the long term strategy of the business and the requirements of each individual employee.

The Company's remuneration policy is based on the Liberty Mutual Insurance Group's ("LMIG") compensation philosophy outlined below:

- (a) Be competitive to market
- (b) Pay for performance
 - Pay above market for people who perform well
 - Pay significantly above market for exceptional performance
- (c) Provide pay growth through promotional opportunities

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LIBERTY GENERAL INSURANCE BERHAD
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CORPORATE GOVERNANCE (CONT'D.)

Remuneration Framework (Cont'd.)

Qualitative Disclosures (Cont'd.)

The Company's Approach to Remuneration

The Company's remuneration is made up of three (3) components: Fixed Remuneration, Variable Pay and Benefits & Perquisites.

Components	Form	Purpose	Application
Fixed Remuneration	a) Base Salary b) Allowances	Predominantly base salary, although it may also include fixed allowances which are typical market practice	<ul style="list-style-type: none">• Aligned to the local market• Reviewed on an annual basis during the Salary Review process• Assessed due to a promotion, transfer or other change of role throughout the year
Variable Pay	a) Short-Term Incentive (Performance Bonus) b) Liberty Mutual Group's long-term incentive scheme	Pay for Performance <ul style="list-style-type: none">• Focus on achievement of individual and business objectives which are aligned to growth of the organisation over the short and long term	<ul style="list-style-type: none">• Employees are eligible for a Short-Term Incentive scheme with a performance period of one year• Senior employees, may also be eligible to participate in Liberty Mutual Group's long-term incentive scheme
Benefits & Perquisites		<ul style="list-style-type: none">• Offer a competitive package to employees	<ul style="list-style-type: none">• Reviewed regularly to ensure they are market relevant and legally compliant

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LIBERTY GENERAL INSURANCE BERHAD
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CORPORATE GOVERNANCE (CONT'D.)

Remuneration Framework (Cont'd.)

Qualitative Disclosures (Cont'd.)

The Company's Approach to Remuneration (Cont'd.)

Determination of Variable Pay plans

Variable pay plans are designed to reward both short and long term performance. Rewards are calculated by reference to individual targets which may differ depending on individual roles and market practice. However, awards from variable pay schemes are discretionary. Based on the plan rules, payments can be restricted or not paid at all.

Short-term performance is measured by achievement of individual (personal) objectives and business objectives measured over an annual timeframe.

Individual and Business Unit/Company performance is measured against targets that are established annually. Typical business measures of performance include, but are not limited to, Return on Equity ("ROE"), Pre-Tax Operating Income ("PTOI"), Gross Written Premium ("GWP"), Combined Operating Ratio ("COR") and Net Written Premium ("NWP").

Determination of Deferred Compensation

For members of the Senior Management team who are material risk takers and/or other material risk takers as identified by the Company, a portion of their variable remuneration will be deferred over a period of time as determined by the Company.

Quantitative Disclosure

The breakdown of the total amount of remuneration awards for fourteen (14) Material Risk Takers including CEO for financial year ended 31 December 2024 are disclosed in the table below:

Total value of remuneration award for the financial year	Unrestricted (RM)	Deferred (RM)
Fixed remuneration		
• Cash-based	11,040,642	-
• Shares and share-linked instruments	-	-
• Other	-	-
Variable remuneration		
• Cash-based	6,255,394	2,362,791
• Shares and share-linked instruments	550,269	51,583
• Other	2,967,979	-

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LIBERTY GENERAL INSURANCE BERHAD
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CORPORATE GOVERNANCE (CONT'D.)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that period, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other corporate body.

Since the end of the previous financial period, no Director of the Company has received or become entitled to receive a benefit (other than the benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown below) by reason of a contract made by the Company or a related corporation with any director or with a firm in which he is a member, or with a company in which he has a substantial financial interest, except for the related party transactions as shown in Note 26 to the financial statements.

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 31 December 2024 are as follows:

	RM'000
Fees	1,182
Other remunerations	374
	<u>1,556</u>

INDEMNIFICATION OF DIRECTORS

The Company through its immediate holding company, Liberty Global Holdings Sdn. Bhd. ("LGHSB") has maintained a Directors' and Officers' Liability Insurance on a group basis up to an aggregate limit of USD25 million against any legal liability incurred by the Directors and Officers in the discharge of their duties while holding office in the Company. The Directors and Officers shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them.

LIBERTY GENERAL INSURANCE BERHAD
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CORPORATE GOVERNANCE (CONT'D.)

MANAGEMENT INFORMATION

The Directors review Board papers and reports prior to the Board meetings. Information and materials relating to the operations of the Company that are important to the Directors' understanding of the items in the agenda and related topics, are distributed in advance of the meeting. The Board reports include among others, minutes of meetings of all Committees of the Board, monthly performance of the Company, review of business strategy, credit risk management, asset liability and market risk management and industry benchmarking as well as prevailing regulatory developments and the economic and business environment.

These reports are issued timely to enable the Directors to obtain further explanations, where necessary, in order to be briefed properly before the meeting. The Board provides input on Company policies.

OTHER STATUTORY INFORMATION

- (a) Before the statement of financial position, income statement and statement of comprehensive income of the Company were made out, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowances for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowances had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
 - (i) the amount written off for bad debts or the amount of allowances for doubtful debts in the financial statements of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Company misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Company which would render any amount stated in the financial statements misleading.

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LIBERTY GENERAL INSURANCE BERHAD
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OTHER STATUTORY INFORMATION (CONT'D.)

(e) At the date of this report, there does not exist:

- (i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability of the Company which has arisen since the end of the financial year.

(f) In the opinion of the Directors:

- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Company to meet its obligations when they fall due; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

For the purpose of paragraphs (e) and (f) above, contingent or other liabilities do not include liabilities arising from contracts of insurance underwritten in the ordinary course of business of the Company.

(g) Before the statement of financial position, income statement and statement of comprehensive income of the Company were made out, the Directors took reasonable steps to ascertain that there was adequate provision for its insurance liabilities in accordance with the requirements of MFRS 17 *Insurance Contracts* issued by the Malaysian Accounting Standards Board.

SIGNIFICANT EVENTS

The significant events during the financial year are disclosed in Note 34 to the financial statements.

IMMEDIATE AND ULTIMATE HOLDING COMPANIES

The immediate holding company is LGHSB and ultimate holding company is Liberty Mutual Holding Company Inc., a company incorporated in Massachusetts, United States of America.

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LIBERTY GENERAL INSURANCE BERHAD
(Incorporated in Malaysia)

AUDITORS

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

The auditors' remuneration of the Company during the financial year ended 31 December 2024 is RM1,100,000.

Signed on behalf of the Board in accordance with a resolution of the Directors dated **27 MAR 2025**



Dato' Haji Kamil Khalid Ariff

Kuala Lumpur, Malaysia



Tan Chong Liong

Company No: 197801007153

LIBERTY GENERAL INSURANCE BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

We, Dato' Haji Kamil Khalid Ariff and Tan Chong Liong, being two of the directors of Liberty General Insurance Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 31 to 147 are drawn up in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2024 and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated **27 MAR 2025**



Dato' Haji Kamil Khalid Ariff -

Kuala Lumpur, Malaysia



Tan Chong Liong

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT, 2016

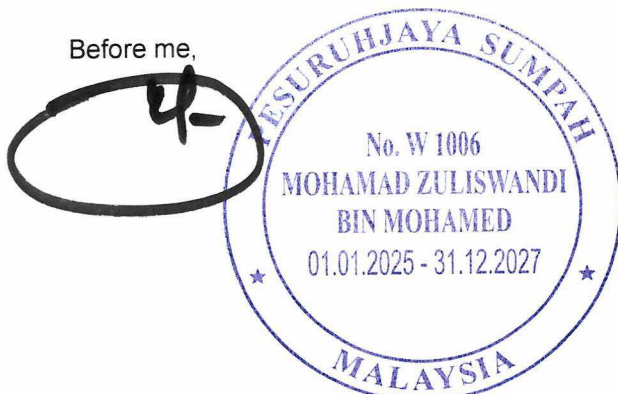
I, Puneet Pravinder Pasricha, being the officer primarily responsible for the financial management of Liberty General Insurance Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 31 to 147 are in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
above named Puneet Pravinder Pasricha at
Kuala Lumpur in Wilayah Persekutuan
on **27 MAR 2025**



Puneet Pravinder Pasricha

Before me,



Company No: 197801007153

**Independent auditors' report to the members of
Liberty General Insurance Berhad
(Incorporated in Malaysia)**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Liberty General Insurance Berhad ("the Company"), which comprise the statement of financial position as at 31 December 2024, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 31 to 147.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and cash flows for the year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report (including the Corporate Governance disclosures), but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

Company No: 197801007153

**Independent auditors' report to the members of
Liberty General Insurance Berhad (cont'd.)
(Incorporated in Malaysia)**

Information other than the financial statements and auditors' report thereon (cont'd.)

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



Shape the future
with confidence

Company No: 197801007153

**Independent auditors' report to the members of
Liberty General Insurance Berhad (cont'd.)
(Incorporated in Malaysia)**

Auditors' responsibilities for the audit of the financial statements (cont'd.)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.



Shape the future
with confidence

Company No: 197801007153

Independent auditors' report to the members of
Liberty General Insurance Berhad (cont'd.)
(Incorporated in Malaysia)

Auditors' responsibilities for the audit of the financial statements (cont'd.)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other matters

This report is made solely to the member of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Kuala Lumpur, Malaysia
27 March 2025

Woo Jan Ning

Woo Jan Ning
No. 03713/01/2027 J
Chartered Accountant

LIBERTY GENERAL INSURANCE BERHAD
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	31.12.2024 RM'000	31.12.2023 RM'000
Assets			
Property and equipment	3	79,342	80,855
Investment properties	11	30,636	31,196
Right-of-use assets	4	25,032	34,351
Intangible assets	5	18,214	30,098
Non-current assets held for sale	10	4,325	-
Investments	6	4,914,707	5,056,044
Reinsurance contract assets	14	373,222	459,790
Other receivables	7	93,240	103,553
Deferred tax assets	8	18,885	29,829
Cash and cash equivalents	9	341,139	198,497
Total assets		5,898,742	6,024,213
Equity			
Share capital	12	2,967,070	2,967,070
Merger reserves	13	(1,027,042)	(1,027,042)
Asset revaluation reserve		747	582
FVOCI reserve		1,241	944
Retained earnings		426,942	434,406
Total equity		2,368,958	2,375,960
Liabilities			
Insurance contract liabilities	14	3,183,029	3,223,791
Lease liabilities	4	27,388	37,059
Provision for taxation		25,907	35,277
Other payables	15	278,929	333,201
Provision for retirement benefits	16	14,531	18,925
Total liabilities		3,529,784	3,648,253
Total equity and liabilities		5,898,742	6,024,213

The accompanying notes form an integral part of the financial statements.

Company No: 197801007153

LIBERTY GENERAL INSURANCE BERHAD
(Incorporated in Malaysia)

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

		1.1.2024 to 31.12.2024 RM'000	1.4.2023 to 31.12.2023 RM'000
	Note		
Insurance revenue	14,20	2,316,986	1,659,072
Insurance service expense	14,21	(1,917,789)	(1,386,725)
Net expense from reinsurance contracts held	14	(198,494)	(140,587)
Insurance service result		<u>200,703</u>	<u>131,760</u>
Investment income	17	203,559	108,665
Realised gains	18	3,864	1,168
Fair value gains	19	3,280	67,919
Net investment return		<u>210,703</u>	<u>177,752</u>
Insurance finance expenses for insurance contract issued	14	(101,522)	(92,567)
Reinsurance finance income for reinsurance contract held	14	13,468	13,861
Net insurance financial result		<u>(88,054)</u>	<u>(78,706)</u>
Other income		4,470	6,261
Other expenses	21	(34,368)	(81,401)
Finance costs	4	(1,139)	(1,255)
Profit before taxation		<u>292,315</u>	<u>154,411</u>
Taxation	22	(58,638)	(20,505)
Net profit for the year/period		<u>233,677</u>	<u>133,906</u>

The accompanying notes form an integral part of the financial statements.

LIBERTY GENERAL INSURANCE BERHAD
(Incorporated in Malaysia)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

		1.1.2024	1.4.2023
		to	to
		31.12.2024	31.12.2023
Note		RM'000	RM'000
	Net profit for the year/period	<u>233,677</u>	<u>133,906</u>
	Other comprehensive income:		
	<u>Other comprehensive income to be reclassified to the income statement in subsequent periods:</u>		
	Fair value through other comprehensive income ("FVOCI"):		
	Gains on fair value changes of FVOCI financial assets	6.5 392	1,235
	Allowance for expected credit loss	(1)	7
	Tax effects thereon	(94)	(298)
	Net other comprehensive income to be reclassified to the income statement in subsequent periods	<u>297</u>	<u>944</u>
	<u>Other comprehensive (loss)/income not to be reclassified to the income statement in subsequent periods:</u>		
	Re-measurement gains/(losses) on defined benefit plans	16.3 282	(1,562)
	Tax effects thereon	16.3 (68)	375
	Revaluation surplus on self-occupied properties	281	766
	Reversal of revaluation surplus on non-current assets held for sale	10 (64)	-
	Tax effects thereon	(52)	(184)
	Net other comprehensive gains/(losses) not to be reclassified to the income statement in subsequent periods	<u>379</u>	<u>(605)</u>
	Total other comprehensive income for the year/period, net of taxation	<u>676</u>	<u>339</u>
	Total comprehensive income for the year/period	<u>234,353</u>	<u>134,245</u>
	Earnings per share (sen)		
	Basic	23.1 17	10
	Diluted	23.2 17	10

The accompanying notes form an integral part of the financial statements.

Company No: 197801007153

LIBERTY GENERAL INSURANCE BERHAD
(Incorporated in Malaysia)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024**

		<----- Non-distributable ----->				Distributable	
	Note	Share capital RM'000 (Note 12)	Merger reserves RM'000 (Note 13)	Asset revaluation reserve RM'000	FVOCI reserve RM'000	Retained earnings RM'000	Total equity RM'000
At 1 April 2023		2,967,070	(1,027,042)	-	-	612,042	2,552,070
Net profit for the period		-	-	-	-	133,906	133,906
Other comprehensive income/(loss)		-	-	582	944	(1,187)	339
Total comprehensive income for the period		-	-	582	944	132,719	134,245
Dividends on INCPS	24	-	-	-	-	(3,355)	(3,355)
Dividends on ordinary shares	24	-	-	-	-	(307,000)	(307,000)
At 31 December 2023		2,967,070	(1,027,042)	582	944	434,406	2,375,960
At 1 January 2024		2,967,070	(1,027,042)	582	944	434,406	2,375,960
Net profit for the year		-	-	-	-	233,677	233,677
Other comprehensive income		-	-	165	297	214	676
Total comprehensive income for the year		-	-	165	297	233,891	234,353
Dividends on INCPS	24	-	-	-	-	(3,355)	(3,355)
Dividends on ordinary shares	24	-	-	-	-	(238,000)	(238,000)
At 31 December 2024		2,967,070	(1,027,042)	747	1,241	426,942	2,368,958

The accompanying notes form an integral part of the financial statements.

Company No: 197801007153

LIBERTY GENERAL INSURANCE BERHAD
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

		1.1.2024 to 31.12.2024 RM'000	1.4.2023 to 31.12.2023 RM'000
	Note		
Operating activities			
Profit before taxation		292,315	154,411
Adjustments for:			
Investment income	17	(203,559)	(108,665)
Realised gains	18	(3,864)	(1,168)
Fair value gains	19	(3,280)	(67,919)
Depreciation of property and equipment	3,21	11,303	6,850
Intangible assets written-off	5,21	5,251	48
Property and equipment written-off	3,21	901	4,776
Depreciation of right-of-use assets	4,21	9,413	14,500
Impairment loss on investment properties	11,21	560	1,460
(Reversal of allowance)/impairment loss on property and equipment	3	(1,371)	6,547
Impairment loss on non-current assets held for sale	10	161	-
Amortisation of intangible assets	5,21	12,309	12,047
(Reversal of allowance)/impairment loss on FVOCI financial assets	21	(1)	7
Provision for/(reversal of) for impairment losses on reinsurance assets		93	(290)
(Reversal of)/provision for impairment losses on insurance receivables		(1,882)	615
Recovery of bad debts written-off	21	(39)	(12)
Retirement benefits expense	16.2, 21.1	700	607
Property and equipment expensed to income statement	3	2	85
Intangible assets expensed to income statement	5	174	-
Finance costs on lease liabilities	4	1,139	1,255
Total adjustments		<u>(171,990)</u>	<u>(129,257)</u>
Changes in working capital:			
Purchase of AC financial assets	6.5	(167,499)	(145,000)
Purchase of FVTPL financial assets	6.5	(13,011)	(4,392)
Purchase of FVOCI financial assets	6.5	(87,128)	(53,818)
Proceeds from sale of FVTPL financial assets	6.5	248,625	298,898
Proceeds from maturities of AC financial assets	6.5	85,964	1,888
Proceeds from maturities of FVOCI financial assets	6.5	80,000	50,000
Decrease in reinsurance contract assets		86,475	80,914
Decrease in other receivables		13,992	55,084
Decrease in insurance contract liabilities		(38,841)	(170,505)
(Decrease)/increase in other payables		<u>(54,272)</u>	<u>72,151</u>
Net increase in working capital		<u>154,305</u>	<u>185,220</u>

Company No: 197801007153

LIBERTY GENERAL INSURANCE BERHAD
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

		1.1.2024 to 31.12.2024 RM'000	1.4.2023 to 31.12.2023 RM'000
	Note		
Operating activities (Cont'd.)			
Dividend income received		151,078	64,655
Interest income received		49,295	31,222
Retirement benefits paid	16.1	(4,812)	(1,646)
Income tax paid		(57,278)	(17,280)
Payment of interest portion of lease liabilities	4	(1,139)	(1,255)
Net cash generated from operating activities		411,774	286,070
Investing activities			
Proceeds from disposal of properties		930	3,950
Proceeds from disposal of equipment		249	8
Purchase of property and equipment	3	(14,468)	(33,398)
Purchase of intangible assets	5	(5,850)	(6,559)
Net cash used in investing activities		(19,139)	(35,999)
Financing activities			
Payment of principal portion of lease liabilities		(8,638)	(8,811)
Dividend paid on INCPS	24	(3,355)	(3,355)
Dividend paid on ordinary shares	24	(238,000)	(307,000)
Net cash used in financing activities		(249,993)	(319,166)
Net increase/(decrease) in cash and cash equivalents		142,642	(69,095)
Cash and cash equivalents at beginning of year/period		198,497	267,592
Cash and cash equivalents at end of year/period		341,139	198,497
Cash and cash equivalents comprise:			
Cash at banks and on hand	9	212,826	68,807
Short-term deposits (with original maturity of less than three months) with licensed banks	9	128,313	129,690
Cash and cash equivalents		341,139	198,497

The accompanying notes form an integral part of the financial statements.

Company No: 197801007153

LIBERTY GENERAL INSURANCE BERHAD
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NOTES TO THE FINANCIAL STATEMENTS - 31 December 2024

1. CORPORATE INFORMATION

The Company is a public limited company, incorporated and domiciled in Malaysia. The registered office and principal place of business of the Company is located at Level 13A, Liberty Insurance Tower, CT9, Pavilion Damansara Heights, 3, Jalan Damanlela, Pusat Bandar Damansara, Kuala Lumpur, Wilayah Persekutuan.

The immediate holding company is Liberty Global Holdings Sdn. Bhd. ("LGHSB"), a company incorporated in Malaysia, and ultimate holding company is Liberty Mutual Holding Company Inc., a company incorporated in Massachusetts, United States of America.

The Company is engaged principally in the underwriting of all classes of general insurance business. There have been no significant changes in the nature of the principal activity of the Company during the financial year.

The financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 27 March 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MASB") and IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act, 2016 in Malaysia.

At the beginning of the current financial year, the Company had fully adopted the Revised Conceptual Framework and amendments to MFRSs as described fully in Note 2.3.

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 ("RBC") Framework issued by Bank Negara Malaysia ("BNM").

LIBERTY GENERAL INSURANCE BERHAD
(Incorporated in Malaysia)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.1 Basis of preparation (Cont'd.)

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expense will not be offset in the income statement unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Company.

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

2.2 Accounting policy information

(a) Investments in subsidiaries and basis of non-consolidation

In the Company's separate financial statements, investments in subsidiaries, which relate to investments in collective investment schemes, are carried at fair value. Subsidiaries are those entities over which the Company has all the following:

- (i) Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

On disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is recognised as gain or loss on disposal in the income statement.

The Company is exempted from presenting consolidated financial statements based on the criteria set out in paragraph 4 of MFRS 10 *Consolidated Financial Statements* ("MFRS 10").

