

Company No.

200801013654 (814942-M)

MANULIFE INSURANCE BERHAD
(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

Company No.

200801013654 (814942-M)

MANULIFE INSURANCE BERHAD

(Incorporated in Malaysia)

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UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Note	As at 30.06.2025 RM'000	As at 31.12.2024 RM'000
Assets			
Property and equipment		21,074	20,990
Investment property		47,942	47,942
Intangible assets	12	134,447	138,475
Financial assets at fair value through other comprehensive income	13(a)	3,706,387	3,503,913
Financial assets at fair value through profit or loss	13(b)	1,247,483	1,430,149
Financial assets at amortised cost		71,986	36,141
Right-of-use assets		566	1,073
Current tax assets		13,197	6,621
Reinsurance contract assets	14(b)	8,237	2,115
Other assets		15,979	13,217
Cash and cash equivalents		130,138	83,978
Segregated funds net asset		1,558,457	1,631,232
Total Assets		6,955,893	6,915,846
Liabilities and Equity			
Liabilities			
Insurance contract liabilities		3,925,435	3,835,706
Segregated funds insurance net liabilities		1,558,457	1,631,232
Total insurance and segregated funds contract liabilities	14(a)	5,483,892	5,466,938
Reinsurance contract liabilities	14(b)	14,354	16,917
Deferred tax liabilities		153,015	144,764
Lease liabilities		587	1,129
Other liabilities		272,653	288,933
Total Liabilities		5,924,501	5,918,681
Equity			
Share capital		200,000	200,000
Retained earnings	16	826,272	789,298
Other reserves	16	5,120	7,867
Total Equity		1,031,392	997,165
Total Liabilities and Equity		6,955,893	6,915,846

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**UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

	Cumulative 6 months ended	
Note	30.06.2025	30.06.2024
	RM'000	RM'000
Insurance service result		
Insurance revenue	223,896	210,787
Insurance service expenses	(177,184)	(165,569)
Net expenses from reinsurance contracts held	(8,095)	(1,531)
Total insurance service results	38,617	43,687
Investment result		
Investment income	94,507	95,240
Realised and unrealised (losses)/gains on assets supporting insurance contract liabilities	(38,201)	91,891
Investment expenses	(3,245)	(4,046)
Net investment income	53,061	183,085
Insurance finance expense	(46,253)	(158,873)
Reinsurance finance income/(expense)	596	(5,052)
Segregated fund related investment result		
Investment (expense)/income related to segregated fund net assets	(73,600)	229,945
Financial changes related to segregated fund net liabilities	73,600	(229,945)
Net segregated fund investment result	-	-
Total investment results	7,404	19,160
General expenses	3,663	(1,262)
Interest expense	(19)	(38)
Profit before taxation	49,665	61,547
Taxation	(12,691)	(23,676)
Net profit for the financial period	36,974	37,871
Basic and diluted earnings per share (sen)	17 10.06	11.31

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**UNAUDITED CONDENSED STATEMENT OF TOTAL COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

	Cumulative 6 months ended	
	30.06.2025	30.06.2024
	RM'000	RM'000
Net profit for the financial period	36,974	37,871
Other comprehensive income, net of tax:		
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:-		
Fair value through OCI investments:		
Net gains on fair value changes	63,713	4,236
Realised gains transferred to income statements	(4,299)	(173)
Deferred tax	(17,502)	(702)
Fair value through OCI investments, net of deferred tax	41,912	3,361
Insurance finance expense	(58,565)	(1,746)
Deferred tax	14,056	303
Insurance finance expense, net of deferred tax	(44,509)	(1,443)
Reinsurance finance (expense)/income	(197)	53
Deferred tax	47	(13)
Reinsurance finance (expense)/income, net of deferred tax	(150)	40
Net other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods	(2,747)	1,958
Other comprehensive (loss)/income for the financial period	(2,747)	1,958
Total comprehensive income for the financial period	34,227	39,829

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**UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

	<=====Non-distributable=====>					
	Share Capital	Insurance Finance Reserve	Reinsurance Finance Reserve	Fair Value Reserve	Asset Revaluation Reserve	Retained Earnings*
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2025	200,000	(48,587)	229	54,260	1,965	789,298
Net profit for the financial period	-	-	-	-	-	36,974
Other comprehensive (loss)/income for the financial period	-	(44,509)	(150)	41,912	-	-
Total comprehensive (loss)/income for the financial period	-	(44,509)	(150)	41,912	-	36,974
At 30 June 2025	200,000	(93,096)	79	96,172	1,965	826,272
						1,031,392

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**UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025 (CONTINUED)**

	<=====Non-distributable=====>						
	Share Capital	Insurance Finance Reserve	Reinsurance Finance Reserve	Fair Value Reserve	Asset Revaluation Reserve	Retained Earnings	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2024	200,000	(46,223)	380	51,224	1,792	731,116	938,289
Net profit for the financial period	-	-	-	-	-	37,871	37,871
Other comprehensive (loss)/income for the financial period	-	(1,443)	40	3,361	-	-	1,958
Total comprehensive (loss)/income for the financial period	-	(1,443)	40	3,361	-	37,871	39,829
Dividend paid	-	-	-	-	-	(50,000)	(50,000)
At 30 June 2024	200,000	(47,666)	420	54,585	1,792	718,987	928,118

* The Company's retained earnings comprise both distributable and non-distributable earnings. Surpluses from the life insurance funds become distributable only upon the actual transfer to the Shareholders' Fund, as recommended by the Appointed Actuary.

