

Company No.

814942	M
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MANULIFE INSURANCE BERHAD

(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2019

Company No.

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MANULIFE INSURANCE BERHAD

(Incorporated in Malaysia)

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MANULIFE INSURANCE BERHAD

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UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	As at 30.06.2019 RM'000	As at 31.12.2018 RM'000
ASSETS			
Property and equipment		16,720	17,113
Investment property		51,105	51,105
Intangible assets	12	17,764	19,823
Loans and receivables		246,569	272,020
Available-for-sale financial assets	13(a)	3,223,984	3,060,316
Financial asset at fair value through profit or loss	13(b)	1,690,652	1,555,566
Reinsurance assets	14	11,147	9,508
Insurance receivables		15,020	24,344
Right-of-use assets		484	-
Current tax asset		8,240	5,258
Cash and cash equivalents		65,837	54,237
TOTAL ASSETS		5,347,522	5,069,290
EQUITY, POLICYHOLDERS' FUND AND LIABILITIES			
Share capital		150,000	150,000
Retained earnings		328,098	314,737
Fair value reserves		22,437	6,183
TOTAL EQUITY		500,535	470,920
Insurance contract liabilities	15	4,083,579	3,864,705
Insurance claim liabilities		67,822	55,014
Financial liabilities at fair value through profit or loss	16	-	116
Deferred tax liabilities		35,897	16,879
Insurance payables		569,250	557,957
Lease liabilities		496	-
Other payables		89,943	103,699
TOTAL LIABILITIES		4,846,987	4,598,370
TOTAL EQUITY, POLICYHOLDERS' FUND AND LIABILITIES		5,347,522	5,069,290

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

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MANULIFE INSURANCE BERHAD

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UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2019

	30.06.2019	Cumulative 6 months ended 30.06.2018
	RM'000	RM'000
Premium income		
Gross premiums	423,375	438,474
Premiums ceded to reinsurers	(28,791)	(22,156)
Net premiums	<u>394,584</u>	<u>416,318</u>
Investment income	88,926	89,215
Net realised gains	20,305	32,357
Net fair value gains/(losses)	85,747	(111,157)
Fee income	1,992	2,424
Other operating income	<u>1,333</u>	<u>1,104</u>
Total revenue	<u>592,887</u>	<u>430,261</u>
Gross benefits and claims paid and payable	(336,118)	(335,655)
Claims ceded to reinsurers	6,866	6,120
Gross change in insurance contract liabilities	(134,566)	15,082
Change in insurance contract liabilities ceded to reinsurers	598	426
Net claims	<u>(463,220)</u>	<u>(314,027)</u>
Fee and commission expenses	(26,303)	(30,347)
Investment expenses	(4,989)	(4,837)
Management expenses	(62,049)	(57,417)
Other operating expenses	<u>(18,429)</u>	<u>(5,170)</u>
Other expenses	<u>(111,770)</u>	<u>(97,771)</u>
Profit before taxation	17,897	18,463
Taxation	<u>(4,525)</u>	<u>(5,526)</u>
Net profit for the financial period	<u>13,372</u>	<u>12,937</u>
Net profit attributable to:		
Equity holder of the Company	<u>13,372</u>	<u>12,937</u>
Basic and diluted earnings per share (sen)	<u>4.46</u>	<u>4.31</u>

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

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MANULIFE INSURANCE BERHAD

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UNAUDITED CONDENSED STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2019

	<u>30.06.2019</u> RM'000	<u>Cumulative 6 months ended 30.06.2018</u> RM'000
Net profit for the financial period	13,372	12,937
Other comprehensive income/(loss), net of tax:		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:-		
Fair value change on available-for-sale financial assets:		
- Gross fair value change	111,036	(98,140)
- Deferred tax	(10,474)	8,200
	100,562	(89,940)
Change in insurance contract liabilities arising from unrealised net fair value changes	(84,308)	83,792
Net income/(loss)	16,254	(6,148)
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	16,254	(6,148)
Other comprehensive income/(loss) for the financial period	16,254	(6,148)
Total comprehensive income for the financial period	29,626	6,789
Total comprehensive income attributable to:		
Equity holder of the Company	29,626	6,789

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

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MANULIFE INSURANCE BERHAD

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UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2019

	Non- distributable	Distributable		
	Share capital	Fair value reserve	Retained earnings	
	RM'000	RM'000	RM'000	
			Total equity	
			RM'000	
At 1 January 2019	150,000	6,183	314,737	470,920
Effect on adoption of MFRS 16 (Note 23)	-	-	(11)	(11)
At 1 January 2019 (restated)	150,000	6,183	314,726	470,909
Net profit for the financial period	-	-	13,372	13,372
Other comprehensive income for the financial period	-	16,254	-	16,254
Total comprehensive income for the financial period	-	16,254	13,372	29,626
At 30 June 2019	150,000	22,437	328,098	500,535
At 1 January 2018	150,000	10,850	386,340	547,190
Net profit for the financial period	-	-	12,937	12,937
Other comprehensive loss for the financial period	-	(6,148)	-	(6,148)
Total comprehensive (loss)/income for the financial period	-	(6,148)	12,937	6,789
Final dividend for the financial year ended 31 December 2017	-	-	(100,000)	(100,000)
At 30 June 2018	150,000	4,702	299,277	453,979

Included in the retained earnings are surplus from Non-participating life fund (net of deferred tax) of approximately RM 83,865,000 (1 January 2019: RM 68,652,000; 30 June 2018: RM 83,429,000; 1 January 2018: RM 68,988,000). These amounts are only distributable upon the actual recommended transfer from Non-participating Life Fund to the Shareholders' fund by the Appointed Actuary.

