

## Notes to the Interim Financial Statements

### 1. Basis of preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting, International Accounting Standard (“IAS”) 34: Interim Financial Reporting and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”), and should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2018, which were prepared in accordance with the Malaysian Financial Reporting Standards (“MFRSs”) and International Financial Reporting Standards (“IFRSs”).

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 Group since the financial year ended 31 December 2018.

### 2. Significant accounting policies

The accounting policies adopted by the Group for the quarterly financial statements are consistent with those adopted in the Group’s consolidated 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 Group has disclosed the effects on the adoption of MFRS 16 Leases in Note 34.

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 Group.

### 3. Status of audit qualification

There was no audit qualification in the annual financial statements for the preceding financial year ended 31 December 2018.

### 4. Seasonal/cyclical factors

The business operations of the Group are subject to the sales cycle of the life insurance business and asset management services.

### 5. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the financial year ended 31 December 2019.

## **Notes to the Interim Financial Statements (Continued)**

### **6. Change in estimates**

The Group's insurance subsidiaries, Manulife Insurance Berhad and Manulife Insurance Labuan Limited value policy liabilities using a prospective actuarial valuation. The expected future liabilities are determined using best estimate assumptions with the appropriate allowance for provision of risk charge for adverse deviation from expected experience. Valuation assumptions used includes mortality, morbidity, lapse, expense, participating life fund expected long term yield, Malaysian Government Securities (MGS) risk-free interest rate and USD treasury yields.

For the current financial year ended 31 December 2019, the applicable estimate changes on the above assumptions resulted in higher actuarial liabilities of RM130.5 million (31 December 2018: lower actuarial liabilities of RM33.0 million), with a corresponding decrease in unallocated surplus for the participating business of RM102.7 million (31 December 2018: increase in unallocated surplus of RM39.2 million) and decrease in net profit before tax of RM27.8 million (31 December 2018: decrease in net profit before tax of RM6.2 million).

Other than as disclosed above, there were no changes in the basis used for accounting estimates for the current financial year ended 31 December 2019.

### **7. Debt and equity securities**

There were no issuances, cancellation, repurchases, resale and repayment of debt and equity securities during the current financial year ended 31 December 2019.

### **8. Dividends**

The Board of Directors has recommended a first and final dividend of 7.0 sen per share for the financial year ended 31 December 2019, subject to the approval of the shareholder at the forthcoming Annual General Meeting.

### **9. Material events subsequent to the end of the financial year**

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

### **10. Changes in composition of the Group**

British American Investments Pte Ltd ("BAI"), a wholly-owned subsidiary of the Group, was liquidated on 2 December 2019.

Another dormant subsidiary, The E-Software House Sdn. Bhd. ("TESH") had on 12 November 2019 been placed under Members' Voluntary Winding Up. The affairs and conduct of the company is now placed under the control of the Liquidator who will manage the entire process of liquidation. The winding up have no material impact on the financial results on the Group for the financial year ended 31 December 2019.

The Company had on 27 November 2019 and 30 December 2019 subscribed for additional 1,400,000 ordinary shares at an issue price of USD1.00 each and an additional 2,600,000 ordinary shares, respectively at an issue price of USD1.00 each in the capital of Manulife Insurance Labuan Limited ("MILL"), a wholly-owned subsidiary of the Company.

## **Notes to the Interim Financial Statements (Continued)**

### **10. Changes in composition of the Group (continued)**

The Company had on 30 September 2019 subscribed for additional 50,000,000 ordinary shares at an issue price of RM1.00 each in the capital of Manulife Insurance Berhad ("MIB"), a wholly-owned subsidiary of the Company.

Other than the above, there were no significant changes in the composition of the Group for the current financial year to date.

### **11. Contingent liabilities**

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

### **12. Future financial year prospects**

Malaysia's gross domestic product rose 4.3% in 2019, slowing down from the 4.7% growth logged in 2018, on shrinking private consumption and slower external demand amid a gloomy global economic picture. GDP grew at its slowest pace in 10 years. The interest rate remains volatile with the downward pressure as BNM indicated further cuts in the Overnight Policy Rate from the recent 25 bps cut on 22 January 2020.

Despite the uncertainty in the external front, the Group remains cautiously optimistic on the outlook of the Group in the medium to long-term prospect.

#### Life Insurance Business

Looking ahead, the Group's life insurance business expects to achieve its aspirations by focusing on 6 core pillars under Manulife's NEXT initiatives: -

- To commence Agency channel transformation via Next Agency
- To return to growth with our exclusive Bancassurance partner
- To enhance customer experience via implementing holistic solutions
- To increase our digital capabilities and improve operational efficiency
- To expand value creation for shareholders by actively managing expenditure and optimizing resource utilization
- To build a high performing team and culture

The strategies are expected to enhance the operational, services and product capabilities as well as improve distribution reach and proficiency.

#### Asset Management Business

The de-escalation of the US-China trade tension, as well as improved global growth outlook should provide pockets of opportunity for stocks with earnings momentum and attractive valuation in the coming year. At the same time, the local bond market is expected to demonstrate resilience, underpinned by accommodative monetary policies, strong domestic liquidity and possible funds inflow from yield-hunting investors. Nevertheless, unexpected geopolitical developments as well as public health emergencies of international concern could pose risks to our outlook.

