LIBERTY INSURANCE BERHAD
(16688-K)
(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2018

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(Incorporated in Malaysia)

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LIBERTY INSURANCE BERHAD
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UNAUDITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	As at 30.6.2018 Unaudited RM'000	As at 31.12.2017 Audited RM'000
ASSETS			
Property and equipment		60,439	61,099
Intangible assets - software		1,983	2,478
Investment properties	10	54,528	54,528
Available-for-sale financial assets	11	-	387,206
Financial assets at fair value through other comprehensive income	12	385,598	-
Loans and receivables	13	857,979	816,195
Reinsurance assets	14	283,451	263,990
Insurance receivables	15	62,671	35,204
Tax assets		9,199	1,740
Deferred acquisition costs		32,710	30,834
Cash and short term deposits		76,730	30,465
Total assets		1,825,288	1,683,739
EQUITY AND LIABILITIES			
Share capital		100,000	100,000
Other reserves		18,112	19,715
Retained earnings		464,034	463,778
Total equity		582,146	583,493
LIABILITIES			
Insurance contract liabilities	16	1,125,870	1,031,252
Deferred tax liabilities		4,163	1,885
Deferred acquisition costs - reinsurance		2,670	2,684
Insurance payables		80,156	21,430
Other payables		30,283	42,995
Total liabilities		1,243,143	1,100,246
Total equity and liabilities		1,825,288	1,683,739

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

LIBERTY INSURANCE BERHAD
(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM STATEMENT OF INCOME FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2018

		6 months ended 30.6.2018 Unaudited RM'000	6 months ended 30.6.2017 Unaudited RM'000
Gross written premiums		351,128	343,260
Change in premium liabilities		(24,623)	(25,269)
Gross earned premiums (a)		326,505	317,991
Reinsurance premiums ceded		(43,821)	(61,590)
Change in premium liabilities		1,319	(9,509)
Premiums ceded to reinsurers (b)		(42,502)	(71,099)
Net earned premiums (a) - (b)		284,003	246,892
Investment income		23,411	22,952
Realised (losses) and gains		(121)	(2)
Commission income		7,112	15,631
Other operating income		1,911	1,034
Other revenue		32,313	39,615
Gross claims paid	16	(210,726)	(169,833)
Claims ceded to reinsurers	16	39,998	31,155
Gross change to claims liabilities	16	(69,994)	(25,397)
Change in claims liabilities ceded to reinsurers	16	18,140	1,789
Net claims incurred		(222,582)	(162,286)
Commission expense		(34,169)	(33,956)
Management expenses		(56,777)	(57,399)
Other expenses		(90,946)	(91,355)
Profit before taxation		2,788	32,866
Tax expense		(2,784)	(7,515)
Net profit for the period		4	25,351
Basic and diluted earnings per share (sen)		0.00	25.35

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

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LIBERTY INSURANCE BERHAD
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UNAUDITED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2018

	Note	6 months ended 30.6.2018 Unaudited RM'000	6 months ended 30.6.2017 Unaudited RM'000
Net profit for the period		4	25,351
Other comprehensive income:			
Item that may be subsequently reclassified to profit or loss:			
Available-for-sale ("AFS") reserve			
Fair value gain of AFS financial assets		-	3,312
		-	3,312
Tax effect on fair value gain of AFS financial assets		-	(795)
		-	2,517
Fair value through other comprehensive income ("FVOCI")			
Fair value loss of FVOCI financial assets	12(b)	(2,133)	-
		(2,133)	-
Tax effect on fair value loss of FVOCI financial assets		531	-
		(1,602)	-
Total comprehensive (loss)/ income for the period		(1,598)	27,868

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

LIBERTY INSURANCE BERHAD
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UNAUDITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2018

	Issued and fully paid ordinary shares	Non-distributable			Distributable	
	Nominal value RM'000	Asset revaluation reserve RM'000	AFS reserve RM'000	FVOCI reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2017	100,000	20,469	(4,025)	-	416,266	532,710
Total comprehensive income for the period	-	-	2,517	-	25,351	27,868
At 30 June 2017 (unaudited)	100,000	20,469	(1,508)	-	441,617	560,578
At 1 January 2018	100,000	20,802	(1,087)	-	463,778	583,493
Effect of adopting *MFRS 9 Financial Instruments*	-	-	1,087	(1,087)	252	252
At 1 January 2018, as restated	100,000	20,802	-	(1,087)	464,030	583,745
Total comprehensive income for the period	-	-	-	(1,602)	4	(1,598)
At 30 June 2018 (unaudited)	100,000	20,802	-	(2,690)	464,034	582,146

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

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UNAUDITED CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2018

