

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017**

	2017 RM'000	2016 RM'000
<b>ASSETS</b>		
Property and equipment	61,099	60,160
Intangible assets - software	2,478	5,572
Investment properties	54,528	54,028
Available-for-sale financial assets	387,206	344,650
Loans and receivables	816,195	711,295
Reinsurance assets	263,990	165,320
Insurance receivables	35,204	28,023
Tax assets	1,740	-
Deferred tax assets	-	500
Deferred acquisition costs	30,834	29,760
Cash and short term deposits	30,465	88,929
<b>Total assets</b>	<b>1,683,739</b>	<b>1,488,237</b>
<b>EQUITY</b>		
Share capital	100,000	100,000
Other reserves	19,715	16,444
Retained earnings	463,778	416,266
<b>Total equity</b>	<b>583,493</b>	<b>532,710</b>
<b>LIABILITIES</b>		
Insurance contract liabilities	1,031,252	844,342
Deferred tax liabilities	1,885	-
Deferred acquisition costs - reinsurance	2,684	5,143
Insurance payables	21,430	40,448
Other payables	42,995	56,345
Tax liabilities	-	9,249
<b>Total liabilities</b>	<b>1,100,246</b>	<b>955,527</b>
<b>Total equity and liabilities</b>	<b>1,683,739</b>	<b>1,488,237</b>

**STATEMENT OF INCOME FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 RM'000	2016 RM'000
Gross written premiums	651,826	623,419
Change in premium liabilities	(13,488)	(11,993)
<b>Gross earned premiums (a)</b>	<b>638,338</b>	<b>611,426</b>
Reinsurance premiums ceded	(95,672)	(127,388)
Change in premium liabilities	(28,282)	(1,047)
<b>Premiums ceded to reinsurers (b)</b>	<b>(123,954)</b>	<b>(128,435)</b>
<b>Net earned premiums (a) - (b)</b>	<b>514,384</b>	<b>482,991</b>
Investment income	45,116	39,981
Realised losses and gains	(34)	346
Net fair value gains/(losses)	500	(30)
Commission income	26,931	36,276
Other operating income	9,722	8,441
Other revenue	82,235	85,014
Gross claims paid	(361,231)	(302,950)
Claims ceded to reinsurers	62,291	60,042
Gross change to claims liabilities	(173,422)	(39,096)
Change in claims liabilities ceded to reinsurers	126,952	(5,901)
<b>Net claims incurred</b>	<b>(345,410)</b>	<b>(287,905)</b>
Commission expense	(68,810)	(65,991)
Management expenses	(115,643)	(120,735)
Other expenses	(184,453)	(186,726)
Profit before taxation	66,756	93,374
Tax expense	(14,244)	(22,880)
<b>Net profit for the financial year</b>	<b>52,512</b>	<b>70,494</b>
Basic and diluted earnings per share (sen)	52.51	70.49

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 RM'000	2016 RM'000
Net profit for the financial year	52,512	70,494
Other comprehensive income:		
Item that will not be subsequently reclassified to profit or loss:		
<u>Asset revaluation reserve</u>		
Revaluation surplus on self-occupied properties	526	276
Tax effect on revaluation surplus	(193)	(61)
	333	215
Item that may be subsequently reclassified to profit or loss:		
<u>Available-for-sale ("AFS") reserve</u>		
Fair value gain/(loss) of AFS financial assets	3,866	(1,846)
Tax effect on fair value (gain)/loss of AFS financial assets	(928)	443
	2,938	(1,403)
<b>Total comprehensive income for the financial year</b>	<b>55,783</b>	<b>69,306</b>

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017**

	Issued and fully paid ordinary shares RM'000	Non-distributable		Distributable Retained earnings RM'000	Total RM'000
		Asset revaluation reserve RM'000	AFS reserve RM'000		
At 1 January 2016	100,000	20,495	(2,622)	345,455	463,328
Total comprehensive income for the financial year	-	215	(1,403)	70,494	69,306
Transfer from asset revaluation reserve to retained earnings upon disposal of property	-	(241)	-	241	-
Tax effect of the transfer of asset revaluation reserve to retained earnings upon disposal of property	-	-	-	76	76
At 31 December 2016	100,000	20,469	(4,025)	416,266	532,710
At 1 January 2017	100,000	20,469	(4,025)	416,266	532,710
Total comprehensive income for the financial year	-	333	2,938	52,512	55,783
Dividends paid during the year	-	-	-	(5,000)	(5,000)
At 31 December 2017	100,000	20,802	(1,087)	463,778	583,493

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 RM'000	2016 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit for the financial year	52,512	70,494
<b>Adjustment for non-cash items:</b>		
Property and equipment		
- depreciation	3,242	4,770
- gain on disposal	-	(387)
- written off	130	39
Amortisation of intangible assets	1,174	214
Net fair value (gains)/losses on investment properties	(500)	30
Interest income	(44,442)	(40,469)
Net rental (income)/expenses	(331)	659
Net accretion of discounts	(343)	(171)
Impairment allowance on insurance receivables	(10)	(1,773)
Recoveries of bad debts written off	(299)	(98)
Tax expense	14,244	22,880
	25,377	56,188
Purchase of available-for-sale financial assets	(54,809)	(191,422)
Proceeds from maturity of available-for-sale financial assets	16,733	8,155
Interest income received	44,955	35,063
Net rental income/(expenses)	331	(659)
(Increase)/Decrease in reinsurance assets	(98,670)	6,948
(Increase)/Decrease in insurance receivables	(6,872)	7,129
Increase in deferred acquisition costs	(1,074)	(1,817)
Decrease in insurance payables	(19,018)	(33,510)
Increase in insurance contract liabilities	186,910	51,089
(Increase)/Decrease in loans and receivables	(105,682)	172,768
Decrease in other payables	(13,350)	(1,064)
(Decrease)/Increase in deferred acquisition costs - reinsurance	(2,459)	127
<b>Cash (used in)/generated from operating activities</b>	<b>(27,628)</b>	<b>108,995</b>
Income tax paid	(23,971)	(25,177)
<b>Net cash (outflows)/inflows from operating activities</b>	<b>(51,599)</b>	<b>83,818</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(1,422)	(2,682)
Purchase of intangible assets - software	(443)	(1,296)
Purchase of investment property	-	(430)
Proceeds from disposal of property and equipment	-	1,090
<b>Net cash outflows from investing activities</b>	<b>(1,865)</b>	<b>(3,318)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(5,000)	-
Net cash outflows from financing activities	(5,000)	-
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(58,464)</b>	<b>80,500</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>88,929</b>	<b>8,429</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<b>30,465</b>	<b>88,929</b>

**NOTE :**

- Visit our website at [www.libertyinsurance.com.my](http://www.libertyinsurance.com.my) for the full version of the audited financial statements for 31 December 2017.
- 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 2017, 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 2017.

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, 2016 in Malaysia. Reading the abridged financial statements and the auditors' report thereon, therefore, is not a substitute for reading the audited financial statements 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 2018.

**Directors' responsibility for the abridged financial statements**

The directors are responsible for the preparation of the abridged 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 2017 is issued in compliance with Bank Negara Malaysia Guidelines and for no other purpose.

Ernst & Young  
AF: 0039  
Chartered Accountants

Kuala Lumpur, Malaysia  
23 March 2018

Brandon Bruce Sta Maria  
No. 02937/09/2019 J  
Chartered Accountant