The asset management business is seeking further growth by expanding our innovative product offerings as well as stepping-up digitalization in the way we interact with our customers.

## **Notes to the Interim Financial Statements (Continued)**

### **13. Profit forecast**

The Group did not issue any profit forecast during the financial year ended 31 December 2019.

### **14. Group borrowings**

The Group did not have any borrowings as at 31 December 2019.

### **15. Material litigation**

There is no material litigation as at the date of this report and since the date of the last annual statement of financial position.

### **16. Status of corporate proposal**

As at the date of this report, there are no corporate proposals that have been announced but not completed.

### **17. Significant event**

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

**MANULIFE HOLDINGS BERHAD (197501003360 (24851-H))**  
**Interim financial statements for the financial year ended 31 December 2019**

**Notes to the Interim Financial Statements (Continued)**

**18. Operating segments**

The core businesses of the Group are that of life insurance business, management of unit trust funds, private retirement scheme funds, investment and fund management. Segment information is presented in respect of the Group's business segments, which are as follows:

Investment holding : Investment holding operations and other segments  
 Life insurance : Underwriting of Participating life and Non-participating life insurance and unit-linked products  
 Asset management services : Asset management, unit trust and private retirement scheme funds

	Cumulative 12 months ended 31 December							
	Investment holding		Life insurance business		Asset management services		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>External revenue</u>								
(a) Premium Income								
Gross premiums	-	-	988,007	913,371	-	-	988,007	913,371
Premiums ceded to reinsurers	-	-	(69,439)	(47,965)	-	-	(69,439)	(47,965)
Net premiums	-	-	918,568	865,406	-	-	918,568	865,406
(b) Investment income	13,936	14,446	189,119	181,712	692	930	203,747	197,088
(c) Net realised gains	7,514	1,590	42,539	36,055	356	101	50,409	37,746
(d) Net fair value (losses)/gains	(626)	(581)	81,422	(211,415)	10	19	80,806	(211,977)
(e) Fee income	-	-	-	-	109,663	106,734	109,663	106,734
(f) Other operating income	2	2	2,946	2,382	745	465	3,693	2,849
<b>Total external revenue</b>	<b>20,826</b>	<b>15,457</b>	<b>1,234,594</b>	<b>874,140</b>	<b>111,466</b>	<b>108,249</b>	<b>1,366,886</b>	<b>997,846</b>
<u>Inter-segment revenue</u>								
(a) Rental income	1,937	1,605	793	784	-	-	2,730	2,389
(b) Fee income	1,034	1,195	3,789	4,412	11,972	11,686	16,795	17,293
(c) Dividend income from equity securities	-	-	2,608	3,862	-	-	2,608	3,862
(d) Dividend income from subsidiary	-	100,000	-	-	-	-	-	100,000
(e) Net realised gains	-	-	52	250	-	-	52	250
<b>Total inter-segment revenue</b>	<b>2,971</b>	<b>102,800</b>	<b>7,242</b>	<b>9,308</b>	<b>11,972</b>	<b>11,686</b>	<b>22,185</b>	<b>123,794</b>
<b>Total revenue by segment</b>	<b>23,797</b>	<b>118,257</b>	<b>1,241,836</b>	<b>883,448</b>	<b>123,438</b>	<b>119,935</b>	<b>1,389,071</b>	<b>1,121,640</b>
<b>Profit before taxation</b>	<b>12,344</b>	<b>1,500</b>	<b>17,955</b>	<b>32,426</b>	<b>8,090</b>	<b>4,301</b>	<b>38,389</b>	<b>38,227</b>
<b>Segment assets</b>	<b>1,109,742</b>	<b>729,700</b>	<b>5,615,527</b>	<b>5,096,957</b>	<b>122,629</b>	<b>130,124</b>	<b>6,847,898</b>	<b>5,956,781</b>
<b>Segment liabilities</b>	<b>14,407</b>	<b>19,622</b>	<b>5,047,483</b>	<b>4,613,169</b>	<b>72,248</b>	<b>86,271</b>	<b>5,134,138</b>	<b>4,719,062</b>

**Notes to the Interim Financial Statements (Continued)**

**18. Operating segments (continued)**

**Reconciliation of reportable segments**

	<b>Cumulative 12 months ended</b>	
	<b>31.12.2019</b>	<b>31.12.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Total revenue</u></b>		
Total revenue for reportable segments	1,389,071	1,121,640
Elimination of inter-segment revenue	(22,185)	(123,794)
<b>Total revenue as per statement of profit or loss</b>	<b>1,366,886</b>	<b>997,846</b>
	<b>As at</b>	<b>As at</b>
	<b>31.12.2019</b>	<b>31.12.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Segment assets</u></b>		
Total assets for reportable segments	6,847,898	5,956,781
Elimination of inter-segment assets	(890,993)	(421,927)
<b>Total assets as per statement of financial position</b>	<b>5,956,905</b>	<b>5,534,854</b>
<b><u>Segment liabilities</u></b>		
Total liabilities for reportable segments	5,134,138	4,719,062
Elimination of inter-segment liabilities	(14,856)	(6,079)
<b>Total liabilities as per statement of financial position</b>	<b>5,119,282</b>	<b>4,712,983</b>

**19. Review of performance**

The management uses **operating revenue** as a measure of performance for each operating segment. Operating revenue for each reportable segment consists of gross premiums, investment income and fee income.

