

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

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2016**

16688-K

**LIBERTY INSURANCE BERHAD**  
**(Incorporated in Malaysia)**

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**LIBERTY INSURANCE BERHAD**  
**(Incorporated in Malaysia)**

**UNAUDITED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2016**

	Note	30.6.2016 RM'000	31.12.2015 RM'000
<b>ASSETS</b>			
Property and equipment		60,934	62,253
Intangible assets - software		5,265	4,490
Non-current assets held for sale		-	461
Investment properties	10	53,628	53,628
Available-for-sale financial assets	11	163,281	161,164
Loans and receivables	12	891,903	880,551
Reinsurance assets	13	189,187	172,268
Insurance receivables	14	44,774	33,281
Deferred acquisition costs		30,792	27,943
Cash and short term deposits		35,173	8,429
Total assets		<u>1,474,937</u>	<u>1,404,468</u>
<b>EQUITY AND LIABILITIES</b>			
Share capital		100,000	100,000
Other reserves		19,477	17,873
Retained earnings		381,387	345,455
Total equity		<u>500,864</u>	<u>463,328</u>
<b>LIABILITIES</b>			
Insurance contract liabilities	15	848,017	793,253
Deferred tax liabilities		5,067	2,400
Deferred acquisition costs - reinsurance		5,362	5,016
Insurance payables		64,572	73,958
Other payables		38,024	57,409
Tax liabilities		13,031	9,104
Total liabilities		<u>974,073</u>	<u>941,140</u>
Total equity and liabilities		<u>1,474,937</u>	<u>1,404,468</u>

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

**LIBERTY INSURANCE BERHAD**  
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**UNAUDITED INTERIM STATEMENT OF INCOME**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2016**

	<b>Note</b>	<b>30.6.2016</b> <b>RM'000</b>	<b>30.6.2015</b> <b>RM'000</b>
Gross written premiums		325,500	303,651
Change in premium liabilities		(23,432)	(24,951)
Gross earned premiums		<u>302,068</u>	<u>278,700</u>
Reinsurance premiums ceded		(69,309)	(73,945)
Change in premium liabilities		2,537	3,150
Premiums ceded to reinsurers		<u>(66,772)</u>	<u>(70,795)</u>
Net earned premiums		<u>235,296</u>	<u>207,905</u>
Investment income		19,604	17,286
Realised gains and losses		348	69
Fair value losses		(430)	-
Commission income		16,245	18,333
Other operating income		6,089	4,496
Other revenue		<u>41,856</u>	<u>40,184</u>
Gross claims paid	15	(151,808)	(127,636)
Claims ceded to reinsurers	15	29,838	31,396
Gross change to claims liabilities	15	(31,332)	(28,378)
Change in claims liabilities ceded to reinsurers	15	14,382	(4,780)
Net claims incurred		<u>(138,920)</u>	<u>(129,398)</u>
Commission expense		(32,573)	(30,445)
Management expenses		<u>(56,840)</u>	<u>(53,156)</u>
Other expenses		<u>(89,413)</u>	<u>(83,601)</u>
Profit before taxation		48,819	35,090
Tax expense		<u>(12,887)</u>	<u>(10,475)</u>
Net profit for the period		<u>35,932</u>	<u>24,615</u>
Basic and diluted earnings per share (sen)		<u>35.93</u>	<u>24.62</u>

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

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**UNAUDITED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2016**

	<b>30.6.2016</b>	<b>30.6.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Net profit for the period	<u>35,932</u>	<u>24,615</u>
Other comprehensive income:		
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	<u>2,111</u>	<u>(303)</u>
	2,111	(303)
Tax effect on fair value gain/(loss) of AFS financial assets	<u>(507)</u>	<u>76</u>
	1,604	(227)
Total comprehensive income for the period	<u>37,536</u>	<u>24,388</u>

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

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**UNAUDITED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2016**

	Issued and fully paid ordinary shares of RM1 each		Non-distributable		Distributable	
	Number of shares RM'000	Nominal value RM'000	Asset revaluation reserve RM'000	AFS reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2015	100,000	100,000	18,329	(1,616)	291,429	408,142
Total comprehensive income for the period	-	-	-	(227)	24,615	24,388
At 30 June 2015	100,000	100,000	18,329	(1,843)	316,044	432,530
At 1 January 2016	100,000	100,000	20,495	(2,622)	345,455	463,328
Total comprehensive income for the period	-	-	-	1,604	35,932	37,536
At 30 June 2016	100,000	100,000	20,495	(1,018)	381,387	500,864