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**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**

	6 months ended 30.06.2025 RM'000	6 months ended 30.06.2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the financial period	36,974	37,871
Adjustments for non-cash items	(39,048)	(160,364)
Operating loss before changes in operating assets and liabilities	(2,074)	(122,493)
Purchase of investments	(1,302,064)	(1,146,217)
Proceeds from disposal and maturity of investments	1,316,484	1,058,133
Interest income received	75,174	71,712
Dividend income received	19,867	25,214
Rental income received	1,507	2,056
Increase in other receivables	(7,909)	(1,185)
Increase in fixed and call deposits	-	(20,272)
Increase in loans receivables	(29,603)	(607)
Increase in reinsurance contract assets	(6,122)	(824)
Increase in insurance contract liabilities	31,162	185,725
Decrease in reinsurance contract liabilities	(2,760)	(4,277)
(Decrease)/increase in other liabilities	(31,448)	34,219
Cash generated from/(used in) operations	62,214	81,184
Interest paid	(16)	(32)
Income taxes paid	(14,036)	(1,163)
Net cash inflow from operating activities	48,162	79,989
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(1,146)	(1,750)
Purchase of intangible assets	(315)	(1,238)
Proceeds from disposal of property and equipments	1	-
Net cash outflow from investing activities	(1,460)	(2,988)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net dividends paid to shareholder	-	(50,000)
Payment of principal portion of lease liabilities	(542)	(534)
Net cash outflow from financing activities	(542)	(50,534)
Net increase during the financial period	46,160	26,467
Cash and cash equivalents at 1 January	83,978	88,321
Cash and cash equivalents at 30 June	130,138	114,788

CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the unaudited condensed statement of cash flows comprise the following:

	As at 30.06.2025 RM'000	As at 30.06.2024 RM'000
Cash and bank balances	130,124	77,565
Short-term deposits	14	37,223
Cash and cash equivalents	130,138	114,788

The accompanying notes form an integrated part of these unaudited condensed interim financial statements.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The condensed interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting and International Accounting Standard ("IAS") 34: Interim Financial Reporting and should be read in conjunction with the Company's audited financial statements for the financial year ended 31 December 2024, which were prepared in accordance with the MFRS Accounting Standards and IFRS Accounting Standards.

The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to gain an understanding of the changes in the financial position and performance of the Company since the financial year ended 31 December 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted by the Company in 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 2024, except for the adoption of the following amendments to MFRS:

<u>Description</u>	<u>Effective Date</u>
Lack of Exchangeability (Amendments to MFRS 121)	1 January 2025

The adoption of the above new pronouncements in the current financial year do not have any material impact to the financial statements of the Company.

3. SEASONAL/CYCLICAL FACTORS

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

4. UNUSUAL ITEMS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the financial period ended 30 June 2025.

5. CHANGE IN ESTIMATES

The Company measures policy liabilities using a prospective actuarial valuation. The expected future liabilities are determined using best estimate assumptions with the appropriate risk adjustment to reflect the uncertainty of adverse deviation from expected experience. Valuation assumptions used includes mortality, morbidity, lapse, expense, risk-free interest rate plus illiquidity premium, and participating life funds' yield derived based on asset liability method. For calculating the contractual service margin ("CSM"), the fair value approach is used for all in-force policies sold before 2021, and the full retrospective approach is used for all policies sold in 2021 onwards.

There were no material changes in the basis used for accounting estimates for the current financial period ended 30 June 2025.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

6. DEBT AND EQUITY SECURITIES

There were no issuances, cancellation, repurchases, resale and repayment of debt and equity securities during the current financial period ended 30 June 2025.

7. DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

8. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

There is no material event subsequent to the end of the financial period under review that has not been reported in the interim financial statements for the current financial period to date.

9. CHANGES IN COMPOSITION OF THE COMPANY

There is no change in the Company's composition for the current financial period to date.

10. CONTINGENT LIABILITIES

There were no contingent liabilities as at the date of this report since the last annual statement of financial position date.

11. SIGNIFICANT EVENTS

There is no significant event during the financial period to date.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

12. INTANGIBLE ASSETS

	Exclusive right RM'000	Computer software RM'000	Computer software in progress RM'000	Distribution agreement RM'000	Total RM'000
Cost					
At 1 January 2024	149,637	19,334	3,255	28,739	200,965
Additions	-	27	2,168	-	2,195
Transfer to computer software	-	2,545	(2,545)	-	-
Write-off	-	(5)	-	-	(5)
At 31 December 2024/1 January 2025	149,637	21,901	2,878	28,739	203,155
Additions	-	-	315	-	315
Transfer to computer software	-	1,821	(1,821)	-	-
At 30 June 2025	149,637	23,722	1,372	28,739	203,470
Accumulated amortisation					
At 1 January 2024	44,199	13,183	-	157	57,539
Amortisation during the financial year	3,566	3,067	-	513	7,146
Write-off	-	(5)	-	-	(5)
At 31 December 2024/1 January 2025	47,765	16,245	-	670	64,680
Amortisation during the financial period	1,834	1,540	-	969	4,343
At 30 June 2025	49,599	17,785	-	1,639	69,023
Net carrying amount					
At 30 June 2025	100,038	5,937	1,372	27,100	134,447
At 31 December 2024	101,872	5,656	2,878	28,069	138,475

The Exclusive Right is a definite life intangible asset and relates to a 10-year exclusive bancassurance agreement entered between the Company and Alliance Bank Malaysia Berhad ("ABMB") on 13 June 2013. The Exclusive right was extended for a further 15 years on 28 July 2023. The Exclusive Right is amortised over the duration of the agreement and the annual amortisation amount is calculated with reference to the benefits generated from the partnership (which is defined as the annualized premium equivalent) in which the Company expects to recognise the related revenue.