<b>Business Segment</b>	<b>3 months ended</b>			<b>Cumulative 12 months ended</b>		
	<b>31.12.2019</b>	<b>31.12.2018</b>	<b>Increase/ (Decrease)</b>	<b>31.12.2019</b>	<b>31.12.2018</b>	<b>Increase/ (Decrease)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Operating Revenue</u></b>						
Investment holding	3,696	4,041	(345)	13,936	14,446	(510)
Life insurance business	372,071	297,173	74,898	1,177,126	1,095,083	82,043
Asset management services	28,172	23,200	4,972	110,355	107,664	2,691
<b>Total</b>	<b>403,939</b>	<b>324,414</b>	<b>79,525</b>	<b>1,301,417</b>	<b>1,217,193</b>	<b>84,224</b>
<b><u>Profit before taxation</u></b>						
Investment holding	5,596	924	4,672	12,344	1,500	10,844
Life insurance business	12,598	6,858	5,740	17,955	32,426	(14,471)
Asset management services	1,701	1,155	546	8,090	4,301	3,789
<b>Total</b>	<b>19,895</b>	<b>8,937</b>	<b>10,958</b>	<b>38,389</b>	<b>38,227</b>	<b>162</b>

## **Notes to the Interim Financial Statements (Continued)**

### **19. Review of performance (continued)**

#### **Financial Year ended 31 December 2019 vs Financial Year ended 31 December 2018**

The Group's operating revenue for the financial year ended 31 December 2019 increased by RM84.2 million or 6.9% compared to the corresponding financial year ended 31 December 2018 (2019: RM1,301.4 million, 2018: RM1,217.2 million). The Group's profit before tax for YTD December 2019 was RM38.4 million, an increase of RM0.2 million or 0.4% as compared to the profit before tax in the corresponding YTD December 2018 of RM38.2 million.

Performance of the respective operating business segments are as follows:

**Investment holding** – Operating revenue decreased by RM0.5 million or 3.5% as compared to the preceding year due to lower interest income from fixed deposits. Profit before taxation rose by RM10.8 million mainly due to higher net realised gains on disposal of debt securities and lower management expenses.

**Life insurance business** – Operating revenue of life insurance business increased by RM82.0 million mainly due to higher premium income and higher investment gains. However, profit before taxation decreased by RM14.5 million due to higher management expenses, worsened claims experience and higher reserves due to decline in interest rate.

**Asset management services** – Operating revenue increased RM2.7 million or 2.5% compared to preceding year's corresponding YTD December 2018 and reported an increase of RM3.8 million in profit before taxation (2019: RM8.1 million, 2018: RM4.3 million) mainly attributable to higher net management fee income contributed by a growth in average assets under management and lower management expenses during the year.

#### **4th Quarter 2019 vs 4th Quarter 2018**

The Group's operating revenue for the quarter ended 31 December 2019 increased by RM79.5 million or 24.5% compared to the corresponding quarter ended 31 December 2018 (2019: RM403.9 million, 2018: RM324.4 million). The Group's profit before tax was RM19.9 million for the current quarter, increased by RM11.0 million as compared to the profit before tax in the corresponding quarter ended 31 December 2018 of RM8.9 million.

Performance of the respective operating business segments are as follows:

**Investment holding** – Operating revenue slightly decreased by RM0.3 million due to lower interest income from fixed deposits. Profit before taxation increased RM4.7 million as a result of higher net realised gains on disposal of debt securities and lower management expenses.

**Life insurance business** – Operating revenue of life insurance business increased by RM74.9 million mainly due to higher premium income recorded in the current quarter compared to the corresponding quarter in the previous year. Profit before taxation increased by RM5.7 million in the current quarter mainly due to higher premium income offset by worsened claims experience and higher reserves due to decline in interest rate.

**Asset management services** – Operating revenue and profit before taxation increased by RM5.0 million and RM0.5 million respectively mainly due to higher fee income in Q4 2019 compared to Q4 2018.