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

**LIBERTY INSURANCE BERHAD**  
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**UNAUDITED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2016**

	30.6.2016 RM'000	30.6.2015 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit for the period	35,932	24,615
<u>Adjustment for non-cash items:</u>		
Property and equipment		
- depreciation	2,720	1,920
- gain on disposal	(379)	-
- written off	-	3
Amortisation of intangible assets	73	68
Fair value losses on investment properties	430	-
Interest income	(19,902)	(16,898)
Net rental expenses/(income)	446	(400)
Net (accretion of discounts)/amortisation of premium	(148)	12
Provision for impairment allowance on insurance receivables	(303)	152
Bad debts written off	247	-
Tax expense	12,887	10,475
	<u>32,003</u>	<u>19,947</u>
Purchase of available-for-sale financial assets	-	(39,715)
Proceeds from maturity of available-for-sale financial assets	154	10,020
Interest income received	17,979	15,865
Net rental (expenses)/income	(446)	400
Payment of post-employment benefit obligations	-	(717)
(Increase)/decrease in reinsurance assets	(16,919)	1,630
Increase in insurance receivables	(11,437)	(3,202)
Increase in deferred acquisition costs	(2,849)	(2,206)
(Decrease)/increase in insurance payables	(9,386)	10,026
Increase in insurance contract liabilities	54,764	53,329
Increase in loans and receivables	(9,440)	(21,309)
Decrease in other payables	(19,385)	(16,109)
Increase in deferred acquisition costs reinsurance	346	97
Cash generated from operating activities	<u>35,384</u>	<u>28,056</u>
Income tax paid	<u>(6,801)</u>	<u>(5,083)</u>
Net cash inflows from operating activities	<u>28,583</u>	<u>22,973</u>



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**UNAUDITED INTERIM STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2016**

	<b>30.6.2016</b>	<b>30.6.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(1,402)	(2,417)
Purchase of intangible assets	(847)	(812)
Purchase of investment property	(430)	-
Proceeds from disposal of property and equipment	840	-
Net cash outflows from investing activities	<u>(1,839)</u>	<u>(3,229)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<u>-</u>	<u>-</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	26,744	19,744
<b>AT BEGINNING OF THE PERIOD</b>	8,429	15,828
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>35,173</u>	<u>35,572</u>
 <b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	27,410	10,543
Call deposits with licensed banks	7,763	25,029
	<u>35,173</u>	<u>35,572</u>

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



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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2016**

**1. 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 Standard Boards ("IASB") and the Financial Reporting Guidelines issued by Bank Negara Malaysia.

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 conjunction with the Company's audited financial statements for the financial year ended 31 December 2015.

The accounting policies and presentation adopted by the Company for the condensed interim financial statements are consistent with those adopted in the Company's audited financial statements for the financial year ended 31 December 2015, except for the adoption of the following:

Description	Effective Date
Annual Improvements to MFRSs 2012 - 2014 Cycle	1 January 2016
Amendments to MFRS 116 and MFRS 138:	
Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 101: Disclosure Initiatives	1 January 2016

The adoption of the above did not have any significant effects on the condensed interim financial statements upon their initial application.

**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 2016.

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**4. CHANGES IN ESTIMATES**

There were no material changes in the basis used for accounting estimates for the interim period ended 30 June 2016.

**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 2016.

**6. DIVIDENDS PAID**

No dividends have been paid or declared by the Company for the interim period ended 30 June 2016.

**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 2016.

**8. EFFECT OF CHANGES IN COMPOSITION OF THE COMPANY**

There were no changes in the composition of the Company during the interim period 30 June 2016.

**9. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS**

The Company does not have any contingent assets or liabilities.

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**10. INVESTMENT PROPERTIES**

	30.6.2016		31.12.2015	
	Freehold land and building RM'000	Leasehold land and building RM'000	Freehold land and building RM'000	Leasehold land and building RM'000
		Total RM'000		Total RM'000
At fair value:				
At 1 January 2016/2015	15,300	38,328	11,950	35,128
Transferred from work in progress	-	-	-	1,586
Additions at cost	-	430	-	1,290
Fair value (loss) / gain	-	(430)	3,350	324
At 30 June 2016/ 31 December 2015	15,300	38,328	15,300	38,328
		53,628		53,628

Recurring fair value measurements

All freehold and long term leasehold properties of the Company are 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 investment 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 into sales comparison approach is price per square foot of comparable properties while the most significant input into investment approach is yields and rental rates per square foot of comparable properties.

