



**MAYBANK AGEAS HOLDINGS BERHAD**  
**(33361-W)**  
**(Incorporated in Malaysia)**

**Unaudited Interim Condensed Financial Statements**  
**for the six months period ended 30 June 2019**

**33361-W**

**MAYBANK AGEAS HOLDINGS BERHAD**  
**(Incorporated in Malaysia)**

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**MAYBANK AGEAS HOLDINGS BERHAD**  
(Incorporated in Malaysia)

**UNAUDITED INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2019**

	Note	Group		Company	
		30.6.2019 RM'000	31.12.2018 RM'000	30.6.2019 RM'000	31.12.2018 RM'000
<b>Assets:</b>					
Property, plant and equipment		116,194	120,943	785	843
Investment properties		892,830	890,672	-	-
Prepaid land lease payments		17,827	18,070	-	-
Right-of-use assets		26,119	-	-	-
Intangible assets		95,119	93,158	8	7
Investment in subsidiaries		-	-	2,412,323	2,412,323
Investment in associates		1,238	1,238	-	-
Investments	13	31,179,010	28,924,918	626,934	11,807
Financing receivables		262,642	262,365	2,108	2,083
Reinsurance/retakaful assets	14	3,440,595	3,132,102	-	-
Insurance/takaful receivables	15	788,580	514,020	-	-
Other assets	16	582,094	604,206	9,048	4,790
Derivative assets		5,741	4,124	-	-
Deferred tax assets		23,388	17,559	33	-
Current tax assets		227,551	133,847	-	-
Cash and bank balances		501,704	487,146	845	1,864
<b>Total Assets</b>		<b>38,160,632</b>	<b>35,204,368</b>	<b>3,052,084</b>	<b>2,433,717</b>
<b>Equity:</b>					
Share capital		660,866	660,866	660,866	660,866
Reserves	17	5,534,914	5,379,339	2,379,401	1,759,301
<b>Total Equity</b>		<b>6,195,780</b>	<b>6,040,205</b>	<b>3,040,267</b>	<b>2,420,167</b>
<b>Liabilities:</b>					
Insurance/takaful contract liabilities	18	28,447,876	25,799,681	-	-
Subordinated obligations		-	300,000	-	-
Expense liabilities	19	660,654	573,531	-	-
Derivative liabilities		15,208	15,463	-	-
Deferred tax liabilities		500,688	409,366	160	-
Insurance/takaful payables	20	669,213	566,452	-	-
Other liabilities	21	1,562,013	1,218,263	11,528	13,267
Interest/profit payable on subordinated obligations		-	1,189	-	-
Current tax liabilities		109,200	280,218	129	283
<b>Total Liabilities</b>		<b>31,964,852</b>	<b>29,164,163</b>	<b>11,817</b>	<b>13,550</b>
<b>Total equity and liabilities</b>		<b>38,160,632</b>	<b>35,204,368</b>	<b>3,052,084</b>	<b>2,433,717</b>

These unaudited interim condensed financial statements should be read in conjunction with the audited annual financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the unaudited interim condensed financial statements.

**MAYBANK AGEAS HOLDINGS BERHAD**  
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**UNAUDITED INTERIM CONDENSED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2019**

	Note	Group		Company	
		1.1.2019 to 30.6.2019 RM'000	1.1.2018 to 30.6.2018 RM'000	1.1.2019 to 30.6.2019 RM'000	1.1.2018 to 30.6.2018 RM'000
<b>Operating revenue</b>		4,507,934	4,090,415	876,603	-
Gross earned premiums/ contributions	22(a)	3,621,361	3,321,066	-	-
Earned premiums/contributions ceded to reinsurers/retakaful	22(b)	(527,299)	(455,502)	-	-
<b>Net earned premiums/ contributions</b>		3,094,062	2,865,564	-	-
Fee and commission income	23	51,653	51,936	-	-
Investment income	24	670,182	620,536	876,603	4,522
Realised gains/(losses)		48,790	(52,027)	218	-
Fair value gains/(losses)		962,118	(488,704)	-	-
Other operating (expenses)/ income, net	25	(20,499)	16,955	(557)	147
<b>Other revenue</b>		1,712,244	148,696	876,264	4,669
Gross benefits and claims paid	26(a)	(1,739,428)	(1,616,420)	-	-
Claims ceded to reinsurers/ retakaful	26(b)	185,976	201,810	-	-
Gross change in contract/certificate liabilities	26(c)	(2,131,899)	(716,817)	-	-
Change in contract/certificate liabilities ceded to reinsurers/retakaful	26(d)	234,998	13,591	-	-
<b>Net benefits and claims</b>		(3,450,353)	(2,117,836)	-	-
Management expenses	27	(444,359)	(416,536)	(23,905)	(29,516)
Reimbursement of shared services		18,104	25,087	17,395	25,087
Change in expense liabilities	19	(87,123)	6,171	-	-
Fee and commission expenses		(306,115)	(268,220)	-	-
Interest on subordinated obligations		(5,535)	(16,968)	-	-
Tax borne by policyholders/ participants	30	(80,249)	3,751	-	-
<b>Other expenses</b>		(905,277)	(666,715)	(6,510)	(4,429)

**MAYBANK AGEAS HOLDINGS BERHAD**  
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**UNAUDITED INTERIM CONDENSED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2019 (CONTD.)**

	<b>Group</b>		<b>Company</b>	
	<b>1.1.2019</b> <b>to</b> <b>30.6.2019</b> <b>RM'000</b>	<b>1.1.2018</b> <b>to</b> <b>30.6.2018</b> <b>RM'000</b>	<b>1.1.2019</b> <b>to</b> <b>30.6.2019</b> <b>RM'000</b>	<b>1.1.2018</b> <b>to</b> <b>30.6.2018</b> <b>RM'000</b>
<b>Profit before taxation</b>	450,676	229,709	869,754	240
Taxation	30 (140,160)	(73,626)	(324)	(1,063)
Zakat	(4,780)	(5,347)	-	-
<b>Net profit/(loss) for the period</b>	<u>305,736</u>	<u>150,736</u>	<u>869,430</u>	<u>(823)</u>
<b>Item that may be subsequently reclassified to income statement</b>				
Change in value of financial assets at Fair Value through Other				
Comprehensive Income (FVOCI) , net	90,938	(11,762)	911	-
- Fair value changes	165,310	(134,137)	911	-
- Transfer to profit and loss upon disposal	(6,557)	87,327	-	-
- Fair value adjustments on FVOCI financial assets backing participants' funds	(45,553)	30,605	-	-
Tax effect relating to FVOCI financial assets	(22,262)	4,443	-	-
Currency translation differences	9,142	(4,737)	-	-
<b>Other comprehensive income/(losses) for the period, net of tax</b>	<u>100,080</u>	<u>(16,499)</u>	<u>911</u>	<u>-</u>
<b>Total comprehensive income/(losses) for the period</b>	<u>405,816</u>	<u>134,237</u>	<u>870,341</u>	<u>(823)</u>

These unaudited interim condensed financial statements should be read in conjunction with the audited annual financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the unaudited interim condensed financial statements.

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**UNAUDITED INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2019**

Group	Note	Share Capital RM'000	<---Non-distributable--->		Retained Earnings			Total Equity RM'000
			FVOCI Reserve RM'000	Other Reserves RM'000	Non- Distributable Non-Par Surplus RM'000	Distributable Retained Profits RM'000	Sub-total Retained Profits RM'000	
<b>At 1 January 2019</b>		660,866	1,187	52,139	922,723	4,403,290	5,326,013	6,040,205
Net profit after tax for the period		-	-	-	119,238	186,498	305,736	305,736
Other comprehensive income for the period		-	90,938	9,142	-	-	-	100,080
Total comprehensive income		-	90,938	9,142	119,238	186,498	305,736	405,816
Reclassify from FVOCI reserve to retained profits		-	3,932	-	-	(3,932)	(3,932)	-
Dividend on ordinary shares	10	-	-	-	-	(250,241)	(250,241)	(250,241)
<b>At 30 June 2019</b>		<b>660,866</b>	<b>96,057</b>	<b>61,281</b>	<b>1,041,961</b>	<b>4,335,615</b>	<b>5,377,576</b>	<b>6,195,780</b>
<b>At 1 January 2018 (as previously stated)</b>		660,866	(30,656)	52,169	1,769,633	3,077,685	4,847,318	5,529,697
Effect of adopting MFRS 9			26,624	-	-	25,920	25,920	52,544
<b>At 1 January 2018 (as restated)</b>		660,866	(4,032)	52,169	1,769,633	3,103,605	4,873,238	5,582,241
Net profit after tax for the period		-	-	-	(41,365)	192,101	150,736	150,736
Other comprehensive losses for the period		-	(11,762)	(4,737)	-	-	-	(16,499)
Total comprehensive (losses)/income		-	(11,762)	(4,737)	(41,365)	192,101	150,736	134,237
Dividend on ordinary shares		-	-	-	-	(250,241)	(250,241)	(250,241)
<b>At 30 June 2018</b>		<b>660,866</b>	<b>(15,794)</b>	<b>47,432</b>	<b>1,728,268</b>	<b>3,045,465</b>	<b>4,773,733</b>	<b>5,466,237</b>