**Notes to the Interim Financial Statements (Continued)**

**20. Commentary on the quarterly results compared to the results of preceding quarter**

<b>Business Segment</b>	<b>3 months ended</b>		
	<b>31.12.2019</b>	<b>30.09.2019</b>	<b>Increase/(Decrease)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Operating Revenue</u></b>			
Investment holding	3,696	3,187	509
Life insurance business	372,071	280,801	91,270
Asset management services	28,172	29,988	(1,816)
<b>Total</b>	<b>403,939</b>	<b>313,976</b>	<b>89,963</b>
<b><u>Profit/(loss) before taxation</u></b>			
Investment holding	5,596	3,847	1,749
Life insurance business	12,598	(13,844)	26,442
Asset management services	1,701	2,535	(834)
<b>Total</b>	<b>19,895</b>	<b>(7,462)</b>	<b>27,357</b>

The Group's operating revenue for the current quarter under review ("Q4 2019") increased by RM90.0 million as compared to preceding quarter ended 30 September 2019 ("Q3 2019"). The Group recorded a profit before tax at RM19.9 million in Q4 2019 as compared to the loss before taxation at RM7.5 million in Q3 2019. The increase in profit before taxation by RM27.4 million was contributed by the following segments:

**Investment holding** – Operating revenue increased by RM0.5 million mainly due to higher interest income on fixed income securities. Profit before tax improved by RM1.7 million mainly due to higher realized gains on disposal of bonds.

**Life insurance business** – Operating revenue of life insurance business increased by RM90.8 million and profit before taxation increased by RM26.4 million mainly due to higher premium income recorded in Q4 2019 offset by higher reserve due to change in interest rate and worsened claims experience.

**Asset management services** – Operating revenue decreased by RM1.8 million attributable to lower initial service fee from lower gross sales in the current quarter. The segment recorded a fairly consistent profit before taxation in Q4 2019 compared with Q3 2019.

**Notes to the Interim Financial Statements (Continued)**

**21. Net premiums**

Net premiums which are stated net of reinsurance expenses comprise the following:-

	3 months ended		Cumulative 12 months ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	RM'000	RM'000	RM'000	RM'000
First year premium	51,534	38,979	148,292	110,166
Renewal year premium	164,243	165,390	601,455	600,764
Single premium	84,481	32,766	168,821	154,476
<b>Total</b>	<b>300,258</b>	<b>237,135</b>	<b>918,568</b>	<b>865,406</b>

**22. Investment income**

	3 months ended		Cumulative 12 months ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	RM'000	RM'000	RM'000	RM'000
<u>Financial assets at FVTPL</u>				
- designated upon initial recognition				
Interest/profit sharing income	6,314	4,629	22,563	15,653
Dividend/distribution income				
- equity securities				
- quoted in Malaysia	4,384	1,447	18,057	15,633
- quoted outside Malaysia	25	181	108	253
- real estate investment trusts				
- quoted in Malaysia	122	1	1,542	271
- unit trust funds	2,703	2,472	5,371	3,810
- mutual funds				
- outside Malaysia	1,222	2,415	3,561	6,090
Net amortisation of premiums	(215)	(154)	(856)	(428)
<u>AFS financial assets</u>				
Interest/profit sharing income	25,830	25,531	102,677	100,610
Dividend/distribution income				
- equity securities				
- quoted in Malaysia	4,900	3,143	25,237	25,271
- quoted outside Malaysia	1,918	1,509	2,424	1,902
- unquoted in Malaysia	-	195	978	282
- real estate investment trusts				
- quoted in Malaysia	217	-	953	264
- unit trust funds	3,570	2,708	3,570	2,708
Net amortisation of premiums	(1,352)	(710)	(3,758)	(2,619)
<u>Loans and receivables</u>				
Interest/profit sharing income	3,912	5,017	16,323	20,018
<u>Investment properties</u>				
Rental income	941	1,453	4,129	6,370
<u>Cash and cash equivalents</u>				
Interest/profit sharing income	210	337	868	1,000
	<u>54,701</u>	<u>50,174</u>	<u>203,747</u>	<u>197,088</u>

**Notes to the Interim Financial Statements (Continued)**

**23. Other operating expenses/(income)**

	<b>3 months ended</b>		<b>Cumulative 12 months ended</b>	
	<b>31.12.2019</b>	<b>31.12.2018</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Foreign exchange				
- Realised (gains)/losses	(2,409)	(3,326)	(4,506)	3,908
- Unrealised losses/(gains)	9,016	2,532	6,574	(12,996)
Interest expense on agent's bond withheld	3	4	15	16
Others	1,376	2,555	8,535	5,875
Tax on investment income of Life fund and Investment-linked funds				
- Current tax	4,118	641	11,917	12,919
- Deferred tax	1,998	(8,205)	9,310	(12,417)
	6,116	(7,564)	21,227	502
	<b>14,102</b>	<b>(5,799)</b>	<b>31,845</b>	<b>(2,695)</b>

The income tax for the Life fund and Investment-linked funds of the Group's insurance subsidiary is calculated based on the tax rate of 8% (2018: 8%) of the assessable investment income, net of allowable deductions for the financial period.