The immediate holding company, LGHSB prepares consolidated financial statements in accordance with MFRS Accounting Standards in Malaysia, which are available for inspection at the registered office of the immediate holding company.

LIBERTY GENERAL INSURANCE BERHAD
(Incorporated in Malaysia)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.2 Accounting policy information (Cont'd.)

(b) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Land and buildings, which are substantially occupied by the Company for their operations, are classified under property and equipment.

Land and buildings are initially stated at cost and are subsequently revalued by independent registered valuers based on the highest and best use of the properties to reflect the fair value of the properties. Land and buildings are measured at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

When the land and buildings are revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated as the revalued amount of the asset.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in the income statement, the increase is recognised in income statement. A revaluation deficit is recognised in the income statement, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

Freehold land is not depreciated as it has infinite life. No depreciation is provided for work-in-progress as it is not ready for active use. Other property and equipment are depreciated on the straight line basis to write off the cost of the assets, to their residual values over their estimated useful lives, summarised in the following:

Freehold buildings	39.5 years
Leasehold buildings	39.5 years
Motor vehicles	5 years
Furniture and fittings	5 to 10 years
Office equipment (include air conditioner, handphone)	3 to 10 years
Office improvements	5 to 10 years
Computer equipment	5 years

The residual values and useful lives of property and equipment are reviewed, and adjusted as appropriate, at each date of the statement of financial position.

LIBERTY GENERAL INSURANCE BERHAD
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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.2 Accounting policy information (Cont'd.)

(b) Property and equipment (Cont'd.)

At each date of the statement of financial position, the Company assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 2.2 (d) for the accounting policy on impairment of non-financial assets).

Upon disposal of property and equipment, gains and losses on disposals are determined by comparing proceeds with the carrying amounts and are recognised in the income statement. On disposal of revalued assets, the amounts in the asset revaluation reserve relating to the assets are transferred to retained earnings.

(c) Intangible assets

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Computer application software work-in-progress is not amortised until the asset is fully completed and brought in use.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

Intangible assets which comprise computer application software are amortised over their estimated finite useful lives of 5 years.

The policy for the recognition and measurement of impairment losses is in accordance with Note 2.2(d).

LIBERTY GENERAL INSURANCE BERHAD
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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.2 Accounting policy information (Cont'd.)

(d) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. To determine the value in use, the entity evaluates the expected future cash flows and converts them into their present value by applying a pre-tax discount rate. This rate takes into account current market evaluations of the time value of money as well as the specific risks associated with the asset.

An impairment loss is recognised in the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods. A reversal of impairment loss for an asset other than goodwill is recognised in the income statement, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

LIBERTY GENERAL INSURANCE BERHAD
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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.2 Accounting policy information (Cont'd.)

(e) Investments and other financial assets

Financial instruments – initial recognition and subsequent measurement

(i) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at :

- (i) Amortised cost ("AC")
 - Fixed and call deposits with licensed banks
 - Mortgage loans
- (ii) Fair value through profit or loss ("FVTPL")
 - Collective investment schemes
 - Quoted equity securities
 - Unit and property trust funds quoted in Malaysia
- (iii) Fair value through other comprehensive income ("FVOCI")
 - Malaysian government securities
 - Corporate bonds
 - Cagamas bonds
 - Unquoted equity securities in Malaysia

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- AC
- FVTPL
- FVOCI

The Company have made an irrevocable election under MFRS 9 to classify the unquoted equity securities as FVOCI, with no recycling allowed.

LIBERTY GENERAL INSURANCE BERHAD
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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.2 Accounting policy information (Cont'd.)

(f) Derecognition of financial assets

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and either:
 - (a) the Company has transferred substantially all the risks and rewards of the asset; or
 - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(g) Fair value measurement

The Company measures certain financial instruments at fair value at each reporting date.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which all input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

LIBERTY GENERAL INSURANCE BERHAD
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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.2 Accounting policy information (Cont'd.)

(g) Fair value measurement (Cont'd.)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the reporting date.

Fair value of unquoted equity instruments are based on expected recoverable value. These equity instruments represent ordinary shares in companies that are not quoted on any market. In addition, the variability in the range of reasonable fair value estimates derived from valuation techniques is significant.

For investments in unit and property trust funds and collective investment schemes, fair value is determined by reference to published net asset values.

(h) Impairment of financial assets

The Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss.

For insurance/reinsurance receivables and other receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account. The gross carrying amount of the financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company makes an assessment with respect to the timing and amount of the write-off based on whether there is reasonable expectation of recovery. The Company expects no significant recovery from the amount written off.

LIBERTY GENERAL INSURANCE BERHAD
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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.2 Accounting policy information (Cont'd.)

(i) Equity instruments

Share capital and share issuance expenses

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend on ordinary share capital

Dividends on ordinary shares are recognised in equity in the period in which they are declared.

Irredeemable Non-cumulative Convertible Preference Shares ("INCPS")

INCPS is classified as equity as they are non-redeemable and are redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity. The terms of the INCPS are disclosed in Note 12.

(j) Insurance and reinsurance contracts classification

The Company issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur.

The Company issues all classes of general insurance to individuals and businesses. General insurance products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of a policyholder's accident.

The Company also issues reinsurance contracts in the normal course of business to compensate other entities for claims arising from one or more insurance contracts issued by those entities.

The Company does not issue any contracts with direct participating features.

LIBERTY GENERAL INSURANCE BERHAD
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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.2 Accounting policy information (Cont'd.)

(k) Insurance and reinsurance contracts accounting treatment

(i) Separating components from insurance and reinsurance contracts

The Company assesses its insurance and reinsurance products to determine whether they contain distinct components which must be accounted for under another MFRS instead of under MFRS 17. After separating any distinct components, the Company applies MFRS 17 to all remaining components of the (host) insurance contract. Currently, the Company's products do not include any distinct components that require separation.

Some insurance contracts issued contain cash back or experience refund arrangements. Under these arrangements, there is a minimum guaranteed amount that the policyholder will always receive – either in the form of profit commission, or as claims, or another contractual payment irrespective of the insured event happening. The minimum guaranteed amounts have been assessed to be highly interrelated with the insurance component of the insurance contracts and are, therefore, non-distinct investment components which are not accounted for separately. However, receipts and payments of these investment components are recognised outside of the income statement.

The investment components of reinsurance contracts held are represented by profit commission and sliding scale commission. These components have been assessed to be closely related to the reinsurance contracts held and is not separated, therefore, non-distinct investment components which are not accounted for separately.

LIBERTY GENERAL INSURANCE BERHAD
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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.2 Accounting policy information (Cont'd.)

(k) Insurance and reinsurance contracts accounting treatment (Cont'd.)

(ii) Level of aggregation

The Company has defined portfolios of insurance and reinsurance contracts issued based on its product lines due to the fact that the products are subject to similar risks and managed together. A working assumption has been applied where each product line is managed as a single pool and is exposed to similar risk events.

The portfolios are further divided by year of issue and profitability for recognition and measurement purposes. Hence, within each year of issue, portfolio of contracts are divided into three groups, as follows:

- A group of contracts that are onerous at initial recognition, if any;
- A group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently, if any; and
- A group of the remaining contracts in the portfolio, if any.

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business.

The Company assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise.

The Company generally avoids entering into agreements that are potentially onerous from the outset. This is due to the belief that the competitive nature of the insurance industry prevents the setting of premiums at a level high enough to yield a substantial profit margin, thereby eliminating any risk of contracts becoming onerous. Consequently, no contracts will be classified under the category of having no significant possibility of becoming onerous.

This leads to the establishment of only two categories for contract grouping, as follows:

- A group of contracts that are onerous at initial recognition; and
- A group of the remaining contracts in the portfolio.

The reinsurance contracts held portfolios are further divided into:

- A group of contracts on which there is a net gain on initial recognition, if any; and
- A group of the remaining contracts in the portfolio, if any.

LIBERTY GENERAL INSURANCE BERHAD
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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.2 Accounting policy information (Cont'd.)

(k) Insurance and reinsurance contracts accounting treatment (Cont'd.)

(iii) Recognition

The Company recognises groups of insurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts;
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date; and
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous.

The Company recognises a group of reinsurance contracts held it has entered into from the earlier of the following:

- The beginning of the coverage period of the group of reinsurance contracts held. However, the Company delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held.

And

- The date the Company recognises an onerous group of underlying insurance contracts if the Company entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date.

LIBERTY GENERAL INSURANCE BERHAD
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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.2 Accounting policy information (Cont'd.)

(k) Insurance and reinsurance contracts accounting treatment (Cont'd.)

(iv) Contract boundary

The Company includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay the premiums, or in which the Company has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

- The Company has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks.

Or

- Both of the following criteria are satisfied:
 - The Company has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and
 - The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer. A substantive right to receive services from the reinsurer ends when the reinsurer:

- has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or
- has a substantive right to terminate the coverage.

LIBERTY GENERAL INSURANCE BERHAD
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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.2 Accounting policy information (Cont'd.)

(k) Insurance and reinsurance contracts accounting treatment (Cont'd.)

(iv) Contract boundary (Cont'd.)

Cash flows that are not directly attributable to a portfolio of insurance contracts are recognised in other operating expenses as incurred.

The contract boundary is reassessed at each reporting date to include the effect of changes in circumstances on the Company's substantive rights and obligations and, therefore, may change over time.

(v) Measurement - Premium Allocation Approach ("PAA")

(a) PAA Eligibility

The coverage period for most insurance contracts is one year or less, which automatically qualifies them for the PAA. Some insurance contracts have coverage periods greater than one year. However, as there is no material difference in measuring the Liability for Remaining Coverage ("LFRC") between the PAA and the general model, these contracts also qualify for the PAA. In assessing materiality, the Company has also considered qualitative factors such as the nature of the risk and types of its lines of business.

(b) Insurance acquisition cash flows for insurance contracts issued

Insurance acquisition cash flows are allocated to related groups of insurance contracts, portfolio AmGeneral amortised over the coverage period and portfolio Liberty using straight line method of contracts in a group.

(c) LFRC, adjusted for financial risk and time value of money

The LFRC for loss component is adjusted to reflect the effect of the time value of money and changes in the time value of money. No allowance is made for the accretion of interest on the LFRC, as the premiums are received within one year of the coverage period.

(d) Liability for Incurred Claims ("LFIC") adjusted for time value of money

The LFIC is adjusted to reflect the time value of money and the effect of financial risk regardless of whether the cash flows are expected to be paid or received in one year or less from the date the claims are incurred.

LIBERTY GENERAL INSURANCE BERHAD
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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.2 Accounting policy information (Cont'd.)

(k) Insurance and reinsurance contracts accounting treatment (Cont'd.)

(v) Measurement - Premium Allocation Approach ("PAA") (Cont'd.)

(e) Insurance finance income and expense

The change in LFIC as a result of the effect of time value of money and changes in discount rates.

(vi) Insurance contracts - initial measurement

The Company applies PAA to all the insurance contracts that it issues and reinsurance contracts that it holds as explained in Note 2(k)(v):

For a group of contracts that is not onerous at initial recognition, the Company measures the LFRC as:

- The premiums, if any, received at initial recognition;
- Minus any insurance acquisition cash flows at that date;
- Plus or minus any amount arising from the derecognition at that date of the asset recognised for insurance acquisition cash flows; and
- Any other asset or liability previously recognised for cash flows related to the group of contracts that the Company pays or receives before the group of insurance contracts is recognised.

Where facts and circumstances indicate that contracts are onerous at initial recognition, the Company performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and the Company recognises a loss in the income statement for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Company for the LFRC for such onerous group depicting the losses recognised.

LIBERTY GENERAL INSURANCE BERHAD
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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.2 Accounting policy information (Cont'd.)

(k) Insurance and reinsurance contracts accounting treatment (Cont'd.)

(vii) Insurance contracts - subsequent measurement

The Company measures the carrying amount of the LFRC at the end of each reporting period as the LFRC at the beginning of the period:

- Plus premiums received in the period
- Minus insurance acquisition cash flows
- Plus any amounts relating to the amortisation of the insurance acquisition cash flows recognised as an expense in the reporting period for the group
- Minus the amount recognised as insurance revenue for the services provided in the period
- Minus any investment component paid or transferred to the LFIC

The Company estimates the LFIC as the fulfilment cash flows related to incurred claims.

(viii) Insurance contracts - derecognition and modification

The Company derecognises insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired).

Or

- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Company derecognises the initial contract and recognises the modified contract as a new contract.

When a modification is not treated as a derecognition, the Company recognises amounts paid or received for the modification with the contract as an adjustment to the relevant LFRC.

LIBERTY GENERAL INSURANCE BERHAD
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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.2 Accounting policy information (Cont'd.)

(k) Insurance and reinsurance contracts accounting treatment (Cont'd.)

(ix) Reinsurance contracts held - initial measurement

The Company measures its reinsurance contract assets for a group of reinsurance contracts that it holds on the same basis as insurance contracts that it issues. However, they are adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued, for example the generation of expenses or reduction in expenses rather than revenue.

On initial recognition of a group of reinsurance contracts held, the Company measures the asset for the remaining coverage ("AFRC") at the amount of ceding premiums paid on initial recognition minus commission income received.

Where the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Company establishes a loss-recovery component of the AFRC for a group of reinsurance contracts held depicting the recovery of losses.

The Company calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the ratio of expected reinsurance receivable to expected outgo arising from the underlying insurance contracts. The Company uses a systematic and rational method to determine the portion of losses recognised on the group to insurance contracts covered by the group of reinsurance contracts held where some contracts in the underlying group are not covered by the group of reinsurance contracts held.

The loss-recovery component adjusts the carrying amount of the AFRC.

(x) Reinsurance contracts held - subsequent measurement

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held.

LIBERTY GENERAL INSURANCE BERHAD
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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.2 Accounting policy information (Cont'd.)

(k) Insurance and reinsurance contracts accounting treatment (Cont'd.)

(x) Reinsurance contracts held - subsequent measurement (Cont'd.)

Where the Company has established a loss-recovery component, the Company subsequently reduces the loss-recovery component to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

The Company measures the carrying value of the amounts recoverable on incurred claims ("ARIC") at the end of each reporting period. The Company recognises the ARIC for a group of reinsurance contracts held at the amount of the fulfilment cash flows relating to the claims recoverable.

(xi) Insurance acquisition cash flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs. The Company uses a systematic and rational method to allocate:

- (a) Insurance acquisition cash flows that are directly attributable to a group of insurance contracts:
 - (i) to that group; and
 - (ii) to groups that include insurance contracts that are expected to arise from the renewals of the insurance contracts in that group.
- (b) Insurance acquisition cash flows that are not directly attributable to a group of contracts, to groups in the portfolio.

For insurance contract issued, the Company chooses to defer and recognize any insurance acquisition cash flows over the coverage period (portfolio AmGeneral) or straight line method (portfolio Liberty) of contracts in a group.

The Company does not generally pay or incur insurance acquisition cash flows before a related group of insurance contracts is recognised in the statement of financial position. No asset for insurance acquisition cash flows has therefore been recognised.

LIBERTY GENERAL INSURANCE BERHAD
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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.2 Accounting policy information (Cont'd.)

(k) Insurance and reinsurance contracts accounting treatment (Cont'd.)

(xii) Risk adjustment for non-financial risk

An explicit risk adjustment for non-financial risk is estimated separately from the discounted FCF. For contracts measured under the PAA, unless contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the LFIC and ARIC. The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows.

(xiii) Presentation

The carrying amount of portfolios of insurance contracts issued that are assets, portfolios of insurance contracts issued that are liabilities, portfolios of reinsurance contracts held that are assets and portfolios of reinsurance contracts held that are liabilities are presented separately in the statement of financial position.

The Company disaggregates the total amount recognised in the income statement into an insurance service result, comprising insurance revenue and insurance service expense, and insurance finance income or expenses.

The Company does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result.

Income or expenses from reinsurance contracts held are presented separately from the expenses or income on insurance contracts issued.

Insurance revenue and insurance service expenses exclude any non-distinct investment components.

(i) Insurance revenue

The insurance revenue for the year is the amount of expected premium receipts (excluding any investment component) allocated to the period. The Company allocates the expected premium receipts to each year of insurance contract services on the basis of the passage of time.

The amount of insurance revenue recognised in the period reflects the provision of services and the consideration the Company expects to be entitled to in exchange for those services.

LIBERTY GENERAL INSURANCE BERHAD
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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.2 Accounting policy information (Cont'd.)

(k) Insurance and reinsurance contracts accounting treatment (Cont'd.)

(xiii) Presentation (Cont'd.)

(ii) Insurance service expense

Insurance service expenses arising from insurance contracts are recognised as they are incurred. They exclude the repayment of investment components and comprise the following items:

- incurred claims;
- adjustments to the LFIC (including the risk adjustment) that do not arise from the effects of the time value of money, financial risk and changes therein;
- amortisation of insurance acquisition cash flows;
- other directly attributable insurance service expenses, including an allocation of fixed and variable overhead costs; and
- losses on onerous contracts and the reversal of such losses.

Expenses not meeting the above criteria are included in other expenses in the income statement.

LIBERTY GENERAL INSURANCE BERHAD
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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.2 Accounting policy information (Cont'd.)

(k) Insurance and reinsurance contracts accounting treatment (Cont'd.)

(xiii) Presentation (Cont'd.)

(iii) Net income or expenses from reinsurance contracts held

Net income or expenses from reinsurance contracts comprise an allocation of reinsurance premiums paid less amounts expected to be recovered from reinsurers.

The allocation of reinsurance premiums under each group of reinsurance contracts held is the amount of expected premium payments net of commission income receivable. Expected premium payments exclude any investment components.

The Company recognises the allocation of reinsurance premium based on the passage of time over the relevant coverage period.

Amounts expected to be recovered from reinsurers are recognised as they are incurred. The Company uses consistent assumptions to measure the estimates of the future cash flows for a group of reinsurance contracts held with the underlying group of insurance contracts issued. Reinsurance cash flows that are contingent on claims incurred by the underlying insurance contracts issued are therefore included as part of the cash flows that are expected to be reimbursed under the reinsurance contract held.

The amounts expected to be recovered from reinsurers include the effect of any risk of non-performance by the issuer of the reinsurance contract.

For a group of reinsurance contracts held covering onerous underlying insurance contracts issued, the loss-recovery component and the reversal of such loss-recovery components are included as amounts recoverable from the reinsurers.

LIBERTY GENERAL INSURANCE BERHAD
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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.2 Accounting policy information (Cont'd.)

(k) Insurance and reinsurance contracts accounting treatment (Cont'd.)

(xiii) Presentation (Cont'd.)

(iv) Loss component

The Company assumes that no contracts are onerous at initial recognition unless facts and circumstances indicate otherwise. Where this is not the case, and if at any time during the coverage period, the facts and circumstances indicate that a group of insurance contracts is onerous, the Company establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining coverage of the group over the carrying amount of the LFRC of the group. Accordingly, by the end of the coverage period of the group of contracts the loss component will be zero.

(v) Loss-recovery component

Where the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts, or when further onerous underlying insurance contracts are added to a group, the Company establishes a loss-recovery component of the AFRC for a group of reinsurance contracts held depicting the expected recovery of the losses.

A loss-recovery component is subsequently reduced to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

LIBERTY GENERAL INSURANCE BERHAD
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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.2 Accounting policy information (Cont'd.)

(k) Insurance and reinsurance contracts accounting treatment (Cont'd.)

(xiii) Presentation (Cont'd.)

(vi) Insurance finance income or expense from insurance contracts issued and reinsurance contracts held

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts issued or reinsurance contracts held arising from the effect of the time value of money, financial risk and changes therein. These include:

- unwind of the initial discount i.e., interest accreted on the LFIC or ARIC and loss component and loss-recovery component; and
- the effect of changes in interest rate assumptions.

The Company has elected to include insurance finance income and expenses in income statement and does not disaggregate these between income statement and other comprehensive income.

(vii) Non-distinct investment components

The Company identifies the non-distinct investment components of a contract by determining the amount that it would be required to repay to a policyholder in all circumstances, regardless of whether an insured event occurs. The receipt of this deposit component and the subsequent repayment do not relate to insurance services. Non-distinct investment components are therefore excluded from insurance revenue and insurance service expenses and are considered as part of an insurance contract liability.

LIBERTY GENERAL INSURANCE BERHAD
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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.2 Accounting policy information (Cont'd.)

(l) Other revenue recognition

Interest income

Interest income is recognised in the financial statements on an accrual basis using the effective interest rate method except for interest on loans which are considered non-performing, i.e., where repayments are in arrears for more than six months, in which case recognition of such interest is suspended. Subsequent to suspension, interest income is recognised on the receipt basis until all arrears have been paid.