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**UNAUDITED INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2019**

**Company**

	Note	Share Capital RM'000	Non-distributable FVOCI Reserve RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
<b>At 1 January 2019</b>		660,866	-	1,759,301	2,420,167
Net profit after tax for the period		-	-	869,430	869,430
Other comprehensive income for the period		-	911	-	911
Total comprehensive income		-	911	869,430	870,341
Dividend on ordinary shares	10	-	-	(250,241)	(250,241)
<b>At 30 June 2019</b>		<b>660,866</b>	<b>911</b>	<b>2,378,490</b>	<b>3,040,267</b>
<b>At 1 January 2018</b>		660,866	-	2,019,619	2,680,485
Net loss after tax for the period		-	-	(823)	(823)
Total comprehensive loss		-	-	(823)	(823)
Dividend on ordinary shares		-	-	(250,241)	(250,241)
<b>At 30 June 2018</b>		<b>660,866</b>	<b>-</b>	<b>1,768,555</b>	<b>2,429,421</b>

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**MAYBANK AGEAS HOLDINGS BERHAD**  
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**UNAUDITED INTERIM CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2019**

	Group		Company	
	1.1.2019 to 30.6.2019 RM'000	1.1.2018 to 30.6.2018 RM'000	1.1.2019 to 30.6.2019 RM'000	1.1.2018 to 30.6.2018 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before taxation	450,676	229,709	869,754	240
<i>Adjustments for:</i>				
Amortisation of:				
- intangible assets	6,998	7,400	-	-
- prepaid land lease payments	13	152	-	-
Accretion of discounts	9,732	3,645	-	-
Bad debts (recovered)	(140)	(223)	-	-
Depreciation of property, plant and equipment	7,387	6,713	58	58
ROU expenses				
- ROU Depreciation	1,245	-	-	-
- ROU Lease interest	149	-	-	-
Fair value (gains)/losses on investment	(962,118)	476,118	-	-
(Gains)/losses on disposal of:				
- property, plant & equipment	(1)	(4,034)	-	-
- investments	(48,571)	56,062	-	-
Gross dividend income	(31,114)	(40,949)	(875,000)	-
Interest/profit and rental income	(650,947)	(600,886)	(1,770)	(4,524)
Interest expense	-	10,244	-	-
(Reversal of impairment losses)/ impairment losses on:				
- receivables	(956)	(3,008)	-	-
- insurance/takaful receivables	(2,655)	-	-	-
- reinsurance/retakaful receivables	(7,565)	-	-	-
- financing receivables	122	-	-	-
- investments	(1,461)	(236)	(540)	-
- others	-	(4)	-	-
Taxation of life and takaful funds	80,249	8,148	-	-
Net losses/(gains) on foreign exchange	11,500	(7,267)	65	-
<i>Operating cash flows before working capital changes</i>	<i>(1,137,456)</i>	<i>141,584</i>	<i>(7,432)</i>	<i>(4,226)</i>



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**UNAUDITED INTERIM CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2019 (CONTD.)**

	Group		Company	
	1.1.2019 to 30.6.2019 RM'000	1.1.2018 to 30.6.2018 RM'000	1.1.2019 to 30.6.2019 RM'000	1.1.2018 to 30.6.2018 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES (CONTD.)</b>				
Net purchase from disposal of investments	(169,557)	(268,447)	-	-
Net increase in fixed and call deposits	(591,707)	(1,044,518)	(178,779)	(296,894)
Increase in reinsurance/retakaful assets	(318,197)	(144,087)	-	-
(Increase) in financing receivables	(155)	(397)	(25)	(419)
(Increase)/ decrease in insurance/ takaful receivables	(205,196)	50,665	-	-
Decrease/(increase) in other receivables	396,181	126,400	(5,116)	(1,713)
Increase in insurance payables	57,299	34,480	-	-
Increase/(decrease) in payables	124,583	(43,193)	(1,735)	(2,377)
Increase/(decrease) in expense liabilities	87,123	(6,170)	-	-
Increase in insurance/takaful contract liabilities	2,140,660	789,790	-	-
Foreign exchange effects	341	-	-	-
<i>Operating cash flows after working capital changes</i>	<u>383,919</u>	<u>(363,893)</u>	<u>(193,087)</u>	<u>(305,629)</u>
Investment income received	644,730	599,378	3,576	4,388
Dividends received	31,258	-	875,000	-
Rental income received	19,100	-	-	-
Tax paid	(335,839)	(98,729)	(460)	-
Zakat paid	(11,040)	(5,347)	-	-
Surplus paid	(25,503)	(36,625)	-	-
<i>Net cash flows generated from/(used in) operating activities</i>	<u>706,625</u>	<u>94,784</u>	<u>685,029</u>	<u>(301,241)</u>

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**UNAUDITED INTERIM CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2019 (CONTD.)**

	Group		Company	
	1.1.2019 to 30.6.2019 RM'000	1.1.2018 to 30.6.2018 RM'000	1.1.2019 to 30.6.2019 RM'000	1.1.2018 to 30.6.2018 RM'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Addition of investment properties under constructions ("IPUC")	-	(72,505)	-	-
Capital repayment from subsidiaries	-	-	-	300,000
Purchase of property, plant and equipments	(2,301)	(2,346)	-	-
Purchase of investments properties	(2,158)	-	-	-
Purchase of intangible assets	(8,947)	(8,653)	-	-
Purchase of investments	(127,657)	-	(435,809)	-
Proceeds from disposal of property, plant and equipment	1	7,163	-	-
Proceed from disposal of intangible assets	1	-	-	-
<i>Net cash (used in)/invested in investing activities</i>	<u>(141,061)</u>	<u>(76,341)</u>	<u>(435,809)</u>	<u>300,000</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Interest paid on subordinated obligation	(1,189)	(17,138)	-	-
Redemption of subordinated obligations	(300,000)	-	-	-
Payment of lease liabilities	(4,107)	-	-	-
Dividend paid	(250,241)	-	(250,241)	-
<i>Net cash used in financing activities</i>	<u>(555,537)</u>	<u>(17,138)</u>	<u>(250,241)</u>	<u>-</u>

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**UNAUDITED INTERIM CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2019 (CONTD.)**

	Group		Company	
	1.1.2019 to 30.6.2019 RM'000	1.1.2018 to 30.6.2018 RM'000	1.1.2019 to 30.6.2019 RM'000	1.1.2018 to 30.6.2018 RM'000
<b>Net increase/(decrease) in cash and cash equivalents</b>	10,027	1,305	(1,021)	(1,241)
<b>Effects of exchange rate changes</b>	4,531	6,057	-	-
<b>Cash and cash equivalents at beginning of period</b>	487,146	411,832	1,866	3,460
<b>Cash and cash equivalents at end of period</b>	<u>501,704</u>	<u>419,194</u>	<u>845</u>	<u>2,219</u>
<b>Cash and cash equivalents comprise:</b>				
<b>Cash and bank balances:</b>				
Shareholders' and general funds	131,350	106,728	845	2,219
Life fund	258,614	186,126	-	-
General takaful fund	48,945	48,732	-	-
Family takaful fund	62,795	77,608	-	-
Takaful investment-linked funds	-	-	-	-
	<u>501,704</u>	<u>419,194</u>	<u>845</u>	<u>2,219</u>

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**NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2019**

**1. CORPORATE INFORMATION**

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at Level 19, Tower C, Dataran Maybank, No. 1, Jalan Maarof, 59000 Kuala Lumpur, Malaysia.

The holding and ultimate holding companies of the Company are Etiqa International Holdings Sdn. Bhd. (EIHSB) and Malayan Banking Berhad (MBB) respectively, both of which are incorporated in Malaysia. MBB is a licensed commercial bank listed on the Main Market of Bursa Malaysia Securities Berhad.