**24. Profit before taxation**

Profit before taxation is arrived at after charging/(crediting):

	<b>3 months ended</b>		<b>Cumulative 12 months ended</b>	
	<b>31.12.2019</b>	<b>31.12.2018</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Amortisation of intangible assets	2,067	1,546	7,952	6,547
Depreciation of property and equipment	867	874	3,368	3,553
Investment income (Note 22)	(54,701)	(50,174)	(203,747)	(197,088)
Allowance for/(reversal of) impairment loss on insurance receivables	4	-	4	(2)
(Reversal of)/allowance for impairment loss on loan receivable	(13)	(18)	148	(231)
Net foreign exchange losses/(gains)	6,607	(794)	2,068	(9,088)

**Notes to the Interim Financial Statements (Continued)**

**24. Profit before taxation (continued)**

	3 months ended		Cumulative 12 months ended	
	31.12.2019 RM'000	31.12.2018 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
Net realised (gains)/losses:				
- realised gains on disposal of property and equipment	(13)	(22)	(45)	(117)
- realised (gains)/losses on disposal of AFS investments	(29,742)	8,980	(50,364)	(36,129)
- realised gain on liquidation of subsidiary	-	-	-	(1,500)
	(29,755)	8,958	(50,409)	(37,746)
Net fair value (gains)/losses:				
- investment property	116	(109)	116	(109)
- fair value (gains)/losses on FVTPL investments/derivatives	(35,577)	92,844	(103,223)	157,464
- impairment loss on quoted equities	2,728	24,499	22,301	54,622
	(32,733)	117,234	(80,806)	211,977

**25. Taxation**

	3 months ended		Cumulative 12 months ended	
	31.12.2019 RM'000	31.12.2018 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
<u>Income tax</u>				
Current financial period	6,508	2,504	12,490	12,654
Overprovision in prior financial years	(246)	-	(483)	(148)
	6,262	2,504	12,007	12,506
<u>Deferred tax</u>				
(Reversal)/origination of temporary differences	(7)	(475)	237	(591)
	(7)	(475)	237	(591)
	6,255	2,029	12,244	11,915

The income tax for the Group is calculated based on the tax rate of 24% (2018: 24%) of the estimated assessable profit for the financial period.

**Notes to the Interim Financial Statements (Continued)**

**25. Taxation** (continued)

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate is as below.

	<b>3 months ended</b>		<b>Cumulative 12 months ended</b>	
	<b>31.12.2019</b>	<b>31.12.2018</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit before taxation	19,895	8,937	38,389	38,227
Taxation at Malaysian statutory tax rate of 24% (2018: 24%)	4,774	2,144	9,213	9,174
Section 110B tax credit set off	1,563	(729)	(971)	(2,071)
Income not subject to tax	(1,269)	(496)	(2,534)	(2,306)
Expenses not deductible for tax purposes	1,434	1,405	8,075	8,814
Utilisation of prior years tax losses	(33)	-	(1,128)	-
Changes in unrecognised deferred tax assets	32	(295)	72	(1,548)
	6,501	2,029	12,727	12,063
Overprovision in prior financial years				
- Current tax	(246)	-	(483)	(148)
	6,255	2,029	12,244	11,915

**26. Basic and diluted earnings per share**

Basic earnings per share of the Group are calculated by dividing the net profit attributable to owners of the Company for the financial year by the weighted average number of ordinary shares in issue.

	<b>3 months ended</b>		<b>Cumulative 12 months ended</b>	
	<b>31.12.2019</b>	<b>31.12.2018</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Net profit attributable to owners of the Company (RM'000)	13,662	6,890	26,134	26,251
Weighted average number of ordinary shares in issue ('000)	202,370	202,370	202,370	202,370
Basic and diluted earnings per share (Sen)	6.75	3.40	12.91	12.97

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.

## Notes to the Interim Financial Statements (Continued)

### 27. Insurance contract liabilities

The insurance contract liabilities as at the date of the statement of financial position comprise the following:

	Gross		Net	
	As at 31.12.2019 RM'000	As at 31.12.2018 RM'000	As at 31.12.2019 RM'000	As at 31.12.2018 RM'000
Actuarial liabilities	2,819,089	2,503,329	2,821,965	2,500,479
Unallocated (deficit)/surplus	(71,285)	35,699	(71,285)	35,699
Fair value reserve	120,462	30,889	120,462	30,889
Asset revaluation reserve	1,887	1,649	1,887	1,649
Investment-linked policyholders' account	1,345,740	1,301,629	1,345,740	1,301,629
	<u>4,215,893</u>	<u>3,873,195</u>	<u>4,218,769</u>	<u>3,870,345</u>

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

	Gross		Net	
	As at 31.12.2019 RM'000	As at 31.12.2018 RM'000	As at 31.12.2019 RM'000	As at 31.12.2018 RM'000
At 1 January	3,873,195	3,948,122	3,870,345	3,946,850
Inforce reserve movement	78,254	98,292	83,861	97,831
New business reserve	108,427	35,136	108,510	34,019
Discount rate and other changes	130,538	(33,001)	130,538	(33,001)
Unallocated (deficit)/surplus	(106,984)	(4,904)	(106,984)	(4,904)
Effect of movements in exchange rate	(1,459)	16	(1,423)	16
Fair value reserve, net of tax	89,573	(77,975)	89,573	(77,975)
Asset revaluation reserve				
- Revaluation adjustment	32	(38)	32	(38)
- Reversal on revaluation	206	207	206	207
	238	169	238	169
Investment-linked policyholders' account	44,111	(92,660)	44,111	(92,660)
At 31 December	<u>4,215,893</u>	<u>3,873,195</u>	<u>4,218,769</u>	<u>3,870,345</u>