The Distribution Agreement relates to a 20-year distribution right entered between the Company and an agency leadership corporation on 23 September 2019. In 2024, the Company has reassessed and changed the basis of amortisation from previously based on the consumption pattern of the distribution, which is the contracted number of agents to the straight-line time apportionment basis over the remaining duration of the agreement.

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13. FINANCIAL ASSETS

(a) Fair value through other comprehensive income

	As at 30.06.2025	As at 31.12.2024
	RM'000	RM'000
Malaysian Government Securities	696,965	681,278
Government Investment Issues	585,861	535,550
Corporate debt securities		
- Unquoted	2,383,973	2,249,224
Accrued interest	39,588	37,861
	<u>3,706,387</u>	<u>3,503,913</u>
Current	235,321	189,832
Non-current	3,471,066	3,314,081
	<u>3,706,387</u>	<u>3,503,913</u>

(b) Fair value through profit or loss

	As at 30.06.2025	As at 31.12.2024
	RM'000	RM'000
Equity securities		
- Quoted in Malaysia	456,359	612,833
- Quoted outside Malaysia	24,334	20,580
- Unquoted in Malaysia	17,967	18,025
Private Equity Funds		
- Unquoted outside Malaysia	74,894	73,179
Structured product	140,053	152,675
Real estate investment trusts	6,824	6,686
Unit trust funds – Investment in subsidiaries* (i)	523,614	542,141
Forward foreign exchange contract	3,438	2,023
Accrued interest	-	2,007
	<u>1,247,483</u>	<u>1,430,149</u>
Current	<u>1,247,483</u>	<u>1,430,149</u>

* Being investment in unit trust funds managed by a related company.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

13. FINANCIAL ASSETS

(b) Fair value through profit or loss (continued)

(i) Unit trust funds – investment in subsidiaries

	As at 30.06.2025 RM'000	As at 31.12.2024 RM'000
At fair value	<u>523,614</u>	<u>542,141</u>

Details of the Company's unit trust funds – investment in subsidiaries in Malaysia are as follows:

Name of wholesale unit trust fund	Principal activities	% of ownership held by the Company	
		30.06.2025	31.12.2024
Manulife Cash Management Fund	Investment in money market fund	83.5	89.2
Manulife Wholesale Corporate Bond Fund	Investment in corporate bonds	80.7	78.1
Manulife Wholesale Government Bond Fund	Investment in sovereign bonds	82.0	78.0

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14. INSURANCE AND REINSURANCE CONTRACT (ASSETS)/LIABILITIES

(a) Insurance contract liabilities

	Liabilities for remaining coverage		Liability for incurred claims		
	Exclude loss component RM'000	Loss component RM'000	Products not under PAA RM'000	PAA Estimates of PV of future cash flows and risk adjustment for non-financial risk RM'000	Total RM'000
At 1 January 2025					
Insurance contract liabilities	3,556,880	51,966	221,209	5,651	3,835,706
Segregated fund insurance net liabilities	1,631,232	-	-	-	1,631,232
	<u>5,188,112</u>	<u>51,966</u>	<u>221,209</u>	<u>5,651</u>	<u>5,466,938</u>
Insurance revenue					
Expected incurred claims and other insurance service expenses	(129,481)	-	-	-	(129,481)
Change in risk adjustment for non-financial risk expired	(15,612)	-	-	-	(15,612)
CSM recognised for service provided	(33,928)	-	-	-	(33,928)
Recovery of insurance acquisition cashflows	(40,550)	-	-	-	(40,550)
Contracts under PAA	(4,325)	-	-	-	(4,325)
	<u>(223,896)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(223,896)</u>
Insurance service expense					
Incurred claims and other insurance service expenses	-	-	133,868	(2,721)	131,147
Losses and reversal of losses on onerous contracts (future service)	-	4,852	-	-	4,852
Amortisation of insurance acquisition cashflow	41,185	-	-	-	41,185
	<u>41,185</u>	<u>4,852</u>	<u>133,868</u>	<u>(2,721)</u>	<u>177,184</u>
Investment components and premium refunds	(160,726)	-	160,726	-	-
Insurance service result	(343,437)	4,852	294,594	(2,721)	(46,712)
Insurance finance expense	100,446	206	4,166	-	104,818
Total changes in the statement of profit or loss and other comprehensive income	<u>(242,991)</u>	<u>5,058</u>	<u>298,760</u>	<u>(2,721)</u>	<u>58,106</u>

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

14. INSURANCE AND REINSURANCE CONTRACT (ASSETS)/LIABILITIES (CONTINUED)

(a) Insurance contract liabilities (continued)