**2. BASIS OF PREPARATION**

The unaudited interim condensed financial statements of the Group and the Company for the financial period ended 30 June 2019 have been prepared in accordance with Malaysian Financial Reporting Standard (MFRS) 134 - *Interim Financial Reporting* as issued by the Malaysian Accounting Standards Board (MASB) and International Accounting Standard (IAS) 34 - *Interim Financial Reporting* as issued by International Accounting Standards Board (IASB), and Guidelines/Circulars issued by Bank Negara Malaysia (BNM).

The unaudited interim condensed financial statements of the Group and the Company have been prepared on a historical cost basis except for certain financial assets and financial liabilities that are stated at fair value.

The unaudited interim condensed financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual consolidated financial statements of the Group and the Company for the year ended 31 December 2018.

The explanatory notes attached to the unaudited interim condensed 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 and the Company since the financial year ended 31 December 2018.

As at the reporting date, the Group's subsidiaries which operate in Malaysia, Etiqa General Insurance Berhad (EGIB), Etiqa Life Insurance Berhad (ELIB), Etiqa General Takaful Berhad (EGTB) and Etiqa Family Takaful Berhad (EFTB), have met the minimum capital requirements as prescribed by the Risk-Based Capital Framework for Insurers (the RBC Framework) and the Risk-Based Capital Framework for Takaful Operators (the RBCT Framework) issued by BNM.

Whilst the Group's overseas subsidiary, Etiqa Insurance Pte Ltd (EIPL) has met the minimum capital requirements as prescribed by Singapore Insurance Act and Insurance (Valuation and Capital) Regulations 2004.

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**2. BASIS OF PREPARATION (CONTD.)**

The unaudited interim condensed financial statements are presented in Ringgit Malaysia (RM) and rounded to the nearest thousand (RM'000) unless otherwise stated.

The unaudited interim condensed financial statements were approved for issue by the Board of Directors on 20 August 2019.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The audited annual financial statements of the Group and of the Company for the financial year ended 31 December 2018 were prepared in accordance with MFRS and International Financial Reporting Standards (IFRS) and the requirement of the Companies Act, 2016 in Malaysia.

The significant accounting policies adopted in preparing these unaudited interim condensed financial statements are consistent with those of the audited annual financial statements for the financial year ended 31 December 2018 except for the adoption of the following new Malaysian Financial Reporting Standards (MFRSs), Issues Committee (IC) Interpretations, amendments to MFRSs and annual improvements to MFRSs which are effective for annual periods beginning on or after 1 January 2019:

MFRS 16 *Leases*

IC Interpretation 23 *Uncertainty over Income Tax Treatments*

Annual Improvements to MFRSs 2015-2017 Cycle:

(i) Amendments to MFRS 3 *Business Combinations and* MFRS 11 *Joint Arrangements*

(ii) Amendments to MFRS 112 *Income Tax*

(ii) Amendments to MFRS 123 *Borrowing Costs*

The adoption of the above new MFRSs, IC Interpretation, amendments to MFRSs and annual improvements to MFRSs do not have financial implication to the Group's and the Company's financial statements, other than as disclosed below:

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**Changes in accounting policies - MFRS 16 Leases**

**MFRS 16 Leases**

MFRS 16 replaces MFRS 117 *Leases*, IC Interpretation 4 *Determining whether an Arrangement contains a Lease*, IC Interpretation 115 *Operating Leases — Incentives and* IC Interpretation 127 *Evaluating the Substance of Transactions involving the Legal Form of a Lease*. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessee to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117. Lessor accounting under MFRS 16 is substantially unchanged from MFRS 117. Lessor will continue to classify leases as either operating or finance leases using similar principles as in MFRS 17 and IC interpretation 4 at the date of initial application. Therefore, MFRS 16 did not have an impact for leases where the Group or the Company is the lessor.

**Leases previously classified as operating lease - The Group and the Company as lessee**

On 1 January 2019, the Group and the Company have applied MFRS 16 for the first time using the modified retrospective approach, which requires the recognition of the cumulative effect of initially applying MFRS 16, to the retained earnings brought forward and not restating prior year/period comparatives information which remain as previously reported under MFRS 117 and related interpretations. The Group and the Company also made use of the transition practical expedient in the standard to not recognise lease arrangements for which the lease term ends within 12 months of the date of initial application. The Group and the Company have elected, on a lease-by-lease basis, to recognise the right-of-use assets at the amount equal to the lease liabilities, hence there were no impact to the retained earnings brought forward as at 1 January 2019.

The Group and the Company elected the following transition practical expedients on a lease-by-lease basis for measurement purposes at first-time application of the standard:

- (1) A single discount rate was applied for those portfolio of leases with reasonably similar characteristics such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment;
- (2) Short-term lease contracts with a term not exceeding 12 months at the date of initial application are not recognised under MFRS 16;
- (3) Initial direct costs are excluded from the measurement of the right-of-use asset at the date of initial application; and
- (4) The Group and the Company used hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

The detailed financial impact of the adoption of MFRS 16 on the financial statements of the Group and of the Company are disclosed in Note 35.

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**Changes in accounting policies - MFRS 16 Leases (contd.)**

**(a) Right-Of-Use Assets (ROU)**

At inception of a contract, the Group and the Company assess whether a contract is, or contains, a lease arrangement based on whether the contract that conveys to the user (the lessee) the right to control the use of an identified asset for a period of time in exchange for consideration. If a contract contains more than one lease component, or a combination of leasing and services transactions, the consideration is allocated to each of these lease and non-lease components on conclusion and on each subsequent re-measurement of the contract on the basis of their relative stand-alone selling prices. The Group and the Company combine lease and non-lease components, in cases where splitting the non-lease component is not possible.

The Group and the Company recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The lease term includes periods covered by an option to extend if the Group and the Company are reasonably certain to exercise that option. Unless the Group and the Company are reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment assessment.

**(b) Lease Liabilities**

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and payments of penalties for terminating a lease, if the lease term reflects the Group and the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**Changes in accounting policies - MFRS 16 Leases (contd.)**

**(b) Lease Liabilities (Contd.)**

In calculating the present value of lease payments, the Group and the Company use the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

**(c) Short-Term Leases and Leases of Low-Value Assets**

The Group and the Company apply the short-term lease recognition exemption to its short-term leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of assets that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**(d) Significant Judgement in Determining the Lease Term of Contracts with Renewal Options**

The Group and the Company determine 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 and the Company have the option, under some of its leases to lease the assets for additional terms of three to five years. The Group and the Company apply 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 and the Company reassess 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 (e.g., a change in business strategy).



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**4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of unaudited interim condensed financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of income, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Although these estimates and judgements are based on management's best knowledge of current events and actions, actual results may differ.

In preparing these unaudited interim condensed financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements for the financial year ended 31 December 2018 except for the measurement of right-of-use assets and lease liabilities under MFRS 16 which involves increased complexity and judgement as disclosed in Note 3.

**5. AUDITOR'S REPORT ON PRECEDING AUDITED ANNUAL FINANCIAL STATEMENTS**

The auditor's report on the audited annual financial statements for the financial year ended 31 December 2018 was not qualified.

**6. SEASONALITY OR CYCLICALITY OF OPERATIONS**

The businesses of the Group and the Company were not materially affected by any seasonal or cyclical fluctuations during the interim financial period ended 30 June 2019.

However, as is common for insurer and takaful operator, surplus for life and family funds will only be transferred at the financial year end upon approval by the Appointed Actuary.

**7. UNUSUAL ITEMS**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim financial period ended 30 June 2019.

**8. CHANGES IN ESTIMATES**

There were no material changes in estimates for the interim financial period ended 30 June 2019.

**9. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES**

On 18 March 2019, BNM approved Etiqa Family Takaful Berhad's (EFTB) redemption exercise for the Tier-2 Capital Subordinated Sukuk Musharakah of RM300.0million (the Sukuk). Subsequently, EFTB exercised the call option to redeem the Sukuk on 30 May 2019. The Sukuk had been issued on 30 May 2014 with a tenure of ten (10) years from issue date on 10 non-callable 5 basis, with interest rate of 4.52% per annum payable semi-annually and is due in 2024.

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**10. DIVIDENDS PAID**

A final single tier dividend of 99.30sen per ordinary share on 252,005,522 ordinary shares amounting to RM250,241,483.35 for the financial year ended 31 December 2018 was approved by the shareholders in Annual General Meeting held on 5 April 2019. The final dividend was paid on 12 June 2019.

**11. MATERIAL EVENTS SUBSEQUENT TO END OF REPORTING PERIOD**

There were no material events subsequent to the end of the period reported that require disclosure or adjustments to the unaudited interim condensed financial statements.