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

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MANULIFE INSURANCE BERHAD

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UNAUDITED CONDENSED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2019

	6 months ended 30.06.2019	6 months ended 30.06.2018
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the financial period	13,372	12,937
Adjustments for non-cash items	(172,527)	1,540
Operating (loss)/income before changes in operating assets and liabilities	(159,155)	14,477
Purchase of investments	(1,176,022)	(1,359,702)
Proceeds from disposal and maturity of investments	1,092,785	1,360,630
Interest income received	64,155	63,272
Dividend income received	24,362	23,088
Rental income received	1,181	1,620
Decrease in insurance receivables	9,324	7,348
Increase in reinsurance assets	(1,639)	(960)
Decrease in loan receivables	318	6,640
Decrease in other receivables	(4,852)	1,928
Decrease/(increase) in fixed and call deposits	30,501	(29,782)
Increase/(decrease) in insurance contract liabilities	134,566	(15,082)
Increase in insurance claims liabilities	12,808	7,598
(Decrease)/increase in payables	(1,403)	13,139
Cash generated from operations	26,929	94,214
Interest paid	(10)	-
Income taxes paid	(14,096)	(9,770)
Net cash inflow from operating activities	12,823	84,444
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(429)	(221)
Purchase of intangible assets	(570)	(173)
Proceeds from disposal of property and equipment	6	-
Net cash outflow from investing activities	(993)	(394)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to shareholder	-	(100,000)
Payment of lease liabilities	(230)	-
Net cash outflow from financing activities	(230)	(100,000)
Net increase/(decrease) during the financial period	11,600	(15,950)
Cash and cash equivalents at 1 January	54,237	85,828
Cash and cash equivalents at 30 June	65,837	69,878

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

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UNAUDITED CONDENSED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2019 (CONTINUED)

CASH AND CASH EQUIVALENTS

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

	As at 30.06.2019	As at 30.06.2018
	RM'000	RM'000
Cash and bank balances	42,823	51,266
Short-term deposits	23,014	18,612
Cash and cash equivalents	<u>65,837</u>	<u>69,878</u>

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

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MANULIFE INSURANCE BERHAD

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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 2018, which were prepared in accordance with the MFRS and IAS.

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 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

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 2018, except for the adoption of the following amendments/interpretation to MFRS:

<u>Description</u>	<u>Effective Date</u>
MFRS 9 Prepayment Features with Negative Compensation (Amendments to MFRS 9)	1 January 2019
MFRS 16 Leases	1 January 2019
MFRS 119 : Plan Amendment, Curtailment or Settlement (Amendments to MFRS 119)	1 January 2019
MFRS 128 Long-term Interests in Associates 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

The Company has disclosed the effects on the adoption of MFRS 16 Leases in Note 23.

Other than as discussed above, the adoption of the above amendments/interpretation to standards issued by Malaysian Accounting Standards Board (“MASB”) 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 2019.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

5. CHANGE IN ESTIMATES

There were no changes in the basis used for accounting estimates for the current financial period ended 30 June 2019, other than as disclosed in Note 15.

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 2019.

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 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 are no significant events during the financial period to date.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

12. INTANGIBLE ASSET

	Exclusive right RM'000	Computer software RM'000	Computer software in progress RM'000	Total RM'000
Cost				
At 1 January 2018	40,000	6,704	795	47,499
Additions	-	9	811	820
Transfer from property and equipment	-	3	-	3
Transfer from holding company	-	155	-	155
At 31 December 2018/1 January 2019	<u>40,000</u>	<u>6,871</u>	<u>1,606</u>	<u>48,477</u>
Additions	-	-	570	570
Transfer from computer software in progress	-	461	(461)	-
At 30 June 2019	<u>40,000</u>	<u>7,332</u>	<u>1,715</u>	<u>49,047</u>
Accumulated amortisation				
At 1 January 2018	21,590	2,748	-	24,338
Amortisation during the financial year	3,212	1,104	-	4,316
At 31 December 2018/1 January 2019	<u>24,802</u>	<u>3,852</u>	<u>-</u>	<u>28,654</u>
Amortisation during the financial period	2,027	602	-	2,629
At 30 June 2019	<u>26,829</u>	<u>4,454</u>	<u>-</u>	<u>31,283</u>
Net carrying amount				
At 30 June 2019	<u>13,171</u>	<u>2,878</u>	<u>1,715</u>	<u>17,764</u>
At 31 December 2018	<u>15,198</u>	<u>3,019</u>	<u>1,606</u>	<u>19,823</u>