	Liabilities for remaining coverage		Liability for incurred claims		
	Exclude loss component RM'000	Loss component RM'000	Products not under PAA RM'000	PAA Estimates of PV of future cash flows and risk adjustment for non-financial risk RM'000	Total RM'000
(Continued)					
Cash flows and other movements					
Premiums and premium tax received	440,727	-	-	-	440,727
Claims and other insurance service expenses paid, including investment components	-	-	(283,134)	(529)	(283,663)
Insurance acquisition cash flows	(125,441)	-	-	-	(125,441)
Total cash flows and other movements	315,286	-	(283,134)	(529)	31,623
Movements related to segregated fund insurance net liabilities	(72,775)	-	-	-	(72,775)
At 30 June 2025					
Insurance contract liabilities	3,629,175	57,024	236,835	2,401	3,925,435
Segregated fund insurance net liabilities	1,558,457	-	-	-	1,558,457
	<u>5,187,632</u>	<u>57,024</u>	<u>236,835</u>	<u>2,401</u>	<u>5,483,892</u>

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

14. INSURANCE AND REINSURANCE CONTRACT (ASSETS)/LIABILITIES (CONTINUED)

(a) Insurance contract liabilities (continued)

	Liabilities for remaining coverage		Liability for incurred claims		
	Exclude loss component RM'000	Loss component RM'000	Products not under PAA RM'000	PAA Estimates of PV of future cash flows and risk adjustment for non-financial risk RM'000	Total RM'000
At 1 January 2024					
Insurance contract liabilities	3,333,506	46,783	196,725	251	3,577,265
Segregated fund insurance net liabilities	1,406,253	-	-	-	1,406,253
	<u>4,739,759</u>	<u>46,783</u>	<u>196,725</u>	<u>251</u>	<u>4,983,518</u>
Insurance revenue					
Expected incurred claims and other insurance service expenses	(254,595)	-	-	-	(254,595)
Change in risk adjustment for non-financial risk expired	(30,103)	-	-	-	(30,103)
CSM recognised for service provided	(71,994)	-	-	-	(71,994)
Recovery of insurance acquisition cashflows	(68,000)	-	-	-	(68,000)
Contracts under PAA	(7,351)	-	-	-	(7,351)
	<u>(432,043)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(432,043)</u>
Insurance service expense					
Incurred claims and other insurance service expenses	-	-	280,350	5,887	286,237
Losses and reversal of losses on onerous contracts (future service)	-	4,801	-	-	4,801
Amortisation of insurance acquisition cashflow	69,315	-	-	-	69,315
	<u>69,315</u>	<u>4,801</u>	<u>280,350</u>	<u>5,887</u>	<u>360,353</u>
Investment components and premium refunds	(333,720)	-	333,720	-	-
Insurance service result	(696,448)	4,801	614,070	5,887	(71,690)
Insurance finance expense	223,087	382	9,198	7	232,674
Total changes in the statement of profit or loss and other comprehensive income	<u>(473,361)</u>	<u>5,183</u>	<u>623,268</u>	<u>5,894</u>	<u>160,984</u>

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14. INSURANCE AND REINSURANCE CONTRACT (ASSETS)/LIABILITIES (CONTINUED)

(a) Insurance contract liabilities (continued)

	Liabilities for remaining coverage		Liability for incurred claims		Total RM'000
	Exclude loss component RM'000	Loss component RM'000	Products not under PAA RM'000	PAA Estimates of PV of future cash flows and risk adjustment for non-financial risk RM'000	
(Continued)					
Cash flows and other movements					
Premiums and premium tax received	960,579	-	-	-	960,579
Claims and other insurance service expenses paid, including investment components	-	-	(598,784)	(494)	(599,278)
Insurance acquisition cash flows	(263,844)	-	-	-	(263,844)
Total cash flows and other movements	696,735	-	(598,784)	(494)	97,457
Movements related to segregated fund insurance net liabilities	224,979	-	-	-	224,979
At 31 December 2024					
Insurance contract liabilities	3,556,880	51,966	221,209	5,651	3,835,706
Segregated fund insurance net liabilities	1,631,232	-	-	-	1,631,232
	<u>5,188,112</u>	<u>51,966</u>	<u>221,209</u>	<u>5,651</u>	<u>5,466,938</u>

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

14. INSURANCE AND REINSURANCE CONTRACT (ASSETS)/LIABILITIES (CONTINUED)

(b) Reinsurance contract liabilities

	Liabilities for remaining coverage		Amount recoverable : incurred claims	
	Excluding loss recovery component	Loss recovery component	RM'000	Total RM'000
	RM'000	RM'000	RM'000	
At 1 January 2025				
Reinsurance contract assets	1,555	-	(3,670)	(2,115)
Reinsurance contract liabilities	59,581	(2,330)	(40,334)	16,917
	<u>61,136</u>	<u>(2,330)</u>	<u>(44,004)</u>	<u>14,802</u>
Allocation of reinsurance premiums paid				
Expected recovery for claims and other expenses	24,214	-	-	24,214
Change in risk adjustment for non-financial risk expired	1,121	-	-	1,121
Net cost recognised	2,453	-	-	2,453
Experience refunds	(4,430)	-	-	(4,430)
	<u>23,358</u>	<u>-</u>	<u>-</u>	<u>23,358</u>
Amounts recoverable from reinsurers				
Recoveries of incurred claims and expenses	-	99	(15,518)	(15,419)
Change in risk adjustment for non-financial risk expired	-	7	-	7
Recoveries of losses and reversal of loss recovery on onerous contracts (future service)	-	149	-	149
	<u>-</u>	<u>255</u>	<u>(15,518)</u>	<u>(15,263)</u>
Net expenses from reinsurance contracts	23,358	255	(15,518)	8,095
Reinsurance finance income	(373)	(38)	-	(411)
Effect of changes in non-performance risk of reinsurers	10	-	-	10
Total changes in the statement of profit or loss and other comprehensive income	<u>22,995</u>	<u>217</u>	<u>(15,518)</u>	<u>7,694</u>
Cash flows				
Premiums paid	(34,449)	-	-	(34,449)
Amounts received	-	-	18,070	18,070
Total cash flows	<u>(34,449)</u>	<u>-</u>	<u>18,070</u>	<u>(16,379)</u>
At 30 June 2025				
Reinsurance contract assets	29,154	-	(37,391)	(8,237)
Reinsurance contract liabilities	20,528	(2,113)	(4,061)	14,354
	<u>49,682</u>	<u>(2,113)</u>	<u>(41,452)</u>	<u>6,117</u>