**12. CHANGES IN THE COMPOSITION OF THE GROUP OR THE COMPANY**

There were no changes in the composition of the Group and the Company during the interim financial period ended 30 June 2019.

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**13. INVESTMENTS**

<b>Group</b>	<b>30.6.2019</b> <b>RM'000</b>	<b>31.12.2018</b> <b>RM'000</b>
Malaysian government papers	697,630	1,243,609
Singapore government securities	499,725	657,333
Equity securities	2,133,814	2,463,869
Debt securities	24,825,432	21,587,512
Unit and property trust funds	150,845	170,587
Structured products	235,884	324,451
Deposits with financial institutions	2,635,680	2,477,557
	<u>31,179,010</u>	<u>28,924,918</u>

The Group's financial investments are summarised by categories as follows:

Fair value through profit and loss (FVTPL)(Note a)		
- Designated upon initial recognition (Note a)(i)	15,984,915	15,793,650
- Held for trading (HFT)(Note a)(ii)	2,494,651	2,735,956
Fair value through other comprehensive income (FVOCI)(Note b)	10,190,823	8,038,954
Amortised Cost (AC)(Note c)	2,508,621	2,356,358
	<u>31,179,010</u>	<u>28,924,918</u>

The following investments mature after 12 months:

FVTPL		
- Designated upon initial recognition	14,625,542	14,755,452
- Held for trading (HFT)	533,404	378,485
FVOCI	9,691,083	7,287,258
AC	1,172,858	-
	<u>26,022,887</u>	<u>22,421,195</u>

**(a) FVTPL**

**(i) Designated upon initial recognition**

**At fair value**

Malaysian government papers	200,089	562,540
Singapore government securities	51,229	45,184
Equity securities:		
Quoted outside Malaysia	300,784	381,852
Debt securities:		
Quoted outside Malaysia	896,593	573,679
Unquoted in Malaysia	14,112,345	13,790,978
Unquoted outside Malaysia	149,975	97,776
Unit and property trust funds:		
Quoted outside Malaysia	39,643	19,055
Structured products	234,258	322,586
Total financial assets designated as FVTPL upon initial recognition	<u>15,984,915</u>	<u>15,793,650</u>

**MAYBANK AGEAS HOLDINGS BERHAD**  
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**13. INVESTMENTS (CONTD.)**

**Group (contd.)**

**(a) FVTPL (CONTD.)**

	<b>30.6.2019</b>	<b>31.12.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(ii) HFT</b>		
<b><u>At fair value</u></b>		
Malaysian government papers	4,189	37,307
Equity securities:		
Quoted in Malaysia	1,678,456	1,934,052
Quoted outside Malaysia	14,417	7,808
Unquoted in Malaysia	140,157	140,157
Debt securities:		
Unquoted in Malaysia	417,544	342,036
Unit and property trust funds:		
Quoted in Malaysia	41,426	34,390
Quoted outside Malaysia	69,776	117,142
Structured products	1,626	1,865
Fixed and call deposits with licensed banks	127,060	121,199
Total HFT financial assets	<u>2,494,651</u>	<u>2,735,956</u>

**(b) FVOCI**

<b><u>At fair value</u></b>		
Malaysian government papers	493,352	643,762
Singapore government securities	448,495	612,149
Debt securities:		
Quoted outside Malaysia	1,122,812	514,824
Unquoted in Malaysia	8,126,164	6,268,219
Total FVOCI financial assets	<u>10,190,823</u>	<u>8,038,954</u>

**MAYBANK AGEAS HOLDINGS BERHAD**  
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**13. INVESTMENTS (CONTD.)**

**Group (contd.)**

**(b) FVOCI (CONTD.)**

Movements in the allowance for impairment losses on financial assets at FVOCI are as follows:

<b>30.6.2019</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total ECL RM'000</b>
	<b>12 months ECL RM'000</b>	<b>Lifetime ECL not credit impaired RM'000</b>	<b>Lifetime ECL credit impaired RM'000</b>	
As at 1 January 2019	3,892	277	200	4,369
Net adjustment of loss allowance	102	(32)	-	70
Amount written off	(129)	(18)	-	(147)
New financial assets originated or purchased	1,961	40	-	2,001
Financial assets derecognised	(370)	(64)	(25)	(459)
As at 30 June 2019	<u>5,456</u>	<u>203</u>	<u>175</u>	<u>5,834</u>
<b>31.12.2018</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total ECL RM'000</b>
	<b>12 months ECL RM'000</b>	<b>Lifetime ECL not credit impaired RM'000</b>	<b>Lifetime ECL credit impaired RM'000</b>	
As at 1 January 2018	3,255	613	200	4,068
Effect of adopting MFRS9	73	-	-	73
As at 1 January 2018, (as restated)	<u>3,328</u>	<u>613</u>	<u>200</u>	<u>4,141</u>
Net adjustment of loss allowance	(53)	(43)	-	(96)
New financial assets originated or purchased	1,605	36	-	1,641
Financial assets derecognised	(988)	(329)	-	(1,317)
As at 31 December 2018	<u>3,892</u>	<u>277</u>	<u>200</u>	<u>4,369</u>

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**13. INVESTMENTS (CONTD.)**

**Group (contd.)**

**(c) AC**

<u>At cost</u>	<b>30.6.2019</b>	<b>31.12.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed and call deposits with:		
Licensed financial institutions	2,144,065	2,103,312
Others	364,556	253,046
Total AC financial assets	<u>2,508,621</u>	<u>2,356,358</u>

The carrying amounts of AC financial assets are reasonable approximations of fair values due to the short term maturity of the financial assets.

Included in AC financial assets are assets amounting to RM35,000,000 (31.12.2018: RM38,000,000) which have been pledged to obtain a banking facility with MBB and an Islamic bank guarantee facilities with Maybank Islamic Berhad.

	<b>30.6.2019</b>	<b>31.12.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Company</b>		
Debt securities	436,349	-
Deposits with financial institutions	190,585	11,807
	<u>626,934</u>	<u>11,807</u>

The Company's financial investments are summarised by categories as follows:

FVOCI (Note a)	436,349	-
AC (Note b)	190,585	11,807
	<u>626,934</u>	<u>11,807</u>

The following investments mature after 12 months:

FVOCI	366,167	-
	<u>366,167</u>	<u>-</u>

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**13. INVESTMENTS (CONTD.)**

**Company (contd.)**

**30.6.2019**      **31.12.2018**  
**RM'000**          **RM'000**

**(a) FVOCI**

**At fair value**

Debt securities:

Unquoted in Malaysia	436,349	-
Total FVOCI financial assets	436,349	-

Movements in the allowance for impairment losses on financial assets at FVOCI are as follows:

<b>30.6.2019</b>	<b><u>Stage 1</u></b>	<b><u>Stage 2</u></b>	<b><u>Stage 3</u></b>	
	<b>12 months</b>	<b>Lifetime ECL</b>	<b>Lifetime ECL</b>	<b>Total</b>
	<b>ECL</b>	<b>not credit</b>	<b>credit</b>	<b>ECL</b>
	<b>RM'000</b>	<b>impaired</b>	<b>impaired</b>	<b>RM'000</b>
As at 1 January 2019	-	-	-	-
New financial assets originated or purchased	500	40	-	540
As at 30 June 2019	500	40	-	540

**(b) AC**

**30.6.2019**      **31.12.2018**  
**RM'000**          **RM'000**

**At cost**

Fixed and call deposits with:

Licensed financial institutions	149,572	9,837
Others	41,013	1,970
Total AC financial assets	190,585	11,807

The carrying amounts of AC financial assets are reasonable approximations of fair values due to the short term maturity of the financial assets.

**Fair Value of Financial Investments**

An analysis of the different fair value measurement basis used in the determination of the fair values of Investments are further disclosed in Note 34 of the unaudited interim condensed financial statements.