	Note	6 months ended 30.6.2018 Unaudited RM'000	6 months ended 30.6.2017 Unaudited RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the period		4	25,351
Adjustment for non-cash items:			
Property and equipment			
- depreciation		1,586	1,606
- gain on disposal		-	-
- written off		39	6
Amortisation of intangible assets		529	581
Fair value losses on investment properties		-	-
Interest income		(22,948)	(22,699)
Net rental income		(165)	(203)
Net accretion of discounts	12(b)	(297)	(50)
Write back of impairment allowance on insurance receivables		(397)	(402)
Bad debts written off		1	4
Recoveries of bad debts written off		-	(2)
Tax expense		2,784	7,515
		(18,865)	11,707
Purchase of available-for-sale financial assets	11(b)	-	(37,374)
Purchase of financial investments at fair value through other comprehensive income	12(b)	(15,087)	-
Proceeds from maturity of available-for-sale financial assets	11(b)	-	6,733
Proceeds from maturity of financial investments at fair value through other comprehensive income	12(b)	15,017	-
Interest income received		27,507	26,908
Net rental income		165	203
(Increase)/Decrease in reinsurance assets	14	(19,461)	7,720
Increase in insurance receivables	15	(26,796)	(26,672)
Increase in deferred acquisition costs		(1,876)	(2,457)
Increase/(Decrease) in insurance payables		58,726	(8,460)
Increase in insurance contract liabilities	16	94,619	50,666
Increase in loans and receivables	13	(46,501)	(18,418)
Decrease in other payables		(12,712)	(19,750)

LIBERTY INSURANCE BERHAD
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UNAUDITED CONDENSED INTERIM STATEMENT OF CASH FLOWS (CONTINUED) FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2018

	6 months ended 30.6.2018 Unaudited RM'000	6 months ended 30.6.2017 Unaudited RM'000
Decrease in deferred acquisition costs-reinsurance	(14)	(761)
Cash generated/(used in) from operating activities	54,723	(9,955)
Income tax paid	(7,459)	(9,972)
Net cash inflows/(outflows) from operating activities	47,264	(19,927)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(1,194)	(872)
Purchase of intangible assets - software	(33)	(281)
Proceeds from disposal of property and equipment	227	-
Net cash outflows from investing activities	(1,000)	(1,153)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	46,265	(21,080)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	30,465	88,929
CASH AND CASH EQUIVALENTS AT END OF PERIOD	76,730	67,849

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

LIBERTY INSURANCE BERHAD
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2018

1. SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PREPARATION

The unaudited condensed interim financial statements of the Company are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 - Interim Financial Reporting as issued by Malaysian Accounting Standard Board ("MASB") and International Accounting Standard ("IAS") 34 - Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB").

The unaudited condensed interim financial statements do not include all of the information and disclosures required in the annual financial statements, and should be read in conjuction with the Company's audited financial statements for the financial year ended 31 December 2017.

The Company has met the minimum capital requirements as prescribed by the Risk-Based Capital Framework issued by Bank Negara Malaysia ("BNM").

The unaudited condensed interim financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency.

(b) CHANGES IN ACCOUNTING POLICIES

(i) Amendments to Malaysian Financial Reporting Standards

The accounting policies adopted by the Company for the unaudited condensed interim financial statements are consistent with those adopted in the Company's audited financial statements for the financial year ended 31 December 2017, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 January 2018.

MFRS 2 Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)
MFRS 15 Revenue from Contracts with Customers
MFRS 140 Transfer of Investment Property (Amendments to MFRS 140)
Annual Improvements to MFRS Standards 2014 - 2016 Cycle
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(i) Amendments to Malaysian Financial Reporting Standards (continued)

The adoption of the above did not have any significant effects on the unaudited condensed interim financial statements upon their initial application, except as discussed below.

MFRS 9 Financial Instruments

The adoption of MFRS 9 Financial Instruments resulted in accounting policies and adjustments to the amounts previously recognised in the financial statements. As permitted by the transitional provisions of MFRS 9 Financial Instruments, the Company elected not to restate comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of adoption were recognised directly in retained profits as of 1 January 2018.

Set out below are disclosure relating to the impact of adoption of MFRS 9 Financial Instruments to the Company:

(a) Classification and measurement

The Company have mixed business models based on the solely payments of principal and interest ("SPPI") and Business Model ("BM") assessment performed by the Company on its in-scope financial assets. The Company intends to hold its loans and receivables to collect contractual cash flows, and accordingly measure these at amortised cost under MFRS 9.

In respect to the Company's investment in debt securities, as these are held within a business model with the objective to achieve both collecting contractual cash flows and selling of the debt securities and the contractual cash flows represent solely payments of principal and interests, the Company's investment in debt securities (including investments in Malaysian Goverment Securities ("MGS")) are measured at fair value through other comprehensive income ("FVOCI"). The management has made an irrevocable election under MFRS 9 to classify the unquoted equities as FVOCI, with no recycling allowed.

The Company did not make an election to measure its investment in debt securities at fair value through profit or loss ("FVTPL") upon adoption of MFRS 9. However, this will be revisited upon adoption of MFRS 17 Insurance Contracts ("MFRS 17") by 1 January 2021.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(i) Amendments to Malaysian Financial Reporting Standards (continued)

MFRS 9 Financial Instruments (continued)

(b) Impairment

MFRS 9 introduces expected credit losses ("ECL") model on impairment that replaces the incurred loss impairment model used in MFRS 139. The ECL model requires impairment to be recognised on initial recognition including expected future credit losses whilst the incurred loss impairment model only requires recognition of credit losses incurred as at reporting date. The impairment requirements apply to financial assets measured at amortised cost and FVOCI, lease receivables and certain loan commitments as well as financial guarantee contracts, which include loans, advances and financing and investment securities.