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

14. INSURANCE AND REINSURANCE CONTRACT (ASSETS)/LIABILITIES (CONTINUED)

(b) Reinsurance contract liabilities (continued)

	Liabilities for remaining coverage		Amount recoverable : incurred claims	
	Excluding loss recovery component	Loss recovery component	RM'000	Total RM'000
	RM'000	RM'000		
At 1 January 2024				
Reinsurance contract assets	787	-	(1,090)	(303)
Reinsurance contract liabilities	61,123	(1,939)	(26,279)	32,905
	<u>61,910</u>	<u>(1,939)</u>	<u>(27,369)</u>	<u>32,602</u>
Allocation of reinsurance premiums paid				
Expected recovery for claims and other expenses	46,772	-	-	46,772
Change in risk adjustment for non-financial risk expired	2,242	-	-	2,242
Net cost recognised	8,774	-	-	8,774
Experience refunds	(3,602)	-	-	(3,602)
	<u>54,186</u>	<u>-</u>	<u>-</u>	<u>54,186</u>
Amounts recoverable from reinsurers				
Recoveries of incurred claims and expenses	-	470	(52,619)	(52,149)
Change in risk adjustment for non-financial risk expired	-	40	-	40
Recoveries of losses and reversal of loss recovery on onerous contracts (future service)	-	(821)	-	(821)
	<u>-</u>	<u>(311)</u>	<u>(52,619)</u>	<u>(52,930)</u>
Net expenses from reinsurance contracts	54,186	(311)	(52,619)	1,256
Reinsurance finance expense/(income)	5,620	(80)	-	5,540
Effect of changes in non-performance risk of reinsurers	108	-	-	108
Total changes in the statement of profit or loss and other comprehensive income	<u>59,914</u>	<u>(391)</u>	<u>(52,619)</u>	<u>6,904</u>
Cash flows				
Premiums paid	(60,688)	-	-	(60,688)
Amounts received	-	-	35,984	35,984
Total cash flows	<u>(60,688)</u>	<u>-</u>	<u>35,984</u>	<u>(24,704)</u>
At 31 December 2024				
Reinsurance contract assets	1,555	-	(3,670)	(2,115)
Reinsurance contract liabilities	59,581	(2,330)	(40,334)	16,917
	<u>61,136</u>	<u>(2,330)</u>	<u>(44,004)</u>	<u>14,802</u>

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15. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

Derivatives

The table below shows the fair value of derivative financial instruments, recorded as financial asset at fair value through profit or loss or financial liability at fair value through profit or loss, together with their notional amounts. The notional amount, recorded at gross, is the amount of the derivative's underlying asset and is the basis upon which changes in the value of derivatives are measured. Derivative financial instruments held by the Company are forward foreign exchange contracts to hedge its currency risk, any fair value gains/losses on this financial instrument are recognised as financial asset/liability.

	Notional amount RM'000	Fair value gain recognised as		Net carrying amount RM'000
		Financial asset RM'000	Financial liability RM'000	
30 June 2025				
Hedging derivative:				
Forward foreign exchange contract				
- Less than 1 year	77,917	3,438	-	3,438
31 December 2024				
Hedging derivative:				
Forward foreign exchange contract				
- Less than 1 year	63,343	2,023	-	2,023

There is no change in risks and policies associated with the derivatives and its related accounting policies since the financial year ended 31 December 2024.

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16. RETAINED EARNINGS AND OTHER RESERVES

The retained earnings are classified as distributable and non-distributable as follows:

30 June 2025

	Note	Shareholder and Non-participating life funds RM'000	Participating life funds RM'000	Total RM'000
Retained earnings				
Distributable	(i)	349,643	-	349,643
Non-distributable	(ii)	470,726	5,903	476,629
		<u>820,369</u>	<u>5,903</u>	<u>826,272</u>
Other reserves				
Non-distributable:				
Insurance finance reserve		(31,807)	(61,289)	(93,096)
Reinsurance finance reserve		79	-	79
Fair value reserve		36,767	59,405	96,172
Asset revaluation reserve		-	1,965	1,965
		<u>5,039</u>	<u>81</u>	<u>5,120</u>

31 December 2024

	Note	Shareholder and Non-participating life funds RM'000	Participating life funds RM'000	Total RM'000
Retained earnings				
Distributable	(i)	351,308	-	351,308
Non-distributable	(ii)	433,869	4,121	437,990
		<u>785,177</u>	<u>4,121</u>	<u>789,298</u>
Other reserves				
Non-distributable:				
Insurance finance reserve		(12,494)	(36,093)	(48,587)
Reinsurance finance reserve		229	-	229
Fair value reserve		20,051	34,209	54,260
Asset revaluation reserve		-	1,965	1,965
		<u>7,786</u>	<u>81</u>	<u>7,867</u>

- (i) Under the single tier system, the Company is able to frank the payment of dividends out of its entire distributable retained earnings as at the date of the statement of financial position, subject to the approval by Bank Negara Malaysia under section 51 of the Financial Services Act 2013.