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**14. REINSURANCE/RETAKAFUL ASSETS**

<b>Group</b>	<b>30.6.2019</b>	<b>31.12.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Reinsurers' share of:	3,107,077	2,828,768
Life insurance contract liabilities	55,654	52,240
General insurance contract liabilities	3,051,423	2,776,528
Retakaful operators' share of:	343,725	305,976
Family Takaful certificate liabilities	92,391	73,801
General Takaful certificate liabilities	251,334	232,175
	3,450,802	3,134,744
Allowance for impairment losses	(10,207)	(2,642)
	3,440,595	3,132,102

Movements in the allowance for impairment losses on reinsurance/retakaful assets are as follows:

**Lifetime ECL**

As at 1 January, as previously stated	2,642	1,924
Effect of adopting MFRS 9	-	4
As at 1 January, (as restated)	2,642	1,928
Net adjustment of		
loss allowance	7,565	714
As at 30 June 2019/31 December 2018	10,207	2,642



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**15. INSURANCE/TAKAFUL RECEIVABLES**

<b>Group</b>	<b>30.6.2019</b>	<b>31.12.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Due premiums including agents/brokers and co-insurers/co-takaful balances	732,386	442,179
Due from reinsurers/retakaful operators and cedants	72,447	85,804
	<u>804,833</u>	<u>527,983</u>
Allowance for impairment losses	(16,253)	(13,963)
	<u>788,580</u>	<u>514,020</u>

Movements in the allowance for impairment losses on insurance/takaful receivables are as follows:

**Lifetime ECL**

As at 1 January, as previously stated	13,963	16,728
Effect of adopting MFRS 9	-	4,507
As at 1 January, (as restated)	<u>13,963</u>	<u>21,235</u>
Net adjustment of loss allowance	2,290	(7,272)
As at 30 June 2019/31 December 2018	<u>16,253</u>	<u>13,963</u>

Included in the due from premiums including agents/brokers and co-insurers/co-takaful balances and balances due from reinsurers/retakaful operators and cedants are balances due from related parties amounting to NIL and RM1,517,840 (2018: RM9,681,101 and RM11,646,206) respectively. The amount receivables are subject to settlement terms stipulated in the underlying insurance contracts.

The carrying amounts are reasonable approximations of fair values at the reporting date due to the relatively short-term maturity of these balances.

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**16. OTHER ASSETS**

<b>Group</b>	<b>30.6.2019</b> <b>RM'000</b>	<b>31.12.2018</b> <b>RM'000</b>
Management fees	779	445
Allowance for impairment losses	(63)	(63)
	<u>716</u>	<u>382</u>
Sundry receivables, deposits and prepayments	139,053	72,596
Allowance for impairment losses	(11,658)	(10,765)
	<u>127,395</u>	<u>61,831</u>
Income and profits due and accrued	340,077	340,843
Allowance for impairment losses	(630)	(567)
	<u>339,447</u>	<u>340,276</u>
Amount due from:*		
- Ultimate holding company	-	618
- Other related companies within the MBB Group	13,841	179
Amount due from stockbrokers	47,710	136,882
Share of net assets in the Malaysian Motor Insurance Pool (MMIP)	52,985	56,398
Goods and Services Tax recoverable	-	7,640
	<u>114,536</u>	<u>201,717</u>
Total Other Assets	<u>582,094</u>	<u>604,206</u>

Movements in the allowance for impairment losses on other assets are as follows:

**Lifetime ECL**

As at 1 January, as previously stated	11,395	10,451
Effect of adopting MFRS 9	-	76
As at 1 January, (as restated)	<u>11,395</u>	<u>10,527</u>
Net adjustment of loss allowance	956	868
As at 30 June 2019/31 December 2018	<u>12,351</u>	<u>11,395</u>

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**16. OTHER ASSETS (CONTD.)**

	<b>30.6.2019</b>	<b>31.12.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Company</b>		
Income and profits due and accrued	<u>5,688</u>	<u>343</u>
	<u>5,688</u>	<u>343</u>
Amount due (to)/from:*		
- Ultimate holding company	(451)	-
- Holding company	-	16
- Subsidiaries/associates within the MAHB Group	<u>10,972</u>	<u>11,592</u>
	<u>10,521</u>	<u>11,608</u>
Allowance for impairment losses	(7,161)	(7,161)
Total Other Assets	<u>9,048</u>	<u>4,790</u>

Movements in the allowance for impairment losses on other assets are as follows:

**Lifetime ECL**

As at 1 January	<u>7,161</u>	<u>7,161</u>
As at 30 June 2019/31 December 2018	<u>7,161</u>	<u>7,161</u>

\* Amounts due to and from related companies are non-trade in nature, unsecured, interest-free and repayable on demand.

Included in sundry receivables, deposits and prepayments and income due and profit accrued of the Group are balances due from related parties amounting to RM10,506,751 (2018: RM11,682,597).

The carrying amounts (other than prepayments) are reasonable approximations of fair values due to the relatively short-term maturity of these balances.

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**17. OTHER RESERVES**

<u>Group</u>	<b>Revaluation reserve RM'000</b>	<b>Currency translation reserve RM'000</b>	<b>Total RM'000</b>
<b><u>30.6.2019</u></b>			
At beginning of the period	788	51,351	52,139
Other comprehensive income	-	9,142	9,142
At end of the period	<u>788</u>	<u>60,493</u>	<u>61,281</u>
<b><u>30.6.2018</u></b>			
At beginning of the period	1,073	51,096	52,169
Other comprehensive income/(loss)	-	(4,737)	(4,737)
At end of the period	<u>1,073</u>	<u>46,359</u>	<u>47,432</u>

The revaluation reserve of the Group represents the difference between the carrying amount of properties previously classified as self-occupied and transferred to investment properties upon the end of owner occupation and its fair value at the date of change in use.

The currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of the Group.

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**18. INSURANCE/TAKAFUL CONTRACT LIABILITIES**

Group	<u>30.6.2019</u>			<u>31.12.2018</u>		
	Gross RM'000	Reinsurance RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000
Life Insurance/Family Takaful (Note A)	22,786,795	(155,302)	22,631,493	20,595,386	(126,041)	20,469,345
General Insurance/Takaful (Note B)	5,661,081	(3,301,827)	2,359,253	5,204,295	(3,008,703)	2,195,592
	<u>28,447,876</u>	<u>(3,457,129)</u>	<u>24,990,746</u>	<u>25,799,681</u>	<u>(3,134,744)</u>	<u>22,664,937</u>

**(A) Life Insurance/Family Takaful**

The Life Insurance/Family Takaful contract liabilities and its movements are further analysed as follows:

**(i) Life Insurance/Family Takaful contract liabilities**

	<u>30.6.2019</u>			<u>31.12.2018</u>		
	Gross RM'000	Reinsurance RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000
Claim liabilities	197,361	(14,766)	182,595	228,329	(14,052)	214,277
Actuarial liabilities	18,075,292	(140,536)	17,934,756	16,477,186	(111,989)	16,365,197
DPF's unallocated surplus	2,782,756	-	2,782,756	2,401,223	-	2,401,223
DPF's FVOCI reserves	29,761	-	29,761	(16,191)	-	(16,191)
Net asset value (NAV) attributable to unitholders	1,701,626	-	1,701,626	1,504,839	-	1,504,839
	<u>22,786,795</u>	<u>(155,302)</u>	<u>22,631,493</u>	<u>20,595,386</u>	<u>(126,041)</u>	<u>20,469,345</u>

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**18. INSURANCE/TAKAFUL CONTRACT LIABILITIES (CONTD.)**

**(A) Life Insurance/Family Takaful (Contd.)**

**(ii) Movements of Life Insurance/Family Takaful contract liabilities**

	<b>Claim liabilities</b>	<b>Actuarial liabilities</b>	<b>DPF's Unallocated Surplus</b>	<b>DPF's FVOCI reserves</b>	<b>NAV attributable to unitholders</b>	<b>Gross Total liabilities</b>	<b>Reinsurance assets</b>	<b>Net Total liabilities</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>RM'000</b>	<b>RM'000</b>
<b>30.6.2019</b>								
As at 1 January 2019	228,329	16,477,186	2,401,223	(16,191)	1,504,839	20,595,386	(126,041)	20,469,345
Net earned premiums	-	-	1,548,389	-	254,002	1,802,391	-	1,802,391
Other revenue	-	-	1,021,364	-	89,949	1,111,313	-	1,111,313
Experience/benefit variation	(3,280)	-	-	-	-	(3,280)	-	(3,280)
Net benefits and claims	(27,688)	(475,244)	(760,833)	-	(139,188)	(1,402,953)	(589)	(1,403,542)
Other expenses	-	-	(320,842)	-	(1,132)	(321,974)	-	(321,974)
Change in reserves :								
- Discounting	-	384,691	(281,571)	-	-	103,121	(5,613)	97,508
- Assumptions	-	12,808	(15,820)	-	-	(3,013)	1,823	(1,190)
- Policy Movements	-	1,675,916	(731,561)	-	-	944,355	(24,882)	919,473
Exchange differences	-	(66)	-	-	-	(66)	-	(66)
Changes in FVOCI reserves	-	-	-	45,952	-	45,952	-	45,952
Taxation	-	-	(50,023)	-	(6,844)	(56,866)	-	(56,866)
Transfer to shareholders' funds	-	-	(21,283)	-	-	(21,283)	-	(21,283)
Surplus paid to participants	-	-	(6,289)	-	-	(6,289)	-	(6,289)
As at 30 June 2019	197,361	18,075,292	2,782,756	29,761	1,701,626	22,786,795	(155,302)	22,631,493