Dividend income

Dividend income represents gross dividends from quoted investments and is recognised when the right to receive payment is established.

Realised gains and losses on investments

Realised gains and losses recorded in the income statement on investments include gains and losses on financial assets. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the carrying value and are recorded on occurrence of the sale transaction.

(m) Taxation

Income tax on the income statement for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

LIBERTY GENERAL INSURANCE BERHAD
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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.2 Accounting policy information (Cont'd.)

(m) Taxation (Cont'd.)

Deferred tax is recognised as income or an expense and included in the income statement for the year, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity.

(n) Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(o) Employee benefits

Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by employees. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

LIBERTY GENERAL INSURANCE BERHAD
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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.2 Accounting policy information (Cont'd.)

(p) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

All financial liabilities of the Company, comprising payables to intermediaries and other payables, except for those covered under MFRS 17 and MFRS 119, are classified as other financial liabilities.

Payables to intermediaries and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method.

For other financial liabilities, gains and losses are recognised in the income statement when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

(q) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and at banks, and deposits held at call with financial institutions with original maturities of three months or less.

The statement of cash flows is prepared using the indirect method.

LIBERTY GENERAL INSURANCE BERHAD
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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.2 Accounting policy information (Cont'd.)

(r) Leases

The determination of whether an arrangement is, or contains, a lease is based on whether the arrangement conveys a right to control the use the asset, even if that right is not explicitly specified in an arrangement.

For the Company as a lessee, leases are recognised as a right-of-use ("ROU") asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The Company is reasonably certain to obtain ownership of the underlying asset at the end of the lease term, the ROU asset is depreciated over the underlying asset's useful life. ROU assets are assessed for impairment whenever there is an indication that the ROU assets may be impaired.

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

LIBERTY GENERAL INSURANCE BERHAD
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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.2 Accounting policy information (Cont'd.)

(s) Non-current assets held for sale

Non-current assets are classified as asset held for sale and stated at the lower of carrying amount and fair value less cost to sell if their carrying amounts are recovered principally through a sale transaction rather than through continuing use.

(t) Investment properties

Investment properties, comprising principally of land and buildings, are held for long term rental yields or for capital appreciation or both, and are not occupied by the Company.

Investment properties are initially stated at cost including related and incidental expenditure incurred, and are subsequently carried at fair value, representing open-market value determined by independent accredited valuer. Fair value is based on active market prices, adjusted if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Company uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. The fair values of investment properties are revalued at regular intervals of at least once in every three years and with additional valuation in the intervening years to ensure that the carrying amount does not differ materially from the fair value of the properties at the financial year/period end reporting date. Changes in fair values are recorded in the income statement in the year in which they arise.

2.3 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial period except for the adoption of the following amendments to MFRS:

On 1 January 2024, the Company adopted the following:

- *Lease Liability in a Sale and Leaseback* (Amendments to MFRS 16)
- *Non-current Liabilities with Covenants* (Amendments to MFRS 101)
- *Supplier Finance Arrangements* (Amendments to MFRS 107 and MFRS 7)

The adoption of the above pronouncements did not have a significant impact on the financial statements of the Company.

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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.4 Standards issued but not yet effective

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

Effective for financial periods beginning on or after 1 January 2025

- *Lack of Exchangeability* (Amendments to MFRS 121)

Effective for financial periods beginning on or after 1 January 2026

- Annual Improvements to *MFRS Accounting Standards—Volume 11* (MFRS 1, MFRS 7, MFRS 9, MFRS 10, MFRS 107)
 - (i) Amendments to MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*
 - (ii) Amendments to MFRS 7 *Financial Instruments: Disclosures*
 - (iii) Amendments to MFRS 9 *Financial Instruments*
 - (iv) Amendments to MFRS 10 *Consolidated Financial Statements*
 - (v) Amendments to MFRS 107 *Statement of Cash Flows*
- *Contracts Referencing Nature-dependent Electricity* (Amendments to MFRS 9 and MFRS 7)
- Amendments to the *Classification and Measurement of Financial Instruments* (Amendments to MFRS 9 and MFRS 7)

Effective for financial periods beginning on or after 1 January 2027

- *Presentation and Disclosure in Financial Statements* (MFRS 18)
- *MFRS 19 Subsidiaries without Public Accountability*

Deferred

- Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Management expects that the adoption of the above new Standards and Amendments to Standards issued by MASB, but not yet effective, will have no material impact on the financial statements in the period of initial application.

LIBERTY GENERAL INSURANCE BERHAD
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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.5 Significant accounting judgements, estimates and assumptions

(a) Key sources of estimation uncertainty and assumptions

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. These are areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates, by definition, may cause material adjustments to the carrying amounts of assets and liabilities within the next financial year such as those discussed below:

(i) *Deferred tax assets (Note 8)*

Deferred tax assets are recognised for various allowances and provisions to the extent that it is probable that taxable profit will be available against which these allowances and provisions can be utilised. Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing of future taxable profits together with future tax planning strategies.

(ii) *Income taxes (Note 22)*

The Company is subject to income taxes in Malaysia. Significant judgement is required in determining the allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculation for which the ultimate tax determination is uncertain during the ordinary course of business.

(iii) *Property and equipment (Note 3)*

The Company is required to review the residual value and remaining useful life of an item of property and equipment at least at each financial year/period end.

Management estimates that the residual values and remaining useful lives of the Company's assets continue to be applicable for the current financial year.

LIBERTY GENERAL INSURANCE BERHAD
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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.5 Significant accounting judgements, estimates and assumptions (Cont'd.)

(a) Key sources of estimation uncertainty and assumptions (Cont'd.)

***(iv) Impairment of insurance/reinsurance receivable and other receivables
(Note 2.2(h) and Note 7)***

The Company uses a provision matrix to calculate ECLs for insurance/reinsurance receivable and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

For financial assets including insurance/reinsurance receivables, the Company apply a simplified approach in calculating ECLs. Therefore, the Company does not track significant changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company established a provision matrix that is based on its historical credit loss experience, adjusted with forward-looking information. The Company have assessed that there is minimal correlation between the forward-looking info with their receivables, hence adjustment for forward-looking information was not incorporated into the ECLs computation.

(v) Leases – renewal option (Note 2.2(r) and Note 4)

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has the option, under some of its leases, to lease the assets for additional terms of one to three years. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy). The Company included the renewal period as part of the lease term for leases of premises due to the significance of these assets to its operations.

LIBERTY GENERAL INSURANCE BERHAD
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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.5 Significant accounting judgements, estimates and assumptions (Cont'd.)

(a) Key sources of estimation uncertainty and assumptions (Cont'd.)

(vi) Insurance and reinsurance contracts (Note 2.2(k) and Note 14)

The Company applies the PAA to simplify the measurement of insurance contracts. When measuring LFRC, the PAA is broadly similar to the Company's previous accounting treatment under RBC framework. However, when measuring LFIC, the Company discounts cash flows that are expected to occur on which the claims are incurred and includes an explicit risk adjustment for non-financial risk.

(i) LFRC

Onerous groups

For groups of contracts that are onerous, the LFRC is determined by the fulfilment cash flows. Any loss-recovery component is determined with reference to the loss component recognised on underlying contracts and the recovery expected on such claims from reinsurance contracts held.

(ii) LFIC

For general insurance contracts, estimates have to be made for both the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred but not yet reported ("IBNR") at the reporting date.

It can take a significant period of time before the ultimate claims costs can be established with certainty and for some type of policies, IBNR claims form majority of the liability at the reporting date. The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as the Link Ratios, Chain Ladder and Bornhuetter-Ferguson methods.

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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.5 Significant accounting judgements, estimates and assumptions (Cont'd.)

(a) Key sources of estimation uncertainty and assumptions (Cont'd.)

(vi) Insurance and reinsurance contracts (Note 2.2(k) and Note 14) (Cont'd.)

(ii) LFIC (Cont'd.)

The main assumption underlying these techniques is that the Company's past claims development experience can be used to project future claims development and hence, ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier periods and expected loss ratios. Historical claims development is mainly analyzed by accident periods, but can also be further analyzed by geographical areas, as well as by significant business lines and claims type. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. The Company uses discounting and in most cases, explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based.

Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (for example, to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, level of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

The sensitivity of key assumptions applied in deriving the insurance contract liabilities and the consequential impact to the income statement and equity is disclosed in Note 29.

LIBERTY GENERAL INSURANCE BERHAD
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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.5 Significant accounting judgements, estimates and assumptions (Cont'd.)

(a) Key sources of estimation uncertainty and assumptions (Cont'd.)

(vi) Insurance and reinsurance contracts (Note 2.2(k) and Note 14) (Cont'd.)

(iii) Discount rates

Insurance contract liabilities and reinsurance contract assets are calculated by discounting expected future cash flows at a risk-free rate, plus an illiquidity premium where applicable. Risk-free rates are determined by reference to the zero-coupon spot yield curve of Malaysian Government Securities ("MGS"). Linear interpolation is used to derive the unavailable rates between two rates. The illiquidity premium is determined by referencing the yield spread between infrequently traded bonds and frequently traded bonds held by the Company.

Discount rates applied for discounting of future cash flows are disclosed in Note 29.3.3.

(iv) Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.

The Company has estimated the risk adjustment at 75% confidence level, which is based on the requirement by Bank Negara Malaysia under the Risk-Based Capital Framework. That is, the Company has assessed its indifference to uncertainty for all product lines (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the 75th percentile confidence level less the mean of an estimated probability distribution of the future cash flows. The Company has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

LIBERTY GENERAL INSURANCE BERHAD
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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.5 Significant accounting judgements, estimates and assumptions (Cont'd.)

(a) Key sources of estimation uncertainty and assumptions (Cont'd.)

(vii) Fair value of assets determined using valuation techniques (Note 2.2(g) and Note 31)

Fair value, in the absence of an active market, is estimated by using valuation techniques, such as recent arm's length transactions, reference to the current market value of another instrument which is substantially the same, discounted cash flow analysis, valuation by third party experts and/or option pricing models. For reference to similar instruments, instruments must have similar credit ratings.

For discounted cash flow analysis, estimated future cash flows and discount rates are based on current market information and rates applicable to financial instruments with similar yields, credit quality and maturity characteristics. Estimated future cash flows are influenced by factors such as economic conditions (including country specific risks), concentrations in specific industries, types of instruments or currencies, market liquidity and financial conditions of counter-parties. Discount rates are influenced by risk-free interest rates and credit risk.

The valuation techniques described above are calibrated annually.

(viii) Pipeline premium

The Company has recognised gross pipeline premium for the current financial year. Estimation made by management is based on the actual pipeline trend during the past 2 years. As estimations are inherently uncertain, actual premiums may differ from the estimated premiums.

(ix) Amortisation of intangible assets (Note 5)

The Company recognises the costs of significant development of knowledge based software and computer applications as intangible assets with finite useful lives. Such software and applications are unique to the requirements of the insurance business and the Company establishes that these development costs will generate economic benefits beyond one period.

The Company estimates the useful lives of these software costs to be 5 years.

The Company expects that amortisation on software under development will only commence after the software and computer applications are available to be used and generate future economic benefits.

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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.5 Significant accounting judgements, estimates and assumptions (Cont'd.)

(a) Key sources of estimation uncertainty and assumptions (Cont'd.)

(x) *Defined benefits plans (Note 16)*

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, expected rate of returns on investments, future salary increases, mortality rates, resignation rates and future increases. Due to the complexity of the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of high quality government bonds in their respective currencies and extrapolated maturity corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Future salary increases and pension increases are based on expected future inflation rates.

Further details about the assumptions used, including a sensitivity analysis, are given in Note 16.

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3. PROPERTY AND EQUIPMENT

	Freehold land RM'000	Freehold building RM'000	Long term leasehold land RM'000	Long term leasehold buildings RM'000	Office impro- vements RM'000	Furniture and fittings RM'000	Office equipment and computers RM'000	Motor vehicles RM'000	Work in progress RM'000	Total RM'000
Cost										
At 1 April 2023	1,216	3,031	19,260	23,099	17,323	18,706	87,981	2,069	122	172,807
Additions	-	-	-	-	6,266	8,309	16,866	946	1,011	33,398
Disposals	-	-	-	-	-	-	(200)	(7)	-	(207)
Written-off	-	-	-	-	(16,239)	(9,683)	(36,315)	-	-	(62,237)
Reclassification	24	(24)	(160)	160	-	-	7	-	(7)	-
Expense to income statement	-	-	-	-	-	-	-	-	(85)	(85)
Reversal of revaluation surplus on properties	-	(150)	(316)	(105)	-	-	-	-	-	(571)
Revaluation surplus recorded in OCI	40	265	336	125	-	-	-	-	-	766
At 31 December 2023	1,280	3,122	19,120	23,279	7,350	17,332	68,339	3,008	1,041	143,871
Additions	-	-	-	-	1,697	179	12,423	-	169	14,468
Disposals	(530)	(430)	-	-	-	-	(20)	(208)	-	(1,188)
Written-off	-	-	-	-	(701)	(247)	(571)	-	-	(1,519)
Transferred to non-current assets held for sale (Note 10)	(750)	(2,490)	(963)	(640)	-	-	-	-	-	(4,843)
Expense to income statement	-	-	-	-	-	(2)	-	-	-	(2)
Revaluation surplus recorded in OCI	-	-	323	37	-	-	-	-	-	360
Reversal of revaluation surplus on properties	-	-	-	(2,341)	-	-	-	-	-	(2,341)
At 31 December 2024	-	202	18,480	20,335	8,346	17,262	80,171	2,800	1,210	148,806
Accumulated depreciation										
At 1 April 2023	-	47	-	-	15,161	12,899	78,580	1,039	-	107,726
Charge for the period (Note 21)	-	114	237	706	715	1,408	3,403	267	-	6,850
Disposals	-	-	-	-	-	-	(200)	(2)	-	(202)
Written-off	-	-	-	-	(15,517)	(7,915)	(34,029)	-	-	(57,461)
Reversal arising from revaluation surplus on properties	-	(150)	(316)	(105)	-	-	-	-	-	(571)
At 31 December 2023	-	11	(79)	601	359	6,392	47,754	1,304	-	56,342
Charge for the year (Note 21)	-	264	324	1,554	961	1,508	6,266	426	-	11,303
Disposals	-	(15)	-	-	-	-	(9)	(208)	-	(232)
Written-off	-	-	-	-	(126)	(101)	(391)	-	-	(618)
Transferred to non-current assets held for sale (Note 10)	-	(247)	(1)	(45)	-	-	-	-	-	(293)
Reversal of revaluation surplus on properties	-	-	-	(2,341)	-	-	-	-	-	(2,341)
At 31 December 2024	-	13	244	(231)	1,194	7,799	53,620	1,522	-	64,161
Accumulated impairment										
At 1 April 2023	-	127	-	-	-	-	-	-	-	127
Impairment loss for the period (Note 21)	-	-	-	6,547	-	-	-	-	-	6,547
At 31 December 2023	-	127	-	6,547	-	-	-	-	-	6,674
Provision for/(reversal of) impairment loss for the year (Note 21)	-	-	-	(1,371)	-	-	-	-	-	(1,371)
At 31 December 2024/2023	-	127	-	5,176	-	-	-	-	-	5,303
Net carrying amount										
At 31 December 2023	1,280	2,984	19,199	16,131	6,991	10,940	20,585	1,704	1,041	80,855
At 31 December 2024	-	62	18,236	15,390	7,152	9,463	26,551	1,278	1,210	79,342

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4. LEASES

The Company as lessee

The Company has entered into lease agreements for rental of office premises. Leases of office premises generally have lease terms between one to four years included renewal option. The lease agreements include extension and termination options. There is a potential future cash flow arising from extension option under existing leases arrangement.

The Company also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Company applied the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year/period:

Right-of-use assets

	31.12.2024 RM'000	31.12.2023 RM'000
Cost		
At 1 January 2024/1 April 2023	65,370	38,858
Additions	2,904	35,741
Remeasurement	(2,758)	2,438
Modification to lease term	-	(567)
Derecognition of expired leases	(24,297)	(11,100)
At 31 December 2024/2023	<u>41,219</u>	<u>65,370</u>
Accumulated depreciation		
At 1 January 2024/1 April 2023	31,019	27,050
Charge for the year/period (Note 21)	9,413	14,500
Derecognition of expired leases	(24,245)	(10,531)
At 31 December 2024/2023	<u>16,187</u>	<u>31,019</u>
Carrying amount		
At 31 December 2024/2023	<u>25,032</u>	<u>34,351</u>

This note provides information for leases where the Company is a lessee.

Other assets recognised as ROU assets but not disclosed in this note are as follows:

	31.12.2024 RM'000	31.12.2023 RM'000
Leasehold land (Note 3)	<u>18,236</u>	<u>19,199</u>

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4. LEASES (CONT'D.)

The Company as lessee (Cont'd.)

Set out below are the carrying amounts of lease liabilities and the movements during the year/period:

Lease liabilities

	31.12.2024	31.12.2023
	RM'000	RM'000
At 1 January 2024/1 April 2023	37,059	12,349
Additions	2,904	35,438
Remeasurement	(3,879)	230
Lease finance costs	1,139	1,255
Payment	(9,777)	(10,066)
Modification to lease term	(34)	(1,526)
Termination	(24)	(621)
At 31 December 2024/2023	<u>27,388</u>	<u>37,059</u>

The following are expenses recognised in income statement:

	Note	31.12.2024	31.12.2023
		RM'000	RM'000
Depreciation of right-of-use assets	21	(9,413)	(14,500)
Lease finance costs		(1,139)	(1,255)
Lease expense of low-value assets	21	-	(42)

During the financial year, the Company had total cash outflows for payment of lease liabilities of RM9,777,000 (31.12.2023: RM10,066,000). The Company also had non-cash additions and remeasurements to right-of-use assets of RM146,000 (31.12.2023: RM38,179,000).

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5. INTANGIBLE ASSETS

	Computer application software - in use RM'000	Computer application software - work in progress RM'000	Total RM'000
Cost			
At 1 April 2023	150,889	1,216	152,105
Additions	6,410	149	6,559
Written-off	(73,236)	-	(73,236)
Reclassification	1,141	(1,141)	-
At 31 December 2023	85,204	224	85,428
Additions	5,063	787	5,850
Written-off	(61,230)	-	(61,230)
Reclassification	937	(937)	-
Expense to income statement	(100)	(74)	(174)
At 31 December 2024	29,874	-	29,874
Accumulated amortisation			
At 1 April 2023	116,471	-	116,471
Amortisation for the period (Note 21)	12,047	-	12,047
Written-off	(73,188)	-	(73,188)
At 31 December 2023	55,330	-	55,330
Amortisation for the year (Note 21)	12,309	-	12,309
Written-off	(55,979)	-	(55,979)
At 31 December 2024	11,660	-	11,660
Net carrying amount			
At 31 December 2023	29,874	224	30,098
At 31 December 2024	18,214	-	18,214

Intangible assets comprise computer application software which were developed or acquired to meet the specific requirements of the Company and computer application software under development which are not yet available for use.

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6. INVESTMENTS

	Note	31.12.2024 RM'000	31.12.2023 RM'000
Malaysian government securities		393,055	433,864
Corporate bonds		303,058	296,972
Cagamas bonds		50,822	10,199
Quoted equity securities		62,265	50,063
Unit and property trust funds		7,211	6,254
Loans		136	155
Fixed and call deposits		479,790	398,236
Collective investment schemes:			
Investments in subsidiaries	6.4	3,099,648	3,345,207
Investments in others		518,722	515,094
		<u>3,618,370</u>	<u>3,860,301</u>
		<u>4,914,707</u>	<u>5,056,044</u>
	Note	31.12.2024 RM'000	31.12.2023 RM'000
Amortised cost ("AC")	6.1	479,926	398,391
Fair value through profit or loss ("FVTPL")	6.2	3,687,846	3,916,618
Fair value through other comprehensive income ("FVOCI")	6.3	746,935	741,035
		<u>4,914,707</u>	<u>5,056,044</u>

6.1 AC

	31.12.2024 RM'000	31.12.2023 RM'000
At amortised cost:		
Fixed and call deposits with licensed banks	479,790	398,236
Mortgage loans	206	225
Less: Provision for expected credit loss	(70)	(70)
	<u>136</u>	<u>155</u>
	<u>479,926</u>	<u>398,391</u>

Movement in the provision for expected credit loss:

At 1 January 2024/1 April 2023	70	70
Provision for the year/period	-	-
At 31 December 2024/2023	<u>70</u>	<u>70</u>

The carrying values of the fixed and call deposits with licensed banks approximate fair value due to the relatively short term maturities. Included cash collateral of RM19.0 million (31.12.2023: RM 19.9 million) restricted for use in daily operations was received from bond insurance policy, which will be refunded upon expiration of the contract.

