



FINANCIAL STATEMENTS

Liberty Insurance Berhad (16688-K) (Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 20)16	
	2016 RM'000	2015 RM'000
ASSETS	00.400	
Property and equipment	60,160	62,253
Intangible assets - software	5,572	4,490 461
Non-current assets held for sale Investment properties	54.028	53.628
Available-for-sale financial assets	344.650	161,164
Loans and receivables	711.295	880,551
Reinsurance assets	165,320	172,268
Insurance receivables	28,023	33,281
Deferred tax assets	500	55,201
Deferred acquisition costs	29,760	27,943
Cash and short term deposits	88,929	8,429
Total assets	1,488,237	1,404,468
EQUITY AND LIABILITIES		
Share capital	100.000	100,000
Other reserves	16,444	17,873
Retained earnings	416,266	345,455
Total equity	532,710	463,328
LIABILITIES		
Insurance contract liabilities	844,342	793,253
Deferred tax liabilities	-	2,400
Deferred acquisition costs - reinsurance	5,143	5,016
Insurance payables	40,448	73,958
Other payables	56,345	57,409
Tax liabilities	9,249	9,104
Total liabilities	955,527	941,140
Total equity and liabilities	1,488,237	1,404,468

STATEMENT OF INCOME FOR THE YEAR ENDED 31 DECEMBER 2016		
	2016 RM'000	2015 RM'000
Gross written premiums Change in premium liabilities Gross earned premiums (a)	623,419 (11,993) 611,426	585,518 (18,998) 566,520
Reinsurance premiums ceded Change in premium liabilities Premiums ceded to reinsurers (b)	(127,388) (1,047) (128,435)	(130,112) (6,267) (136,379)
Net earned premiums (a) - (b)	482,991	430,141
Investment income Realised gains and losses Net fair value (losses)/gains Commission income Other operating income Other revenue	39,981 346 (30) 36,276 8,441 85,014	36,108 13 3,674 32,241 4,994 77,030
Gross claims paid Claims ceded to reinsurers Gross change to claims liabilities Change in claims liabilities ceded to reinsurers Net claims incurred	(302,950) 60,042 (39,096) (5,901) (287,905)	(281,729) 65,546 (20,269) (27,700) (264,152)
Commission expense Management expenses Other expenses	(65,991) (120,735) (186,726)	(61,585) (107,649) (169,234)
Profit before taxation Tax expense	93,374 (22,880)	73,785 (19,759)
Net profit for the financial year	70,494	54,026
Basic and diluted earnings per share (sen)	70.49	54.03

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016			
Net profit for the financial year	2016 RM'000 70,494	2015 RM'000 54,026	
Other comprehensive income: Item that will not be reclassified to profit or loss: Asset revaluation reserve			
Revaluation surplus on self-occupied properties Tax effect on revaluation surplus	276 (61)	2,430 (264)	
lax effect of revaluation surplus	215	2,166	
Item that may be subsequently reclassified to profit or loss: Available-for-sale ("AFS") reserve			
Fair value loss of AFS financial assets	(1,846)	(1,296)	
Tax effect on fair value loss of AFS financial assets	<u>443</u> (1,403)	(1,006)	
Total comprehensive income for the financial year	69,306	55,186	

	Issued and fully paid ordinary shares of RM 1 each		Non-distri	butable	Distributable	
	Number of shares 000	Nominal value RM'000	Asset revaluation reserve RM'000	AFS reserve RM'000	Retained earnings RM'000	Total
At 1 January 2015 Total comprehensive income for the financial year	100,000	100,000	18,329 2,166	(1,616) (1,006)	291,429 54,026	408,142 55,186
At 31 December 2015	100,000	100,000	20,495	(2,622)	345,455	463,328
At 1 January 2016 Total comprehensive	100,000	100,000	20,495	(2,622)	345,455	463,328
income for the financial year Transfer from asset revaluation reserve to retained earnings upon	-	-	215	(1,403)	70,494	69,306
disposal of property Tax effect of the transfer of asset revaluation reserve to retained earnings upon	-	-	(241)	-	241	-
disposal of property	-	-	-	-	76	76
At 31 December 2016	100,000	100,000	20,469	(4,025)	416,266	532,710