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**18. INSURANCE/TAKAFUL CONTRACT LIABILITIES (CONTD.)**

**(A) Life Insurance/Family Takaful (Contd.)**

**(ii) Movements of Life Insurance/Family Takaful contract liabilities (contd.)**

	<b>Claim liabilities</b>	<b>Actuarial liabilities</b>	<b>DPF's Unallocated Surplus</b>	<b>DPF's FVOCI reserves</b>	<b>NAV attributable to unitholders</b>	<b>Gross Total liabilities</b>	<b>Reinsurance assets</b>	<b>Net Total liabilities</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>RM'000</b>	<b>RM'000</b>
<b>31.12.2018</b>								
As at 1 January 2018 (As previously stated)	225,021	15,125,107	2,355,649	(29,784)	1,454,898	19,130,891	(119,557)	19,011,334
Effects of adopting MFRS 9	-	-	(8,268)	5,088	-	(3,180)	-	(3,180)
As at 1 January 2018, (as restated)	225,021	15,125,107	2,347,381	(24,696)	1,454,898	19,127,711	(119,557)	19,008,154
Net earned premiums	-	-	2,927,738	-	508,362	3,436,100	(67,953)	3,368,147
Other revenue	-	-	491,705	-	(147,094)	344,611	-	344,611
Experience/benefit variation	3,304	-	-	-	(1)	3,303	20,175	23,478
Net benefits and claims	4	-	(1,353,780)	-	(304,935)	(1,658,711)	43,171	(1,615,540)
Other expenses	-	-	(567,833)	-	(20,350)	(588,183)	-	(588,183)
Change in reserves:								
- Discounting	-	(6,726)	13,646	-	-	6,920	(25,031)	(18,111)
- Assumptions	-	(307,464)	188,532	-	-	(118,932)	53,043	(65,889)
- Policy Movements	-	1,664,961	(1,413,691)	-	-	251,270	(29,882)	221,388
Exchange differences	-	1,308	28	6	50	1,392	(7)	1,385
Changes in FVOCI reserves	-	-	-	8,499	-	8,499	-	8,499
Taxation	-	-	(9,293)	-	13,909	4,616	-	4,616
Transfer to shareholders' funds	-	-	(166,223)	-	-	(166,223)	-	(166,223)
Surplus paid to participants	-	-	(12,273)	-	-	(12,273)	-	(12,273)
Reallocation of unallocated surplus in Annuity PIF to Expense Liabilities (Note 19)	-	-	(44,714)	-	-	(44,714)	-	(44,714)
As at 31 December 2018	228,329	16,477,186	2,401,223	(16,191)	1,504,839	20,595,386	(126,041)	20,469,345

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**18. INSURANCE/TAKAFUL CONTRACT LIABILITIES (CONTD.)**

**(B) General Insurance/General Takaful**

	<u>30.6.2019</u>			<u>31.12.2018</u>		
	Gross RM'000	Reinsurance RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000
Claim liabilities (i)	4,014,723	(2,864,857)	1,149,867	3,759,920	(2,658,712)	1,101,208
Premiums/contribution liabilities (ii)	1,442,786	(436,971)	1,005,816	1,241,697	(349,991)	891,706
Unallocated surplus of General Takaful fund	177,036	-	177,036	211,000	-	211,000
FVOCI reserves	26,535	-	26,535	(8,322)	-	(8,322)
	<u>5,661,081</u>	<u>(3,301,827)</u>	<u>2,359,253</u>	<u>5,204,295</u>	<u>(3,008,703)</u>	<u>2,195,592</u>

**(i) Claims liabilities**

As at 1 January 2019/2018	3,759,920	(2,658,712)	1,101,208	3,808,752	(2,649,946)	1,158,806
Claims incurred in the current accident year	981,989	(436,610)	545,378	1,405,114	(432,750)	972,364
Movements in claims incurred in prior accident years	(80,083)	78,289	(1,794)	(111,441)	86,931	(24,510)
Claims paid during the period	(648,226)	149,467	(498,759)	(1,344,495)	349,520	(994,975)
Movements in Unallocated Loss Adjustment						
Expenses (ULAE)	473	-	473	1,056	-	1,056
Movements in PRAD	(412)	2,895	2,483	1,294	(12,739)	(11,445)
Exchange differences	1,063	(186)	878	(360)	272	(88)
As at 30 June 2019/31 December 2018	<u>4,014,723</u>	<u>(2,864,857)</u>	<u>1,149,867</u>	<u>3,759,920</u>	<u>(2,658,712)</u>	<u>1,101,208</u>

**(ii) Premium/contribution liabilities**

As at 1 January 2019/2018	1,241,697	(349,991)	891,706	1,104,029	(314,794)	789,235
Premiums/contributions written in the period	1,625,596	(561,190)	1,064,405	2,721,081	(949,765)	1,771,316
Premiums/contributions earned during the period	(1,425,590)	474,619	(950,970)	(2,578,433)	909,377	(1,669,056)
Exchange differences	1,083	(409)	675	(4,980)	5,191	211
As at 30 June 2019/31 December 2018	<u>1,442,786</u>	<u>(436,971)</u>	<u>1,005,816</u>	<u>1,241,697</u>	<u>(349,991)</u>	<u>891,706</u>



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**19. EXPENSE LIABILITIES**

<b>Group</b>	<b>30.6.2019</b>	<b>31.12.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
UWF of General Takaful Fund	148,521	127,590
UER of Family Takaful Fund	512,133	445,941
	<u>660,654</u>	<u>573,531</u>

	<b>UWF of General Takaful Fund</b>	<b>UER of Family Takaful Fund</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>

**30.6.2019**

At beginning of the period	127,590	445,941	573,531
Wakalah fee received during the period	252,427	-	252,427
Wakalah fee earned during the period	(231,496)	-	(231,496)
Movement in UWF	20,931	-	20,931
Movement in UER	-	66,192	66,192
At end of the period	<u>148,521</u>	<u>512,133</u>	<u>660,654</u>

**31.12.2018**

At beginning of the year	137,916	379,794	517,710
Wakalah fee received during the year	411,769	-	411,769
Wakalah fee earned during the year	(422,095)	-	(422,095)
Movement in UWF	(10,326)	-	(10,326)
Movement in UER	-	21,433	21,433
Transfer from Family Takaful Fund			
Annuity (Note 18)	-	44,714	44,714
At end of the year	<u>127,590</u>	<u>445,941</u>	<u>573,531</u>

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**20. INSURANCE/TAKAFUL PAYABLES**

	<b>30.6.2019</b>	<b>31.12.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Group</b>		
Due to agents and intermediaries	152,290	140,871
Due to reinsurers and cedants	479,160	373,809
Due to retakaful operators	37,763	51,772
	<u>669,213</u>	<u>566,452</u>

Included in the amount due to agents and intermediaries, reinsurers and cedants and retakaful operators are balances due to related parties amounting to RM60,000 and NIL. (2018: RM551,851 and NIL).

The carrying amounts are reasonable approximations of fair values due to the relatively short-term maturity of these balances.

**21. OTHER LIABILITIES**

	<b>30.6.2019</b>	<b>31.12.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Group</b>		
Premium/contribution deposits	173,143	197,831
Dividend payable to policyholders	71,542	78,997
ROU lease liabilities	26,686	-
Amount due to*:		
- Ultimate holding company	7,443	8,332
- Other related companies within the MBB Group	4,469	1,715
Amount due to stockbrokers	268,938	41,762
Surplus payable	214,109	181,510
Unclaimed monies	56,501	75,165
Provisions for expenses	109,192	67,033
Sundry payables and accrued liabilities	629,990	565,918
	<u>1,562,013</u>	<u>1,218,263</u>

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**21. OTHER LIABILITIES (Contd.)**

	<b>30.6.2019</b>	<b>31.12.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Company</b>		
Provisions for expenses	361	-
Sundry payables and accrued liabilities	11,167	13,267
	<u>11,528</u>	<u>13,267</u>

\* Amounts due to related companies are non-trade in nature, unsecured, interest free and is repayable on demand.

Included in the sundry payables and accrued liabilities of the Group are balances due to related parties amounting to RM31,320,748 (2018: RM29,837,261).