MFRS 9 requires allowance for impairment to be made based on the following three-stage approach, under the General Approach, which reflects the change in credit quality of the financial instrument since initial recognition:

i) Stage 1: 12-month ECL

For exposure where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the ECL associated with the probability of default events occurring within next 12 months will be recognised.

ii) Stage 2: Lifetime ECL - Non-credit impaired

For exposures where there has been a significant increase in credit risk since initial recognition but that are non-credit impaired, a lifetime ECL will be recognised.

iii) Stage 3: Lifetime ECL - credit impaired

Financial assets are assessed as credit impaired when one or more events that have detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that are credit impaired, a lifetime ECL will be recognised.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(i) Amendments to Malaysian Financial Reporting Standards (continued)

MFRS 9 Financial Instruments (continued)

(b) Impairment (continued)

The assessment of credit risk as well as the estimation of ECL, are required to be unbiased, probability-weighted and should incorporate all available information which is relevant to the assessment, including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL should also take into account the time value of money.

The Company expects that ECL for its investment in debt securities' (including investment in MGS) will be derived using the General Approach, leveraging on publicly available information. The Company considers macro-economic data which is available externally and that is relevant to the Company for forward looking assessments and calibration. The requirement on "significant increase in credit risk" for the Company's investment in debt securities has been updated for credit risk staging purposes.

For other in-scope financial assets, including insurance receivables, the Company expects to use the simplified approach, which is allowed under MFRS 9, in deriving the estimated ECL. The enhanced methodology, which leverages on the existing MFRS 139 collective impairment model applied by the Company complied with the ECL requirements under MFRS 9.

(c) Hedge accounting

The Company does not undertake any hedging activities and therefore the Company does not expect any financial impact arising from hedge accounting requirements under MFRS 9.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(i) Amendments to Malaysian Financial Reporting Standards (continued)

MFRS 9 Financial Instruments (continued)

(d) Reconciliation of Statement of Financial Position from MFRS 139 to MFRS 9

The following table are the reconciliations of the carrying amount of the Company's Statement of Financial Position from MFRS 139 Financial Instruments: Recognition and Measurement to MFRS 9 Financial Instruments as at 1 January 2018:

	Note	Original classification under MFRS 139	New classification under MFRS 9	Original carrying amount under MFRS 139 RM'000	Impact arising from classification and measurement under MFRS 9 RM'000	Impact arising from ECL under MFRS 9 RM'000	New carrying amount under MFRS 9 RM'000
Financial assets							
Malaysian government papers	11(a)	Available for sale	FVOCI	172,496	-	-	172,496
Unquoted equity securities in Malaysia	11(a)	Available for sale	FVOCI	25	-	-	25
Unquoted corporate debt securities in Malaysia	11(a)	Available for sale	FVOCI	214,685	-	-	214,685
Insurance receivables	15	Loans and receivables	Amortised cost	35,204	-	277	35,481
Total Financial assets				422,410	-	277	422,687
EQUITY							
AFS reserves		Available for sale reserves	-	(1,087)	1,087	-	-
FVOCI reserves		Not applicable	FVOCI reserve	-	(1,087)	(27)	(1,114)
Total Equity				(1,087)	-	(27)	(1,114)

There is no financial impact arising from classification and measurement requirements under MFRS 9.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(i) Amendments to Malaysian Financial Reporting Standards (continued)

MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied i.e, when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

The adoption of MFRS 15 did not have a material impact on the Company as insurance contracts are scoped out of MFRS 15 except for MMIP servicing fee. However, this fee did not have a material impact as it is already recognised in accordance with the principles of MFRS 15.

1. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

(b) CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(ii) Standards issued but not yet effective

The following are MFRSs and Amendments to MFRSs issued by MASB, but not yet effective. The Company intends to adopt the following relevant pronouncements when they become effective:

Description	Effective Date
MFRS 9 Prepayment Features with Negative Compensation (Amendments to MFRS 9)	1 January 2019
MFRS 16 Leases	1 January 2019
MFRS 128 Long-term Interest in Associates and and Joint Ventures (Amendments to MFRS 128)	1 January 2019
Annual Improvements to MFRS Standards 2015 - 2017 Cycle	1 January 2019
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 119 Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to references to the Conceptual Framework in MFRS Standards	1 January 2020
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The above standards and interpretations are not expected to have any material effect on the unaudited condensed interim financial statements in the period of initial application except as discussed below:

MFRS 16 Leases

MFRS 16 will replace MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Lease-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(ii) Standards issued but not yet effective (continued)

MFRS 16 Leases (continued)

At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions), less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability.The lease liability is initially measured at present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications.

Classification of cash flows will also be affected as operating lease payments under MFRS 117 are presented as operating cash flows, whereas under MFRS 16, the lease payments will be split into a principal (which will be presented as financing cash flows) and an interest portion (which will be presented as operating cash flows).

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases. MFRS 16 also requires lessees and lessors to make extensive disclosures than under MFRS 117.

MFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted but not before an entity applies MFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach.

The standard will affect primarily the accounting for the Company's operating leases. MFRS 117 does not require the recognition of any right-of-use asset or liability for future payments for these non-cancellable operating leases. The new requirements to recognise a right-of-use asset and a related lease liability is expected to have a significant impact on the amounts recognised in the Company's financial statements and the Company is currently assessing its potential impact.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(ii) Standards issued but not yet effective (continued)

MFRS 17 Insurance Contracts

In August 2017, the MASB issued MFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure, which will replace MFRS 4 Insurance Contracts.