### 28. Cash and cash equivalents

Cash and cash equivalents as at the date of statement of financial position are held in the following business segments:

	As at 31.12.2019 RM'000	As at 31.12.2018 RM'000
Investment holding	2,755	2,319
Life insurance business:-		
Shareholder's fund	41,339	22,496
Non Investment-linked business	95,440	42,046
Investment-linked business	5,422	10,255
Asset management services	63,551	53,777
	<u>208,507</u>	<u>130,893</u>

**Notes to the Interim Financial Statements (Continued)**

**29. 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 year between the Group and their related parties are set out as below:

	<b>31.12.2019</b>	<b>Cumulative 12 months ended 31.12.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Expenses/(income):</b>		
<b>Intermediate holding company</b>		
Reimbursement of personnel expenses	6,896	8,149
Reimbursement of software maintenance expenses	4,065	3,558
Provision of IT infrastructure support	1,293	2,299
	<u>1,293</u>	<u>2,299</u>
<b>Subsidiaries of ultimate holding company</b>		
Rebate income	(9,911)	(10,759)
Fund management expenses	2,232	1,499
	<u>2,232</u>	<u>1,499</u>

**30. Capital and other commitments**

	<b>As at 31.12.2019</b>	<b>As at 31.12.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Other commitments</b>		
Exclusive bancassurance agreement		
- Authorised but not provided for	10,500	13,500
	<u>10,500</u>	<u>13,500</u>
Distribution agreement		
- Authorised but not provided for	8,293	-
	<u>8,293</u>	<u>-</u>

**Notes to the Interim Financial Statements (Continued)**

**31. 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”).

Group	AFS RM'000	FVTPL RM'000	LAR RM'000	OL RM'000	Total RM'000
<b>31 December 2019</b>					
<b>Financial assets</b>					
AFS financial assets	3,340,632	-	-	-	3,340,632
Financial assets at FVTPL	-	1,742,001	-	-	1,742,001
Loans and receivables	-	-	359,135	-	359,135
Insurance receivables	-	-	25,794	-	25,794
Cash and cash equivalents	-	-	208,507	-	208,507
	<u>3,340,632</u>	<u>1,742,001</u>	<u>593,436</u>	<u>-</u>	<u>5,676,069</u>
<b>Financial liabilities</b>					
Insurance payables	-	-	-	602,423	602,423
Other payables	-	-	-	204,719	204,719
	<u>-</u>	<u>-</u>	<u>-</u>	<u>807,142</u>	<u>807,142</u>
<b>31 December 2018</b>					
<b>Financial assets</b>					
AFS financial assets	3,089,541	-	-	-	3,089,541
Financial assets at FVTPL	-	1,561,729	-	-	1,561,729
Loans and receivables	-	-	474,368	-	474,368
Insurance receivables	-	-	24,344	-	24,344
Cash and cash equivalents	-	-	130,893	-	130,893
	<u>3,089,541</u>	<u>1,561,729</u>	<u>629,605</u>	<u>-</u>	<u>5,280,875</u>
<b>Financial liabilities</b>					
Financial liabilities at FVTPL	-	116	-	-	116
Insurance payables	-	-	-	559,159	559,159
Other payables	-	-	-	208,519	208,519
	<u>-</u>	<u>116</u>	<u>-</u>	<u>767,678</u>	<u>767,794</u>

**Notes to the Interim Financial Statements (Continued)**

**32. 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 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 Group are forward foreign exchange contract 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/(loss) recognised as		Net carrying amount RM'000
		Financial asset RM'000	Financial liability RM'000	
<b>31 December 2019</b>				
<b>Hedging derivative:</b>				
Forward foreign exchange contract				
- Less than 1 year	322,819	3,802	-	3,802
	<u>322,819</u>	<u>3,802</u>	<u>-</u>	<u>3,802</u>
<b>31 December 2018</b>				
<b>Hedging derivative:</b>				
Forward foreign exchange contract				
- Less than 1 year	362,429	3,958	-	3,958
- Less than 1 year	9,193	-	(116)	(116)
	<u>371,622</u>	<u>3,958</u>	<u>(116)</u>	<u>3,842</u>

There is no change in risks and policies associated with the derivatives and its related accounting policies since the financial year ended 31 December 2018.

**Notes to the Interim Financial Statements (Continued)**

**33. Determination of fair values and fair value hierarchy**

**a) Freehold property and investment property**

The fair value of the Group'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 property is as follows:

	<b>Freehold property</b>		<b>Investment property</b>	
	<b>As at 31.12.2019 RM'000</b>	<b>As at 31.12.2018 RM'000</b>	<b>As at 30.12.2019 RM'000</b>	<b>As at 31.12.2018 RM'000</b>
Carrying amount	26,407	26,291	82,593	82,709
Fair value as stated in valuation report*	26,407	26,291	82,593	82,709

\* Based on the valuation conducted by an independent qualified valuer on 31 December 2019.