The carrying values of the mortgage loans and other loans are reasonable approximates of fair values due to the insignificant impact of discounting.

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6. INVESTMENTS (CONT'D.)

6.2 FVTPL

	31.12.2024	31.12.2023
	RM'000	RM'000
At fair value:		
Mandatory measured:		
Collective investment schemes quoted in Malaysia:		
Investment in subsidiaries (Note 6.4)	3,099,648	3,345,207
Investment in others	518,722	515,094
Quoted equity securities	62,265	50,063
Unit and property trust funds quoted in Malaysia	7,211	6,254
	<u>3,687,846</u>	<u>3,916,618</u>

6.3 FVOCI

	31.12.2024	31.12.2023
	RM'000	RM'000
At fair value:		
Malaysian government securities	393,055	433,864
Corporate bonds	303,058	296,972
Cagamas bonds	50,822	10,199
Unquoted equity securities in Malaysia*	-	-
	<u>746,935</u>	<u>741,035</u>

The fair value hierarchy of Malaysian government securities, Corporate bonds and Cagamas bonds are level 2. The three-level hierarchy is defined in Note 31.

*This denotes that the fair value of unquoted equity securities as at 31 December 2024 is RM1 (31 December 2023: RM1), as a functional indicator of the continued existence of these unquoted equity securities on the balance sheet rather than a reflection of their actual market value. The fair value hierarchy of unquoted equity are level 3.

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6. INVESTMENTS (CONT'D.)

6.4 Collective investment schemes - investments in subsidiaries

	31.12.2024	31.12.2023
	RM'000	RM'000
At fair value:		
FVTPL (Note 6.2)	<u>3,099,648</u>	<u>3,345,207</u>

Details of the Company's investments in subsidiaries - collective investment schemes, which are based in and operate in Malaysia, are as follows:

Name of wholesale unit trust fund	Principal activities	% of ownership interest held by the Company	
		31.12.2024	31.12.2023
AmlIncome Institutional SRI 1 (formerly known as AmlIncome Institutional 1)	Investment in debt securities and money market	100.00%	100.00%
AmlIncome Institutional SRI 3 (formerly known as AmlIncome Institutional 3)	Investment in debt securities and money market	100.00%	100.00%
AmCash Plus	Investment in government related securities and money market	78.37%	100.00%

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6. INVESTMENTS (CONT'D.)**6.5 Carrying values of investments**

	AC RM'000	FVTPL RM'000	FVOCI RM'000	Total RM'000
At 1 January 2024	398,391	3,916,618	741,035	5,056,044
Purchases	167,499	13,011	87,128	267,638
Maturities	(85,964)	-	(80,000)	(165,964)
Disposals	-	(248,625)	-	(248,625)
Recorded in income statement:				
Realised gains (Note 18)	-	3,562	-	3,562
Fair value gains (Note 19)	-	3,280	-	3,280
Fair value gains recorded in other comprehensive income	-	-	392	392
Net amortisation of premiums (Note 17)	-	-	(1,620)	(1,620)
At 31 December 2024	479,926	3,687,846	746,935	4,914,707
At 1 April 2023	255,279	4,142,378	737,353	5,135,010
Purchases	145,000	4,392	53,818	203,210
Maturities	(1,888)	-	(50,000)	(51,888)
Disposals	-	(298,898)	-	(298,898)
Recorded in income statement:				
Realised gain (Note 18)	-	827	-	827
Fair value gain (Note 19)	-	67,919	-	67,919
Fair value gains recorded in other comprehensive income	-	-	1,235	1,235
Net amortisation of premiums (Note 17)	-	-	(1,371)	(1,371)
At 31 December 2023	398,391	3,916,618	741,035	5,056,044

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7. OTHER RECEIVABLES

	31.12.2024	31.12.2023
	RM'000	RM'000
Income due and accrued	28,234	24,117
Share of net assets held under Malaysian Motor Insurance Pool ("MMIP")*	36,344	38,223
Amounts owing by ultimate holding, holding and other related companies** (Note 26(a))	4,689	19,774
Sundry receivables	14,034	12,900
Current account with Custodian	10,146	8,805
	<u>93,447</u>	<u>103,819</u>
Allowance for impairment losses	(207)	(266)
	<u>93,240</u>	<u>103,553</u>

Movement in the provision for impairment losses (individually impaired) of other receivables:

	31.12.2024	31.12.2023
	RM'000	RM'000
At 1 January 2024/1 April 2023	266	266
Reversal for the year/period (Note 21)	(59)	-
At 31 December 2024/2023	<u>207</u>	<u>266</u>

The carrying amounts (other than share of net assets held under MMIP) disclosed in the previous page approximate fair value at the reporting date due to the relatively short-term maturity of these balances.

* As a participating member of MMIP, the Company shares a proportion of the Pool's net assets/liabilities. At each reporting date, the Company accounts for its share of the assets, liabilities and performance of the Pool. The net assets held under MMIP represents the Company's share of the Pool's net assets, before insurance contract liabilities and reinsurance contract assets. The Company's share of the Pool's insurance contract liabilities and reinsurance contract assets are disclosed in Note 14.

** The amounts owing by ultimate holding, holding and other related companies are unsecured, interest free and repayable on demand.

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8. DEFERRED TAXATION

	31.12.2024 RM'000	31.12.2023 RM'000
At 1 January 2024/1 April 2023	29,829	17,230
Recognised in:		
Income statement (Note 22)	(10,730)	12,706
Other comprehensive income	(214)	(107)
At 31 December 2024/2023	<u>18,885</u>	<u>29,829</u>

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. Net deferred tax assets shown on the statement of financial position have been determined after considering appropriate offsetting as follows:

	31.12.2024 RM'000	31.12.2023 RM'000
Deferred tax assets	55,457	71,281
Deferred tax liabilities	(36,572)	(41,452)
	<u>18,885</u>	<u>29,829</u>

The components and movements of deferred tax assets and liabilities during the financial year/period prior to offsetting are as follows:

Deferred tax assets:

	Others RM'000	Provisions RM'000	Total RM'000
At 1 April 2023	4,641	46,478	51,119
Recognised in Income statement	(2,184)	22,346	20,162
At 31 December 2023	<u>2,457</u>	<u>68,824</u>	<u>71,281</u>
At 1 January 2024	2,457	68,824	71,281
Recognised in Income statement	(376)	(15,448)	(15,824)
At 31 December 2024	<u>2,081</u>	<u>53,376</u>	<u>55,457</u>

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8. DEFERRED TAXATION (CONT'D.)**Deferred tax liabilities:**

	Insurance and reinsurance contracts RM'000	Others RM'000	PPE and intangible assets RM'000	Total RM'000
At 1 April 2023	(26,998)	(873)	(6,018)	(33,889)
Recognised in:				
Income statement	3,649	(11,629)	524	(7,456)
Other comprehensive income	-	77	(184)	(107)
At 31 December 2023	<u>(23,349)</u>	<u>(12,425)</u>	<u>(5,678)</u>	<u>(41,452)</u>
At 1 January 2024	(23,349)	(12,425)	(5,678)	(41,452)
Recognised in:				
Income statement	3,444	(908)	2,558	5,094
Other comprehensive income	-	(162)	(52)	(214)
At 31 December 2024	<u>(19,905)</u>	<u>(13,495)</u>	<u>(3,172)</u>	<u>(36,572)</u>

9. CASH AND CASH EQUIVALENTS

	31.12.2024 RM'000	31.12.2023 RM'000
Cash at banks and on hand	212,826	68,807
Short-term deposits (with original maturity of less than three months) with licensed banks	<u>128,313</u>	<u>129,690</u>
	<u>341,139</u>	<u>198,497</u>

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

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10. NON-CURRENT ASSETS HELD FOR SALE

	31.12.2024	31.12.2023
	RM'000	RM'000
At 1 January 2024/1 April 2023	-	3,612
Disposals	-	(3,612)
Transferred from property and equipment (Note 3)	4,550	-
Reversal of revaluation surplus recorded in OCI	(64)	-
Provision for impairment loss for the year/period (Note 21)	(161)	-
At 31 December 2024/2023	<u>4,325</u>	<u>-</u>

The Company entered into Sale and Purchase Agreements, for the proposed disposal of certain leasehold and freehold land and buildings. The disposals have not been completed as at the date of this report as certain conditions precedent have yet to be met. Impairment arised has been recognised to reflect the fair value of the assets.

11. INVESTMENT PROPERTIES

	Freehold land and building RM'000	Leasehold land and building RM'000	Total RM'000
Net carrying amount			
At 1 April 2023	16,000	16,656	32,656
Impairment loss for the period (Note 21)	-	(1,460)	(1,460)
At 31 December 2023	<u>16,000</u>	<u>15,196</u>	<u>31,196</u>
Impairment loss for the year (Note 21)	-	(560)	(560)
At 31 December 2024	<u>16,000</u>	<u>14,636</u>	<u>30,636</u>

Recurring fair value measurements

Investment properties of the Company are classified within Level 3 of the fair value hierarchy. The fair values for all the properties have been derived using either the sales comparison approach or the income approach as allowed under MFRS 13 *Fair Value Measurement*. Sales prices of comparable land and buildings, rentals and yields of similar properties in close proximity are adjusted for differences in key attributes such as property size, location and quality of the building. The most significant input used in the sales comparison approach is price per square foot of comparable properties while the most significant inputs used in the income approach are yields and rental rates per square foot of comparable properties.

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11. INVESTMENT PROPERTIES (CONT'D.)

Fair value hierarchy of Investment Properties

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3 of the fair value hierarchy):

2024 Description	Fair Value RM'000	Valuation technique	Unobservable input	Range of values
<u>31.12.2024</u>				
Leasehold land and building	14,636	Income approach	Rental p.s.f. per month	RM3.30 - RM7.00
			Discount rate	5.75% - 6.5%
Freehold land and building	16,000	Comparison approach	Estimated Value p.s.f.	RM108 - RM351
<u>31.12.2023</u>				
Leasehold land and building	15,196	Income approach	Rental p.s.f. per month	RM3.90 - RM9.00
			Discount rate	5.75% - 6.5%
Freehold land and building	16,000	Comparison approach	Estimated Value p.s.f.	RM108 - RM351

An increase or decrease in the unobservable inputs used in the valuation might result in a correspondingly higher or lower fair value measurement.

12. SHARE CAPITAL

	<----- No. of shares ----->		<----- Amount ----->	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	('000)	('000)	RM'000	RM'000
Ordinary shares (a)	1,394,196	1,394,196	2,906,070	2,906,070
INCPS (b)	6,100	6,100	61,000	61,000
	<u>1,400,296</u>	<u>1,400,296</u>	<u>2,967,070</u>	<u>2,967,070</u>

(a) Ordinary shares (Note 32)

	<----- 31.12.2024 ----->		<----- 31.12.2023 ----->	
	No. of shares ('000)	Amount RM'000	No. of shares ('000)	Amount RM'000
Issued and paid up, at no par value: At 1 January 2024/ 1 April 2023 and at 31 December 2024/2023	<u>1,394,196</u>	<u>2,906,070</u>	<u>1,394,196</u>	<u>2,906,070</u>

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12. SHARE CAPITAL (CONT'D.)

(b) INCPS (Note 32)

	<----- 31.12.2024 ----->		<----- 31.12.2023 ----->	
	No. of shares (‘000)	Amount RM'000	No. of shares (‘000)	Amount RM'000
Issued and paid up:				
at no par value:				
At 1 January 2024/ 1 April 2023 and at 31 December 2024/2023	6,100	61,000	6,100	61,000

The salient features of the INCPS issued by the Company are as follows:

- (i) Subject always to the prior approval of BNM and the discretion of the Board, the INCPS confer on the holders the right to a non-cumulative preferential dividend calculated at 5.5% per annum each year to be declared and paid within six months from the end of each financial year, calculated based on the issue price of the INCPS, in priority to any other classes of shares to the extent that there are profits available for the distribution and compliance with the capital adequacy requirements as stipulated by BNM.
- (ii) The INCPS holders are entitled at any time to convert all or any of the INCPS held to ordinary shares in the Company, pari passu as between themselves, on the basis of one (1) INCPS for one (1) new ordinary share.
- (iii) The INCPS shall not be transferable (in whole or in part) and shall not be redeemed by the Company.

13. MERGER RESERVES

	RM'000
At 31 December 2024/2023	<u>(1,027,042)</u>

Merger reserves represent the difference between the fair value of ordinary shares issued and the acquired net assets, in relation to the transfer of the general business from the Company's immediate holding company, LGHSB.

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14. INSURANCE AND REINSURANCE CONTRACTS

(a) Insurance contracts issued

The roll-forward of net asset or liability for insurance contracts issued showing the LFRC and the LFIC, is disclosed in the table below:

		31.12.2024					
		Liabilities for remaining coverage		Liabilities for incurred claims		Total	
Note		Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment		
		RM'000	RM'000	RM'000	RM'000	RM'000	
	Insurance contract liabilities as at 1 January 2024	835,714	44,350	2,178,846	164,881	3,223,791	
	Insurance contract assets as at 1 January 2024	-	-	-	-	-	
	Net insurance contract liabilities as at 1 January 2024	835,714	44,350	2,178,846	164,881	3,223,791	
	Insurance revenue	20	(2,316,986)	-	-	(2,316,986)	
	Insurance service expense	21	515,753	5,695	1,401,418	(5,077)	1,917,789
	Incurred claims and other expenses		-	-	1,595,600	80,706	1,676,306
	Amortisation of insurance acquisition cash flows		515,753	-	-	-	515,753
	Losses on onerous contracts and reversal of those losses		-	5,695	-	-	5,695
	Changes to liabilities for incurred claims		-	-	(194,182)	(85,783)	(279,965)
	Investment components		(12,869)	-	12,869	-	-
	Insurance service result		(1,814,102)	5,695	1,414,287	(5,077)	(399,197)
	Insurance finance expenses		180	25,115	76,227	-	101,522
	Total changes in the income statement		(1,813,922)	30,810	1,490,514	(5,077)	(297,675)
	Cash flows						
	Premiums received		2,537,359	-	-	-	2,537,359
	Claims and other expenses paid		-	-	(1,450,893)	-	(1,450,893)
	Insurance acquisition cash flows		(236,363)	-	-	-	(236,363)
	Total cash flows		2,300,996	-	(1,450,893)	-	850,103
	Transfer to other items in the statement of financial position		(430,907)	-	(162,283)	-	(593,190)
	Net insurance contract liabilities as at 31 December 2024		891,881	75,160	2,056,184	159,804	3,183,029
	Insurance contract liabilities as at 31 December 2024		891,881	75,160	2,056,184	159,804	3,183,029
	Insurance contract assets as at 31 December 2024		-	-	-	-	-
	Net insurance contract liabilities as at 31 December 2024		891,881	75,160	2,056,184	159,804	3,183,029

Included in the LFRC and LFIC above are the Company's proportionate shares of LFRC and LFIC in MMIP, amounting to RM0.8 million and RM10.1 million, respectively (31 December 2023: LFRC of RM0.7 million and LFIC of RM14.1 million).

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14. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)

(a) Insurance contracts issued (Cont'd.)

The roll-forward of net asset or liability for insurance contracts issued showing the LFRC and the LFIC, is disclosed in the table below (Cont'd.):

		31.12.2023				
		Liabilities for remaining coverage		Liabilities for incurred claims		Total
		Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
Note		RM'000	RM'000	RM'000	RM'000	RM'000
	Insurance contract liabilities as at 1 April 2023	898,576	61,025	2,260,096	173,996	3,393,693
	Insurance contract assets as at 1 April 2023	-	-	-	-	-
	Net insurance contract liabilities as at 1 April 2023	898,576	61,025	2,260,096	173,996	3,393,693
	Insurance revenue	(1,659,072)	-	-	-	(1,659,072)
20	Insurance service expense	338,232	(38,724)	1,096,332	(9,115)	1,386,725
21	Incurred claims and other expenses	-	-	1,227,338	61,697	1,289,035
	Amortisation of insurance acquisition cash flows	338,232	-	-	-	338,232
	Losses on onerous contracts and reversal of those losses	-	(38,724)	-	-	(38,724)
	Changes to liabilities for incurred claims	-	-	(131,006)	(70,812)	(201,818)
	Investment components	(8,499)	-	8,499	-	-
	Insurance service result	(1,329,339)	(38,724)	1,104,831	(9,115)	(272,347)
	Insurance finance expenses	(4)	22,049	70,522	-	92,567
	Total changes in the income statement	(1,329,343)	(16,675)	1,175,353	(9,115)	(179,780)
	Cash flows					
	Premiums received	1,704,033	-	-	-	1,704,033
	Claims and other expenses paid	-	-	(1,150,054)	-	(1,150,054)
	Insurance acquisition cash flows	(240,549)	-	-	-	(240,549)
	Total cash flows	1,463,484	-	(1,150,054)	-	313,430
	Transfer to other items in the statement of financial position	(197,003)	-	(106,549)	-	(303,552)
	Net insurance contract liabilities as at 31 December 2023	835,714	44,350	2,178,846	164,881	3,223,791
	Insurance contract liabilities as at 31 December 2023	835,714	44,350	2,178,846	164,881	3,223,791
	Insurance contract assets as at 31 December 2023	-	-	-	-	-
	Net insurance contract liabilities as at 31 December 2023	835,714	44,350	2,178,846	164,881	3,223,791

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14. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)

(b) Reinsurance contracts held

The roll-forward of net asset or liability for reinsurance contracts held showing AFRC and ARIC, is disclosed in the table below:

	31.12.2024				
	Assets for remaining coverage		Amounts recoverable on incurred claims		Total
	Excluding loss-recovery component	Loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment	
	RM'000	RM'000	RM'000	RM'000	RM'000
Reinsurance contract assets as at 1 January 2024	(19,009)	907	448,103	29,789	459,790
Reinsurance contract liabilities as at 1 January 2024	-	-	-	-	-
Net reinsurance contract assets as at 1 January 2024	(19,009)	907	448,103	29,789	459,790
Allocation of reinsurance premiums	(209,969)	-	-	-	(209,969)
Amounts recoverable from reinsurers for incurred claims	-	312	16,407	(5,244)	11,475
Amounts recoverable for incurred claims and other expenses	-	-	90,725	5,859	96,584
Loss-recovery on onerous underlying contracts and adjustments	-	312	-	-	312
Changes to amounts recoverable for incurred claims	-	-	(74,318)	(11,103)	(85,421)
Reinsurance investment components	(37,697)	-	37,697	-	-
Net expenses from reinsurance contracts held	(247,666)	312	54,104	(5,244)	(198,494)
Interest accreted to reinsurance contracts using current financial assumptions	(43)	272	13,414	-	13,643
Effect of changes in non-performance risk of reinsurers	-	-	(175)	-	(175)
Reinsurance finance income	(43)	272	13,239	-	13,468
Total changes in the income statement	(247,709)	584	67,343	(5,244)	(185,026)
Cash flows					
Premiums paid	229,443	-	-	-	229,443
Amounts received	-	-	(132,996)	-	(132,996)
Total cash flows	229,443	-	(132,996)	-	96,447
Transfer to other items in the statement of financial position	2,047	-	(36)	-	2,011
Net reinsurance contract assets as at 31 December 2024	(35,228)	1,491	382,414	24,545	373,222
Reinsurance contract assets as at 31 December 2024	(35,228)	1,491	382,414	24,545	373,222
Reinsurance contract liabilities as at 31 December 2024	-	-	-	-	-
Net reinsurance contract assets as at 31 December 2024	(35,228)	1,491	382,414	24,545	373,222

Included in the AFRC and ARIC above are the Company's proportionate shares of AFRC and ARIC in MMIP, amounting to RM10,300 and RM18,300, respectively (31 December 2023: Nil).

