

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019**

	2019 RM'000	2018 RM'000
<b>ASSETS</b>		
Property and equipment	71,449	57,059
Right-of-use assets	2,180	-
Intangible assets - software	1,920	1,897
Investment properties	29,528	52,228
Financial assets at fair value through other comprehensive income	417,628	367,776
Financial assets at fair value through profit or loss	60,080	-
Financial assets at amortised cost	798,978	863,908
Reinsurance assets	97,426	122,613
Insurance receivables	35,766	38,241
Other receivables	56,428	60,674
Tax recoverable	-	3,201
Deferred tax assets	-	123
Deferred acquisition costs	31,918	29,127
Cash and short term deposits	29,244	9,816
Total assets still in use for business activities	1,632,545	1,606,663
Non-current asset held for sale	6,600	-
<b>Total assets</b>	<b>1,639,145</b>	<b>1,606,663</b>
<b>EQUITY</b>		
Share capital	100,000	100,000
Other reserves	24,963	18,230
Retained earnings	523,797	482,600
<b>Total equity</b>	<b>648,760</b>	<b>600,830</b>
<b>LIABILITIES</b>		
Insurance contract liabilities	897,291	931,073
Tax liabilities	4,407	-
Deferred tax liabilities	2,866	-
Deferred acquisition costs - reinsurance	3,310	2,676
Insurance payables	37,898	23,662
Other payables	42,408	48,422
Lease liabilities	2,205	-
<b>Total liabilities</b>	<b>990,385</b>	<b>1,005,833</b>
<b>Total equity and liabilities</b>	<b>1,639,145</b>	<b>1,606,663</b>

NOTE:  
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ii) A copy of the audited financial statements is available at every branch of the Company in Malaysia.

**STATEMENT OF INCOME FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 RM'000	2018 RM'000
Gross written premiums	620,481	640,163
Change in premium liabilities	(9,494)	13,869
Gross earned premiums (a)	610,987	654,032
Reinsurance premiums ceded	(82,892)	(75,857)
Change in premium liabilities	2,164	812
Premiums ceded to reinsurers (b)	(80,728)	(75,045)
<b>Net earned premiums (a) - (b)</b>	<b>530,259</b>	<b>578,987</b>
Investment income	49,891	48,983
Realised losses	(35)	(115)
Net fair value losses	(2,220)	(2,300)
Commission income	15,959	15,763
Other operating income	7,451	4,435
Other revenue	71,046	66,766
Gross claims paid	(426,669)	(548,615)
Claims ceded to reinsurers	48,727	172,694
Gross change to claims liabilities	43,276	86,310
Change in claims liabilities ceded to reinsurers	(27,351)	(142,189)
Net claims incurred	(362,017)	(431,800)
Commission expense	(67,012)	(69,046)
Management expenses	(117,077)	(121,388)
Other expenses	(184,089)	(190,434)
Profit before taxation	55,199	23,519
Tax expense	(14,002)	(4,954)
<b>Net profit for the financial year</b>	<b>41,197</b>	<b>18,565</b>
Basic and diluted earnings per share (sen)	41.20	18.57

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**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 RM'000	2018 RM'000
Net profit for the financial year	41,197	18,565
Other comprehensive income:		
Items that will not be subsequently reclassified to profit or loss:		
<u>Asset revaluation reserve</u>		
Revaluation surplus/(deficit) on self-occupied properties	923	(1,812)
Tax effect on revaluation surplus or deficit	(217)	392
<u>Fair value through other comprehensive income ("FVOCI")</u>		
Fair value (loss)/gain on equity instruments designated at FVOCI	(30)	5
Tax effect on fair value gain or loss of FVOCI financial assets	(5)	(1)
	671	(1,416)
Items that may be subsequently reclassified to profit or loss:		
<u>Fair value through other comprehensive income ("FVOCI")</u>		
Fair value gain/(loss) on debt instruments designated at FVOCI	7,975	(65)
Tax effect on fair value gain or loss of FVOCI financial assets	(1,913)	16
	6,062	(49)
<b>Total comprehensive income for the financial year</b>	<b>47,930</b>	<b>17,100</b>

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**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019**

	Issued and fully paid ordinary shares	Non-distributable		Distributable	
		Asset revaluation reserve	FVOCI reserve	Retained earnings	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2018	100,000	20,802	(1,107)	464,035	583,730
Total comprehensive income for the financial year	-	(1,420)	(45)	18,565	17,100
At 31 December 2018	100,000	19,382	(1,152)	482,600	600,830
At 1 January 2019	100,000	19,382	(1,152)	482,600	600,830
Total comprehensive income for the financial year	-	706	6,027	41,197	47,930
At 31 December 2019	100,000	20,088	4,875	523,797	648,760

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**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 RM'000	2018 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit for the financial year	41,197	18,565
<u>Adjustment for non-cash items:</u>		
Property and equipment - depreciation	3,335	3,138
- loss on disposal	-	112
- written off	15	43
- reclassification	171	98
Amortisation of intangible assets	935	1,055
Reclassification and adjustments intangible assets	-	12
Depreciation of right-of-use assets	1,245	-
Net fair value losses on investment properties	2,300	2,300
Net fair value gain from FVTPL financial assets	(80)	-
Interest income	(49,139)	(48,001)
Distribution income	(57)	-
Net rental income	(137)	(374)
Net accretion of discounts	(558)	(608)
Write back of impairment allowance for insurance receivables	(878)	(472)
Impairment allowance of uncollectible service tax	-	1,351
Bad debts written off	16	263
Interest expense	64	-
Tax expense	14,002	4,954
	12,431	(17,564)
Purchase of FVOCI financial assets	(90,723)	(15,087)
Purchase of FVTPL financial assets	(60,000)	-
Proceeds from maturity of FVOCI financial assets	50,000	35,025
Interest income received	50,443	46,257
Distribution income	57	-
Net rental income received	137	374
Decrease in reinsurance assets	25,187	141,377
Decrease/(Increase) in insurance receivables	3,337	(3,902)
(Increase)/Decrease in deferred acquisition costs	(2,791)	1,707
Increase in insurance payables	14,236	2,232
Decrease in insurance contract liabilities	(33,782)	(100,179)
Decrease/(Increase) in financial assets at amortised cost	63,000	(111,040)
Decrease in other receivables	4,246	4,397
(Decrease)/Increase in other payables	(6,014)	5,427
Increase/(Decrease) in deferred acquisition costs - reinsurance	634	(8)
Cash generated from/(used in) operating activities	30,398	(10,984)
Income tax paid	(5,540)	(8,016)
<b>Net cash inflows/(outflows) from operating activities</b>	<b>24,858</b>	<b>(19,000)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(3,188)	(1,349)
Purchase of intangible assets - software	(958)	(486)
Proceeds from disposal of property and equipment	-	186
<b>Net cash outflows from investing activities</b>	<b>(4,146)</b>	<b>(1,649)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of lease liability	(1,284)	-
<b>Net cash outflows from financing activities</b>	<b>(1,284)</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>19,428</b>	<b>(20,649)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>9,816</b>	<b>30,465</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<b>29,244</b>	<b>9,816</b>

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**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 2019, 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 2019.

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 12 May 2020.

**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 2019 is issued in compliance with Bank Negara Malaysia Guidelines and for no other purpose.

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

Kuala Lumpur, Malaysia  
12 May 2020

Ng Sue Ean  
No. 03276/07/2020 J  
Chartered Accountant