

## FINANCIAL STATEMENTS 31 DECEMBER 2020

### STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	2020 RM'000	2019 RM'000
<b>ASSETS</b>		
Property and equipment	67,765	71,449
Right-of-use assets	1,441	2,180
Intangible assets - software	2,493	1,920
Investment properties	28,720	29,528
Financial assets at fair value through other comprehensive income	642,624	417,628
Financial assets at fair value through profit or loss	136,302	60,080
Financial assets at amortised cost	590,806	798,978
Reinsurance assets	100,216	97,426
Insurance receivables	37,186	35,766
Other receivables	51,392	56,428
Deferred acquisition costs	31,149	31,918
Cash and short term deposits	38,089	29,244
Total assets still in used for business activities	1,728,183	1,632,545
Non-current asset held for sale	6,600	6,600
Total assets	<u>1,734,783</u>	<u>1,639,145</u>
<b>EQUITY</b>		
Share capital	100,000	100,000
Other reserves	33,507	24,963
Retained earnings	606,251	523,797
Total equity	<u>739,758</u>	<u>648,760</u>
<b>LIABILITIES</b>		
Insurance contract liabilities	865,391	897,291
Tax liabilities	17,536	4,407
Deferred tax liabilities	2,433	2,866
Deferred acquisition costs - reinsurance	3,911	3,310
Insurance payables	39,147	37,898
Other payables	65,137	42,408
Lease liabilities	1,470	2,205
Total liabilities	<u>995,025</u>	<u>990,385</u>
Total equity and liabilities	<u>1,734,783</u>	<u>1,639,145</u>

NOTE:  
i) 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 2020.  
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 2020

	2020 RM'000	2019 RM'000
Gross written premiums	594,696	620,481
Change in premium liabilities	3,890	(9,494)
Gross earned premiums (a)	<u>598,586</u>	<u>610,987</u>
Reinsurance premiums ceded	(90,555)	(82,892)
Change in premium liabilities	3,723	2,164
Premiums ceded to reinsurers (b)	<u>(86,832)</u>	<u>(80,728)</u>
Net earned premiums (a) - (b)	<u>511,754</u>	<u>530,259</u>
Investment income	45,415	49,891
Realised losses	(64)	(35)
Net fair value gains/(losses)	167	(2,220)
Commission income	18,207	15,959
Other operating income	4,640	7,451
Other revenue	<u>68,365</u>	<u>71,046</u>
Gross claims paid	(322,774)	(426,669)
Claims ceded to reinsurers	34,867	48,727
Gross change to claims liabilities	28,010	43,276
Change in claims liabilities ceded to reinsurers	(933)	(27,351)
Net claims incurred	<u>(260,830)</u>	<u>(362,017)</u>
Commission expense	(68,198)	(67,012)
Management expenses	(130,688)	(117,077)
Other operating expenses	(8,116)	-
Other expenses	<u>(207,002)</u>	<u>(184,089)</u>
Profit before taxation	112,287	55,199
Tax expense	<u>(29,833)</u>	<u>(14,002)</u>
Net profit for the financial year	<u>82,454</u>	<u>41,197</u>
Basic and diluted earnings per share (sen)	<u>82.45</u>	<u>41.20</u>

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### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 RM'000	2019 RM'000
Net profit for the financial year	82,454	41,197
Other comprehensive income:		
Items that will not be subsequently reclassified to profit or loss:		
<u>Asset revaluation reserve</u>		
Revaluation (deficit)/surplus on self-occupied properties	(578)	923
Tax effect on revaluation deficit/(surplus)	155	(217)
Fair value through other comprehensive income ("FVOCI")		
Fair value loss on equity instruments designated at FVOCI	-	(30)
Tax effect on fair value loss of FVOCI financial assets	(423)	(5)
Items that may be subsequently reclassified to profit or loss:		
Fair value through other comprehensive income ("FVOCI")		
Fair value gain on debt instruments designated at FVOCI	11,798	7,975
Tax effect on fair value gain of FVOCI financial assets	(2,831)	(1,913)
	<u>8,967</u>	<u>6,062</u>
Total comprehensive income for the financial year	<u>90,998</u>	<u>47,930</u>

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### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Issued and fully paid ordinary shares	Non-distributable Asset revaluation reserve	FVOCI reserve	Distributable Retained earnings	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
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	<u>100,000</u>	<u>20,088</u>	<u>4,875</u>	<u>523,797</u>	<u>648,760</u>
At 1 January 2020	100,000	20,088	4,875	523,797	648,760
Total comprehensive income for the financial year	-	(423)	8,967	82,454	90,998
At 31 December 2020	<u>100,000</u>	<u>19,665</u>	<u>13,842</u>	<u>606,251</u>	<u>739,758</u>

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### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 RM'000	2019 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit for the financial year	82,454	41,197
<u>Adjustment for non-cash items:</u>		
Property and equipment		
- depreciation	4,280	3,335
- loss on disposal	62	-
- written off	-	15
- adjustment	119	171
Amortisation of intangible assets	937	935
Depreciation of right-of-use assets	1,096	1,245
Net fair value losses on investment properties	808	2,300
Net fair value gain from FVTPL financial assets	(975)	(80)
Interest income	(42,523)	(49,139)
Distribution income	(3,797)	(57)
Net rental (expense paid)/income received	278	(137)
Net amortisation/(accretion) of discounts	627	(558)
Write back of impairment allowance for insurance receivables	(1,237)	(878)
Write back of Impairment allowance of uncollectible service tax	(1,351)	-
Receivables bad debts written off	2,145	16
Interest expense	43	64
Tax expense	<u>29,833</u>	<u>14,002</u>
	<u>72,799</u>	<u>12,431</u>
Purchase of FVOCI financial assets	(277,087)	(90,723)
Purchase of FVTPL financial assets	(75,247)	(60,000)
Proceeds from maturity of FVOCI financial assets	65,000	50,000
Interest income received	48,957	50,443
Distribution income	3,797	57
Net rental (expense paid)/income received	(278)	137
(Increase)/decrease in reinsurance assets	(2,790)	25,187
(Increase)/decrease in insurance receivables	(2,328)	3,337
Decrease/(increase) in deferred acquisition costs	769	(2,791)
Increase in insurance payables	1,249	14,236
Decrease in insurance contract liabilities	(31,900)	(33,782)
Decrease in financial assets at amortised cost	200,000	63,000
Decrease in other receivables	6,387	4,246
Increase/(decrease) in other payables	22,729	(6,014)
Increase in deferred acquisition costs - reinsurance	601	634
Cash generated from operating activities	<u>32,658</u>	<u>30,398</u>
Income tax paid	<u>(19,813)</u>	<u>(5,540)</u>
Net cash inflows from operating activities	<u>12,845</u>	<u>24,858</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(1,568)	(3,188)
Purchase of intangible assets - software	(1,510)	(958)
Proceeds from disposal of property and equipment	213	-
Net cash outflows from investing activities	<u>(2,865)</u>	<u>(4,146)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of lease liability	<u>(1,135)</u>	<u>(1,284)</u>
Net cash outflows from financing activities	<u>(1,135)</u>	<u>(1,284)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>8,845</u>	<u>19,428</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<u>29,244</u>	<u>9,816</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<u>38,089</u>	<u>29,244</u>

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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 2020, 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 2020.

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 25 March 2021.

#### 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 2020 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  
25 March 2021

Ng Sue Ean  
No. 03276/07/2022 J  
Chartered Accountant