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14. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)**(b) Reinsurance contracts held (Cont'd.)**

The roll-forward of net asset or liability for reinsurance contracts held showing AFRC and ARIC, is disclosed in the table below (Cont'd.):

	31.12.2023				
	Assets for remaining coverage		Amounts recoverable on incurred claims		Total
	Excluding loss- recovery component	Loss- recovery component	Estimates of the present value of future cash flows	Risk adjustment	
	RM'000	RM'000	RM'000	RM'000	RM'000
Reinsurance contract assets as at 1 April 2023	17,313	1,254	483,323	38,524	540,414
Reinsurance contract liabilities as at 1 April 2023	-	-	-	-	-
Net reinsurance contract assets as at 1 April 2023	17,313	1,254	483,323	38,524	540,414
Allocation of reinsurance premiums	(172,364)	-	-	-	(172,364)
Amounts recoverable from reinsurers for incurred claims	-	(590)	41,102	(8,735)	31,777
Amounts recoverable for incurred claims and other expenses	-	-	126,082	7,222	133,304
Loss-recovery on onerous underlying contracts and adjustments	-	(590)	-	-	(590)
Changes to amounts recoverable for incurred claims	-	-	(84,980)	(15,957)	(100,937)
Reinsurance investment components	(31,801)	-	31,801	-	-
Net expense from reinsurance contracts held	(204,165)	(590)	72,903	(8,735)	(140,587)
Interest accreted to reinsurance contracts using current financial assumptions	(3)	243	13,546	-	13,786
Effect of changes in non-performance risk of reinsurers	-	-	75	-	75
Reinsurance finance income	(3)	243	13,621	-	13,861
Total changes in the income statement	(204,168)	(347)	86,524	(8,735)	(126,726)
Cash flows					
Premiums paid	168,978	-	-	-	168,978
Amounts received	-	-	(121,744)	-	(121,744)
Total cash flows	168,978	-	(121,744)	-	47,234
Transfer to other items in the statement of financial position	(1,132)	-	-	-	(1,132)
Net reinsurance contract assets as at 31 December 2023	(19,009)	907	448,103	29,789	459,790
Reinsurance contract assets as at 31 December 2023	(19,009)	907	448,103	29,789	459,790
Reinsurance contract liabilities as at 31 December 2023	-	-	-	-	-
Net reinsurance contract assets as at 31 December 2023	(19,009)	907	448,103	29,789	459,790

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15. OTHER PAYABLES

		31.12.2024	31.12.2023
		RM'000	RM'000
Financial liabilities:			
Amount owing to other related companies *	26(a)	2,603	6,356
Amount due to MMIP		790	611
Sales and Service Tax ("SST") and stamp duty payable		32,496	24,433
Sundry payables		18,795	48,543
		<u>54,684</u>	<u>79,943</u>
Non-financial liabilities:			
Accrued expenses and deposits		161,598	177,240
Other accruals		59,444	70,536
Provision for restoration costs for leased properties		3,203	5,482
		<u>224,245</u>	<u>253,258</u>
		<u>278,929</u>	<u>333,201</u>

The carrying amounts disclosed above approximate fair values at the reporting date.

* The amounts owing to other related companies are unsecured, interest free and repayable on demand.

16. PROVISION FOR RETIREMENT BENEFITS

The Company operates a final salary defined retirement benefit scheme which is wholly unfunded. There is no minimum funding requirement under the current law. The employees are not required to contribute to the scheme.

Under the scheme, eligible employees who have completed a minimum of 10 years of service are entitled to retire at 56 years of age or optional retirement age of 50 years. Employees who leave before the attainment of the normal retirement age or optional retirement age, are not entitled to the benefit.

All new employees who are hired after 18 March 2011 are not entitled to the retirement benefit.

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16. PROVISION FOR RETIREMENT BENEFITS (CONT'D.)

16.1 The movements in the present value of the defined benefit obligation recognised in the statement of financial position are as follows:

	Note	31.12.2024 RM'000	31.12.2023 RM'000
Defined benefit obligation at 1 January 2024/1 April 2023		18,925	18,402
Actuarial (gains)/ losses	16.3	(282)	1,562
Benefits paid		(4,812)	(1,646)
Interest cost	16.2	700	607
Defined benefit obligation at 31 December 2024/2023		<u>14,531</u>	<u>18,925</u>
Present value of unfunded obligation		<u>14,531</u>	<u>18,925</u>
Recognised liability for defined benefit obligation		<u>14,531</u>	<u>18,925</u>

16.2 Expenses recognised in the income statement as retirement benefits cost:

	31.12.2024 RM'000	31.12.2023 RM'000
Interest cost (Note 21.1)	<u>700</u>	<u>607</u>

16.3 Actuarial gains and losses recognised directly in other comprehensive income:

	31.12.2024 RM'000	31.12.2023 RM'000
Amount accumulated in retained earnings at 1 January 2024/1 April 2023	1,078	2,265
Actuarial gains/(losses) arising from:		
i) changes in financial and demographic assumptions	163	(582)
ii) experience adjustments	119	(980)
	282	(1,562)
Tax effects thereon	(68)	375
Amount accumulated in retained earnings at 31 December 2024/2023	<u>1,292</u>	<u>1,078</u>

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16. PROVISION FOR RETIREMENT BENEFITS (CONT'D.)

16.4 Actuarial assumptions

Principal actuarial assumptions used at the end of the reporting year/period:

	31.12.2024	31.12.2023
Discount rate at 31 December 2024/2023 (per annum)	4.16%	4.24%
Fixed deposit rate (per annum)	2.60%	2.90%
Withdrawal rates (per annum)*	<u>18.30%</u>	<u>5.60%</u>

* The increase in withdrawal rates to 18.30% was predominantly due to members receiving the Mutual Separation Scheme ("MSS") offer. Excluding these members, the withdrawal rate is 5.6% during the financial year.

The discount rate used is based on market yields at the end of the reporting year on high quality corporate bonds. The amount and terms of the corporate bonds are consistent with the current and estimated future post employment benefit obligation.

The assumption regarding future mortality is based on the experience of Malaysian insured lives between 2011 to 2015 with no allowance for improvement in mortality rate. The average expected future working lives has been estimated at 6.25 years (31.12.2023: 5.94 years).

Calculation of the unfunded defined retirement benefits involves the projection of the present value for unfunded obligations using certain principal actuarial assumptions such as the rate of interest at which to discount the future retirement benefits payments at the valuation date and the assumed rate of growth of liabilities, namely the rate of salary escalation. There are elements of significant uncertainty on the assumptions used and thus the projected future retirement benefits payable may be different from the actual retirement benefit paid.

The following table demonstrates the sensitivity of provision for retirement benefits to a reasonable change in the defined benefit obligation:

	31.12.2024	31.12.2023
	RM'000	RM'000
Discount rate:		
Increase 100 basis points	(686)	(813)
Decrease 100 basis points	<u>742</u>	<u>883</u>
Fixed deposit rate:		
Increase 100 basis points	746	1,001
Decrease 100 basis points	<u>(703)</u>	<u>(933)</u>
Withdrawal rate:		
10% increase in the withdrawal rate	(263)	(318)
10% decrease in the withdrawal rate	<u>270</u>	<u>327</u>

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17. INVESTMENT INCOME

	1.1.2024 to 31.12.2024 RM'000	1.4.2023 to 31.12.2023 RM'000
Financial assets at FVTPL:		
Dividend/distribution income:		
- Equity securities quoted in Malaysia	2,390	1,885
- Unit and property trust funds quoted in Malaysia	405	192
- Collective investment schemes quoted in Malaysia	149,011	73,672
Financial assets at AC:		
Interest income:		
- Mortgage and other loans	5	5
- Cash and short-term deposits	23,974	12,698
Financial assets at FVOCI:		
Interest income:		
- Malaysian government securities	16,131	13,362
- Corporate bonds and Cagamas bonds	13,084	7,843
Net amortisation of premiums (Note 6.5)	(1,620)	(1,371)
Rental income	179	379
	<u>203,559</u>	<u>108,665</u>

18. REALISED GAINS

	1.1.2024 to 31.12.2024 RM'000	1.4.2023 to 31.12.2023 RM'000
Property and equipment:		
Realised gains on disposal of property and equipment	<u>302</u>	<u>3</u>
Non-current assets held for sale:		
Realised gains on disposal of non-current assets held for sale	<u>-</u>	<u>338</u>
FVTPL financial assets (Note 6.5):		
Mandatorily measured:		
Realised gains/(losses):		
- Collective investment schemes quoted in Malaysia	3,423	2,770
- Equity securities quoted in Malaysia	139	(1,943)
	<u>3,562</u>	<u>827</u>
Total realised gains	<u>3,864</u>	<u>1,168</u>

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19. FAIR VALUE GAINS

	1.1.2024 to 31.12.2024 RM'000	1.4.2023 to 31.12.2023 RM'000
FVTPL financial assets:		
Mandatorily measured (Note 6.5):		
Unrealised (losses)/gains:		
- Collective investment schemes quoted in Malaysia	(8,139)	65,179
- Equity securities quoted in Malaysia	10,825	2,951
- Unit and property trust funds quoted in Malaysia	594	(211)
	<u>3,280</u>	<u>67,919</u>

20. INSURANCE REVENUE

	1.1.2024 to 31.12.2024 RM'000	1.4.2023 to 31.12.2023 RM'000
Amounts recognised for insurance services provided	2,317,795	1,656,435
(Provision for)/reversal of impairment loss	(483)	731
Bad debts (written-off)/written back	(816)	1,684
Others	490	222
	<u>2,316,986</u>	<u>1,659,072</u>

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21. EXPENSES

		1.1.2024 to 31.12.2024 RM'000	1.4.2023 to 31.12.2023 RM'000
	Note		
Claims and benefits		1,212,897	924,334
Fees and commissions		274,918	200,839
Losses/(reversal of losses) on onerous insurance contracts	14	5,695	(38,724)
Employee benefits	21.1	252,040	235,205
Chief Executive Officer's remuneration	26(b)(i)	3,616	2,903
Executive and Non-Executive directors' fees and remuneration	26(b)(ii)	1,556	1,163
Auditors' remuneration:			
- Statutory audits		1,020	1,397
- Other assurance-related services		-	1,050
- Regulatory-related services		80	80
- Other services		72	76
Depreciation of property and equipment	3	11,303	6,850
Depreciation of right-of-use assets	4	9,413	14,500
Amortisation of intangible assets	5	12,309	12,047
Intangible assets written-off	5	5,251	48
Property and equipment written-off	3	901	4,776
Lease expense of low-value assets	4	-	42
Reversal of impairment losses on other receivables	7	(59)	-
Recovery of bad debts written-off		(39)	(12)
Advertisement expenses		23,633	26,674
Bank charges		10,370	9,642
Electronic Data Processing expenses		19,738	22,923
Printing expenses		8,384	8,485
Office expenses		18,976	10,092
Reversal of expenses for professional fees		(1,369)	(1,700)
Share of group charges		13,411	10,428
(Reversal of)/provision for impairment losses on property and equipment	3	(1,371)	6,547
Provision of impairment loss on non-current assets held for sale	10	161	-
Impairment loss on investment properties	11	560	1,460
(Reversal of)/provision for impairment losses on FVOCI financial assets		(1)	7
Other expenses		98,473	35,127
		<u>1,981,938</u>	<u>1,496,259</u>

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21. EXPENSES (CONT'D.)

		1.1.2024 to 31.12.2024 RM'000	1.4.2023 to 31.12.2023 RM'000
	Note		
Amounts attributed to insurance acquisition cash flows incurred during the year/period		(545,534)	(366,365)
Amortisation of insurance acquisition cash flows	14	<u>515,753</u>	<u>338,232</u>
		<u>1,952,157</u>	<u>1,468,126</u>
Represented by:			
Insurance service expenses	14	1,917,789	1,386,725
Other expenses		<u>34,368</u>	<u>81,401</u>
		<u>1,952,157</u>	<u>1,468,126</u>

21.1 Employee benefits

Wages and salaries		200,641	163,140
Social security contributions		1,547	1,272
Contribution to Employees' Provident Fund		32,433	25,880
Contribution to defined benefit plans	16.2	700	607
Other benefits		<u>16,719</u>	<u>44,306</u>
		<u>252,040</u>	<u>235,205</u>

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22. TAXATION

		1.1.2024 to 31.12.2024 RM'000	1.4.2023 to 31.12.2023 RM'000
	Note		
Current tax:			
Malaysia - current		54,301	45,300
Malaysia - over provision in prior period/year		(6,393)	(12,089)
		<u>47,908</u>	<u>33,211</u>
Deferred tax:	8		
Origination and reversal of temporary differences		7,422	(10,783)
Under/(over) provision in prior period/year		3,308	(1,923)
		<u>10,730</u>	<u>(12,706)</u>
Total tax expense		<u>58,638</u>	<u>20,505</u>

Domestic income tax is calculated at the Malaysian statutory rate of 24% on the estimated assessable profit for the year/period.

	1.1.2024 to 31.12.2024 RM'000	1.4.2023 to 31.12.2023 RM'000
Profit before taxation	<u>292,315</u>	<u>154,411</u>
Taxation at Malaysian statutory tax rate of 24%	70,156	37,059
Expenses not deductible for tax purposes	31,547	15,829
Tax exempt income	(39,980)	(18,371)
Over provision of income tax in prior period/year	(6,393)	(12,089)
Under/(over) provision of deferred tax in prior period/year	3,308	(1,923)
	<u>58,638</u>	<u>20,505</u>

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23. EARNINGS PER ORDINARY SHARE

23.1 Basic earnings per ordinary share

Basic earnings per ordinary share is calculated based on the net profit for the year ended 31 December 2024 of RM233,677,000 (1.4.2023-31.12.2023: RM133,906,000) divided by number of ordinary shares in issue during the year/period, calculated as follows:

	1.1.2024 to 31.12.2024 RM'000	1.4.2023 to 31.12.2023 RM'000
Net profit attributable to equity holder of the Company	<u>233,677</u>	<u>133,906</u>
Number of ordinary shares:		
	31.12.2024 '000	31.12.2023 '000
Issued ordinary shares	<u>1,394,196</u>	<u>1,394,196</u>
	1.1.2024 to 31.12.2024 Sen	1.4.2023 to 31.12.2023 Sen
Basic earnings per ordinary share	<u>17</u>	<u>10</u>

23.2 Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share for the year/period ended 31 December 2024 and 31 December 2023 were based on profit attributable to ordinary shareholder and the number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

Number of ordinary shares:

	31.12.2024 '000	31.12.2023 '000
Number of ordinary shares	1,394,196	1,394,196
Effect of assumed conversion of outstanding INCPS	<u>6,100</u>	<u>6,100</u>
Number of ordinary shares at 31 December 2024/2023	<u>1,400,296</u>	<u>1,400,296</u>

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23. EARNINGS PER ORDINARY SHARE (CONT'D.)

23.2 Diluted earnings per ordinary share (Cont'd.)

	1.1.2024 to 31.12.2024 Sen	1.4.2023 to 31.12.2023 Sen
Diluted earnings per ordinary share	<u>17</u>	<u>10</u>

24. DIVIDENDS

The amount of dividends paid by the Company since 31 December 2023 were as follows:

31.12.2024 RM'000	31.12.2023 RM'000
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In respect of financial period/year ended 31 December 2023/31 March 2023:

INCPS:

Dividend of 5.5% per INCPS on 6,100,000 INCPS based
on issue price of RM10.00 each declared on
21 March 2024/7 June 2023 and paid on
24 June 2024/7 September 2023

3,355	3,355
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Ordinary share:

Final dividend of 17.07/22.02 sen per ordinary
share on 1,394,196,000 ordinary shares
declared on 21 March 2024/7 June 2023 and
paid on 24 June 2024/7 September 2023

<u>238,000</u>	<u>307,000</u>
<u>241,355</u>	<u>310,355</u>

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25. CAPITAL COMMITMENTS

	31.12.2024	31.12.2023
	RM'000	RM'000
Capital expenditure:		
Approved and contracted for:		
Renovation, furniture and fitting and office equipment	196	1,699
Computer hardware and software	883	2,778
	<u>1,079</u>	<u>4,477</u>
Approved but not contracted for:		
Computer hardware and software	<u>3,532</u>	<u>3,930</u>

26. SIGNIFICANT RELATED PARTIES DISCLOSURES

(a) Related parties

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.

Name	Relationship
Liberty Mutual Holding Company Inc.	Ultimate holding company
Liberty Mutual Insurance Company, Boston	Penultimate holding company
Liberty Global Holdings Sdn. Bhd. ("LGHSB")	Immediate holding company
AmGeneral Holdings Berhad	Corporate shareholder
AMMB Holdings Berhad	Other related company
AmCard Services Berhad	Other related company
AmCorp Borneo Sdn Bhd	Other related company
AmCorp Energy Services Sdn Bhd	Other related company
AmCorp Perring Hydro Sdn Bhd	Other related company

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26. SIGNIFICANT RELATED PARTIES DISCLOSURES (CONT'D.)

(a) Related parties (Cont'd.)

Name	Relationship
AmCorp Prima Realty Sdn Bhd	Other related company
AmCorp Properties Berhad	Other related company
AmCorp Realty Sdn Bhd	Other related company
AmCorp Services Sdn Bhd	Other related company
AmCorp Sibujaya Sdn Bhd	Other related company
AmCorp Group Berhad	Other related company
AmFunds Management Berhad	Other related company
AmInvestment Bank Berhad	Other related company
AmIslamic Funds Management Sdn Bhd	Other related company
AmMetLife Insurance Berhad	Other related company
AmMetLife Takaful Berhad	Other related company
AmMortgage One Berhad	Other related company
AmProperty Holdings Sdn Bhd	Other related company
AON Insurance Brokers (Malaysia) Sdn Bhd	Other related company
Harpers Travel (M) Sdn. Bhd.	Other related company
Liberty Insurance Pte Ltd, Singapore	Other related company
Liberty Specialty Markets Singapore Pte Limited, Labuan Branch (formerly known as Liberty International Underwriters Pte Ltd, Labuan)	Other related company

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26. SIGNIFICANT RELATED PARTIES DISCLOSURES (CONT'D.)

(a) Related parties (Cont'd.)

Name	Relationship
Liberty Mutual Insurance Europe Limited (Foreign-Others)	Other related company
Liberty Mutual Insurance Europe Limited- Labuan Branch (Offshore)	Other related company
Liberty Syndicate (4472) (Foreign-Others)	Other related company
AmCash Plus ¹	Subsidiary
AmIncome Institutional SRI 1 ¹ (formerly known as AmIncome Institutional 1)	Subsidiary
AmIncome Institutional SRI 3 ¹ (formerly known as AmIncome Institutional 3)	Subsidiary

1 In accordance with MFRS 10, the investments are considered as subsidiaries of the Company.

In the normal course of business, the Company undertakes various transactions with subsidiaries and associated companies of its ultimate holding company, related companies of its corporate shareholder and other companies deemed related parties by virtue of common director's shareholdings. The Directors are of the opinion that the Company sold insurance policies to the related companies and related parties on terms and conditions no more favorable than those available in similar transactions with other customers or employees. Other related party transactions (other than dividends/distributions received from subsidiaries) were also carried out on terms and conditions no more favorable than those available on similar transactions with unrelated parties, unless otherwise stated.

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26. SIGNIFICANT RELATED PARTIES DISCLOSURES (CONT'D.)

(a) Related parties (Cont'd.)

The Company's balances with related parties are as follows:

	31.12.2024	31.12.2023
	RM'000	RM'000
Due from agents, brokers and co-insurers:		
AmBank (M) Berhad	19,411	19,344
AmCard Services Berhad	102	-
AON Insurance Brokers (Malaysia) Sdn Bhd	1,466	3,507
Liberty Insurance Pte Ltd, Singapore	6,338	10,092
Liberty Mutual Insurance Company, Boston	3,530	10,301
Liberty Specialty Markets Singapore Pte Limited, Labuan Branch	344	296
	<u>31,191</u>	<u>43,540</u>
Included in amount owing by ultimate holding, holding and other related companies (Note 7):		
Liberty Specialty Markets Singapore Pte Limited, Labuan Branch	50	351
Liberty Mutual Insurance Company, Boston	2,962	19,423
AmBank (M) Berhad	1,677	-
	<u>4,689</u>	<u>19,774</u>
Included in income due and accrued:		
AmBank (M) Berhad	1,663	11
AmIncome Institutional SRI 1 (formerly known as AmIncome Institutional 1)	3,645	-
AmIncome Institutional SRI 3 (formerly known as AmIncome Institutional 3)	6,883	-
AmCash Plus	1,487	-
	<u>13,678</u>	<u>11</u>
Included in cash and short-term deposits (Note 9):		
AmBank (M) Berhad	<u>97,938</u>	<u>78,887</u>
Included in fixed and call deposits with licensed banks:		
AmBank (M) Berhad	<u>75,000</u>	<u>215,000</u>

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26. SIGNIFICANT RELATED PARTIES DISCLOSURES (CONT'D.)

(a) Related parties (Cont'd.)

The Company's balances with related parties are as follows (Cont'd.):

	31.12.2024	31.12.2023
	RM'000	RM'000
Due to agents, brokers and co-insurers:		
AmBank (M) Berhad	3,572	3,118
AmCard Services Berhad	159	165
AmInvestment Bank Berhad	162	163
AON Insurance Brokers (Malaysia) Sdn Bhd	925	981
Liberty Mutual Insurance Europe Limited-Labuan Branch (Offshore)	179	102
Liberty Mutual Insurance Europe Limited (Foreign-Others)	-	50
Liberty Insurance Pte Ltd, Singapore	1,391	-
Liberty Mutual Insurance Company, Boston	17	57
Liberty Specialty Markets Singapore Pte Limited, Labuan Branch	13,683	11,398
AmMetLife Insurance Berhad	1	-
	<u>20,089</u>	<u>16,034</u>
Included in amount owing to other related companies (Note 15):		
AmBank (M) Berhad	-	5,395
AMMB Holdings Berhad	2,603	961
	<u>2,603</u>	<u>6,356</u>
Included in accrued expenses and deposits (Note 15):		
AmBank (M) Berhad	-	556
Included in amount owing to fund manager:		
AmFunds Management Berhad	<u>402</u>	<u>417</u>

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26. SIGNIFICANT RELATED PARTIES DISCLOSURES (CONT'D.)