In contrast to the requirements in MFRS 4, which was an interim standard and are largely based on alterations of previous local accounting policies for measurement purposes, MFRS 17 provides a comprehensive model (the general measurement model) for insurance contracts, supplemented by the variable fee approach for contracts with direct participation features that are substantially investment-related service contracts, and the premium allocation approach mainly for short-duration contracts which are expected to typically apply to certain non-life insurance contracts.

The main features of the new accounting model for insurance contracts are as follows:

- The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, remeasured every reporting period (the fulfilment cash flows)

- A Contractual Service Margin ("CSM") that is equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts. The CSM represents the unearned profitability of the insurance contracts and is recognised in profit or loss over the service period (i.e., coverage period).

- Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in profit or loss over the remaining contractual service period.

- The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice.

- The recognition of insurance revenue and insurance service expenses in the statement of comprehensive income based on the concept of services provided during the period.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(ii) Standards issued but not yet effective (continued)

MFRS 17 Insurance Contracts (continued)

- Amounts that the policyholder will always receive, regardless of whether an insured event happens (non-distinct investment components) are not presented in the income statement, but are recognised directly on the statement of financial position.

- Insurance services results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense.

- Extensive disclosures to provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts.

MFRS 17 is effective for annual reporting periods beginning on or after 1 January 2021, with comparative figures required. Early application is permitted, provided the entity also applies MFRS 9 and MFRS 15 on or before the date it first applies MFRS 17. Retrospective application is required. However, if full retrospective application for a Company's insurance contracts is impracticable, then the entity is required to choose either a modified retrospective approach or a fair value approach.

The Company plans to adopt the new standard on the required effective date. The Company had completed the gap analysis project for the evaluation of the key gaps arising from MFRS 17. The Company expects that the new standard will result in changes to the accounting policies for insurance contract liabilities of the Company and is likely to have a significant impact on its financial position, results and equity, together with significant changes to presentation and disclosure.

2. COMMENTS ON SEASONALITY OR CYCLICALITY

The business operations of the Company are subject to the sales cycle of the insurance business.

3. UNUSUAL ITEMS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim period ended 30 June 2018.

4. CHANGES IN ESTIMATES

There were no material changes in the basis used for accounting estimates for the interim period ended 30 June 2018.

5. DEBTS AND EQUITY SECURITIES

There were no issuances, repurchase or repayment of debt and equity securities by the Company during the interim period ended 30 June 2018.

6. DIVIDENDS PAID

No dividends have been paid or declared by the Company for the interim period ended 30 June 2018.

7. EVENTS AFTER THE INTERIM PERIOD

There were no material events after the interim period that have not been reflected in the unaudited condensed interim financial statements for the interim period 30 June 2018.

8. EFFECT OF CHANGES IN COMPOSITION OF THE COMPANY

There were no changes in the composition of the Company during the interim period ended 30 June 2018.

9. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

The Company does not have any contingent assets or liabilities.

10. INVESTMENT PROPERTIES

	Freehold land and building RM'000	Leasehold land and building RM'000	Total RM'000
At fair value:			
At 1 January 2017	15,300	38,728	54,028
Additions at cost	-	-	-
Net fair value gains/(losses)	1,500	(1,000)	500
At 31 December 2017/1 January 2018	16,800	37,728	54,528
Additions at cost	-	-	-
Net fair value losses	-	-	-
At 30 June 2018	16,800	37,728	54,528

During the financial year ended 31 December 2017, the Company revalued its freehold and long term leasehold properties which are held as investment properties based on independent valuation performed by Rahim & Co. Chartered Surveyors Sdn. Bhd., an independent accredited valuer.

The above table presents the reconciliation for all investment properties measured at fair value from opening balance to closing balance based on significant unobservable inputs (Level 3).

10. INVESTMENT PROPERTIES (CONTINUED)

Recurring fair value measurements

All freehold and long term leasehold 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.

The titles to the freehold land and buildings included in investment properties of the Company with carrying value of RM16,800,000 (2017: RM16,800,000) are in the process of being transferred to the Company. Risks, rewards and effective titles to these properties have been passed to the Company upon unconditional completion of the acquisition of those properties. The Company has submitted the relevant documents to the land authorities for transfer of legal titles to the Company and is awaiting the process and finalisation of this transfer to be completed.