Additionally, under the Risk-Based Capital ("RBC") Framework for Insurers, the Company is prohibited from distributing dividends if its Capital Adequacy Ratio ("CAR") falls below its internal target level or if the dividend payment would reduce its CAR below this threshold.

- (ii) Non-distributable retained earnings are cumulative surplus arising from life insurance funds, net of deferred tax which have yet to be recommended for transfer to the Shareholders' fund. These amounts are only distributable upon actual recommended transfer to the Shareholders' fund by the Appointed Actuary.

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17. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share of the Company is calculated by dividing the net profit attributable to ordinary equity holder of the Company for the financial year over the number of ordinary shares in issue during the financial year.

	Cumulative 6 months ended	
	30.06.2025	30.06.2024
	RM'000	RM'000
Net profit for the company	36,974	37,871
Current year unallocated (surplus)/deficit from participating life funds	(1,782)	1,706
Net profit for the year attributable to ordinary equity holder	<u>35,192</u>	<u>39,577</u>
Number of shares in issue ('000)	350,000	350,000
Basic earnings per share (sen)	<u>10.06</u>	<u>11.31</u>

The basic earnings per share for the comparative period have been restated to conform to the current year's presentation, whereby net profit attributable to ordinary equity holder of the Company includes surplus transfer from participating policyholders.

The Company has no potential dilutive ordinary shares in issue as at the date of the statement of financial position and therefore, diluted earnings per share have not been presented.

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18. SIGNIFICANT RELATED PARTY TRANSACTIONS

Related party transactions have been entered into in the normal course of business under negotiated terms with the respective parties. The significant related party transactions during the financial period between the Company and their related parties are set out as below:

	Cumulative 6 months ended	
	30.06.2025	30.06.2024
	RM'000	RM'000
Expenses/(income):		
Intermediate holding company		
Reimbursement of personnel expenses	3,269	2,742
Reimbursement of software maintenance expenses	3,949	7,509
Reimbursement of consultation fee	8	26
Reimbursement of overhead expense	(168)	(782)
Reimbursement of education and training expenses	16	1
Reimbursement of travelling expense	39	12
Regional office overhead expense	1,054	1,245
Provision of IT development services	-	170
Provision of IT infrastructure support and maintenance services	8,609	7,983
Provision of finance support	422	475
Provision of HR support	335	377
Provision of staff claims system	16	18
Provision of compliance support	81	75
	<u>17,630</u>	<u>19,851</u>
Subsidiaries of ultimate holding company		
Provision of IT infrastructure support and maintenance services	260	1,295
Provision of IT infrastructure support and maintenance services	270	302
Investment consulting services	330	497
	<u>860</u>	<u>2,094</u>
Subsidiaries of immediate holding company		
Outsourcing fee income	(2,245)	(2,115)
Outsourcing fee expense	227	198
Fund management expenses	8,008	7,842
Rental of office premises	(358)	(343)
Management fees and maintenance charges	50	50
	<u>5,682</u>	<u>5,632</u>
Immediate holding company		
Outsourcing fee income	(730)	(661)
Outsourcing fee expense	681	983
Rental income	(41)	(39)
Rental expenses	694	671
	<u>604</u>	<u>954</u>

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19. FINANCIAL INSTRUMENTS

Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (i) Fair value through profit or loss ("FVTPL");
- (ii) Fair value through other comprehensive income ("FVOCI");
- (iii) Amortised cost ("AC")

	FVTPL	FVOCI	AC	Total
	RM'000	RM'000	RM'000	RM'000
30 June 2025				
Financial assets				
Financial assets at FVOCI	-	3,706,387	-	3,706,387
Financial assets at FVTPL	1,247,483	-	-	1,247,483
Financial assets at amortised cost	-	-	71,986	71,986
Cash and cash equivalents	-	-	130,138	130,138
	<u>1,247,483</u>	<u>3,706,387</u>	<u>202,124</u>	<u>5,155,994</u>
Financial liabilities				
Lease liabilities	-	-	587	587
Other liabilities	-	-	272,653	272,653
	<u>-</u>	<u>-</u>	<u>273,240</u>	<u>273,240</u>
31 December 2024				
Financial assets				
Financial assets at FVOCI	-	3,503,913	-	3,503,913
Financial assets at FVTPL	1,430,149	-	-	1,430,149
Financial assets at amortised cost	-	-	36,141	36,141
Cash and cash equivalents	-	-	83,978	83,978
	<u>1,430,149</u>	<u>3,503,913</u>	<u>120,119</u>	<u>5,054,181</u>
Financial liabilities				
Lease liabilities	-	-	1,129	1,129
Other liabilities	-	-	288,933	288,933
	<u>-</u>	<u>-</u>	<u>290,062</u>	<u>290,062</u>

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

20. DETERMINATION OF FAIR VALUES AND FAIR VALUE HIERARCHY

(a) Freehold property and investment property

The fair value of the Company's freehold property and investment property is determined based on the income method conducted by an independent qualified valuer.

Under the income approach by discounted cash flow method, the market value of the property is determined based on estimation of future annual cash flows over an investment horizon from valuation date by reference to expected revenue growth rates, operating expenses and terminal value. The present value of future cash flow is then determined by the application of an appropriate discount rate to derive a net present value of the property as at the valuation date.