(a) Related parties (Cont'd.)

The Company's significant transactions with related parties during the financial year/period are as follows:

	1.1.2024 to 31.12.2024 RM'000	1.4.2023 to 31.12.2023 RM'000
Interest and dividend income from:		
AmBank (M) Berhad	9,750	1,928
AmIncome Institutional SRI 1 (formerly known as AmIncome Institutional 1)	50,039	20,214
AmIncome Institutional SRI 3 (formerly known as AmIncome Institutional 3)	75,193	35,941
AmCash Plus	7,910	4,639
	<u>142,892</u>	<u>62,722</u>
Gross premium income from :		
AmBank (M) Berhad	5,463	1,847
AMMB Holdings Berhad	5,951	736
AmMetLife Insurance Berhad	225	212
AmInvestment Bank Berhad	63	68
AmBank Islamic Berhad	6	4
AmCorp Properties Berhad	45	29
AmCorp Energy Services Sdn Bhd	1	1
AmCorp Perring Hydro Sdn Bhd	9	-
AmCorp Prima Realty Sdn Bhd	2	-
AmCorp Sibujaya Sdn Bhd	116	54
AmCorp Services Sdn Bhd	17	13
AmCorp Realty Sdn Bhd	11	11
AmCorp Borneo Sdn Bhd	1	1
AmFunds Management Bhd	(54)	27
AmIslamic Funds Management Sdn Bhd	3	5
AmProperty Holdings Sdn Bhd	-	103
AmMortgage One Berhad	-	1
AmCorp Group Berhad	1	1
	<u>11,860</u>	<u>3,113</u>

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26. SIGNIFICANT RELATED PARTIES DISCLOSURES (CONT'D.)

(a) Related parties (Cont'd.)

The Company's significant transactions with related parties during the financial year/period are as follows (Cont'd.):

	1.1.2024 to 31.12.2024 RM'000	1.4.2023 to 31.12.2023 RM'000
Commission income from:		
Liberty Mutual Insurance Company, Boston	2,235	3,405
Liberty Mutual Insurance Europe Limited-Labuan Branch (Offshore)	137	25
Liberty Mutual Insurance Europe Limited (Foreign- Others)	-	7
Liberty Insurance Pte Ltd, Singapore	1,379	1,071
Liberty Specialty Markets Singapore Pte Limited, Labuan Branch	7,719	5,059
	<u>11,470</u>	<u>9,567</u>
Commission expenses to:		
AmBank (M) Berhad	(12,697)	(8,865)
AmInvestment Bank Berhad	(7)	(5)
AON Insurance Brokers (Malaysia) Sdn Bhd	(2,210)	(3,696)
	<u>(14,914)</u>	<u>(12,566)</u>
Administration and operating income from/(expenses to):		
AmBank (M) Berhad	(18,779)	(16,979)
AmFunds Management Berhad	(179)	(138)
AmMetLife Insurance Berhad	(84)	(4,522)
Harpers Travel (M) Sdn. Bhd.	(377)	(118)
Liberty Global Holdings Sdn. Bhd.	-	44
Liberty Specialty Markets Singapore Pte Limited, Labuan Branch	1,997	873
Liberty Mutual Insurance Company, Boston	(10,946)	(3,994)
	<u>(28,368)</u>	<u>(24,834)</u>
Manager's fee to:		
AmFunds Management Berhad	(4,462)	(3,617)

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26. SIGNIFICANT RELATED PARTIES DISCLOSURES (CONT'D.)

(a) Related parties (Cont'd.)

The Company's significant transactions with related parties during the financial year/period are as follows (Cont'd.):

	1.1.2024 to 31.12.2024 RM'000	1.4.2023 to 31.12.2023 RM'000
Other Operating Income:		
Liberty Mutual Insurance Company, Boston	515	453
Reinsurance premiums ceded to:		
Liberty Mutual Insurance Company, Boston	(9,772)	(13,112)
Liberty Mutual Insurance Europe Limited, Labuan Branch (Offshore)	(555)	(153)
Liberty Mutual Insurance Europe Limited (Foreign-Others)	(4)	(63)
Liberty Insurance Pte Ltd, Singapore	(10,574)	(9,887)
Liberty Syndicate (4472) (Foreign-Others)	11	-
Liberty Specialty Markets Singapore Pte Limited, Labuan Branch	(34,150)	(21,463)
	<u>(55,044)</u>	<u>(44,678)</u>
Claims recovery from:		
Liberty Mutual Insurance Company, Boston	17,022	16,130
Liberty Insurance Pte Ltd, Singapore	12,674	8,750
Liberty Mutual Insurance Europe Limited	1	-
Liberty Mutual Insurance Europe Limited, Labuan Branch (Offshore)	11	-
Liberty Specialty Markets Singapore Pte Limited, Labuan Branch	272	270
	<u>29,980</u>	<u>25,150</u>
Dividends on INCPS and ordinary shares paid to (Note 24):		
Liberty Global Holdings Sdn. Bhd.	(241,355)	(310,355)
	<u>(241,355)</u>	<u>(310,355)</u>

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26. SIGNIFICANT RELATED PARTIES DISCLOSURES (CONT'D.)

(b) Compensation of Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly.

The key management personnel of the Company are the directors and the Chief Executive Officer.

(i) Chief Executive Officer's remuneration including benefits-in-kind

The details of remuneration received by the Chief Executive Officer during the year/period are as follows:

	1.1.2024 to 31.12.2024 RM'000	1.4.2023 to 31.12.2023 RM'000
<u>Non-deferred:</u>		
Fixed remuneration[^]:		
Salaries	1,767	1,272
Contribution to Employees' Provident Fund	303	193
	<u>2,070</u>	<u>1,465</u>
Variable remuneration:		
Bonus	1,090	1,009
Contribution to Employees' Provident Fund	174	161
Other benefits-in-kind	282	268
	<u>1,546</u>	<u>1,438</u>
 Total monetary benefits (Note 21)	 <u>3,616</u>	 <u>2,903</u>
 Non-monetary benefits	 <u>440</u>	 <u>502</u>
 Total remuneration	 <u>4,056</u>	 <u>3,405</u>

[^] The amount from the previous financial period includes remuneration paid to the previous Chief Executive Officer, who resigned during that financial period.

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26. SIGNIFICANT RELATED PARTIES DISCLOSURES (CONT'D.)

(b) Compensation of Key Management Personnel (Cont'd.)

(ii) Directors' fees and remuneration

The details of remuneration received by the executive and non-executive directors during the year/period are as follows:

	1.1.2024 to 31.12.2024 RM'000	1.4.2023 to 31.12.2023 RM'000
Fees	1,182	971
Allowances and other emoluments	374	192
	<u>1,556</u>	<u>1,163</u>

The total remuneration (including benefits-in-kind) of the directors of the Company are as follows:

	<----- Fixed remuneration fees RM'000	Non-deferred Variable remuneration others RM'000	-----> Total RM'000
1.1.2024 to 31.12.2024			
<u>Executive director:</u>			
Saime Defne Turkes	-	-	-
<u>Non-executive directors:</u>			
Dato' Haji Kamil Khalid Ariff	170	152	322
Phoon Soon Keong	205	53	258
Elsie Kok Yin Mei	205	45	250
Jamie Ling Fou-Tsong (Appointed on 6 February 2024)	180	29	209
Tan Chong Liong (Appointed on 9 February 2024)	156	36	192
Dato' Sulaiman Bin Mohd Tahir (Resigned on 2 February 2024)	17	-	17
Keong Choon Keat (Resigned on 9 February 2024)	19	3	22
Dato' Lim Heen Peek (Resigned on 6 March 2025)	230	56	286
	<u>1,182</u>	<u>374</u>	<u>1,556</u>
	<u>1,182</u>	<u>374</u>	<u>1,556</u>

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26. SIGNIFICANT RELATED PARTIES DISCLOSURES (CONT'D.)

(b) Compensation of Key Management Personnel (Cont'd.)

(ii) Directors' fees and remuneration (Cont'd.)

The total remuneration (including benefits-in-kind) of the directors of the Company are as follows (Cont'd.):

	<----- Non-deferred ----->		
	Fixed remuneration fees RM'000	Variable remuneration others RM'000	Total RM'000
1.4.2023 to 31.12.2023			
<u>Executive director:</u>			
Saime Defne Turkes	-	-	-
<u>Non-executive directors:</u>			
Dato' Haji Kamil Khalid Ariff	209	20	229
Phoon Soon Keong	154	38	192
Elsie Kok Yin Mei	154	41	195
Dato' Sulaiman Bin Mohd Tahir (Resigned on 2 February 2024)	150	23	173
Keong Choon Keat (Resigned on 9 February 2024)	131	23	154
Dato' Lim Heen Peek (Resigned on 6 March 2025)	173	47	220
	971	192	1,163
	971	192	1,163

The directors' fees are subject to the recommendation of the Remuneration Committee of the Board of Directors for endorsement and approval by the shareholders at the Annual General Meeting.

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27. FINANCIAL INSTRUMENTS BY CATEGORY

		Assets not in scope of						
31.12.2024	Note	AC RM'000	FVTPL RM'000	FVOCI RM'000	Sub-total RM'000	MFRS 9 RM'000	Total RM'000	
Assets								
Property and equipment	3	-	-	-	-	79,342	79,342	
Investment properties	11	-	-	-	-	30,636	30,636	
Right-of-use assets	4	-	-	-	-	25,032	25,032	
Intangible assets	5	-	-	-	-	18,214	18,214	
Non-current assets held for sale	10	-	-	-	-	4,325	4,325	
Investments	6	479,926	3,687,846	746,935	4,914,707	-	4,914,707	
Reinsurance contract assets	14	-	-	-	-	373,222	373,222	
Other receivables	7	56,896	-	-	56,896	36,344	93,240	
Deferred tax assets	8	-	-	-	-	18,885	18,885	
Cash and short-term deposits	9	341,139	-	-	341,139	-	341,139	
Total assets		877,961	3,687,846	746,935	5,312,742	586,000	5,898,742	
					Other financial liabilities RM'000	Liabilities not in scope of MFRS 9 RM'000	Total RM'000	
Liabilities								
Insurance contract liabilities	14				-	-	3,183,029	3,183,029
Lease liabilities	4				-	-	27,388	27,388
Provision for taxation					-	-	25,907	25,907
Other payables	15				54,684	54,684	224,245	278,929
Provision for retirement benefits	16				-	-	14,531	14,531
Total liabilities					54,684	54,684	3,475,100	3,529,784

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27. FINANCIAL INSTRUMENTS BY CATEGORY (CONT'D.)

		Assets not in scope of MFRS 9					Total
31.12.2023	Note	AC RM'000	FVTPL RM'000	FVOCI RM'000	Sub-total RM'000	RM'000	RM'000
Assets							
Property and equipment	3	-	-	-	-	80,855	80,855
Investment properties	11	-	-	-	-	31,196	31,196
Right-of-use assets	4	-	-	-	-	34,351	34,351
Intangible assets	5	-	-	-	-	30,098	30,098
Investments	6	398,391	3,916,618	741,035	5,056,044	-	5,056,044
Reinsurance contract assets	14	-	-	-	-	459,790	459,790
Other receivables	7	65,330	-	-	65,330	38,223	103,553
Deferred tax assets	8	-	-	-	-	29,829	29,829
Cash and short-term deposits	9	198,497	-	-	198,497	-	198,497
Total assets		662,218	3,916,618	741,035	5,319,871	704,342	6,024,213
				Other financial liabilities RM'000	Sub-total RM'000	Liabilities not in scope of MFRS 9 RM'000	Total RM'000
Note							
Liabilities							
Insurance contract liabilities	14			-	-	3,223,791	3,223,791
Lease liabilities	4			-	-	37,059	37,059
Provision for taxation				-	-	35,277	35,277
Other payables	15			79,943	79,943	253,258	333,201
Provision for retirement benefits	16			-	-	18,925	18,925
Total liabilities				79,943	79,943	3,568,310	3,648,253

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28. RISK MANAGEMENT FRAMEWORK

28.1 Risk Governance framework

The Company's Enterprise Risk Management ("ERM") Framework is focused on embedding effective risk mitigation mechanisms and risk disciplines within the Company to manage risks within the Board-approved tolerances and risk appetites while protecting it from uncertainties and threats, thus enabling the achievement of its business objectives.

The objectives of managing the risks are to:

- Create and protect values for the Company's shareholders
- Fulfil its obligations to the Company's customers and other stakeholders
- Prepare the Company's resilience to face expected and unexpected events
- Support the Company's objectives and the achievement of its long term strategic intent
- Instil confidence in customers, shareholders and other stakeholders on the Company's financial strength, capability and reliability

The ERM is implemented through a Risk Governance structure which includes:

- Board of Directors & Board Committees: Responsible for ensuring the continued appropriateness and effectiveness of the ERM Framework, setting the risk appetite and risk tolerance thresholds, endorsing risk profiles and approving risk management policies;
- Risk and Compliance Management Committee: Includes the Chief Executive Officer and Senior Management; accountable for the implementation of the requirements of the ERM Framework and risk management strategies across the Company, including reporting and escalation of significant risk matters to the Board and Board Committees and the corresponding rectification or mitigation of those matters;

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28. RISK MANAGEMENT FRAMEWORK (CONT'D.)

28.1 Risk Governance framework (Cont'd.)

The ERM is implemented through a Risk Governance structure which includes (Cont'd.):

- Risk Management Department: Assists the Board, Risk Management Committee and the Senior Management in developing and maintaining an effective ERM Framework in consultation with stakeholders, regulators and industry regulating bodies while remaining accountable for the reporting and escalation of significant risk matters to the Management and the Board and their subsequent resolution or rectification; and
- Business Units: Incorporates the requirements of the ERM Framework into the departmental guidelines and procedures and ensures the continued effectiveness of risk management practices across each department while continually escalating and reporting significant risks to the Management and Risk Management Department.

28.2 Capital management objectives, policies and approach

The Company's Capital Management Policy ("CMP") has been noted by the regulators and establishes a detailed capital management and response action plan to be taken by the Board and Management of the Company in the event of extreme events that may lead to the Capital Adequacy Ratio ("CAR") falling below the Management Target Capital Level ("MTCL"), Individual Target Capital Level ("ITCL") and the Supervisory Target Capital Level ("STCL"). MTCL is set at the first and highest CAR threshold which is above ITCL and STCL. The Company has always been operating with CAR above MTCL.

The CMP defines general and probable risk scenarios that could threaten the capital position of the Company and establishes appropriate remedial action plans to respond, taking into consideration the Company's financial and business position. The CMP allows the Company to utilize capital more efficiently in a controlled and predictable manner to drive its strategic intent while ensuring that the Company operates above the MTCL, ITCL and STCL at all times.

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28. RISK MANAGEMENT FRAMEWORK (CONT'D.)

28.2 Capital management objectives, policies and approach (Cont'd.)

The Company has established the following capital management objectives, policies and approach to the risks that affect its capital position.

The capital management objectives are:

- For the Company to remain resilient when faced with extreme or unexpected situations or scenarios, maintaining adequate capital to continue to support the business.
- For the Company to maintain adequate capital to support all risks in the business as well as to develop and use better risk management techniques including scenario modelling and stress testing methods in monitoring and managing risks.
- For the Company's Management and Board to develop and establish an internal capital adequacy assessment process through the use of stress testing and scenario modelling to establish capital targets that commensurate with its risk profiles and control environments.
- Maintenance of the available capital, expressed as a multiple of the statutory CAR within a range that supports the shareholder's objectives whilst suitably protecting the interests of the policyholders.
- For the setting of MTCL and ITCL which accurately reflects the risk profiles of the Company, taking into consideration the quality and effectiveness of the Company's ERM Framework and risk management strategies.
- For treatment of risks not fully captured under the Risk-Based Capital Framework ("RBC") and external risks to be taken up and considered within the Company's internal capital target management.
- For the Company to utilize an effective capital management strategy to create shareholder value whilst maintaining an appropriate level of capital to protect the policyholders' interests and satisfy regulatory requirements.
- For the continued payment of dividends on ordinary shares through the effective management of the Company's CAR positions at the point of payment and the avoidance of significant deterioration to the CAR after payments.
- Dynamic management of the Company's statement of financial position and capital mix.

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28. RISK MANAGEMENT FRAMEWORK (CONT'D.)

28.2 Capital management objectives, policies and approach (Cont'd.)

Approach to capital management

With reference to the Bank Negara Malaysia's (BNM) Policy Document on Stress Testing for Insurers, the impact of adverse scenarios on the capital position of the Company is considered and incorporated into the CMP and the management of the Company's CAR positions. This is also consistent with the Company's Individual Capital Adequacy Assessment Process.

The CMP has been implemented for the Company to monitor and manage the CAR should there be adverse conditions developing that may threaten to lower the CAR below the MTCL, ITCL and STCL. The CMP also defines conditions and scenarios which may act as indicators of potential or impending adverse situations, allowing the Management to prepare and respond quickly before those adverse situations become a reality.

28.3 Regulatory framework

Through the RBC Framework, BNM is primarily concerned with protecting the interests of the policyholders and monitors insurers closely to ensure that the management of policyholders' interests remains at a satisfactory level. At the same time, BNM is also interested in ensuring that the Company maintains an appropriate capital position to meet the unforeseen liabilities arising from economic shocks or natural disasters.

28.4 Asset-Liability Management ("ALM") framework

The Company manages asset and liability positions within the ALM framework that has been developed with the objectives of achieving sustainable and predictable medium to long-term investment returns while prudently preserving capital to meet the financial and contractual obligations of the Company. The ALM framework considers multiple drivers which include interest rate movements, changes in financial obligations, asset and liability classes, etc. to provide the Management and the Board with a transparent, accurate and dynamic ALM monitoring structure for effective oversight and decision making. Scenario modelling and stress testing methodologies are also extensively used to determine possible outcomes and impacts on the Company's ALM management in the event of unpredictable or extreme market and environmental situations. These methods allow for a comprehensive Sensitivity Assessment of the Company's ALM portfolio and removes uncertainties around impacts and outcomes. The Asset and Liability Committee (ALCO) maintains regular oversight, continually assessing the performance and condition of the Company's ALM portfolio while striving to achieve optimized returns on investments within the risk appetites and tolerances stipulated by the Risk Appetite Statements.

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29. INSURANCE RISK

29.1 Nature of risk

The Company principally issues the following types of general insurance contracts: Motor, Household and Commercial Fire, Business Interruption, Personal Accident, Marine Cargo, Extended Warranty and other Miscellaneous commercial contracts. Risks under these contracts usually cover a twelve-month duration other than Contractors' All Risk & Engineering and Extended Warranty which may be extended for more than a year. For general insurance contracts, the most significant risk arises from the frequency and severity of the claims experience. These risks vary significantly in relation to the location of risk, type of risk insured and industry.

The Company may also be exposed to risks arising from climate changes, natural disasters, legislation changes and terrorism activities. For longer tail claims that take some years to settle, there is also inflation risk.

The above risks are mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The volatility of risks is mitigated by implementation of underwriting strategies and claims management policies which attempt to minimize risks while at the same time encouraging reduction in the time taken to settle claims.

The Company limits its exposure to risk via various reinsurance arrangements. Also, claims exposure is limited to individual contracts and loss events basis such as floods and fires, as well as accidents involving multiple insureds.

29.2 Concentration of insurance risk by type of contract

The table below sets out the concentration of insurance contract liabilities and reinsurance contract assets by types of contracts issued:

	Gross RM'000	Reinsurance RM'000	Net RM'000
31.12.2024			
Motor	2,527,280	(42,137)	2,485,143
Fire	272,077	(81,757)	190,320
Personal accident	23,273	(2,703)	20,570
Miscellaneous	360,399	(246,625)	113,774
	<u>3,183,029</u>	<u>(373,222)</u>	<u>2,809,807</u>

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29. INSURANCE RISK (CONT'D.)

29.2 Concentration of insurance risk by type of contract (Cont'd.)

The table below sets out the concentration of insurance contract liabilities and reinsurance contract assets by types of contracts issued (Cont'd.):

	Gross RM'000	Reinsurance RM'000	Net RM'000
31.12.2023			
Motor	2,501,478	(67,767)	2,433,711
Fire	331,881	(179,405)	152,476
Personal accident	29,600	(3,675)	25,925
Miscellaneous	360,832	(208,943)	151,889
	<u>3,223,791</u>	<u>(459,790)</u>	<u>2,764,001</u>

Included in motor insurance contract liabilities is the Company's proportionate share of LFRC and LFIC in MMIP of RM0.8 million and RM10.1 million, respectively (31.12.2023: LFRC of RM0.7 million and LFIC of RM14.1 million).