(a) Fair value hierarchy of Investment Properties

	Investment Properties Fair value measurements using significant unobservable inputs (Level 3)	
	As at 30.6.2018 RM'000	**As at 31.12.2017 RM'000**
Total loss for the period/year included in:		
Statement of Income		
- Net fair value gains on investment properties	-	500

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

31.12.2017 Description	**Fair Value RM'000**	**Valuation techniques**	**Unobersevable inputs**	**Range**
Freehold land and building	8,800	Income approach	Rental per square foot ("p.s.f") per month	RM3.50
			Discount rate	5.5%
Leasehold land and buiding	37,728	Income approach	Rental per square foot ("p.s.f") per month	RM3.30 - RM9.00
			Discount rate	4.5% - 6.5%

10. INVESTMENT PROPERTIES (CONTINUED)

(a) Fair value hierarchy of Investment Properties (continued)

31.12.2017 Description	Fair Value RM'000	Valuation techniques	Unobersevable inputs	Range
Freehold land	8,000	Comparison approach	Estimated Value p.s.f	RM89 - RM112

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

11. AVAILABLE-FOR-SALE FINANCIAL ASSETS

(a) Available-for-sale ("AFS") financial assets comprise the following investments:

	As at 30.6.2018 RM'000	As at 31.12.2017 RM'000
AFS financial asset		
Debt securities:		
Malaysian government papers	-	172,496
Unquoted corporate debt securities in Malaysia	-	214,685
	-	387,181
Unquoted equity securities in Malaysia	-	25
	-	25
Total AFS financial asset	-	387,206

11. AVAILABLE-FOR-SALE FINANCIAL ASSETS (CONTINUED)

(b) Carrying value of AFS financial assets

	AFS RM'000	Total RM'000
1 January 2017	344,614	344,614
Purchases	54,809	54,809
Maturity/Disposal	(16,733)	(16,733)
Accretion of discounts, net of amortisation of premium	343	343
Movement in accrued interest	271	271
Fair value gain recorded in:		
- Other comprehensive income	3,877	3,877
At 31 December 2017	387,181	387,181

(c) Carrying value of AFS financial assets - Unquoted equity

	AFS RM'000	Total RM'000
1 January 2017	36	36
Fair value loss recorded in:		
- Other comprehensive income	(11)	(11)
At 31 December 2017	25	25

The maturity structure of AFS financial assets (excluding unquoted equity securities) is as follows:

	As at 30.6.2018 RM'000	As at 31.12.2017 RM'000
Investments maturing within 12 months	-	35,457
Investments maturing after 12 months	-	351,724
	-	387,181

11. AVAILABLE-FOR-SALE FINANCIAL ASSETS (CONTINUED)

(d) Financial assets at fair value (continued)

Recurring fair value measurements

The Company categorises its fair value measurements according to a three-level hierarchy. The hierarchy prioritises the inputs used by the Company's valuation techniques for determining the fair value of the financial instruments.

A level is assigned to each fair value measurement based on the lowest level input significant to the fair value measurement in its entirety. The three-level hierarchy is defined as follows:

Level 1 - Fair value measurements that reflect unadjusted, quoted prices in active markets for identical assets and liabilities that the Company has the ability to access at the measurement date. Valuations are based on quoted prices reflecting market transactions involving assets or liabilities identical to those being measured.

Level 2 - Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Those include quoted prices for similar assets and liabilities in active markets, quoted prices for identical assets and liabilities in inactive markets, inputs that are observable that are not prices (such as interest rates, credit risks, etc) and inputs that are derived from or corroborated by observable market data.

Level 3 - Fair value measurements using significant non market observable inputs. These include valuations for assets and liabilities that are derived using data, some or all of which is not market observable, including assumptions about risk. There are no readily available price for unquoted stocks. Net Tangible Assets (NTA) method was used to value the stocks whereby net assets are divided by the share capital.

11. AVAILABLE-FOR-SALE FINANCIAL ASSETS (CONTINUED)

(d) Fair value hierarchy of AFS financial assets (continued)

The following tables show financial assets recorded at fair value analysed by the different basis of fair values as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
30 June 2018				
Malaysian government papers	-	-	-	-
Unquoted equity securities in Malaysia	-	-	-	-
Unquoted corporate debt securities in Malaysia	-	-	-	-
	-	-	-	-
31 December 2017				
Malaysian government papers	-	172,496	-	172,496
Unquoted equity securities in Malaysia	-	-	25	25
Unquoted corporate debt securities in Malaysia	-	214,685	-	214,685
	-	387,181	25	387,206

The reconciliation for unquoted equity measured at fair value based on significant unobservable inputs (Level 3) is as shown in Note 11(c).

The available-for-sale financial assets category was removed upon the adoption of MFRS 9 on 1 January 2018. Comparative figures are not restated as permitted by the transitional provisions under MFRS 9.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")

(a) Financial assets at fair value comprise the following investments:

	30.6.2018 RM'000	31.12.2017 RM'000
Financial asset at FVOCI		
Debt securities:		
Malaysian government papers	170,872	-
Unquoted corporate debt securities in Malaysia	214,701	-
	385,573	-
Unquoted equity securities in Malaysia	25	-
	25	-
Total financial asset at FVOCI	385,598	-

The financial assets at FVOCI category was introduced upon adoption of MFRS 9 on 1 January 2018. Comparative figures are not restated as permitted by the transitional provisions under MFRS 9.