Fair value hierarchy

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 is derived from unadjusted quoted price in active markets for identical properties that the entity can access at the measurement date.

Level 2 – Fair value is estimated using inputs that are observable for the properties, either directly or indirectly.

Level 3 – Fair value is estimated using unobservable inputs for the properties.

The fair value of freehold property and investment property is classified within Level 3 of the fair value hierarchy. The fair value of the property is as follows:

	Freehold property		Investment property	
	As at 30.06.2025 RM'000	As at 31.12.2024 RM'000	As at 30.06.2025 RM'000	As at 31.12.2024 RM'000
Carrying amount	10,081	10,200	47,942	47,942
Fair value as stated in valuation report*	10,200	10,200	47,942	47,942

* Based on the valuation conducted by an independent qualified valuer on 31 December 2024.

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20. DETERMINATION OF FAIR VALUES AND FAIR VALUE HIERARCHY (CONTINUED)

(a) Freehold property and investment property (continued)

Description of valuation techniques used and significant unobservable inputs to valuation of freehold property and investment property:

	Valuation technique	Significant unobservable inputs	Range
2024			
Freehold/ investment property	Income approach DCF method	Projected period	10 years
		Projected occupancy	96.29% to 98.05%
		Projected gross revenue (office and retail)	RM4.80 psf to RM5.93 psf
		Compounded annual growth rate ("CAGR") on revenue	2.15%
		Projected outgoings (office and retail)	RM2.00 psf to RM2.29 psf
		CAGR on outgoings (office and retail)	1.55%
		Discount rate	8.00%

A significant increase or decrease in each of the unobservable inputs used in the valuation would result in a correspondingly higher or lower fair value of the properties.

The reconciliation from beginning to ending balances for the freehold property and investment property are as follows:

	Freehold property		Investment property	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
At 1 January	10,200	10,200	47,942	46,942
Additions	-	-	-	1,394
Transfer from property and equipment	-	-	-	1,819
Depreciation charge for the period/year	(119)	-	-	-
Fair value loss	-	-	-	(2,213)
At 30 June/31 December	10,081	10,200	47,942	47,942

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20. DETERMINATION OF FAIR VALUES AND FAIR VALUE HIERARCHY (CONTINUED)

(b) Financial assets and financial liabilities

(i) Determination of fair values

The fair values of the Company's financial assets and financial liabilities are determined as follows:

- (i) The carrying amounts of financial assets and financial liabilities, such as loans and other receivables, cash and bank balances, and other payables (other than the amount payable under Distribution Agreement), are reasonable approximations of their fair values due to the relatively short-term maturity of these balances and the immaterial impact of discounting;
- (ii) The carrying amount of amount payable under Distribution Agreement which is the remaining present value of the expected future cash flow discounted using the discount rate that reflects the current market assessment of the time value of money, are reasonable approximations of their fair values;
- (iii) The fair values of quoted equities and investments in real estate investment trusts are based on quoted market prices as at the reporting date;
- (iv) The fair values of unquoted equities are determined with reference to market comparable inputs (price to book ratio of publicly-listed benchmarks) which are adjusted against the net assets of the investee and takes into consideration discount for lack of marketability;
- (v) The fair values of Malaysian Government Securities, Government Investment Issues and both quoted and unquoted corporate debt securities are based on indicative market prices;
- (vi) The fair values of investments in mutual funds and unit trust funds are valued based on the net asset values of the underlying funds as at the reporting date;
- (vii) The fair values of foreign exchange forward contracts are based on valuations provided by the financial institutions making reference to quoted market prices; and
- (viii) The fair values of private equity funds are measured based on the private equity funds' net asset value or fair values reported in investees' financial statements as a measure of fair value.
- (ix) The fair value of structured product is based on the mark-to-market value of the principal amount and fixed coupon which is calculated by discounting these amounts at the prevailing funding rate of the counterparty bank. The funding rate of the counterparty bank is typically a market observable input such as the swap rate or benchmark rates (MYOR/KLIBOR).

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20. DETERMINATION OF FAIR VALUES AND FAIR VALUE HIERARCHY (CONTINUED)

(b) Financial assets and financial liabilities

(ii) Fair value hierarchy

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. These include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar 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.

In determining the fair value of its financial instruments, the Company uses observable market data, when available, and minimises the use of unobservable inputs to the extent possible when determining fair value.

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20. DETERMINATION OF FAIR VALUES AND FAIR VALUE HIERARCHY (CONTINUED)

(b) Financial assets and financial liabilities

(ii) Fair value hierarchy

The following table presents the Company's financial assets and financial liabilities that are carried at fair value as at reporting date.