29.3 Insurance contract liabilities and reinsurance contract assets for general insurance

The insurance contract liabilities comprised of LFRC and LFIC and are computed in accordance with sound actuarial principles and MFRS 17 standards. Similarly, the reinsurance contract assets comprised of AFRC and ARIC and are also computed in accordance with sound actuarial principles and MFRS 17 standards.

LFIC

The estimate of LFIC are made up of the following components:

- The best estimate value of the outstanding claim payments associated with all claims that have been incurred as at the valuation date;
- An estimate for future claims handling expenses ("CHE") associated with the outstanding claim payments;
- Other attributable non-acquisition related expenses that have not yet been paid; and
- The risk adjustment for non-financial risk.

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29. INSURANCE RISK (CONT'D.)

29.3 Insurance contract liabilities and reinsurance contract assets for general insurance (Cont'd.)

LFRC

The estimate of LFRC is made up of the following components:

- Premium received in the period;
- minus insurance acquisition cash flows;
- plus any amounts relating to the amortisation of insurance acquisition cash flows recognised as an expense in the reporting period;
- minus the amount recognised as insurance revenue for services provided in that period;
- minus any investment component paid or transferred to the LFIC; and
- plus loss component established for an onerous group.

AFRC

The estimates of AFRC are made up of the following components:

- Premium paid to reinsurers in the period;
- minus the amount recognised for services provided in that period;
- minus any investment component paid or transferred to the ARIC; and
- plus loss-recovery component established for a direct onerous group reinsured.

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29. INSURANCE RISK (CONT'D.)

29.3 Insurance contract liabilities and reinsurance contract assets for general insurance (Cont'd.)

ARIC

The estimates of ARIC are made up of the following components:

- The best estimate value of the reinsurance recoverables associated with all claims that have been incurred as at the valuation date;
- An estimate for the non-performance risk ("NPR") of reinsurers associated with the reinsurance recoverables; and
- The risk adjustment for non-financial risk.

29.3.1 Valuation methodology

The valuation methods employed are generally accepted actuarial methods. The following methods have been employed to analyse the experience and to derive the Best Estimate of LFIC:

- Paid Chain Ladder ("PCL") or Incurred Chain Ladder ("ICL");
- Bornhuetter-Ferguson ("BF"); and
- Expected Loss Ratio ("ELR").

The method(s) employed for each valuation group take into account factors such as characteristics of the claims, recent trends in claims experience, size and stability of each valuation group.

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29. INSURANCE RISK (CONT'D.)

29.3 Insurance contract liabilities and reinsurance contract assets for general insurance (Cont'd.)

29.3.2 Key assumptions

The principal assumption underlying the estimation of liabilities is that the Company's future claims development will follow a similar pattern to past claims development experience.

Additional qualitative judgements are used to assess the extent to which past trends may not apply in the future, for example, isolated occurrences, changes in the market factors such as public attitude to claiming, economic conditions, as well as internal factors, such as portfolio mix, policy conditions and claims handling procedures. Judgement is further used to assess the extent to which external factors, such as, judicial decisions and government legislation affect the estimates.

29.3.3 Discounting

The Company applies the bottom-up approach when deriving its discount rates for discounting the LFIC and ARIC as disclosed in Note 2.5(a)(vi)(iii).

The table below sets out the six-month, one, two and three year yield curves (risk-free rate plus illiquidity premium) used to discount the cash flows of insurance contracts issued and reinsurance contracts held by the Company :

	6 months	1 year	2 years	3 years
31.12.2024	3.14%	3.29%	3.45%	3.55%
31.12.2023	3.36%	3.58%	3.72%	3.83%

The illiquidity premium was floored to zero in the current financial year as it was deemed immaterial after assessing the duration of liabilities and the assets backing it.

29.3.4 Sensitivities

The LFIC are sensitive to the key assumptions shown on the next page. It has not been possible to quantify the sensitivity of certain assumptions, such as, legislative changes or uncertainty in the estimation process.

The analysis on the next page is performed for reasonably possible movements in the key assumption with all other assumptions held constant, showing the impact on LFIC, ARIC, profit before taxation and equity. The correlation of assumptions will have a significant effect in determining the ultimate claim liabilities, but to demonstrate the impact due to changes in assumption, the assumption had to be changed on an individual basis.

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29. INSURANCE RISK (CONT'D.)

29.3 Insurance contract liabilities and reinsurance contract assets for general insurance (Cont'd.)

29.3.4 Sensitivities (Cont'd.)

		<-----Increase/(decrease)----->				
		Change in assumption of attrition ultimate claims ratio	Impact on liabilities for incurred claims RM'000	Impact on amounts recoverable on incurred claims RM'000	Impact on profit before taxation RM'000	Impact on equity* RM'000
31.12.2024						
Expected Loss	+4.6%		117,337	(14,949)	(102,388)	(77,815)
Change in percentile for Motor Act Risk Adjustment	+15th percentile		72,862	(2,247)	(70,615)	(53,667)
Interest Rate	-1.6%		43,287	(5,506)	(37,781)	(28,714)
Expected Loss	-4.6%		(117,337)	14,949	102,388	77,815
Change in percentile for Motor Act Risk Adjustment	-15th percentile		(47,424)	1,463	45,961	34,930
Interest Rate	+1.6%		(40,805)	5,225	35,580	27,041

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29. INSURANCE RISK (CONT'D.)

29.3 Insurance contract liabilities and reinsurance contract assets for general insurance (Cont'd.)

29.3.4 Sensitivities (Cont'd.)

		<-----Increase/(decrease)----->			
	Change in assumption of attrition ultimate claims ratio	Impact on liabilities for incurred claims RM'000	Impact on amounts recoverable on incurred claims RM'000	Impact on profit before taxation RM'000	Impact on equity*
31.12.2023					
Expected Loss	+7.8%	185,914	(34,010)	(151,904)	(115,447)
Change in percentile for Motor Act Risk Adjustment	+15th percentile	69,332	(4,605)	(64,726)	(49,192)
Interest Rate	-1.3%	34,720	(4,148)	(30,573)	(23,235)
Expected Loss	-7.8%	(185,914)	34,010	151,904	115,447
Change in percentile for Motor Act Risk Adjustment	-15th percentile	(45,233)	2,940	42,294	32,143
Interest Rate	+1.3%	(33,045)	4,004	29,041	22,071

* impact on equity reflects adjustments for tax, where applicable.

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29. INSURANCE RISK (CONT'D.)

29.3 Insurance contract liabilities and reinsurance contract assets for general insurance (Cont'd.)

29.3.5 Claims development table

The tables in the following page show the estimate of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date.

As required by MFRS 17, in setting provisions for claims, the Company gives consideration to the probability and magnitude of future claim experience being more adverse than assumed and exercises a degree of caution in setting the reserves when there is considerable uncertainty. In general, the uncertainty associated with the ultimate claims experience in an accident year is greatest when the accident year is at an early stage of development and the margin to provide necessary confidence in adequacy is relatively at its highest. As claims develop and the ultimate cost of claims becomes more certain, the relative level of margin maintained should decrease.

While the information in the tables provide a historical perspective on the adequacy of the unpaid claims estimate established in previous years, users of these financial statements are cautioned against extrapolating redundancies or deficiencies of the past on current unpaid loss balances.

The management of the Company believes that the estimates of total claims outstanding as of the reporting date are adequate. However, due to the inherent uncertainties in the reserving process, it cannot be assured that such balances will ultimately prove to be adequate.

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29. INSURANCE RISK (CONT'D.)

29.3 Insurance contract liabilities and reinsurance contract assets for general insurance (Cont'd.)

29.3.5 Claims development table (Cont'd.)

Gross liabilities for incurred claims for 31.12.2024:

Accident year	Before 2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	Sub total RM'000	Inward treaty and MMIP RM'000	Total RM'000
At end of accident year	1,643,540	1,517,112	1,495,579	1,490,646	1,420,967	1,518,754	1,286,213	1,254,353			
One year later	1,638,506	1,511,540	1,492,734	1,480,037	1,423,179	1,345,480	1,325,967				
Two years later	1,598,041	1,463,493	1,460,622	1,426,476	1,303,611	1,278,356					
Three years later	1,532,075	1,417,423	1,410,291	1,385,370	1,244,145						
Four years later	1,462,334	1,391,497	1,400,646	1,234,765							
Five years later	1,449,328	1,393,703	1,457,060								
Six years later	1,436,468	1,386,623									
Seven years later	2,032,347										
Current estimate of cumulative claims incurred	2,032,347	1,386,623	1,457,060	1,234,765	1,244,145	1,278,356	1,325,967	1,254,353			
At end of accident year	(561,980)	(583,198)	(566,385)	(573,631)	(481,212)	(434,418)	(409,541)	(595,315)			
One year later	(1,105,207)	(1,015,594)	(970,863)	(915,593)	(819,068)	(880,344)	(945,444)				
Two years later	(1,294,339)	(1,182,253)	(1,133,112)	(1,063,750)	(1,050,731)	(1,036,771)					
Three years later	(1,360,223)	(1,264,169)	(1,221,914)	(1,209,428)	(1,097,312)						
Four years later	(1,389,833)	(1,312,936)	(1,311,090)	(1,079,316)							
Five years later	(1,403,551)	(1,349,164)	(1,398,108)								
Six years later	(1,423,448)	(1,363,467)									
Seven years later	(1,417,001)										
Cumulative payments to-date	(1,417,001)	(1,363,467)	(1,398,108)	(1,079,316)	(1,097,312)	(1,036,771)	(945,444)	(595,315)			
Gross general insurance claim liabilities (direct and facultative)	615,346	23,156	58,952	155,449	146,833	241,585	380,523	659,038	2,280,882	13,178	2,294,060
Effect of Discounting											(97,821)
Liability for incurred claims payable											19,749
Gross liability for incurred claims											2,215,988

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29. INSURANCE RISK (CONT'D.)

29.3 Insurance contract liabilities and reinsurance contract assets for general insurance (Cont'd.)

29.3.5 Claims development table (Cont'd.)

Net liabilities for incurred claims for 31.12.2024:

Accident year	Before 2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	Sub total RM'000	Inward treaty and MMIP RM'000	Total RM'000
At end of accident year	1,358,664	1,335,538	1,317,823	1,286,789	1,157,862	1,232,022	1,183,489	1,167,396			
One year later	1,401,176	1,373,395	1,337,377	1,299,850	1,131,237	1,088,473	1,229,510				
Two years later	1,362,750	1,340,386	1,317,351	1,259,916	1,024,762	1,145,421					
Three years later	1,302,614	1,289,122	1,280,069	1,226,660	912,591						
Four years later	1,238,315	1,272,649	1,273,050	1,063,549							
Five years later	1,226,779	1,276,873	1,331,303								
Six years later	1,218,333	1,267,413									
Seven years later	1,719,109										
Current estimate of cumulative claims incurred	1,719,109	1,267,413	1,331,303	1,063,549	912,591	1,145,421	1,229,510	1,167,396			
At end of accident year	(516,276)	(544,095)	(540,886)	(553,712)	(446,712)	(409,245)	(386,891)	(564,572)			
One year later	(927,110)	(939,185)	(894,557)	(850,199)	(696,006)	(752,208)	(888,991)				
Two years later	(1,089,815)	(1,090,673)	(1,036,378)	(989,154)	(847,868)	(971,363)					
Three years later	(1,151,504)	(1,164,699)	(1,119,225)	(1,124,538)	(814,719)						
Four years later	(1,176,978)	(1,203,532)	(1,198,169)	(983,738)							
Five years later	(1,189,286)	(1,236,153)	(1,282,104)								
Six years later	(1,206,925)	(1,250,179)									
Seven years later	(1,187,559)										
Cumulative payments to-date	(1,187,559)	(1,250,179)	(1,282,104)	(983,738)	(814,719)	(971,363)	(888,991)	(564,572)			
Net general insurance claim liabilities (direct and facultative), gross of impairment loss on reinsurance contract assets	531,550	17,234	49,199	79,811	97,872	174,058	340,519	602,824	1,893,067	13,060	1,906,127
Effect of Discounting											(65,921)
Asset for incurred claims receivable											(31,177)
Net liability for incurred claims											1,809,029

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29. INSURANCE RISK (CONT'D.)

29.3 Insurance contract liabilities and reinsurance contract assets for general insurance (Cont'd.)

29.3.5 Claims development table (Cont'd.)

Gross liabilities for incurred claims for 31.12.2023:

Accident year	Before 2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024* RM'000	Sub total RM'000	Inward treaty and MMIP RM'000	Total RM'000
At end of accident year	1,504,981	1,577,478	1,505,829	1,588,769	1,339,648	1,583,458	1,467,975	1,286,213			
One year later	1,491,424	1,573,218	1,522,975	1,582,768	1,303,949	1,464,075	1,469,119				
Two years later	1,471,710	1,521,750	1,485,995	1,540,803	1,177,697	1,444,820					
Three years later	1,409,458	1,470,257	1,433,223	1,544,245	1,157,377						
Four years later	1,335,338	1,445,827	1,429,743	1,510,051							
Five years later	1,324,633	1,463,338	1,412,853								
Six years later	1,318,922	1,442,749									
Seven years later	1,329,111										
Current estimate of cumulative claims incurred	1,329,111	1,442,749	1,412,853	1,510,051	1,157,377	1,444,820	1,469,119	1,286,213			
At end of accident year	(544,332)	(556,480)	(576,284)	(614,796)	(490,715)	(416,068)	(543,062)	(409,542)			
One year later	(980,877)	(1,073,902)	(1,007,549)	(996,404)	(780,609)	(799,732)	(871,359)				
Two years later	(1,164,846)	(1,265,175)	(1,166,108)	(1,154,979)	(919,854)	(987,211)					
Three years later	(1,236,679)	(1,335,795)	(1,251,251)	(1,258,284)	(991,040)						
Four years later	(1,266,793)	(1,374,648)	(1,307,696)	(1,330,834)							
Five years later	(1,280,390)	(1,396,244)	(1,338,965)								
Six years later	(1,290,813)	(1,413,224)									
Seven years later	(1,300,121)										
Cumulative payments to-date	(1,300,121)	(1,413,224)	(1,338,965)	(1,330,834)	(991,040)	(987,211)	(871,359)	(409,542)			
Gross general insurance claim liabilities (direct and facultative)	28,990	29,525	73,888	179,217	166,337	457,609	597,760	876,671	2,409,997	17,123	2,427,120
Effect of Discounting											(106,194)
Liability for incurred claims payable											22,801
Gross liability for incurred claims											2,343,727

* The diagonal is based on 9-month analysis as at 31 December 2023

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29. INSURANCE RISK (CONT'D.)

29.3 Insurance contract liabilities and reinsurance contract assets for general insurance (Cont'd.)

29.3.5 Claims development table (Cont'd.)

Net liabilities for incurred claims for 31.12.2023:

Accident year	Before 2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024* RM'000	Sub total RM'000	Inward treaty and MMIP RM'000	Total RM'000
At end of accident year	1,325,842	1,272,624	1,331,795	1,377,143	1,187,595	1,186,197	1,350,359	1,183,489			
One year later	1,344,564	1,320,827	1,369,201	1,396,349	1,164,825	1,050,284	1,350,699				
Two years later	1,316,870	1,286,289	1,344,280	1,364,190	1,061,619	1,031,340					
Three years later	1,257,608	1,230,323	1,304,648	1,369,454	1,045,142						
Four years later	1,191,165	1,214,402	1,310,184	1,337,776							
Five years later	1,181,418	1,231,642	1,291,078								
Six years later	1,179,452	1,213,139									
Seven years later	1,183,058										
Current estimate of cumulative claims incurred	1,183,058	1,213,139	1,291,078	1,337,776	1,045,142	1,031,340	1,350,699	1,183,489			
At end of accident year	(500,108)	(510,035)	(547,112)	(595,590)	(460,864)	(390,713)	(513,284)	(386,890)			
One year later	(885,130)	(899,202)	(932,441)	(922,717)	(712,057)	(652,235)	(818,467)				
Two years later	(1,044,206)	(1,060,869)	(1,072,822)	(1,070,641)	(833,434)	(750,010)					
Three years later	(1,109,252)	(1,124,846)	(1,150,084)	(1,167,248)	(898,520)						
Four years later	(1,135,289)	(1,153,525)	(1,203,690)	(1,232,729)							
Five years later	(1,146,782)	(1,174,505)	(1,229,969)								
Six years later	(1,155,985)	(1,187,057)									
Seven years later	(1,164,324)										
Cumulative payments to-date	(1,164,324)	(1,187,057)	(1,229,969)	(1,232,729)	(898,520)	(750,010)	(818,467)	(386,890)			
Net general insurance claim liabilities (direct and facultative), gross of impairment loss on reinsurance contract assets	18,734	26,082	61,109	105,047	146,622	281,330	532,232	796,599	1,967,755	17,123	1,984,878
Effect of Discounting											(94,183)
Asset for incurred claims receivable											(24,860)
Net liability for incurred claims											1,865,835

* The diagonal is based on 9-month analysis as at 31 December 2023

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30. FINANCIAL RISK

30.1 Credit risk

Credit risk is defined as the risk of possible losses resulting from asset defaults; and related losses due to the inability or unwillingness of a counterparty to fully meet its contractual financial obligations.

The Company's significant credit exposures include:

- Investment credit risk – financial loss arising from default of the fixed income securities / debt securities issuer. The investment credit risk is according to the Rating Agency of Malaysia's ("RAM") (Note 30.1.1).
- Reinsurance counterparty risk – financial loss arising from a reinsurer's default, or the deterioration of the reinsurer's financial position.
- Insurance and other receivables credit risk - financial loss arising from default by insured, agents or other counterparties in the normal course of business; and staff loans and other receivables.

Reinsurance counterparty risk

The Company is exposed to the following reinsurance counterparty risk:

- as a result of debts arising from claims made by the Company but not yet paid by the reinsurer;
- from reinsurance premium payments made to the reinsurer in advance; and

The Company monitors the credit quality and financial conditions of its reinsurers on an ongoing basis and reviews its reinsurance arrangements periodically. The Company typically cedes businesses to regulated reinsurers that have a strong credit rating and concentration risks are avoided by adhering to internal policies and guidelines in respect of counterparties' limit that have been set.

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30. FINANCIAL RISK (CONT'D.)

30.1 Credit risk (Cont'd.)

Insurance and other receivables credit risk

The Company is exposed to insurance receivables credit risk arising from default by insured, agents or other counterparties. One of the credit events would be non-remittance of premium collected on behalf of insureds by the agents. In order to mitigate the insurance receivables credit risk, the Company will give due consideration to the credit quality of an agent before accepting him as an agent and constantly monitor receivable ageing.

The Company has policies to monitor credit risk from these receivables through meetings of the Credit Control Committee, Credit Control Department and Business Units to facilitate monitoring of the outstanding position. The Company also has guidelines to evaluate intermediaries before their appointment as well as setting credit limits to these appointees.

Loan credit risk

The Company is exposed to loan credit risk in several different areas, the most material of which is mortgage loans to employees of the Company.

At the reporting date, the Company's maximum exposure to credit risk is represented by the maximum amount of each class of financial assets/insurance contracts exposed to credit risk and recognised in the statement of financial position as shown in the table below:

	Note	31.12.2024 RM'000	31.12.2023 RM'000
AC financial assets:			
Fixed and call deposits	6.1	479,790	398,236
Loans	6.1	136	155
FVOCI financial assets:			
Malaysian government securities	6.3	393,055	433,864
Corporate bonds	6.3	303,058	296,972
Cagamas bonds	6.3	50,822	10,199
Reinsurance contract assets	14	373,222	459,790
Other receivables, excluding MMIP assets	7	56,896	65,330
Cash and short-term deposits	9	341,139	198,497
Total credit risk exposure		<u>1,998,118</u>	<u>1,863,043</u>

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30. FINANCIAL RISK (CONT'D.)**30.1 Credit risk (Cont'd.)****30.1.1 Credit exposure by credit rating**

The table below provides information regarding the credit risk exposure of the Company by classifying assets according to the Company's credit rating of counterparties:

	Investment grade RM'000	Non- investment grade/ unrated RM'000	Total RM'000
31.12.2024			
AC financial assets:			
Fixed and call deposits	479,790	-	479,790
Loans	-	136	136
FVOCI financial assets:			
Malaysian government securities	393,055	-	393,055
Corporate bonds	303,058	-	303,058
Cagamas bonds	50,822	-	50,822
Reinsurance contract assets	358,379	14,843	373,222
Other receivables, excluding MMIP assets	16,121	40,775	56,896
Cash and short-term deposits	341,096	43	341,139
Total credit risk exposure	<u>1,942,321</u>	<u>55,797</u>	<u>1,998,118</u>
31.12.2023			
AC financial assets:			
Fixed and call deposits	398,236	-	398,236
Loans	-	155	155
FVOCI financial assets:			
Malaysian government securities	433,864	-	433,864
Corporate bonds	296,972	-	296,972
Cagamas bonds	10,199	-	10,199
Reinsurance contract assets	335,908	123,882	459,790
Other receivables, excluding MMIP assets	12,732	52,598	65,330
Cash and short-term deposits	198,448	49	198,497
Total credit risk exposure	<u>1,686,359</u>	<u>176,684</u>	<u>1,863,043</u>

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30. FINANCIAL RISK (CONT'D.)