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**10. INVESTMENT PROPERTIES (CONTINUED)**

The titles to the freehold land and buildings included in investment properties of the Company with carrying value of RM15,300,000 (31.12.2015: RM15,300,000) 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) Movements in investment properties measured at fair value:**

The following tables present the reconciliation for all investment properties measured at fair value based on significant unobservable inputs (Level 3):

	Investment Properties Fair value measurements using significant unobservable inputs (Level 3)	
	30.6.2016 RM'000	31.12.2015 RM'000
At 1 January 2016/2015	53,628	47,078
Total (loss)/gain for the period/year:		
Included in statement of income	(430)	3,674
Transferred from work in progress	-	1,586
Additions at cost	430	1,290
At 30 June 2016/31 December 2015	<u>53,628</u>	<u>53,628</u>

For investment properties, a significant (decrease)/increase in yield adjustments based on management's assumptions would result in a significantly (lower)/higher fair value measurement.

	Investment Properties Fair value measurements using significant unobservable inputs (Level 3)	
	30.6.2016 RM'000	31.12.2015 RM'000
<b>Total gain for the period/year included in:</b>		
Statement of Income		
- (Loss)/gain on changes in fair value	<u>(430)</u>	<u>3,674</u>

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**11. AVAILABLE-FOR-SALE FINANCIAL ASSETS**

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

	<b>30.6.2016</b>	<b>31.12.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>AFS financial asset</u>		
Malaysian government papers	30,832	30,711
Unquoted equity securities in Malaysia	39	39
Unquoted corporate debt securities in Malaysia	132,410	130,414
	<u>163,281</u>	<u>161,164</u>

**(b) Carrying value of AFS financial assets - Government papers and Unquoted corporate debt securities**

	<b>AFS</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>
1 January 2015	132,562	132,562
Purchases	69,495	69,495
Maturity/Disposal	(40,131)	(40,131)
Accretion of discounts, net of amortisation of premium	86	86
Movement in accrued interest	371	371
Fair value loss recorded in:		
- Other comprehensive income	(1,258)	(1,258)
At 31 December 2015/1 January 2016	<u>161,125</u>	<u>161,125</u>
Purchases	-	-
Maturity/Disposal	(154)	(154)
Accretion of discounts, net of amortisation of premium	148	148
Movement in accrued interest	12	12
Fair value gain recorded in:		
- Other comprehensive income	2,111	2,111
At 30 June 2016	<u>163,242</u>	<u>163,242</u>



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

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

	AFS RM'000	Total RM'000
1 January 2015	77	77
Fair value loss recorded in:		
- Other comprehensive income	(38)	(38)
At 31 December 2015/1 January 2016	39	39
Fair value loss recorded in:		
- Other comprehensive income	-	-
At 30 June 2016	39	39

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

	30.6.2016 RM'000	31.12.2015 RM'000
Investments maturing within 12 months	8,081	8,115
Investments maturing after 12 months	155,161	153,010
	163,242	161,125

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

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.

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

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

Recurring fair value measurements

- 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.



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

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

**30 June 2016**

Malaysian government papers  
Unquoted equity securities in Malaysia  
Unquoted corporate debt securities in Malaysia

Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
-	30,832	-	30,832
-	-	39	39
-	132,410	-	132,410
-	163,242	39	163,281

**31 December 2015**

Malaysian government papers  
Unquoted equity securities in Malaysia  
Unquoted corporate debt securities in Malaysia

-	30,711	-	30,711
-	-	39	39
-	130,414	-	130,414
-	161,125	39	161,164

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**12. LOANS AND RECEIVABLES**

	<b>30.6.2016</b>	<b>31.12.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Staff loans:		
Staff housing loans (secured)	95	98
Fixed and call deposits with licensed banks		
with original remaining tenure of more than 1 month	785,189	779,567
Accrued interest	17,008	15,096
	<u>802,197</u>	<u>794,663</u>
Other receivables:		
Malaysian Motor Insurance Pool ("MMIP" or "the Pool")		
balances		
- Cash calls paid to MMIP	34,356	34,356
- Share of net assets held under MMIP	40,851	38,465
	<u>75,207</u>	<u>72,821</u>
MMIP commission receivable	6,637	7,496
Deposits	885	853
Prepayments	1,547	984
Other receivables	5,335	3,636
	<u>89,611</u>	<u>85,790</u>
Total loans and receivables	<u>891,903</u>	<u>880,551</u>
The following loans and receivables		
Mature within 12 months	615,336	667,591
Mature after 12 months	<u>186,956</u>	<u>127,170</u>

The carrying amounts disclosed above approximate fair values at the date of the statement of financial position.