**Notes to the Interim Financial Statements (Continued)**

**33. 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:

	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Range</b>
<b>2019</b>			
Freehold/ investment property	Income method	Term period's net yield	5.75%
		Reversionary period's net yield	6.00%
		Void factor	5.00%
		Average rental for term period	RM4.50 – RM4.82 psf
		Average rental for reversionary period	RM4.50 psf
		Outgoings for term period	RM1.70 psf
		Outgoings for reversionary period	RM1.70 psf
<b>2018</b>			
Freehold/ investment property	Income method	Term period's net yield	6.00%
		Reversionary period's net yield	6.25%
		Void factor	5.00%
		Average rental for term period	RM4.40 - RM5.11 psf
		Average rental for reversionary period	RM4.50 psf
		Outgoings for term period	RM1.60 psf
Outgoings for reversionary period	RM1.60 psf		

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:

	<b>Freehold property</b>		<b>Investment property</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January	26,291	26,400	82,709	82,600
Depreciation charge for the year	(526)	(528)	-	-
Fair value gain	642	419	(116)	109
At 31 December	<u>26,407</u>	<u>26,291</u>	<u>82,593</u>	<u>82,709</u>

## **Notes to the Interim Financial Statements (Continued)**

### **33. 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 Group'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 bank balances, insurance payables and other payables, are reasonable approximations of their fair values due to the relatively short term maturity of these balances;
- (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 both quoted 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 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; and
- (vi) The fair values of foreign exchange forward contracts are based on valuations provided by the financial institutions making reference to quoted market prices.

##### **(ii) Fair value hierarchy**

The Group categorises its fair value measurements according to a three-level hierarchy. The hierarchy prioritises the inputs used by the Group'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 Group 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 Group uses observable market data, when available, and minimises the use of unobservable inputs to the extent possible when determining fair value.

**Notes to the Interim Financial Statements (Continued)**

**33. 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 Group's financial assets and financial liabilities that are carried at fair value as at reporting date.

	<b>Carrying amount RM'000</b>	<b>Level 1 RM'000</b>	<b>Level 2 RM'000</b>
<b>31 December 2019</b>			
<b>AFS financial assets</b>			
Equity securities			
- Quoted in Malaysia	827,752	827,752	-
- Quoted outside Malaysia	96,806	96,806	-
Real estate investment trusts	15,569	15,569	-
Unit trust funds	76,546	76,546	-
Malaysian Government Securities	374,797	-	374,797
Government Investment Issues	251,698	-	251,698
Corporate debt securities			
- Unquoted	1,670,365	-	1,670,365
Accrued interest	24,583	-	24,583
	<u>3,338,116</u>	<u>1,016,673</u>	<u>2,321,443</u>
<b>Financial assets at FVTPL</b>			
Equity securities			
- Quoted in Malaysia	580,616	580,616	-
- Quoted outside Malaysia	6,987	6,987	-
Real estate investment trusts	8,314	8,314	-
Unit trust funds	168,838	168,838	-
Malaysian Government Securities	48,314	-	48,314
Government Investment Issues	25,298	-	25,298
Corporate debt securities			
- Unquoted	415,097	-	415,097
- Quoted outside Malaysia	40,735	-	40,735
Mutual funds	438,118	-	438,118
Forward foreign exchange contract	3,802	-	3,802
Accrued interest	5,882	-	5,882
	<u>1,742,001</u>	<u>764,755</u>	<u>977,246</u>
	<u>5,080,117</u>	<u>1,781,428</u>	<u>3,298,689</u>

**Notes to the Interim Financial Statements (Continued)**

**33. 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 Group's financial assets and financial liabilities that are carried at fair value as at reporting date. (continued)

	<b>Carrying amount RM'000</b>	<b>Level 1 RM'000</b>	<b>Level 2 RM'000</b>
<b>31 December 2018</b>			
<b>AFS financial assets</b>			
Equity securities			
- Quoted in Malaysia	746,629	746,629	-
- Quoted outside Malaysia	109,339	109,339	-
Real estate investment trusts	8,591	8,591	-
Unit trust funds	70,352	70,352	-
Malaysian Government Securities	328,043	-	328,043
Government Investment Issues	137,236	-	137,236
Corporate debt securities			
- Unquoted	1,663,045	-	1,663,045
Accrued interest	23,790	-	23,790
	<u>3,087,025</u>	<u>934,911</u>	<u>2,152,114</u>
<b>Financial assets at FVTPL</b>			
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	125,768	125,768	-
Malaysian Government Securities	34,398	-	34,398
Government Investment Issues	23,388	-	23,388
Corporate debt securities			
- Unquoted	363,894	-	363,894
- Quoted outside Malaysia	5,076	5,076	-
Mutual funds	496,354	-	496,354
Forward foreign exchange contract	3,958	-	3,958
Accrued interest	5,025	-	5,025
	<u>1,561,729</u>	<u>634,712</u>	<u>927,017</u>
	<u>4,648,754</u>	<u>1,569,623</u>	<u>3,079,131</u>
<b>Financial liabilities at FVTPL</b>			
Forward foreign exchange contract	116	-	116

Unquoted equity securities of RM 2,516,566 (31 December 2018: RM2,516,566) 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.