The carrying amounts are reasonable approximations of fair values at the reporting date due to the relatively short-term maturity of these balances.

**22. NET EARNED PREMIUMS/CONTRIBUTIONS**

	<b>1.1.2019</b>	<b>1.1.2018</b>
	<b>to</b>	<b>to</b>
	<b>30.6.2019</b>	<b>30.6.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Group</b>		
<b>(a) Gross earned premiums/contributions</b>		
Life Insurance contracts	1,305,465	1,239,237
General Insurance contracts	816,998	628,717
Family Takaful contracts	893,009	858,644
General Takaful contracts	799,680	640,077
Gross premiums/contributions	<u>3,815,152</u>	<u>3,366,675</u>
Change in premium/contribution liabilities	(193,791)	(45,609)
Gross earned premiums/contributions	<u>3,621,361</u>	<u>3,321,066</u>

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**22. NET EARNED PREMIUMS/CONTRIBUTIONS (CONTD.)**

<b>Group</b>	<b>1.1.2019 to 30.6.2019 RM'000</b>	<b>1.1.2018 to 30.6.2018 RM'000</b>
<b>(b) Earned premiums/contributions ceded to reinsurers/retakaful operators</b>		
Life Insurance contracts	(14,548)	(10,867)
General Insurance contracts	(487,711)	(344,176)
Family Takaful contracts	(40,219)	(35,287)
General Takaful contracts	(73,207)	(69,994)
Premium/contribution ceded to reinsurers/retakaful operators	<u>(615,685)</u>	<u>(460,324)</u>
Change in premium/contribution liabilities	88,386	4,822
Earned premium/contribution ceded to reinsurers/retakaful operators	<u>(527,299)</u>	<u>(455,502)</u>
<b>Net earned premiums/contributions</b>	<u>3,094,062</u>	<u>2,865,564</u>

**23. FEE AND COMMISSION INCOME**

<b>Group</b>	<b>1.1.2019 to 30.6.2019 RM'000</b>	<b>1.1.2018 to 30.6.2018 RM'000</b>
Profit commission	46	105
Reinsurance/retakaful commission income	51,523	51,752
Others	84	79
Fee and commission income related to insurance/takaful contracts	<u>51,653</u>	<u>51,936</u>

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**24. INVESTMENT INCOME**

	Group		Company	
	1.1.2019 to 30.6.2019 RM'000	1.1.2018 to 30.6.2018 RM'000	1.1.2019 to 30.6.2019 RM'000	1.1.2018 to 30.6.2018 RM'000
<b>FVTPL Financial Assets</b>				
<b>(i) Designated upon initial recognition</b>				
Interest/profit income	400,832	369,265	-	-
Dividend/distribution income				
- quoted outside Malaysia	7,403	6,772	-	-
	<u>408,235</u>	<u>376,037</u>	<u>-</u>	<u>-</u>
<b>(ii) HFT</b>				
Interest/profit income	12,469	11,236	-	-
Dividend/distribution income				
Equity securities:				
- quoted in Malaysia	22,342	33,433	-	-
- quoted outside Malaysia	172	354	-	-
- unquoted in Malaysia	800	-	-	-
- unit and property trusts	396	390	-	-
	<u>36,179</u>	<u>45,413</u>	<u>-</u>	<u>-</u>
<b>FVOCI Financial Assets</b>				
Interest/profit income	175,742	141,915	1,041	-
Dividend/distribution income				
- From subsidiaries	-	-	875,000	-
	<u>175,742</u>	<u>141,915</u>	<u>876,041</u>	<u>-</u>
<b>AC Financial Assets</b>				
Interest/profit income	<u>41,854</u>	<u>41,361</u>	<u>726</u>	<u>4,513</u>
Interest income from financing receivables	9,802	9,393	4	11
Rental income /(expenses)	10,248	9,295	(166)	(2)
Net amortisation of premiums	(9,776)	(3,545)	-	-
Other investment income	25	15	-	-
Management fee income	1	1,538	-	-
Investment related expenses	(2,128)	(886)	(1)	-
	<u>8,172</u>	<u>15,810</u>	<u>(164)</u>	<u>9</u>
<b>Total investment income</b>	<u>670,182</u>	<u>620,536</u>	<u>876,603</u>	<u>4,522</u>

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**25. OTHER OPERATING INCOME/(EXPENSES), NET**

	Group		Company	
	1.1.2019 to 30.6.2019 RM'000	1.1.2018 to 30.6.2018 RM'000	1.1.2019 to 30.6.2019 RM'000	1.1.2018 to 30.6.2018 RM'000
<b><u>Other income</u></b>				
Gain on foreign exchange				
- realised	1,388	54	-	-
- unrealised	7	23,926	-	-
Processing income	43	23	-	-
Recovery of bad debts	140	223	-	-
Reversal of impairment losses on:				
- receivables	-	37	-	-
- insurance/takaful receivables	177	6,403	-	-
- reinsurance/retakaful assets	-	1,928	-	-
- financing receivables	279	123	-	-
- investments	-	410	-	-
Sundry income	7,884	5,628	48	147
	<u>9,918</u>	<u>38,755</u>	<u>48</u>	<u>147</u>
<b><u>Other expenses</u></b>				
Bad debts written off	(1,903)	(627)	-	-
Impairment losses on:				
- receivables	(893)	(883)	-	-
- insurance/takaful receivables	(2,832)	(293)	-	-
- reinsurance/retakaful assets	(7,565)	-	-	-
- financing receivables	(157)	(59)	-	-
- investments	(1,461)	(272)	(540)	-
- other impairments	(63)	(305)	-	-
Losses on foreign exchange				
- realised	(692)	(5,423)	-	-
- unrealised	(12,203)	(12,289)	(65)	-
Sundry expenditure	(2,648)	(1,649)	-	-
	<u>(30,417)</u>	<u>(21,800)</u>	<u>(605)</u>	<u>-</u>
<b>TOTAL OTHER OPERATING (EXPENSES)/INCOME, NET</b>	<b><u>(20,499)</u></b>	<b><u>16,955</u></b>	<b><u>(557)</u></b>	<b><u>147</u></b>

**MAYBANK AGEAS HOLDINGS BERHAD**  
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**26. NET BENEFITS AND CLAIMS**

<b>Group</b>	<b>1.1.2019 to 30.6.2019 RM'000</b>	<b>1.1.2018 to 30.6.2018 RM'000</b>
<b>(a) Gross Benefits and Claims Paid</b>		
Life Insurance	(283,867)	(528,578)
General Insurance	(570,281)	(297,745)
Family Takaful	(363,892)	(424,230)
General Takaful	(521,388)	(365,867)
	<u>(1,739,428)</u>	<u>(1,616,420)</u>
<b>(b) Claims Ceded to Reinsurers/Retakaful</b>		
Life Insurance	6,051	4,491
General Insurance	139,082	156,481
Family Takaful	10,201	26,044
General Takaful	30,642	14,793
	<u>185,976</u>	<u>201,810</u>
<b>(c) Gross Change in Contract/Certificate Liabilities</b>		
Life Insurance	(203,470)	(391,249)
General Insurance	(1,109,699)	(27,547)
Family Takaful	(79,993)	(283,988)
General Takaful	(738,737)	(14,033)
	<u>(2,131,899)</u>	<u>(716,817)</u>
<b>(d) Change in Contract/Certificate Liabilities Ceded to Reinsurers/Retakaful</b>		
Life Insurance	187,897	2,434
General Insurance	10,528	25,057
Family Takaful	17,984	(15,170)
General Takaful	18,589	1,270
	<u>234,998</u>	<u>13,591</u>