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 15. The net assets held under MMIP of the Company include cash contribution of RM34,356,477 (2015: RM34,356,477) made to MMIP. No cash calls was made during the current interim period (2015: RM7,011,576).

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**13. REINSURANCE ASSETS**

	<b>30.6.2016</b>	<b>31.12.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Reinsurance of insurance contracts:		
Claims liabilities (Note 15)	132,647	118,265
Premium liabilities (Note 15)	56,540	54,003
	<u>189,187</u>	<u>172,268</u>

**14. INSURANCE RECEIVABLES**

	<b>30.6.2016</b>	<b>31.12.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Due premium including agents, brokers and co-insurers balance	36,557	27,313
Due from reinsurers and cedants	14,509	12,458
	<u>51,066</u>	<u>39,771</u>
Accumulated impairment losses	(7,684)	(7,937)
	<u>43,382</u>	<u>31,834</u>
Knock-for-knock claims recoveries due from other insurers	1,467	1,572
Accumulated impairment losses	(75)	(125)
	<u>1,392</u>	<u>1,447</u>
	<u>44,774</u>	<u>33,281</u>

The carrying amounts disclosed above approximate fair values at the date of the statement of financial position.

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**15. INSURANCE CONTRACT LIABILITIES**

	30.6.2016		31.12.2015	
	Gross RM'000	Re-insurance RM'000	Net RM'000	Re-insurance RM'000
General insurance	848,017	(189,187)	658,830	(172,268)
			793,253	620,985

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

	30.6.2016		31.12.2015	
	Gross RM'000	Re-insurance RM'000	Net RM'000	Re-insurance RM'000
Provision for claims	342,145	(95,075)	247,070	(100,417)
Provision for incurred but not reported ("IBNR") claims	190,655	(37,572)	153,083	(17,848)
Claims liabilities (i), (ii)	532,800	(132,647)	400,153	(118,265)
Premium liabilities (iii)	315,217	(56,540)	258,677	(54,003)
	848,017	(189,187)	658,830	(172,268)
			793,253	620,985

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**15. INSURANCE CONTRACT LIABILITIES (CONTINUED)**

(i) Claims liabilities

	30.6.2016			31.12.2015		
	Gross RM'000	Re-insurance RM'000	Net RM'000	Gross RM'000	Re-insurance RM'000	Net RM'000
At 1 January 2016/2015	501,468	(118,265)	383,203	481,199	(145,965)	335,234
Claims incurred for the current accident period/year (direct and facultative)	187,151	(38,835)	148,316	332,344	(64,034)	268,310
Adjustment to claims incurred in prior accident years (direct and facultative)	2,990	(9,412)	(6,422)	(42,378)	23,292	(19,086)
Claims incurred during the period/ year	(8,230)	-	(8,230)	11,535	(457)	11,078
(treaty inwards claims)						
Movement in PRAD of claims liabilities at 75% confidence level	567	4,027	4,594	4,500	(842)	3,658
Movement in claims handling expenses	662	-	662	(4,003)	4,195	192
Claims paid during the period/year	(151,808)	29,838	(121,970)	(281,729)	65,546	(216,183)
At 30 June 2016/31 December 2015	532,800	(132,647)	400,153	501,468	(118,265)	383,203



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**15. INSURANCE CONTRACT LIABILITIES (CONTINUED)**

(ii) Claims liabilities by class of business

	←	30.6.2016	→	←	31.12.2015	→
	Motor	Non-motor	Total	Motor	Non-motor	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Gross claims liabilities	441,347	91,453	532,800	413,054	88,414	501,468
Reinsurance	(73,116)	(59,531)	(132,647)	(60,532)	(57,733)	(118,265)
Net claims liabilities	368,231	31,922	400,153	352,522	30,681	383,203

(iii) Premium liabilities

	←	30.6.2016	→	←	31.12.2015	→
	Gross	Re-insurance	Net	Gross	Re-insurance	Net
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2016/2015	291,785	(54,003)	237,782	272,787	(60,270)	212,517
Premiums written during the period/year	325,500	(69,309)	256,191	585,518	(130,112)	455,406
Premiums earned during the period/year	(302,068)	66,772	(235,296)	(566,520)	136,379	(430,141)
At 30 June 2016/31 December 2015	315,217	(56,540)	258,677	291,785	(54,003)	237,782

As at 30 June 2016, the insurance contract liabilities above include the Company's share of MMIP's claims and premium liabilities amounting to RM59,309,510 (2015:RM69,978,819) and RM6,180,267 (2015: RM8,442,677) respectively. The Company's net assets arising from its participation in the Pool is detailed in Note 12.