The Exclusive right is a definite life intangible asset and relates to a 10-year exclusive bancassurance agreement entered into between the Company and Alliance Bank Malaysia Berhad ("ABMB") on 13 June 2014. The exclusive right is amortised over the duration of the agreement with reference to the benefits generated from the partnership in which the Company expects to recognise the related revenue.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

13. FINANCIAL ASSETS

(a) Available-for-sale

	As at 30.06.2019	As at 31.12.2018
	RM'000	RM'000
Equity securities		
- Quoted in Malaysia	792,894	732,709
- Quoted outside Malaysia	117,977	109,339
- Unquoted	1,944	1,944
Real estate investment trusts	24,017	8,431
Unit trust funds*	155,350	190,348
Malaysian Government Securities	337,224	309,926
Government Investment Issues	165,567	133,622
Corporate debt securities		
- Unquoted	1,606,488	1,551,639
Accrued interest	22,523	22,358
	3,223,984	3,060,316
Current	1,164,499	1,149,667
Non-current	2,059,485	1,910,649
	3,223,984	3,060,316

(b) Fair value through profit or loss - designated upon initial recognition

	As at 30.06.2019	As at 31.12.2018
	RM'000	RM'000
Equity securities		
- Quoted in Malaysia	559,377	493,196
- Quoted outside Malaysia	3,135	4,886
Real estate investment trusts	10,035	5,786
Unit trust funds*	140,235	124,739
Malaysian Government Securities	41,331	34,398
Government Investment Issues	22,634	23,388
Corporate debt securities		
- Unquoted	395,811	363,894
Mutual funds		
- Quoted outside Malaysia	509,882	496,354
Forward foreign exchange contract	2,930	3,958
Accrued interest	5,282	4,967
	1,690,652	1,555,566

* 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 (CONTINUED)

(b) Fair value through profit or loss - designated upon initial recognition (continued)

	As at 30.06.2019	As at 31.12.2018
	RM'000	RM'000
Current	1,316,962	1,221,884
Non-current	373,690	333,682
	<u>1,690,652</u>	<u>1,555,566</u>

During the six months period ended 30 June 2019, there were no changes in classification of financial assets nor transfer between fair value hierarchy of financial assets as a result of a change in the purpose or the use of these financial assets.

14. REINSURANCE ASSETS

	As at 30.06.2019	As at 31.12.2018
	RM'000	RM'000
Reinsurance assets on:		
- Insurance contract liabilities	2,888	2,290
- Insurance claims liabilities	8,259	7,218
	<u>11,147</u>	<u>9,508</u>

15. INSURANCE CONTRACT LIABILITIES

	Gross		Net	
	As at 30.06.2019	As at 31.12.2018	As at 30.06.2019	As at 31.12.2018
	RM'000	RM'000	RM'000	RM'000
Actuarial liabilities	2,615,745	2,494,888	2,612,857	2,492,598
Unallocated (deficit)/surplus	(16,754)	35,699	(16,754)	35,699
Fair value reserve	115,148	30,840	115,148	30,840
Asset revaluation reserve	1,649	1,649	1,649	1,649
Investment-linked policyholders' account	1,367,791	1,301,629	1,367,791	1,301,629
	<u>4,083,579</u>	<u>3,864,705</u>	<u>4,080,691</u>	<u>3,862,415</u>
Current	1,390,124	1,426,886	1,390,139	1,426,969
Non-current	2,693,455	2,437,819	2,690,552	2,435,446
	<u>4,083,579</u>	<u>3,864,705</u>	<u>4,080,691</u>	<u>3,862,415</u>

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

15. INSURANCE CONTRACT LIABILITIES (CONTINUED)

The life insurance contract liabilities and its movements are further analysed as follows:

	Gross		Net	
	As at 30.06.2019	As at 31.12.2018	As at 30.06.2019	As at 31.12.2018
	RM'000	RM'000	RM'000	RM'000
At 1 January	3,864,705	3,948,040	3,862,415	3,946,768
Inforce reserve movement	38,024	98,261	37,494	97,800
New business reserve	13,498	26,587	13,430	26,030
Discount rate and other changes	69,335	(32,846)	69,335	(32,846)
Unallocated surplus	(52,453)	(4,904)	(52,453)	(4,904)
Fair value reserve, net of tax	84,308	(77,944)	84,308	(77,944)
Asset revaluation reserve				
- Revaluation adjustment	-	(38)	-	(38)
- Reversal of accumulated depreciation on revaluation	-	207	-	207
	-	169	-	169
Investment-linked policyholders' account	66,162	(92,658)	66,162	(92,658)
At 30 June/31 December	<u>4,083,579</u>	<u>3,864,705</u>	<u>4,080,691</u>	<u>3,862,415</u>

As the Non-participating life fund's unallocated surplus and fair value reserve are classified as equity, only the associated Participating life fund's unallocated surplus and fair value reserve are included in the above presentation.

For the current period ended 30 June 2019, the applicable assumption changes resulted in higher actuarial liabilities of RM69.3 million (30 June 2018: lower actuarial liabilities of RM3.4 million), with a corresponding decrease in unallocated surplus for the participating business of RM54.2 million (30 June 2018: decrease in unallocated surplus of RM0.7 million) and decrease in net profit before tax of RM15.1 million (30 June 2018: increase in net profit before tax of RM4.1 million).