30.1 Credit risk (Cont'd.)

30.1.1 Credit exposure by credit rating (Cont'd.)

The table below provides information regarding the credit risk exposure of the Company by classifying assets according to the Rating Agency of Malaysia's ("RAM"). AAA is the highest possible rating.

	Government Guaranteed RM'000	AAA RM'000	AA RM'000	A RM'000	B RM'000	Non-rated RM'000	Total RM'000
31.12.2024							
AC financial assets:							
Fixed and call deposits	-	404,790	75,000	-	-	-	479,790
Loans	-	-	-	-	-	136	136
FVOCI financial assets:							
Malaysian government securities	393,055	-	-	-	-	-	393,055
Corporate bonds	122,101	159,975	20,982	-	-	-	303,058
Cagamas bonds	-	50,822	-	-	-	-	50,822
Reinsurance contract assets	-	312	77,097	280,970	-	14,843	373,222
Other receivables, excluding MMIP assets	4,272	9,821	2,028	-	-	40,775	56,896
Cash and short-term deposits	-	190,654	150,442	-	-	43	341,139
Total credit risk exposure	519,428	816,374	325,549	280,970	-	55,797	1,998,118

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30. FINANCIAL RISK (CONT'D.)

30.1 Credit risk (Cont'd.)

30.1.1 Credit exposure by credit rating (Cont'd.)

	Government Guaranteed RM'000	AAA RM'000	AA RM'000	A RM'000	B RM'000	Non-rated RM'000	Total RM'000
31.12.2023							
AC financial assets:							
Fixed and call deposits	-	183,236	215,000	-	-	-	398,236
Loans	-	-	-	-	-	155	155
FVOCI financial assets:							
Malaysian government securities	433,864	-	-	-	-	-	433,864
Corporate bonds	120,955	154,965	21,052	-	-	-	296,972
Cagamas bonds	-	10,199	-	-	-	-	10,199
Reinsurance contract assets	-	100	68,507	266,856	445	123,882	459,790
Other receivables, excluding MMIP assets	4,422	3,854	4,456	-	-	52,598	65,330
Cash and short-term deposits	-	44,222	82,874	71,352	-	49	198,497
Total credit risk exposure	559,241	396,576	391,889	338,208	445	176,684	1,863,043

30. FINANCIAL RISK (CONT'D.)

30.2 *Liquidity risk*

Liquidity risk is the risk that an entity will not have available sufficient cash resources to meet its payment obligations without incurring material additional costs.

The Company will meet its liquidity needs arising in a number of key areas:

- the ability to meet the Company's payment obligations under normal and stressed operating environments without suffering any material loss
- efficient management of additions or withdrawals from the Company's investment funds

Part of the Company's liquidity management strategy is to put in place the necessary framework capable of measuring and reporting on:

- daily cash flows
- minimum liquidity holdings
- cash flow forecasting, for a minimum of 2 months up to a maximum of 1 year
- the composition and market values of the Company's investment portfolios, including liquid holdings
- insurance contract liabilities

For managing the liquidity of the insurance funds, it is appropriate to maintain a certain proportion of the General Insurance Fund in liquid assets which is derived from the investment mandate of the Company.

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30. FINANCIAL RISK (CONT'D.)
30.2 Liquidity risk (Cont'd.)
30.2.1 Maturity profiles

The table below summarizes the maturity profile of the financial and insurance assets and liabilities of the Company based on the remaining undiscounted contractual obligations, including interest payable and receivable.

For insurance contract liabilities and reinsurance contract assets, maturity profiles are determined based on the estimated timing of net cash outflows from the recognised insurance liabilities.

	Carrying value RM'000	Up to a year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	No maturity date RM'000	Total RM'000
31.12.2024									
Financial investments:									
AC	479,926	479,903	12	11	10	7	95	-	480,038
FVTPL	3,687,846	-	-	-	-	-	-	3,687,846	3,687,846
FVOCI	746,935	118,057	175,593	249,321	97,395	77,781	123,161	-	841,308
	4,914,707	597,960	175,605	249,332	97,405	77,788	123,256	3,687,846	5,009,192
Reinsurance contract assets - ARIC	406,959	338,805	28,099	19,985	13,778	8,478	29,537	-	438,682
Other receivables, excluding MMIP assets	56,896	56,896	-	-	-	-	-	-	56,896
Cash and short-term deposits	341,139	341,139	-	-	-	-	-	-	341,139
Total financial assets	5,719,701	1,334,800	203,704	269,317	111,183	86,266	152,793	3,687,846	5,845,909
Insurance contract liabilities - LFIC	2,215,988	1,371,158	456,759	225,016	122,699	66,926	88,595	-	2,331,153
Lease liabilities	27,388	8,230	6,441	5,975	5,891	880	51	-	27,468
Other payables - financial liabilities	54,684	54,684	-	-	-	-	-	-	54,684
Total financial liabilities	2,298,060	1,434,072	463,200	230,991	128,590	67,806	88,646	-	2,413,305
Total liquidity surplus/(gap)	3,421,641	(99,272)	(259,496)	38,326	(17,407)	18,460	64,147	3,687,846	3,432,604

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30. FINANCIAL RISK (CONT'D.)

30.2 Liquidity risk (Cont'd.)

30.2.1 Maturity profiles (Cont'd.)

	Carrying value RM'000	Up to a year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	No maturity date RM'000	Total RM'000
31.12.2023									
Financial investments:									
AC	398,391	398,374	21	20	16	16	137	-	398,584
FVTPL	3,916,618	-	-	-	-	-	-	3,916,618	3,916,618
FVOCI	741,035	101,903	122,443	172,476	245,610	94,093	100,729	-	837,254
	5,056,044	500,277	122,464	172,496	245,626	94,109	100,866	3,916,618	5,152,456
Reinsurance contract assets - ARIC	477,892	389,434	65,231	19,976	8,541	3,095	3,630	-	489,907
Other receivables, excluding MMIP assets	65,330	65,330	-	-	-	-	-	-	65,330
Cash and short-term deposits	198,497	198,497	-	-	-	-	-	-	198,497
Total financial assets	5,797,763	1,153,538	187,695	192,472	254,167	97,204	104,496	3,916,618	5,906,190
Insurance contract liabilities - LFIC	2,343,727	1,507,134	476,309	208,517	103,430	57,649	88,700	-	2,441,739
Lease liabilities	37,059	12,908	7,208	5,859	5,402	5,390	518	-	37,285
Other payables - financial liabilities	79,943	79,943	-	-	-	-	-	-	79,943
Total financial liabilities	2,460,729	1,599,985	483,517	214,376	108,832	63,039	89,218	-	2,558,967
Total liquidity surplus/(gap)	3,337,034	(446,447)	(295,822)	(21,904)	145,335	34,165	15,278	3,916,618	3,347,223

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30. FINANCIAL RISK (CONT'D.)**30.2 Liquidity risk (Cont'd.)****30.2.1 Maturity profiles (Cont'd.)**

The table below summarizes the expected utilization or settlement of assets and liabilities by classifying them into Current and Non-current categories:

	Current* RM'000	Non- current RM'000	Total RM'000
31.12.2024			
Assets			
Property and equipment	-	79,342	79,342
Investments properties	-	30,636	30,636
Right-of-use assets	1,420	23,612	25,032
Intangible assets	-	18,214	18,214
Non-current assets held for sale	4,325	-	4,325
Investments	4,285,806	628,901	4,914,707
Reinsurance contract assets	291,295	81,927	373,222
Other receivables	56,896	36,344	93,240
Deferred tax assets	-	18,885	18,885
Cash and short-term deposits	341,139	-	341,139
Total assets	4,980,881	917,861	5,898,742
Liabilities			
Insurance contract liabilities	2,066,934	1,116,095	3,183,029
Lease liabilities	8,230	19,158	27,388
Provision for taxation	25,907	-	25,907
Other payables	276,683	2,246	278,929
Provision for retirement benefits	1,173	13,358	14,531
Total liabilities	2,378,927	1,150,857	3,529,784

* Expected maturities within 12 months from the reporting date.

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30. FINANCIAL RISK (CONT'D.)**30.2 Liquidity risk (Cont'd.)****30.2.1 Maturity profiles (Cont'd.)**

The table below summarizes the expected utilization or settlement of assets and liabilities by classifying them into Current and Non-current categories (Cont'd.):

	Current* RM'000	Non- current RM'000	Total RM'000
31.12.2023			
Assets			
Property and equipment	-	80,855	80,855
Investments properties	-	31,196	31,196
Right-of-use assets	-	34,351	34,351
Intangible assets	-	30,098	30,098
Investments	4,416,895	639,149	5,056,044
Reinsurance contract assets	360,210	99,580	459,790
Other receivables	65,330	38,223	103,553
Deferred tax assets	-	29,829	29,829
Cash and short-term deposits	198,497	-	198,497
Total assets	5,040,932	983,281	6,024,213
Liabilities			
Insurance contract liabilities	2,518,474	705,317	3,223,791
Lease liabilities	12,908	24,151	37,059
Provision for taxation	35,277	-	35,277
Other payables	330,871	2,330	333,201
Provision for retirement benefits	4,889	14,036	18,925
Total liabilities	2,902,419	745,834	3,648,253

* Expected maturities within 12 months from the reporting date.

30. FINANCIAL RISK (CONT'D.)

30.3 *Market risk*

Market risk is the risk of loss arising from a change in the values of, or the income from, financial assets of the Company. A risk of loss also arises from volatility in asset prices, interest rates, or exchange rates.

The Company has policies and limits to manage market risk. The market risk is managed through portfolio diversification and changes in assets allocation. The Company's policies on assets allocation, portfolio limit structure and diversification benchmark is aligned with the Company's risk appetite after taking cognizance of the regulatory requirements in respect of maintenance of assets and solvency.

30.3.1 *Foreign exchange risk*

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

At the reporting date, the Company has no significant exposure to foreign exchange risk.

The Company does not engage in derivative transactions for speculative purposes.

30.3.2 *Interest rate risk*

Interest rate risk is the risk of fluctuations in fair value or future cash flows of a financial instrument arising from volatility in interest rates.

The Company is exposed to interest rate risk through direct investments in fixed income securities. Day-to-day investment decisions around the management of interest rate risk and its impact on the value of the Company's investments are largely undertaken on behalf of the Company by approved fund managers, in accordance with the fund information memorandum/prospectus disclosed by the fund management houses. The fund managers will assess the extent of interest rate risk allowed by the fund as set out in the fund objectives and relative to the defined performance benchmarks. The methodology to manage interest rate risk within each specific fund is an integral part of the fund manager's approach adopted.

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30. FINANCIAL RISK (CONT'D.)

30.3 Market risk (Cont'd.)

30.3.2 Interest rate risk (Cont'd.)

The following table demonstrates the sensitivity to a reasonable change in interest rates on the fair value or future cash flows of debt securities:

		Increase/(Decrease)	
		31.12.2024	31.12.2023
	Change in variables	Impact on equity* RM'000	Impact on equity* RM'000
Parallel shift in yield curve	+50 bps	(8,175)	(8,401)
Parallel shift in yield curve	-50 bps	8,175	8,401

* impact on equity reflects adjustment for tax, where applicable.

The method used for deriving sensitivity information and significant variables did not change from the previous year.

30.3.3 Other market risk

The fair value of future cash flows of a financial instrument will also fluctuate because of the changes in market prices (other than those arising from interest rate risk or currency risk), regardless of whether those changes are caused by factors specific to the individual financial statements or its issuer or factors affecting similar financial instruments traded in the market. Currently the Company has no significant exposure to these risks, except for the investment in Collective Investment Schemes measured at FVTPL.

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30. FINANCIAL RISK (CONT'D.)

30.3 Market risk (Cont'd.)

30.3.3 Other market risk (Cont'd.)

The following table demonstrates the sensitivity to a reasonable change in market indices on the equity securities, as well as collective investment schemes and quoted unit and property trust funds:

		<----- 31.12.2024 ----->		<----- 31.12.2023 ----->	
		Impact on profit before taxation RM'000	Impact on equity* RM'000	Impact on profit before taxation RM'000	Impact on equity* RM'000
Equity securities:					
Market price	+5%	3,113	2,366	2,503	1,902
Market price	-5%	(3,113)	(2,366)	(2,503)	(1,902)
Unit and property trust funds:					
Market price	+5%	361	274	313	238
Market price	-5%	(361)	(274)	(313)	(238)
Collective investment schemes:					
Net asset value	+5%	180,919	137,498	193,015	146,691
Net asset value	-5%	(180,919)	(137,498)	(193,015)	(146,691)

* impact on equity reflects adjustment for tax, where applicable.

The method used for deriving sensitivity information and significant variables did not change from the previous year.

30.4 Operational risk

Operational Risk refers to the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Operational risk is inherent in all activities, products and services of financial institutions and can transverse multiple activities and business lines within the financial institutions. It includes a wide spectrum of heterogeneous risks such as fraud, physical damage, business disruption, cyber-attack, technology failures, transaction failures, legal and regulatory breaches, as well as employee health and safety hazards. Operational risk may result in direct financial losses as well as indirect financial losses (e.g. loss of business and market share) due to reputational damage.

However, by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage these risks. Controls include effective segregation of duties, access controls, authorization and reconciliation procedures, staff education and assessment processes, as well as the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Company's strategic planning and budgeting process.

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31. FAIR VALUE HIERARCHY

The table below analyses those financial instruments carried at fair value and assets for which fair value is disclosed by their valuation methods.

- (a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (b) Level 2 - Valuation techniques for which all inputs that are significant to the fair value measurement is directly or indirectly observable
- (c) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

	Note	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31.12.2024					
Assets measured at fair value on a recurring basis:					
FVTPL financial assets:					
Quoted equity securities	6.2	62,265	-	-	62,265
Unit and property trust funds	6.2	7,211	-	-	7,211
Collective investment schemes:					
Investment in subsidiaries	6.4	3,099,648	-	-	3,099,648
Investment in others	6.2	518,722	-	-	518,722
FVOCI financial assets:					
Malaysian government securities	6.3	-	393,055	-	393,055
Corporate bonds	6.3	-	303,058	-	303,058
Cagamas bonds	6.3	-	50,822	-	50,822
Unquoted equity securities in Malaysia*	6.3	-	-	-	-
Investment properties	11	-	-	30,636	30,636
		<u>3,687,846</u>	<u>746,935</u>	<u>30,636</u>	<u>4,465,417</u>

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31. FAIR VALUE HIERARCHY (CONT'D.)

	Note	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31.12.2023					
Assets measured at fair value on a recurring basis:					
FVTPL financial assets:					
Quoted equity securities	6.2	50,063	-	-	50,063
Unit and property trust funds	6.2	6,254	-	-	6,254
Collective investment schemes:					
Investment in subsidiaries	6.4	3,345,207	-	-	3,345,207
Investment in others	6.2	515,094	-	-	515,094
FVOCI financial assets:					
Malaysian government securities	6.3	-	433,864	-	433,864
Corporate bonds	6.3	-	296,972	-	296,972
Cagamas bonds	6.3	-	10,199	-	10,199
Unquoted equity securities in Malaysia*	6.3	-	-	-	-
Investment properties	11	-	-	31,196	31,196
		<u>3,916,618</u>	<u>741,035</u>	<u>31,196</u>	<u>4,688,849</u>

*This denotes that the fair value of unquoted equity securities as at 31 December 2024/2023 is RM1.

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32. REGULATORY CAPITAL REQUIREMENTS

The total capital available of the Company as at reporting date, as prescribed under the RBC Framework by BNM is provided below:

	31.12.2024	31.12.2023
	RM'000	RM'000
Eligible Tier 1 capital		
Fully paid-up ordinary shares (Note 12)	2,906,070	2,906,070
Paid-up non-cumulative irredeemable preference shares (Note 12)	61,000	61,000
Retained earnings	435,892	432,452
Merger reserves	(1,099,025)	(1,099,025)
	<u>2,303,937</u>	<u>2,300,497</u>
Tier 2 capital		
FVOCI reserves	1,241	944
Revaluation reserves	747	582
	<u>1,988</u>	<u>1,526</u>
Amounts deducted from capital	(73,670)	(101,380)
Total capital available	<u>2,232,255</u>	<u>2,200,643</u>

The total capital available is measured based on the requirements prescribed under the Framework by BNM and differs from the measurement basis reported in the statutory financial statements prepared in accordance with MFRS Accounting Standards.

33. INSURANCE FUND

The Company's activities are organized by funds and segregated into Insurance and Shareholder's Funds in accordance with the Financial Services Act, 2013.

The Insurance and Shareholder's Funds have been presented together as one fund in the Company's statement of financial position, income statement and statement of comprehensive income.

The general insurance business offers general insurance products which include Motor, Fire, Personal Accident, Health and Surgical, Marine, Aviation and Transit and Miscellaneous products.

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34. SIGNIFICANT EVENTS

The Malaysian Competition Commission ("MyCC")'s decision against Persatuan Insuran Am Malaysia ("PIAM") and its 22 members

On 22 February 2017, MyCC issued a proposed decision against PIAM and 22 of its members general insurers have, through an agreement with the Federation of Automobile Workshop Owners' ("FAWOAM"), infringed the prohibition under Section 4(2)(a) of the Competition Act 2010 ("the section 4 prohibition") for fixing parts trade discount and labour rates for PIAM Approved Repairers Scheme workshops. The proposed decision included proposed financial penalties on all 22 general insurers, including Liberty General Insurance Berhad ("LGIB" or "the Company"). LGIB's share of the proposed infringement penalties amounted to RM45,156,098.

Arising from the section 4 prohibition, MyCC imposed penalties of RM29,106,090 (pre Covid) on both AmGeneral (which now known as LGIB) and the former Liberty Insurance Berhad. After a post Covid reduction, the AmGeneral post-merger penalty amounted to RM21,829,568.

PIAM and its 22 insurers denied the section 4 prohibition and maintained that they were following Bank Negara Malaysia's directive to PIAM to engage with FAWOAM in order to resolve issues related to parts trade discounts and labour hourly rates. All the general insurers and PIAM filed their appeals to the Competition Appeal Tribunal ("COMPAT") and on 2 September 2022, COMPAT ruled in favour of the Insurers and set aside MyCC's earlier decision against the Insurers.

MyCC has filed an application for leave to bring judicial review proceedings to challenge COMPAT's decision in favour of the Insurers and the Insurers filed objections to MyCC's judicial review leave application. On 16 January 2024, the High Court dismissed MyCC's judicial review leave application. On 15 February 2024, MyCC filed an appeal to the Court of Appeal against the High Court's decision. The matter is now fixed for hearing on 22 May 2025.

As at the date of financial statements, there have been no further developments on this matter and no provision is set aside.

35. COMPARATIVE FIGURES

The income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and the related notes to the financial statements for the financial year from 1 January 2024 to 31 December 2024 are not directly comparable to the comparative figures, as they were only presented for the financial period from 1 April 2023 to 31 December 2023, due to the change in financial year-end of the Company from 31 March to 31 December during the previous financial period so as to coincide with financial year-end of the holding and ultimate holding companies.

36. INTERNATIONAL TAX REFORM - PILLAR TWO MODEL RULES

In December 2021, the Organisation for Economic Co-operation and Development ("OECD") issued model rules for a new global minimum tax framework (Pillar Two). An entity is required to separately disclose its current tax expense (income) related to Pillar Two Income taxes in the periods when the legislation is effective, as this helps users of financial statements understand the relative level of those taxes.

The Amendments require, for periods in which Pillar Two legislation is (substantively) enacted but not yet effective, disclosure of known or reasonably estimable information that helps users of financial statements understand the entity's exposure arising from Pillar Two Income taxes. To comply with these requirements, an entity is required to disclose qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period.

The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon issue of the Amendments.

The disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after 1 January 2023, but are not required for any interim period ending on or before 31 December 2023. The Company is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in United Kingdom and Vietnam. Since the Pillar Two legislation was not effective at the reporting date, the Company has no related current tax exposure. The Company applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.