## **Notes to the Interim Financial Statements (Continued)**

### **34. 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 Group 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 Group 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 Group 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 Group 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.

#### Transitional provision

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

The Group 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.

**Notes to the Interim Financial Statements (Continued)**

**34. Effects on adoption of MFRS 16 Leases (continued)**

Impact of adoption of MFRS 16

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

	<b>Right-of-use assets RM'000</b>	<b>Lease Liabilities RM'000</b>	<b>Deferred tax liabilities RM'000</b>	<b>Retained earnings RM'000</b>
<b>Closing balance 31 December 2018</b>	-	-	(16,802)	(704,924)
<u>Effect on adoption of MFRS 16:</u>				
- Recognition of right-of-use assets	1,424	-	-	(1,424)
- Recognition of lease liabilities	-	(1,444)	-	1,444
- Deferred tax	-	-	2	(2)
	<u>1,424</u>	<u>(1,444)</u>	<u>2</u>	<u>18</u>
<b>Opening balance 1 January 2019</b>	<u>1,424</u>	<u>(1,444)</u>	<u>(16,800)</u>	<u>(704,906)</u>

Additional disclosure on adoption of MFRS 16

	<b>RM'000</b>
Operating lease commitment at 31 December 2018 as per previous financial statements prepared under MFRS 117	<u>2,144</u>
Weighted average incremental borrowing rate as at 1 January 2019	3.527%
Present value of operating lease commitment (discounted using borrowing rate)	2,115
Recognition exemption under short term lease assets	<u>(671)</u>
<b>Lease liabilities recognised on 1 January 2019</b>	<u>1,444</u>

**MANULIFE HOLDINGS BERHAD (197501003360 (24851-H))**  
**Interim financial statements for the financial year ended 31 December 2019**

**Notes to the Interim Financial Statements (Continued)**

**35. 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 Group'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 financial year ended 31 December 2019	Fair value as at 1 January 2019 RM'000	Change in fair value* RM'000	Fair value as at 31 December 2019 RM'000	Result of the cash flows characteristics test	Classification and measurement under MFRS 9
<b>Financial assets</b>					
Equity securities					
- Quoted in Malaysia	1,239,825	168,543	1,408,368	Non-SPPI	FVTPL
- Quoted outside Malaysia	114,225	(10,432)	103,793	Non-SPPI	FVTPL
- Unquoted	2,516	-	2,516	Non-SPPI	FVTPL
Real estate investment trusts	14,377	9,506	23,883	Non-SPPI	FVTPL
Unit trust funds	196,120	49,264	245,384	Non-SPPI	FVTPL
Malaysian Government Securities	362,441	60,670	423,111	SPPI	FVOCI
Government Investment Issues	160,624	116,372	276,996	SPPI	FVOCI
Corporate debt securities					
- Unquoted	2,026,939	58,523	2,085,462	SPPI	FVOCI
- Quoted outside Malaysia	5,076	35,659	40,735	SPPI	FVOCI
Mutual funds	496,354	(58,236)	438,118	Non-SPPI	FVTPL
Forward foreign exchange contract	3,958	(156)	3,802	Non-SPPI	FVTPL
Accrued interest	28,815	1,650	30,465	SPPI	FVOCI
Loans and receivables	474,368	(115,233)	359,135	SPPI	Amortised cost
Insurance receivables	24,344	1,450	25,794	SPPI	Amortised cost
Cash and cash equivalents	130,893	77,614	208,507	SPPI	Amortised cost
	<u>5,280,875</u>	<u>395,194</u>	<u>5,676,069</u>		

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

**Notes to the Interim Financial Statements (Continued)**

**35. Additional disclosures under Amendments to MFRS 4 Insurance Contract Liabilities (continued)**

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

<b>As at 31 December 2019</b>	<b>AAA RM'000</b>	<b>AA RM'000</b>	<b>A RM'000</b>	<b>BBB RM'000</b>	<b>Non-rated RM'000</b>	<b>Total RM'000</b>
<b>Financial assets</b>						
Malaysian Government Securities	-	-	-	-	423,111	423,111
Government Investment Issues	-	-	-	-	276,996	276,996
Corporate debt securities						
- Unquoted	1,041,397	554,206	9,721	-	480,138	2,085,462
- Quoted outside Malaysia*	16,564	-	6,913	17,258	-	40,735
Accrued interest	12,971	5,174	118	208	11,994	30,465
Loans and receivables	148,736	2,946	14,738	-	192,715	359,135
Cash and cash equivalents	168,463	7,828	5,162	-	53	181,506
Cash and cash equivalents*	-	27,001	-	-	-	27,001
	<u>1,388,131</u>	<u>597,155</u>	<u>36,652</u>	<u>17,466</u>	<u>1,385,007</u>	<u>3,424,411</u>

\* Rated by international rating agencies

**BY ORDER OF THE BOARD**

Chua Siew Chuan  
**Joint Secretary**  
26 February 2020

Chin Mun Yee  
**Joint Secretary**