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER	STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016				
CASH FLOWS FROM OPERATING ACTIVITIES	2016 RM'000	2015 RM'000			
Net profit for the financial year	70,494	54,026			
Adjustment for non-cash items: Property and equipment		51,525			
- depreciation	4,770	3,708			
- (gain)/loss on disposal	(387)	41			
- written off	39 214	100 164			
Amortisation of intangible assets Net fair value losses/(gains) on investment properties	30	(3,674)			
Interest income	(40,469)	(36,207)			
Net rental expenses	659	185			
Net accretion of discounts	(171)	(86)			
(Write back of)/provision for impairment allowance on insurance receivables	(1,773)	1,626			
Recoveries of bad debts written off	(98)	(50)			
Provision for post-employment benefit obligations	-	5			
Tax expense	22,880	19,759			
	56,188	39,597			
Purchase of available-for-sale financial assets	(191,422)	(69,495)			
Proceeds from maturity of available-for-sale financial assets	8,155	40,131			
Interest income received Net rental expenses	35,063 (659)	28,304 (185)			
Payment of post-employment benefit obligations	(009)	(792)			
Decrease in reinsurance assets	6,948	33,967			
Decrease in insurance receivables	7,129	6,848			
Increase in deferred acquisition costs	(1,817)	(1,629)			
Decrease in insurance payables	(33,510)	(12,073)			
Increase in insurance contract liabilities Decrease/(Increase) in loans and receivables	51,089 172,768	39,267			
Decrease/(Increase) in other payables	(1,064)	(91,164) 363			
Increase/(Decrease) in deferred acquisition costs - reinsurance	127	(888)			
Cash generated from operating activities	108,995	12,251			
Income tax paid	(25,177)	(15,820)			
Tax refund	-	2,428			
Net cash inflows/(outflows) from operating activities	83,818	(1,141)			
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property and equipment	(2,682)	(3,980)			
Purchase of intangible assets - software	(1,296)	(1,050)			
Purchase of investment property	(430)	(1,290)			
Proceeds from disposal of property and equipment	1,090	62			
Net cash outflows from investing activities	(3,318)	(6,258)			
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS CASH AND CASH EQUIVALENTS AT	80,500	(7,399)			
BEGINNING OF THE FINANCIAL YEAR	8,429	15,828			
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	88,929	8,429			
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STATEMENT OF CASH ELOWS FOR THE VEAR ENDER 24 DECEMBER 2016

NOTE:

- Visit our website at www.libertyinsurance.com.my for the full version of the audited financial statements for 31 December 2016.
- ii) A copy of the audited financial statements is available at every branch of the Company in Malaysia.

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

Report on the abridged financial statements

Opinion

The abridged financial statements, which comprise the summary statement of financial position as at 31 December 2016, the summary statement of income, summary statement of comprehensive income, summary statement of changes in equity and summary statement of cash flows for the year then ended, are derived from the audited financial statements of Liberty Insurance Berhad for the year ended 31 December 2016.

In our opinion, the accompanying abridged financial statements are consistent, in all material respects, with the audited financial statements, in accordance with the presentation and disclosure requirements as prescribed by Bank Negara Malaysia.

Abridged financial statements

The abridged financial statements do not contain all the disclosures required by the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. Reading the abridged financial statements and the auditors' report thereon, therefore, is not a substitute for reading the audited financial statements of Liberty Insurance Berhad and the auditors' report thereon.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 23 March 2017.

Directors' responsibility for the abridged financial statements

The directors are responsible for the preparation of the abridged financial statements based on the audited financial statements in accordance with the presentation and disclosure requirements as prescribed by Bank Negara Malaysia.

Auditors' responsibility

Our responsibility is to express an opinion on whether the abridged financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with Malaysian Approved Standard on Auditing, ISA 810 (Revised), "Engagements to Report on Summary Financial Statements".

Restriction on use

Our report on the abridged financial statements of Liberty Insurance Berhad for the year ended 31 December 2016 is issued in compliance with Bank Negara Malaysia Guidelines and for no other purpose.

Ernst & Young AF: 0039 Chartered Accountants Brandon Bruce Sta Maria No. 2937/09/17(J) Chartered Accountant

Kuala Lumpur, Malaysia 23 March 2017