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

16. FINANCIAL ASSET/(LIABILITY) AT FAIR VALUE THROUGH PROFIT OR LOSS

Derivatives

The table below shows the fair value of derivative financial instruments, recorded as asset or liability, together with their notional amounts. The notional amount, recorded gross, is the amount of the derivative's underlying asset and is the basis upon which changes in the value of derivatives are measured.

	Notional amount RM'000	Fair value gain/(loss) recognised as		Net carrying amount RM'000
		Financial Asset RM'000	Financial Liabilities RM'000	
30 June 2019				
Hedging derivative:				
Forward foreign exchange contract (note 13(b))	353,225	2,930	-	2,930
31 December 2018				
Hedging derivative:				
Forward foreign exchange contract (note 13(b))	362,429	3,958	-	3,958
Forward foreign exchange contract	9,193	-	(116)	(116)

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

17. 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 its related parties are set out as below:

	<u>30.06.2019</u>	<u>Cumulative 6 months ended 30.06.2018</u>
	<u>RM'000</u>	<u>RM'000</u>
Expenses/(income):		
Intermediate holding company		
Reimbursement of personnel expenses	2,884	3,466
Reimbursement of software maintenance expenses	1,711	999
Provision of information technology infrastructure support	654	404
Reimbursement of meeting and conference expenses	-	706
Reimbursement of overhead expenses	(309)	(261)
Reimbursement of consultation fee	-	5
Reimbursement of general administrative expenses	3	-
Reimbursement of travelling expenses	-	11
Reimbursement of director fee	-	22
Reimbursement of finance support expenses	94	-
Reimbursement of HR support expenses	326	-
Reimbursement of operation support expenses	14	-
Reimbursement of computer software expenses	26	-
	<u> </u>	<u> </u>
Subsidiaries of ultimate holding company		
Rental of office premises	-	(91)
	<u> </u>	<u> </u>
Subsidiaries of immediate holding company		
Outsourcing fee income	(1,485)	(1,858)
Fund management fee expenses	5,437	5,306
Rental of office premises	(344)	(338)
Management and advisory fees	50	50
	<u> </u>	<u> </u>
Immediate holding company		
Outsourcing fee income	(511)	(565)
Outsourcing fee expenses	434	362
Rental income	(55)	(54)
Rental expenses	800	594
	<u> </u>	<u> </u>

The related party transactions were ranked by countries and total in aggregate as below:

	<u>30.06.2019</u>	<u>Cumulative 6 months ended 30.06.2018</u>
	<u>RM'000</u>	<u>RM'000</u>
Expenses		
Hong Kong	5,712	5,613
Malaysia	6,721	6,312
	<u> </u>	<u> </u>

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

18. FINANCIAL INSTRUMENTS

Categories of financial instruments

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

- i) Available-for-sale (“AFS”);
- ii) Fair value through profit or loss - designated upon initial recognition (“FVTPL”);
- iii) Loans and receivables excluding prepayments (“LAR”); and
- iv) Other financial liabilities measured at amortised cost (“OL”).

	<u>AFS</u> RM'000	<u>FVTPL</u> RM'000	<u>LAR</u> RM'000	<u>OL</u> RM'000	<u>Total</u> RM'000
30 June 2019					
Financial assets					
AFS financial assets	3,223,984	-	-	-	3,223,984
Financial assets at FVTPL	-	1,690,652	-	-	1,690,652
Loans and receivables	-	-	242,129	-	242,129
Insurance receivables	-	-	15,020	-	15,020
Cash and cash equivalents	-	-	65,837	-	65,837
	<u>3,223,984</u>	<u>1,690,652</u>	<u>322,986</u>	<u>-</u>	<u>5,237,622</u>
Financial liabilities					
Insurance payables	-	-	-	569,250	569,250
Other payables	-	-	-	89,943	89,943
	<u>-</u>	<u>-</u>	<u>-</u>	<u>659,193</u>	<u>659,193</u>
31 December 2018					
Financial assets					
AFS financial assets	3,060,316	-	-	-	3,060,316
Financial assets at FVTPL	-	1,555,566	-	-	1,555,566
Loans and receivables	-	-	268,848	-	268,848
Insurance receivables	-	-	24,344	-	24,344
Cash and cash equivalents	-	-	54,237	-	54,237
	<u>3,060,316</u>	<u>1,555,566</u>	<u>347,429</u>	<u>-</u>	<u>4,963,311</u>
Financial liabilities					
Financial liabilities at FVTPL	-	116	-	-	116
Insurance payables	-	-	-	557,957	557,957
Other payables	-	-	-	103,699	103,699
	<u>-</u>	<u>116</u>	<u>-</u>	<u>661,656</u>	<u>661,772</u>

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

19. 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 method, the market value of the properties is determined based on the net annual income which is derived by deducting the annual outgoings from the gross annual income and capitalising the net income by a suitable rate of return consistent with the type and quality of the investment.