	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
30 June 2025				
Financial assets at FVOCI				
Malaysian Government Securities	696,965	-	696,965	-
Government Investment Issues	585,861	-	585,861	-
Corporate debt securities				
- Unquoted	2,383,973	-	2,383,973	-
Accrued interest	39,588	-	39,588	-
	<u>3,706,387</u>	<u>-</u>	<u>3,706,387</u>	<u>-</u>
Financial assets at FVTPL				
Equity securities				
- Quoted in Malaysia	456,359	456,359	-	-
- Quoted outside Malaysia	24,334	24,334	-	-
- Unquoted in Malaysia	17,967	-	-	17,967
Private equity funds				
- Unquoted outside Malaysia	74,894	-	-	74,894
Structured product	140,053	-	140,053	-
Real estate investment trusts	6,824	6,824	-	-
Unit trust funds	523,614	523,614	-	-
Forward foreign exchange contract	3,438	-	3,438	-
	<u>1,247,483</u>	<u>1,011,131</u>	<u>143,491</u>	<u>92,861</u>
	<u>4,953,870</u>	<u>1,011,131</u>	<u>3,849,878</u>	<u>92,861</u>

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20. DETERMINATION OF FAIR VALUES AND FAIR VALUE HIERARCHY (CONTINUED)

(b) Financial assets and financial liabilities

(ii) Fair value hierarchy

The following table presents the Company's financial assets and financial liabilities that are carried at fair value as at reporting date. (continued)

	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
31 December 2024				
Financial assets at FVOCI				
Malaysian Government Securities	681,278	-	681,278	-
Government Investment Issues	535,550	-	535,550	-
Corporate debt securities				
- Unquoted	2,249,224	-	2,249,224	-
Accrued interest	37,861	-	37,861	-
	<u>3,503,913</u>	<u>-</u>	<u>3,503,913</u>	<u>-</u>
Financial assets at FVTPL				
Equity securities				
- Quoted in Malaysia	612,833	612,833	-	-
- Quoted outside Malaysia	20,580	20,580	-	-
- Unquoted in Malaysia	18,025	-	-	18,025
Private equity funds				
- Unquoted outside Malaysia	73,179	-	-	73,179
Structured product	152,675	-	152,675	-
Real estate investment trusts	6,686	6,686	-	-
Unit trust funds	542,141	542,141	-	-
Forward foreign exchange contract	2,023	-	2,023	-
Accrued interest	2,007	-	2,007	-
	<u>1,430,149</u>	<u>1,182,240</u>	<u>156,705</u>	<u>91,204</u>
	<u>4,934,062</u>	<u>1,182,240</u>	<u>3,660,618</u>	<u>91,204</u>

There were no transfers between Level 1, Level 2 and Level 3 of the fair value hierarchy during the current and previous financial periods.

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20. DETERMINATION OF FAIR VALUES AND FAIR VALUE HIERARCHY (CONTINUED)

(b) Financial assets and financial liabilities

(iii) Financial assets which are measured at fair value using significant unobservable inputs (Level 3)

The reconciliation from beginning to ending balance for the investments classified in Level 3 fair value hierarchy:

	2025	2024
	RM'000	RM'000
Private Equity Funds – Unquoted outside Malaysia		
At 1 January	73,179	55,492
Capital contributions	8,039	13,979
Capital returns	(3,175)	(1,160)
Fair value gain recognised in profit or loss	1,411	6,576
Currency movement	(4,560)	(1,708)
At 30 June/31 December	<u>74,894</u>	<u>73,179</u>
	2025	2024
	RM'000	RM'000
Equity securities – Unquoted in Malaysia		
At 1 January	18,025	10,928
Fair value (loss)/gain recognised in profit or loss	(58)	7,097
At 30 June/31 December	<u>17,967</u>	<u>18,025</u>

Description of valuation methodology and significant unobservable inputs to valuation of private equities:

	Fair Value	Valuation Methodology	Unobservable Input	Input Values
30 June 2025	RM'000			
Private equity funds				
- Unquoted outside Malaysia	74,894	NAV	NAV	NAV
Equity securities				
- Unquoted in Malaysia	17,967	Market comparables	P/B ratio	RM 0.13 – RM 2.57
31 December 2024				
Private equity funds				
- Unquoted outside Malaysia	73,179	NAV	NAV	NAV
Equity securities				
- Unquoted in Malaysia	18,025	Market comparables	P/B ratio	RM 0.17 – RM 2.20

* Net asset value ("NAV")

** Price/book ratio ("P/B ratio")

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200801013654 (814942-M)

MANULIFE INSURANCE BERHAD

(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

21. TOTAL CAPITAL ASSETS

The capital structure of the Company as prescribed under the Risk-Based Capital Framework is as below:

	As at 30.06.2025 RM'000	As at 31.12.2024 RM'000
Eligible Tier 1 Capital		
Share capital (paid-up)	200,000	200,000
Retained earnings of the Company*	349,643	351,308
Eligible contract liabilities	553,109	608,806
	<u>1,102,752</u>	<u>1,160,114</u>
Eligible Tier 2 Capital		
Eligible reserves	128,959	73,812
Amounts deducted from capital	(135,243)	(136,984)
Total Capital Available	<u>1,096,468</u>	<u>1,096,942</u>

* Only distributable retained earnings of the Company are included in the determination of Total Capital Available.

22. CAPITAL AND OTHER COMMITMENTS

	As at 30.06.2025 RM'000	As at 31.12.2024 RM'000
Other commitments		
Distributors agreement		
- Authorised but not provided for	(i) <u>59,000</u>	<u>59,000</u>
Investment in Private Equity Funds		
As at 1 January	59,565	52,659
Capital committed	42,105	22,357
Capital called	(8,039)	(13,979)
Capital return	3,175	1,160
Expenses incurred	(198)	(354)
Currency movement	(3,506)	(2,278)
At 30 June/31 December	(ii) <u>93,102</u>	<u>59,565</u>

- (i) The Company is committed to pay annual fees under the terms of the distributors agreement. The annual fees will be expensed off to the profit or loss in the year of settlement.
- (ii) The Company is committed to deliver the capital contributions pursuant to the terms of the Limited Partnership Agreements.