(b) Financial assets at FVOCI

	FVOCI RM'000	Total RM'000
1 January 2018	-	-
New classification under MFRS 9	387,181	387,181
At 1 January 2018	387,181	387,181
Purchases	15,087	15,087
Maturity/Disposal	(15,017)	(15,017)
Accretion of discounts, net of amortisation of premium	297	297
Movement in accrued interest	158	158
Fair value gain/(loss) recorded in:		
- Other comprehensive income	(2,133)	(2,133)
At 30 June 2018	385,573	385,573

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

(b) Financial assets at FVOCI (continued)

Movements in allowances for impairment which reflect the ECL model on impairment are as follows:

<u>12-Month ECL</u>	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2018	27	-	-	27
New financial assets purchased	6	-	-	6
Financial assets that have been derecognised	(7)	-	-	(7)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
At 30 June 2018	26	-	-	26

(c) Financial assets at FVOCI - Unquoted equity

	FVOCI RM'000	Total RM'000
1 January 2018	-	-
New classification under MFRS 9	25	
At 1 January 2018	25	-
Fair value gain/(loss) recorded in:		
- Other comprehensive income	-	-
At 30 June 2018	25	-

The maturity structure of FVOCI (excluding unquoted equity securities) is as follows:

	As at 30.6.2018 RM'000	As at 31.12.2017 RM'000
Investments maturing within 12 months	20,243	-
Investments maturing after 12 months	365,330	-
	385,573	-

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

(d) Financial assets at fair value (continued)

Recurring fair value measurements

The Company categorises its fair value measurements according to a three-level hierarchy. The hierarchy prioritises the inputs used by the Company's valuation techniques for determining the fair value of the financial instruments.

A level is assigned to each fair value measurement based on the lowest level input significant to the fair value measurement in its entirety. The three-level hierarchy is defined as follows:

Level 1 - Fair value measurements that reflect unadjusted, quoted prices in active markets for identical assets and liabilities that the Company has the ability to access at the measurement date. Valuations are based on quoted prices reflecting market transactions involving assets or liabilities identical to those being measured.

Level 2 - Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Those include quoted prices for similar assets and liabilities in active markets, quoted prices for identical assets and liabilities in inactive markets, inputs that are observable that are not prices (such as interest rates, credit risks, etc) and inputs that are derived from or corroborated by observable market data.

Level 3 - Fair value measurements using significant non market observable inputs. These include valuations for assets and liabilities that are derived using data, some or all of which is not market observable, including assumptions about risk. There are no readily available price for unquoted stocks. Net Tangible Assets (NTA) method was used to value the stocks whereby net assets are divided by the share capital.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

(d) Financial assets at fair value (continued)

The following tables show financial assets recorded at fair value analysed by the different basis of fair values as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
30 June 2018				
Malaysian government papers	-	170,872	-	170,872
Unquoted equity securities in Malaysia	-	-	25	25
Unquoted corporate debt securities in Malaysia	-	214,701	-	214,701
	-	385,573	25	385,598
31 December 2017				
Malaysian government papers	-	-	-	-
Unquoted equity securities in Malaysia	-	-	-	-
Unquoted corporate debt securities in Malaysia	-	-	-	-
	-	-	-	-

The reconciliation for unquoted equity measured at fair value based on significant unobservable inputs (Level 3) is as shown in Note 12(c).

13. LOANS AND RECEIVABLES

	As at 30.6.2018 RM'000	As at 31.12.2017 RM'000
Fixed and call deposits with licensed banks with original remaining tenure of more than 1 month	779,300	733,300
Accrued interest	13,107	17,824
	792,407	751,124
Other receivables:		
Malaysian Motor Insurance Pool ("MMIP" or "the Pool") balances*		
- Cash calls paid to MMIP	25,359	25,359
- Share of net assets held under MMIP	34,771	35,539
	60,130	60,898
MMIP commission receivable	744	754
Deposits	966	973
Prepayments	1,564	828
Other receivables	2,168	1,618
	65,572	65,071
Total loans and receivables	857,979	816,195

The maturity of loans and receivables (excluding other receivables) are as follows :

Maturing within 12 months	792,407	714,915
Maturing after 12 months	-	36,209

The carrying amounts of the financial assets disclosed above approximate fair values at the date of the statement of financial position due to their short-term maturity.

* 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 represent the Company's share of the Pool's net assets, before insurance contract liabilities. The Company's share of the Pool's insurance contract liabilities is disclosed in Note 16. The net assets held under MMIP of the Company include cash contribution of RM25,359,477 (2017: RM25,359,477) made to MMIP. The accumulated cash contributions were made in respect of the Company's share of MMIP's accumulated losses up to 31 December 2014.

14. REINSURANCE ASSETS

	As at 30.6.2018 RM'000	As at 31.12.2017 RM'000
Reinsurance of insurance contracts:		
Claims liabilities (Note 16)	257,458	239,316
Premium liabilities (Note 16)	25,993	24,674
	283,451	263,990

15. INSURANCE RECEIVABLES

	As at 30.6.2018 RM'000	As at 31.12.2017 RM'000
Due premium including agents, brokers and co-insurers balance	45,472	19,121
Due from reinsurers and cedants	20,760	20,060
	66,232	39,181
Accumulated impairment losses	(5,309)	(5,927)
	60,923	33,254
Knock-for-knock claims recoveries due from other insurers	1,762	2,018
Accumulated impairment losses	(13)	(68)
	1,748	1,950
	62,671	35,204

Movement in allowance for impairment which reflect the ECL model on impairment are as follows:

	Simplified Approach RM'000	Total RM'000
At 1 January 2018	5,719	5,719
Increase/ (Decrease) in ECL during the period	(397)	(397)
At 30 June 2018	5,322	5,322

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16. INSURANCE CONTRACT LIABILITIES