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 properties is as follows:

	<u>Freehold property</u>		<u>Investment property</u>	
	<u>As at 30.06.2019</u>	<u>As at 31.12.2018</u>	<u>As at 30.06.2019</u>	<u>As at 31.12.2018</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Carrying amount	10,210	10,351	51,105	51,105
Fair value as stated in valuation report*	10,210	10,351	51,105	51,105

* Based on the valuation conducted by an independent qualified valuer as at 31 December 2018.

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

	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Range</u>
2018			
Freehold/ investment property	Income method	Term period's net yield Reversionary period's net yield Void factor Average rental for term period Average rental for reversionary period Outgoings for term period Outgoings for reversionary period	6.00% 6.25% 5.00% RM4.40 – RM5.11 psf RM4.50 psf RM1.60 psf RM1.60 psf

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

a) Freehold property and investment property (continued)

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	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
At 1 January	10,313	10,351	51,105	51,486
Depreciation charge for the period/year	(103)	(207)	-	-
Fair value gain/(loss)	-	169	-	(381)
At 30 June/31 December	<u>10,210</u>	<u>10,313</u>	<u>51,105</u>	<u>51,105</u>

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 receivables, insurance receivables, cash and cash equivalents, insurance payables and other payables 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 fair values of quoted equities and investments in real estate investment trusts are based on quoted market prices as at the reporting date;
- (iii) The fair values of Malaysian Government Securities, Government Investment Issues and unquoted corporate debt securities are based on indicative market prices;
- (iv) The fair values of negotiable instruments of deposit are calculated using the discounted cash flow method based on the maturity of the instruments at discount rates representing the average market rates quoted by at least two licensed banks;
- (v) The fair values of mutual funds and unit trust funds are based on the net asset values of the underlying funds as at the reporting date; and
- (vi) The fair values of forward foreign exchange contracts are based on valuations provided by the financial institutions making reference to quoted market prices.

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

b) Financial assets and financial liabilities (continued)

(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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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

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

b) Financial assets and financial liabilities (continued)

(ii) Fair value hierarchy (continued)

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

	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000
30 June 2019			
AFS financial assets			
Equity securities			
- Quoted in Malaysia	792,894	792,894	-
- Quoted outside Malaysia	117,977	117,977	-
Real estate investment trusts	24,017	24,017	-
Unit trust funds	155,350	155,350	-
Malaysian Government Securities	337,224	-	337,224
Government Investment Issues	165,567	-	165,567
Corporate debt securities			
- Unquoted	1,606,488	-	1,606,488
Accrued interest	22,523	-	22,523
	<u>3,222,040</u>	<u>1,090,238</u>	<u>2,131,802</u>
Financial assets at FVTPL			
Equity securities			
- Quoted in Malaysia	559,377	559,377	-
- Quoted outside Malaysia	3,135	3,135	-
Real estate investment trusts	10,035	10,035	-
Unit trust funds	140,235	140,235	-
Malaysian Government Securities	41,331	-	41,331
Government Investment Issues	22,634	-	22,634
Corporate debt securities			
- Unquoted	395,811	-	395,811
Mutual funds			
- Quoted outside Malaysia	509,882	509,882	-
Forward foreign exchange contract	2,930	-	2,930
Accrued interest	5,282	-	5,282
	<u>1,690,652</u>	<u>1,222,664</u>	<u>467,988</u>
	<u>4,912,692</u>	<u>2,312,902</u>	<u>2,599,790</u>

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

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

b) Financial assets and financial liabilities (continued)

(ii) Fair value hierarchy (continued)

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

	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000
31 December 2018			
AFS financial assets			
Equity securities			
- Quoted in Malaysia	732,709	732,709	-
- Quoted outside Malaysia	109,339	109,339	-
Real estate investment trusts	8,431	8,431	-
Unit trust funds	190,348	190,348	-
Malaysian Government Securities	309,926	-	309,926
Government Investment Issues	133,622	-	133,622
Corporate debt securities			
- Unquoted	1,551,639	-	1,551,639
Accrued interest	22,358	-	22,358
	<u>3,058,372</u>	<u>1,040,827</u>	<u>2,017,545</u>
Financial assets at FVTPL			
Equity securities			
- Quoted in Malaysia	493,196	493,196	-
- Quoted outside Malaysia	4,886	4,886	-
Real estate investment trusts	5,786	5,786	-
Unit trust funds	124,739	124,739	-
Malaysian Government Securities	34,398	-	34,398
Government Investment Issues	23,388	-	23,388
Corporate debt securities			
- Unquoted	363,894	-	363,894
Mutual funds			
- Quoted outside Malaysia	496,354	496,354	-
Forward foreign exchange contract	3,958	-	3,958
Accrued interest	4,967	-	4,967
	<u>1,555,566</u>	<u>1,124,961</u>	<u>430,605</u>
	<u>4,613,938</u>	<u>2,165,788</u>	<u>2,448,150</u>
Financial liabilities at FVTPL			
Forward foreign exchange contract	116	-	116

Unquoted equity securities of RM1,944,444 (31 December 2018: RM1,944,444) of the Company as disclosed in Note 13(a) are not disclosed in the fair value hierarchy above as they are measured at cost as fair value is not readily available.