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**16. COMMITMENTS**

(a) Capital expenditure commitments

	<b>30.6.2016</b>	<b>31.12.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Authorised by the Directors and contracted for:		
- Property and equipment	178	1,523
Authorised by the Directors but not contracted for:		
- Property and equipment	8,967	-
	<u>9,145</u>	<u>1,523</u>

(b) Operating lease commitments

i) The Company as lessee

The Company has non-cancellable operating lease agreements. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	<b>30.6.2016</b>	<b>31.12.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Not later than 1 year	4,375	2,611
Later than 1 year and no later than 5 years	5,328	1,600
	<u>9,703</u>	<u>4,211</u>

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 :

	<b>30.6.2016</b>	<b>31.12.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Not later than 1 year	1,721	432
Later than 1 year and no later than 3 years	1,003	502
	<u>2,724</u>	<u>934</u>



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**17. SIGNIFICANT RELATED PARTY DISCLOSURES**

	30.6.2016 RM'000	31.12.2015 RM'000
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The significant transactions of the Company with related parties during the financial period/year are as follows:

Other receivables

Other receivable due from immediate holding company, Liberty International Holding Inc.

	444	56
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RELATED PARTY DISCLOSURES - KOREAN REINSURANCE COMPANY, SINGAPORE BRANCH, SINGAPORE

Transaction with non-controlling shareholders

Reinsurance ceded premium	1,192	1,531
Reinsurance commission received	(353)	(485)
Reinsurance claims recovery	(435)	(641)

Reinsurance receivables	23	21
Reinsurance payables	(372)	(253)

RELATED PARTY DISCLOSURES - LIBERTY GROUP

Transactions with Group Companies:

Reinsurance ceded premium		
- Liberty Mutual Ins Europe Ltd - Labuan branch	-	148
- Liberty Insurance Pte. Ltd, Singapore Branch	1,230	2
- Liberty Mutual Ins Co Boston. Massachusetts, USA	2,253	1,750
- Liberty International Underwriters Pte Ltd.	62	-
	3,545	1,900

Reinsurance commission received		
- Liberty Mutual Ins Europe Ltd - Labuan branch	-	(23)
- Liberty Insurance Pte. Ltd, Singapore Branch	(149)	-
- Liberty Mutual Ins Co Boston. Massachusetts, USA	(544)	(241)
- Liberty International Underwriters Pte Ltd.	(12)	-
	(705)	(264)

Reinsurance claims recovery		
- Liberty Mutual Ins Europe Ltd - Labuan branch	-	(233)
- Liberty Insurance Pte. Ltd, Singapore Branch	-	(1)
- Liberty Mutual Ins Co Boston. Massachusetts, USA	(222)	-
	(222)	(234)

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**17. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)**

	<b>30.6.2016</b>	<b>31.12.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Reinsurance receivables		
- Liberty Mutual Ins Europe Ltd - Labuan branch	-	24
- Liberty Insurance Underwriters	-	1
	<u>-</u>	<u>25</u>
Reinsurance payables		
- Liberty Insurance Pte. Ltd, Singapore Branch	(1,441)	(1,842)
- Liberty Mutual Ins Co Boston, Massachusetts, USA	(782)	(69)
- Liberty International Underwriters Pte Ltd.	(53)	-
	<u>(2,276)</u>	<u>(1,911)</u>

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 loans and receivables (Note 12), insurance receivables (Note 14) and insurance payables.

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**18. REGULATORY CAPITAL REQUIREMENTS**

The total capital available of the Company as at 30 June 2016, as prescribed under the RBC Framework is provided below:

	<b>30.6.2016</b>	<b>31.12.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Eligible Tier 1 Capital:		
Share capital (paid up)	100,000	100,000
Retained earnings	381,387	345,455
	<u>481,387</u>	<u>445,455</u>
Tier 2 Capital:		
Asset revaluation reserve	20,494	20,495
AFS reserve	(1,018)	(2,622)
	<u>19,476</u>	<u>17,873</u>
Amounts deducted from capital	(10,946)	(12,194)
Total capital available	<u>489,917</u>	<u>451,134</u>