	30.6.2018			31.12.2017		
	Gross RM'000	Re-insurance RM'000	Net RM'000	Gross RM'000	Re-insurance RM'000	Net RM'000
General insurance	1,125,870	(283,451)	842,419	1,031,252	(263,990)	767,262

The general insurance contract liabilities and the movement during the period/year are further analysed as follows:

	30.6.2018			31.12.2017		
	Gross RM'000	Re-insurance RM'000	Net RM'000	Gross RM'000	Re-insurance RM'000	Net RM'000
Provision for claims	546,835	(200,295)	346,540	491,890	(184,990)	306,900
Provision for incurred but not reported ("IBNR") claims	237,145	(57,163)	179,982	222,096	(54,326)	167,770
Claims liabilities (i),(ii)	783,980	(257,458)	526,522	713,986	(239,316)	474,670
Premium liabilities (iii)	341,890	(25,993)	315,897	317,266	(24,674)	292,592
	1,125,870	(283,451)	842,419	1,031,252	(263,990)	767,262

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16. INSURANCE CONTRACT LIABILITIES (CONTINUED)

(i) Claims liabilities

	30.6.2018			31.12.2017		
	Gross RM'000	Re-insurance RM'000	Net RM'000	Gross RM'000	Re-insurance RM'000	Net RM'000
At 1 January 2018/2017	713,986	(239,316)	474,670	540,564	(112,364)	428,200
Claims incurred for the current accident period/year (direct and facultative)	230,393	(23,808)	206,585	523,245	(171,284)	351,961
Adjustment to claims incurred in prior accident years (direct and facultative)	42,679	(31,723)	10,956	(11,160)	(1,506)	(12,666)
Claims incurred during the period/year (treaty inwards claims)	1,545	-	1,545	2,477	-	2,477
Movement in PRAD of claims liabilities at 75% confidence level	6,032	(2,607)	3,425	22,347	(16,453)	5,894
Movement in claims handling expenses	72	-	72	(2,256)	-	(2,256)
Claims paid during the period/year	(210,726)	39,998	(170,728)	(361,231)	62,291	(298,940)
At 30 June 2018/31 December 2017	783,980	(257,458)	526,522	713,986	(239,316)	474,670

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16. INSURANCE CONTRACT LIABILITIES (CONTINUED)

(ii) Claims liabilities by class of business

	30.6.2018			31.12.2017		
	Motor RM'000	Non-motor RM'000	Total RM'000	Motor RM'000	Non-motor RM'000	Total RM'000
Gross claims liabilities	570,397	213,583	783,980	520,744	193,242	713,986
Reinsurance	(71,526)	(185,932)	(257,458)	(74,610)	(164,706)	(239,316)
Net claims liabilities	498,871	27,651	526,522	446,134	28,536	474,670

(iii) Premium liabilities

	30.6.2018			31.12.2017		
	Gross RM'000	Re-insurance RM'000	Net RM'000	Gross RM'000	Re-insurance RM'000	Net RM'000
At 1 January 2018/2017	317,266	(24,674)	292,592	303,778	(52,956)	250,822
Premiums written during the period/year	351,128	(43,821)	307,307	651,826	(95,672)	556,154
Premiums earned during the period/year	(326,504)	42,502	(284,002)	(638,338)	123,954	(514,384)
At 30 June 2018/31 December 2017	341,890	(25,993)	315,897	317,266	(24,674)	292,592

17. COMMITMENTS

(a) Capital expenditure not provided in the financial statements are as follows:

	As at 30.6.2018 RM'000	As at 31.12.2017 RM'000
Authorised by the Directors and contracted for:		
- Property and equipment	301	415
Authorised by the Directors but not contracted for:		
- Property and equipment	4,265	-
	4,566	415

(b) Operating lease commitments

(i) The Company as lessee

The Company has non-cancellable operating lease agreements entered into in respect of rental and EDP expenses. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	As at 30.6.2018 RM'000	As at 31.12.2017 RM'000
Not later than 1 year	2,742	3,094
Later than 1 year and no later than 5 years	2,364	1,988
	5,106	5,082

(ii) The Company as lessor

The Company has entered into a lease agreement on its properties. The lease has remaining lease term of between 1 to 3 years. The future aggregate minimum lease receivables under the operating lease contracted for as at the reporting date but not recognised as assets, are as follows :

	As at 30.6.2018 RM'000	As at 31.12.2017 RM'000
Not later than 1 year	1,582	1,641
Later than 1 year and no later than 3 years	4,084	986
	5,666	2,627

18. SIGNIFICANT RELATED PARTY DISCLOSURES

RELATED PARTY DISCLOSURES - KOREAN REINSURANCE COMPANY, SINGAPORE BRANCH, SINGAPORE

	As at 30.6.2018 RM'000	As at 31.12.2017 RM'000
Transaction with non-controlling shareholders		
Reinsurance ceded premium	750	1,921
Reinsurance commission received	(225)	(568)
Reinsurance claims recovery	(1,344)	(619)
Reinsurance receivables	413	126
Reinsurance payables	(1,788)	-