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

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

20. TOTAL CAPITAL ASSETS

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

	As at 30.06.2019	As at 31.12.2018
	RM'000	RM'000
Eligible Tier 1 Capital		
Share capital (paid-up)	150,000	150,000
Retained earnings of the Company*	242,621	246,085
Eligible contract liabilities	535,878	587,546
	<u>928,499</u>	<u>983,631</u>
Eligible Tier 2 Capital		
Eligible reserves	139,234	38,672
Amounts deducted from capital	(14,361)	(20,273)
Total Capital Available	<u>1,053,372</u>	<u>1,002,030</u>

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

21. CAPITAL AND OTHER COMMITMENTS

	As at 30.06.2019	As at 31.12.2018
	RM'000	RM'000
Other commitments		
Exclusive bancassurance agreement		
- Authorised but not provided for	<u>12,000</u>	<u>13,500</u>

The Company is committed to pay annual fees under the terms of the exclusive bancassurance agreement. The annual fees will be expensed off to the profit or loss in the year of settlement.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

22. INSURANCE FUNDS

The Company's activities are organised by funds and segregated into Life fund, Investment-linked funds and Shareholders' fund in accordance with the Financial Services Act 2013.

The Company's unaudited condensed statement of financial position and statement of profit or loss have been further analysed by funds as follows:

Interim Statement of Financial Position by Funds as at 30 June 2019

	Shareholder's Fund RM'000	Insurance Funds		Elimination RM'000	Total RM'000
		Life Fund RM'000	Investment- linked funds RM'000		
Assets					
Property and equipment	-	16,720	-	-	16,720
Investment property	-	51,105	-	-	51,105
Intangible assets	13,171	4,593	-	-	17,764
Loans and receivables	121,374	176,829	64,024	(115,658)	246,569
Available-for-sale financial assets	387,611	2,836,373	-	-	3,223,984
Financial assets at fair value through profit or loss	-	382,732	1,307,920	-	1,690,652
Reinsurance assets	-	11,147	-	-	11,147
Insurance receivables	-	15,020	-	-	15,020
Right-of-use assets	484	-	-	-	484
Current tax assets	4,556	3,808	(124)	-	8,240
Cash and cash equivalents	4,036	49,985	11,816	-	65,837
Total assets	531,232	3,548,312	1,383,636	(115,658)	5,347,522
Equity, Policyholders' Funds and Liabilities					
Share capital	150,000	-	-	-	150,000
Retained earnings	328,098	-	-	-	328,098
Fair value reserves	22,437	-	-	-	22,437
Total equity	500,535	-	-	-	500,535
Insurance contract liabilities	-	2,715,788	1,367,791	-	4,083,579
Insurance claim liabilities	-	67,822	-	-	67,822
Deferred tax liabilities	25,121	7,609	3,167	-	35,897
Insurance payables	-	569,250	-	-	569,250
Lease liabilities	496	-	-	-	496
Other payables	5,080	187,843	12,678	(115,658)	89,943
Total equity, policyholders' funds and liabilities	531,232	3,548,312	1,383,636	(115,658)	5,347,522

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

22. INSURANCE FUNDS (CONTINUED)

Interim Statement of Financial Position by Funds as at 31 December 2018

	Shareholder's fund	Insurance funds		Elimination	Total
		Life fund	Investment- linked funds		
	RM'000	RM'000	RM'000	RM'000	RM'000
Assets					
Property and equipment	-	17,113	-	-	17,113
Investment properties	-	51,105	-	-	51,105
Intangible assets	15,197	4,626	-	-	19,823
Loans and receivables	127,783	171,791	94,353	(121,907)	272,020
Available-for-sale financial assets	346,506	2,713,810	-	-	3,060,316
Financial assets at fair value through profit or loss	-	347,813	1,207,753	-	1,555,566
Reinsurance assets	-	9,508	-	-	9,508
Insurance receivables	-	24,344	-	-	24,344
Current tax assets	2,057	3,323	(122)	-	5,258
Cash and cash equivalents	6,993	36,989	10,255	-	54,237
Total assets	498,536	3,380,422	1,312,239	(121,907)	5,069,290
Equity, Policyholders' Funds and Liabilities					
Share capital	150,000	-	-	-	150,000
Retained earnings	314,737	-	-	-	314,737
Fair value reserve	6,183	-	-	-	6,183
Total equity	470,920	-	-	-	470,920
Insurance contract liabilities	-	2,563,076	1,301,629	-	3,864,705
Insurance claims liabilities	-	55,014	-	-	55,014
Financial liabilities at fair value through profit or loss	-	-	116	-	116
Deferred tax liabilities	21,718	(1,478)	(3,361)	-	16,879
Insurance payables	-	557,957	-	-	557,957
Other payables	5,898	205,853	13,855	(121,907)	103,699
Total equity, policyholders' funds and liabilities	498,536	3,380,422	1,312,239	(121,907)	5,069,290

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

22. INSURANCE FUNDS (CONTINUED)

Statement of Profit or Loss by Funds for the six months period ended 30 June 2019

	Shareholder's fund	Insurance funds		Elimination	Total
		Life fund	Investment- linked funds		
	RM'000	RM'000	RM'000	RM'000	RM'000
Premium income					
Gross premiums	-	282,526	141,469	(620)	423,375
Premiums ceded to reinsurers	-	(28,791)	-	-	(28,791)
Net premiums	-	253,735	141,469	(620)	394,584
Investment income	7,869	67,625	13,432	-	88,926
Net realised gains	574	19,731	-	-	20,305
Net fair value (loss)/gains	(233)	10,315	75,665	-	85,747
Fee income	-	9,579	-	(7,587)	1,992
Other operating income	-	109	1,224	-	1,333
Total revenue	8,210	361,094	231,790	(8,207)	592,887
Gross benefits and claims paid and payable	-	(186,498)	(149,620)	-	(336,118)
Claims ceded to reinsurers	-	6,866	-	-	6,866
Gross change in insurance contract liabilities	-	(68,404)	(66,162)	-	(134,566)
Change in insurance contract liabilities ceded to reinsurers	-	598	-	-	598
Net claims	-	(247,438)	(215,782)	-	(463,220)
Fee and commission expenses	-	(26,303)	-	-	(26,303)
Investment expenses	(396)	(4,593)	-	-	(4,989)
Management expenses	(5,374)	(55,210)	(9,677)	8,212	(62,049)
Other operating expenses	(4,560)	(7,533)	(6,331)	(5)	(18,429)
Other expenses	(10,330)	(93,639)	(16,008)	8,207	(111,770)
(Loss)/profit from operations	(2,120)	20,017	-	-	17,897
Transfer from/(to) revenue account	20,017	(20,017)	-	-	-
Profit before taxation	17,897	-	-	-	17,897
Taxation	(4,525)	-	-	-	(4,525)
Net profit for the financial period	13,372	-	-	-	13,372

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
(CONTINUED)****22. INSURANCE FUNDS (CONTINUED)****Statement of Profit or Loss by Funds for the six months period ended 30 June 2018**

	Shareholder's fund	Insurance funds		Elimination	Total
		Life fund	Investment- linked funds		
	RM'000	RM'000	RM'000	RM'000	RM'000
Premium income					
Gross premiums	-	275,204	163,939	(669)	438,474
Premiums ceded to reinsurers	-	(22,156)	-	-	(22,156)
Net premiums	-	253,048	163,939	(669)	416,318
Investment income	8,908	65,763	14,544	-	89,215
Net realised gains	337	32,020	-	-	32,357
Net fair value losses	(1,394)	(27,528)	(82,235)	-	(111,157)
Fee income	-	9,906	-	(7,482)	2,424
Other operating income	-	42	1,062	-	1,104
Total revenue	7,851	333,251	97,310	(8,151)	430,261
Gross benefits and claims paid and payable	-	(186,644)	(149,011)	-	(335,655)
Claims ceded to reinsurers	-	6,120	-	-	6,120
Gross change in insurance contract liabilities	-	(44,379)	59,461	-	15,082
Change in insurance contract liabilities ceded to reinsurers	-	426	-	-	426
Net claims	-	(224,477)	(89,550)	-	(314,027)
Fee and commission expenses	-	(30,347)	-	-	(30,347)
Investment expenses	(445)	(4,392)	-	-	(4,837)
Management expenses	(6,184)	(49,723)	(9,664)	8,154	(57,417)
Other operating (expenses) /income	(1,760)	(5,311)	1,904	(3)	(5,170)
Other expenses	(8,389)	(89,773)	(7,760)	8,151	(97,771)
(Loss)/profit from operations	(538)	19,001	-	-	18,463
Transfer from/(to) revenue account	19,001	(19,001)	-	-	-
Profit before taxation	18,463	-	-	-	18,463
Taxation	(5,526)	-	-	-	(5,526)
Net profit for the financial period	12,937	-	-	-	12,937

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

22. INSURANCE FUNDS (CONTINUED)

Information on cash flows by Funds

	Shareholders' fund	Insurance funds		Total
		Life fund	Investment- linked funds	
	RM'000	RM'000	RM'000	RM'000
30 June 2019				
Cash flows from:				
Operating activities	(2,957)	14,219	1,561	12,823
Investing activities	-	(993)	-	(993)
Financing activities	-	(230)	-	(230)
Net (decrease)/increase in cash and cash equivalents	(2,957)	12,996	1,561	11,600
At beginning of financial year	6,993	36,989	10,255	54,237
At end of financial period	4,036	49,985	11,816	65,837
30 June 2018				
Cash flows from:				
Operating activities	91,670	(9,075)	1,849	84,444
Investing activities	-	(394)	-	(394)
Financing activities	(100,000)	-	-	(100,000)
Net (decrease)/increase in cash and cash equivalents	(8,330)	(9,469)	1,849	(15,950)
At beginning of financial year	10,288	72,644	2,896	85,828
At end of financial period	1,958	63,175	4,745	69,878

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

23. EFFECTS ON ADOPTION OF 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.

Under MFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. MFRS 16 introduces a single accounting model for a lessee and eliminates the classification of leases by the lessee as either finance leases (on balance sheet) or operating leases (off balance sheet).