RELATED PARTY DISCLOSURES - LIBERTY GROUP

	As at 30.6.2018 RM'000	As at 31.12.2017 RM'000
Transactions with Liberty Group Companies:		
Reinsurance ceded premium		
- Liberty Insurance Pte Ltd, Singapore	3,587	5,549
- Liberty International Underwriters Pte Ltd. (Labuan Branch)	3,413	509
- Liberty Mutual Insurance Co Boston	774	3,396
- Liberty (Lloyd's Syndicate 4472)	-	811
	7,774	10,265
Reinsurance commission received		
- Liberty Insurance Pte Ltd, Singapore	(318)	(487)
- Liberty International Underwriters Pte Ltd. (Labuan Branch)	(347)	(46)
- Liberty Mutual Insurance Co Boston	(121)	(859)
- Liberty (Lloyd's Syndicate 4472)	-	(243)
	(786)	(1,635)
Reinsurance claims recovery		
- Liberty Insurance Pte. Ltd, Singapore	(701)	(587)
- Liberty Mutual Insurance Co Boston	(2,479)	(2,207)
	(3,180)	(2,794)

18. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

RELATED PARTY DISCLOSURES - LIBERTY GROUP (CONTINUED)

	As at 30.6.2018 RM'000	As at 31.12.2017 RM'000
EDP expenses		
- Liberty Mutual Insurance Company	328	749
	328	749
Staff salaries		
- Liberty Mutual Insurance Company	-	30
	-	30
Staff salaries and others		
- Liberty International Underwriters Pte Ltd. (Labuan Branch)	237	(138)
	237	(138)
Balances with Liberty Group comprises:		
Reinsurance receivables		
- Liberty Insurance Pte Ltd, Singapore	6,705	5,527
- Liberty Mutual Insurance Co Boston	1,359	331
	8,064	5,858
Reinsurance payables		
- Liberty Insurance Pte Ltd, Singapore	(865)	(442)
- Liberty International Underwriters Pte Ltd. (Labuan Branch)	(3,164)	(354)
- Liberty Mutual Insurance Co Boston	(258)	-
	(4,287)	(796)
Other receivables		
- Liberty Mutual Insurance Company	490	212
- Liberty International Underwriters Pte Ltd. (Labuan Branch)	232	138
	722	350

The balances with the related parties above are unsecured, interest free, repayable in accordance with the terms of the relevant contracts and are included in insurance receivables (Note 15), other receivables (Note 13) and insurance payables.

19. FINANCIAL INSTRUMENTS BY CATEGORY

	FVOCI RM'000	LAR RM'000	Assets not in scope of MFRS 9 RM'000	Total RM'000
As at 30.6.2018				
Assets				
Property and equipment	-	-	60,439	60,439
Intangible assets - software	-	-	1,983	1,983
Investment properties	-	-	54,528	54,528
Financial asset at FVOCI	385,598	-	-	385,598
Loans and receivables	-	856,415	1,564	857,979
Reinsurance assets	-	-	283,451	283,451
Insurance receivables	-	62,671	-	62,671
Tax assets	-	-	9,199	9,199
Deferred acquisition costs	-	-	32,710	32,710
Cash and short term deposits	-	76,730	-	76,730
Total assets	385,598	995,816	443,874	1,825,288

	Other financial liabilities RM'000	Liabilities not in scope of MFRS 9 RM'000	Total RM'000
Liabilities			
Insurance contract liabilities	-	1,125,870	1,125,870
Deferred tax liabilities	-	4,163	4,163
Deferred acquisition costs - reinsurance	-	2,670	2,670
Insurance payables	80,156	-	80,156
Other payables	30,283	-	30,283
Total liabilities	110,439	1,132,703	1,243,143

19. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

	AFS RM'000	LAR RM'000	Assets not in scope of MFRS 139 RM'000	Total RM'000
As at 31.12.2017				
Assets				
Property and equipment	-	-	61,099	61,099
Intangible assets - software	-	-	2,478	2,478
Investment properties	-	-	54,528	54,528
AFS financial assets	387,206	-	-	387,206
Loans and receivables	-	815,367	828	816,195
Reinsurance assets	-	-	263,990	263,990
Insurance receivables	-	35,204	-	35,204
Tax assets	-	-	1,740	1,740
Deferred acquisition costs	-	-	30,834	30,834
Cash and short term deposits	-	30,465	-	30,465
Total assets	387,206	881,036	415,497	1,683,739

	Other financial liabilities RM'000	Liabilities not in scope of MFRS 139 RM'000	Total RM'000
Liabilities			
Insurance contract liabilities	-	1,031,252	1,031,252
Deferred tax liabilities		1,885	1,885
Deferred acquisition costs - reinsurance	-	2,684	2,684
Insurance payables	21,430	-	21,430
Other payables	41,452	1,543	42,995
Total liabilities	62,882	1,037,364	1,100,246

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20. REGULATORY CAPITAL REQUIREMENTS

The total capital available of the Company as at 30 June 2018, as prescribed under the RBC Framework is provided below:

	As at 30.6.2018 RM'000	As at 31.12.2017 RM'000
Eligible Tier 1 Capital:		
Share capital (paid up)	100,000	100,000
Retained earnings	464,034	463,778
	564,034	563,778
Tier 2 Capital:		
Asset revaluation reserve	20,802	20,802
AFS reserve	-	(1,087)
FVOCI reserve	(2,690)	-
	18,112	19,715
Amounts deducted from capital	(8,261)	(11,185)
Total capital available	573,885	572,308