Summary of accounting policies

The following are the new accounting policies of the Company upon adoption of MFRS 16:

- i. **Right-of-use assets**
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 re-measurement of the lease liability.
- ii. **Lease liabilities**
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.
- iii. **Short term leases and leases of low-value assets**
Lease contracts with a remaining lease term of 12 months or less are considered as short term leases and low value asset is defined as asset with a value of RM 21,000 or less.
- iv. **Significant judgement in determining the lease term of contracts with renewal options**
The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal.

After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

23. EFFECTS ON ADOPTION OF MFRS 16 LEASES (CONTINUED)

Transitional provision

The Company adopted MFRS 16 with effect from 1 January 2019 using the modified retrospective approach, and measured the right-of-use asset retrospectively using discount rate at date of transition, under which no restatement of comparative numbers is required.

The Company has applied MFRS 16 to contracts that were previously identified as leases in accordance with MFRS 117 and IFRIC 4. The Company does not apply MFRS 16 to contracts previously identified as not containing leases in accordance with MFRS 117 and IFRIC 4.

The Company elected to use the exemptions under MFRS 16 on lease contracts with a remaining lease term of 12 months or less as of date of initial application, and lease contracts for which the lease asset is of low value.

Impact of adoption of MFRS 16

The following table set out the financial impact arising from the adoption the MFRS 16:

	Right-of-use assets RM'000	Lease liabilities RM'000	Deferred tax liabilities RM'000	Retained earnings RM'000
Closing balance 31 December 2018	-	-	(16,879)	(314,737)
<u>Effect on adoption of MFRS 16:</u>				
- Recognition of right-of-use assets	705	-	-	(705)
- Recognition of lease liabilities	-	(716)	-	716
	<u>705</u>	<u>(716)</u>	<u>-</u>	<u>11</u>
Opening balance 1 January 2019	<u>705</u>	<u>(716)</u>	<u>(16,879)</u>	<u>(314,726)</u>

Additional disclosure on adoption of MFRS 16

	RM'000
Operating lease commitment at 31 December 2018 as per previous financial statements prepared under MFRS 117	<u>1,246</u>
Present value of operating lease commitment (discounted using borrowing rate)	1,245
Recognition exemption under short term lease assets	<u>(529)</u>
Lease liabilities recognised on 1 January 2019	<u>716</u>

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

(CONTINUED)

24. ADDITIONAL DISCLOSURES UNDER AMENDMENTS TO MFRS 4 INSURANCE CONTRACT LIABILITIES

In order to compare with entities applying MFRS 9, the amendments require deferring entities to disclose additional information including contractual cash flows characteristics and credit exposure of the financial assets. The following table presents the Company's financial assets by their contractual cash flows characteristics, which indicate if they are solely payments of principal and interest on the principal outstanding ("SPPI"):

For the six months period ended 30 June 2019	Fair value as at 1 January 2019 RM'000	Change in fair value* RM'000	Fair value as at 30 June 2019 RM'000	Result of the cash flows characteristics test	Classification and measurement under MFRS 9
Financial assets					
Equity securities					
- Quoted in Malaysia	1,225,905	126,366	1,352,271	Non-SPPI	FVTPL
- Quoted outside Malaysia	114,225	6,887	121,112	Non-SPPI	FVTPL
- Unquoted	1,944	-	1,944	Non-SPPI	FVTPL
Real estate investment trusts	14,217	19,835	34,052	Non-SPPI	FVTPL
Unit trust funds	315,087	(19,502)	295,585	Non-SPPI	FVTPL
Malaysian Government Securities	344,324	34,231	378,555	SPPI	FVOCI
Government Investment Issues	157,010	31,191	188,201	SPPI	FVOCI
Corporate debt securities					
- Unquoted	1,915,533	86,766	2,002,299	SPPI	FVOCI
Mutual funds	496,354	13,528	509,882	Non-SPPI	FVTPL
Forward foreign exchange contract	3,958	(1,028)	2,930	Non-SPPI	FVTPL
Accrued interest	27,325	480	27,805	SPPI	FVOCI
Loans and receivables	268,848	(26,719)	242,129	SPPI	Amortised cost
Insurance receivables	24,344	(9,324)	15,020	SPPI	Amortised cost
Cash and cash equivalents	54,237	11,600	65,837	SPPI	Amortised cost
	<u>4,963,311</u>	<u>274,311</u>	<u>5,237,622</u>		

* Includes purchases, disposals, maturities and realised/unrealised gains/(losses).

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

24. ADDITIONAL DISCLOSURES UNDER AMENDMENTS TO MFRS 4 INSURANCE CONTRACT LIABILITIES (CONTINUED)

The following table shows the fair value of financial assets by credit quality:

As at 30 June 2019	AAA RM'000	AA RM'000	A RM'000	Non-rated RM'000	Total RM'000
Financial assets					
Malaysian Government Securities	-	-	-	378,555	378,555
Government Investment Issues	-	-	-	188,201	188,201
Corporate debt securities - Unquoted	990,788	535,240	9,206	467,065	2,002,299
Accrued interest	12,220	5,006	87	10,492	27,805
Loans and receivables	53,320	504	-	188,305	242,129
Cash and cash equivalents	55,313	3	10,435	86	65,837
	<u>1,111,641</u>	<u>540,753</u>	<u>19,728</u>	<u>1,232,704</u>	<u>2,904,826</u>