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**27. MANAGEMENT EXPENSES**

	Group		Company	
	1.1.2019 to 30.6.2019 RM'000	1.1.2018 to 30.6.2018 RM'000	1.1.2019 to 30.6.2019 RM'000	1.1.2018 to 30.6.2018 RM'000
Employee benefits expense (a)	256,509	224,660	21,364	26,759
Directors' remuneration (Note 28)	3,743	3,075	968	685
Shariah Committee's remuneration (Note 29)	198	188	-	-
Auditors' remuneration:				
- statutory audits	1,164	923	29	77
- regulatory related services	37	29	-	-
- other services	27	14	11	11
Amortisation of intangible assets	6,998	7,400	-	-
Amortisation of prepaid land lease payments	13	152	-	-
Auto assist service	7,726	4,256	-	-
Assured medical fees	2,461	1,736	-	-
Bank charges	14,131	12,153	4	9
Depreciation of property, plant and equipment	7,387	6,713	58	58
Right-of-use expenses:				
- Depreciation	1,245	-	-	-
- Lease interest	149	-	-	-
Fund management fees	-	(23)	-	-
Other management fees	11,207	10,913	629	536
Professional fees	3,360	3,160	-	6
Rental of offices/premises	3,053	7,110	214	364
Office facilities expenses	1,252	1,785	8	1
Agency related expenses	1,951	1,286	-	-
Electronic data processing expenses	15,574	15,950	191	(20)
Information technology outsourcing	11,943	5,676	-	-
Postage and stamp duties	1,951	3,291	2	1
Printing and stationery	3,568	3,349	11	(1)
Promotional and marketing cost	58,970	62,930	-	-
Training expenses	2,695	2,208	128	159
Utilities, assessment and maintenance	3,737	5,343	56	124
Entertainment	768	716	6	7
Travelling expenses	2,873	2,900	47	159
Legal fees	317	412	16	31
Other expenses	19,350	28,231	163	550
<b>TOTAL MANAGEMENT EXPENSES</b>	<b>444,359</b>	<b>416,536</b>	<b>23,905</b>	<b>29,516</b>



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**27. MANAGEMENT EXPENSES (CONTD.)**

	Group		Company	
	1.1.2019 to 30.6.2019 RM'000	1.1.2018 to 30.6.2018 RM'000	1.1.2019 to 30.6.2019 RM'000	1.1.2018 to 30.6.2018 RM'000
<b>(a) Employee Benefits Expense:</b>				
Wages, salaries and bonuses	198,368	173,255	16,813	20,325
EPF, CPF and TAP	29,494	27,215	2,157	4,347
SOCSSO	1,048	987	49	57
Share based compensation	1,814	137	464	53
Other benefits	25,785	23,066	1,881	1,977
	<u>256,509</u>	<u>224,660</u>	<u>21,364</u>	<u>26,759</u>

**(b) The details of remuneration receivable by the CEO during the period are as follows:**

	Company	
	1.1.2019 to 30.6.2019 RM'000	1.1.2018 to 30.6.2018 RM'000
Salary	870	720
Directors fees	91	82
Bonus	1,440	1,200
EPF and Pension Scheme	376	314
Share based compensation	270	850
Other emoluments	64	55
	<u>3,112</u>	<u>3,221</u>

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**28. DIRECTORS' REMUNERATION**

	<b>Group</b>		<b>Company</b>	
	<b>1.1.2019 to 30.6.2019 RM'000</b>	<b>1.1.2018 to 30.6.2018 RM'000</b>	<b>1.1.2019 to 30.6.2019 RM'000</b>	<b>1.1.2018 to 30.6.2018 RM'000</b>
Executive directors:				
Fees	271	259	91	82
Other emoluments	30	29	12	10
	<u>301</u>	<u>288</u>	<u>103</u>	<u>92</u>
Non-executive directors:				
Fees	2,972	2,516	711	516
Other emoluments	469	271	154	77
	<u>3,441</u>	<u>2,787</u>	<u>865</u>	<u>593</u>
	<u>3,743</u>	<u>3,075</u>	<u>968</u>	<u>685</u>

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**28. DIRECTORS' REMUNERATION (CONTD.)**

The total remuneration of the directors of the Group are as follows:

	----- Company -----			-----Subsidiaries -----			Group Grand Total RM'000
	Fees RM'000	Other emoluments RM'000	Total RM'000	Fees RM'000	Other emoluments RM'000	Total RM'000	
<b>1.1.2019 to 30.6.2019</b>							
Executive director(s):							
Puan Nora Abd. Manaf	-	-	-	120	14	134	134
Dato' Mohamed Rafique Merican	-	-	-	60	4	64	64
Dato' Amirul Feisal Wan Zahir	91	12	103	-	-	-	103
	<u>91</u>	<u>12</u>	<u>103</u>	<u>180</u>	<u>18</u>	<u>198</u>	<u>301</u>
Non-executive directors:							
Mr. Koh Heng Kong	30	18	48	120	34	154	202
Dato' Mohamed Rafique Merican	14	4	18	60	6	66	84
Dr Abdul Rahim Abd Rahman	-	-	-	120	15	135	135
Mr. Loh Lee Soon	47	24	71	120	20	140	211
Datuk R. Karunakaran	115	8	123	-	-	-	123
Mr. Bart K.A De Smet	75	6	81	-	-	-	81
Mr. Gary Lee Crist	117	30	147	-	-	-	147
Dato' Mohd Salleh Hj Harun	-	-	-	69	4	73	73
Dr. John Lee Hin Hock	-	-	-	111	15	126	126
Dato' Johan Ariffin	107	20	127	269	31	301	428
Mr. Philippe Pol Arthur Latour	14	4	18	240	28	268	286
Mr. Frank J.G. Van Kempen	-	-	-	271	42	313	313
Datuk Sulaiman Salleh	-	-	-	17	2	19	19
Encik Kamaludin Ahmad	-	-	-	92	11	104	104
Encik Hj. Sallim Bin Abdul Kadir	-	-	-	139	26	165	165
Mr. Wong Pakshong Kat Jeong Colin Stewart	28	18	46	259	42	301	347
Mr. Lee Hin Sze	-	-	-	12	2	14	14
Datuk Mohd Najib Abdullah	89	14	103	180	18	198	301
Dato' Majid Mohamad	75	8	83	180	19	199	282
	<u>711</u>	<u>154</u>	<u>865</u>	<u>2,261</u>	<u>315</u>	<u>2,576</u>	<u>3,441</u>
	<u>802</u>	<u>166</u>	<u>968</u>	<u>2,441</u>	<u>333</u>	<u>2,774</u>	<u>3,743</u>

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**28. DIRECTORS' REMUNERATION (CONTD.)**

The total remuneration of the directors of the Group are as follows: (contd.)

	<----- Company ----->			----- Subsidiaries -----			Group Grand Total RM'000
	Fees RM'000	emoluments RM'000	Total RM'000	Fees RM'000	emoluments RM'000	Total RM'000	
<b>1.1.2018 to 30.6.2018</b>							
Executive director(s):							
Puan Nora Abd. Manaf	-	-	-	118	16	134	134
Dato' Mohamed Rafique Merican	-	-	-	59	3	62	62
Dato' Amirul Feisal Wan Zahir	82	10	92	-	-	-	92
	<u>82</u>	<u>10</u>	<u>92</u>	<u>177</u>	<u>19</u>	<u>196</u>	<u>288</u>
Non-executive directors:							
Mr. Koh Heng Kong	28	12	40	177	16	193	233
Dato' Mohamed Rafique Merican	13	7	20	59	3	62	82
Dr Abdul Rahim Abd Rahman	-	-	-	118	12	130	130
Mr. Loh Lee Soon	31	11	42	131	11	142	184
Datuk R. Karunakaran	97	4	101	170	11	181	282
Mr. Bart K.A De Smet	67	-	67	-	-	-	67
Mr. Gary Lee Crist	93	14	107	-	-	-	107
Dato' Mohd Salleh Hj Harun	-	-	-	111	6	117	117
Dr. John Lee Hin Hock	-	-	-	89	9	98	98
Dato' Johan Ariffin	67	4	71	251	24	275	346
Mr. Philippe Pol Arthur Latour	26	9	35	177	14	191	226
Mr. Frank J.G. Van Kempen	-	-	-	124	19	143	143
Datuk Sulaiman Salleh	-	-	-	17	1	18	18
Encik Kamaludin Ahmad	-	-	-	74	6	80	80
Encik Hj. Sallim Bin Abdul Kadir	-	-	-	111	18	129	129
Mr. Wong Pakshong Kat Jeong Colin Stewart	26	12	38	210	29	239	278
Mr. Lee Hin Sze	-	-	-	11	1	12	12
Dato' Majid Mohamad	67	4	71	169	15	184	255
	<u>516</u>	<u>77</u>	<u>593</u>	<u>2,000</u>	<u>194</u>	<u>2,194</u>	<u>2,787</u>
	<u>598</u>	<u>87</u>	<u>685</u>	<u>2,177</u>	<u>213</u>	<u>2,390</u>	<u>3,075</u>

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**29. SHARIAH COMMITTEE'S REMUNERATION**

	Group	
	1.1.2019 to 30.6.2019 RM'000	1.1.2018 to 30.6.2018 RM'000
Fees	129	136
Other emoluments	69	52
	198	188

The total remuneration of the Shariah Committee of the takaful subsidiaries are as follows:

	1.1.2019 to 30.6.2019			1.1.2018 to 30.6.2018		
	Fees RM'000	Other emoluments RM'000	Total RM'000	Fees RM'000	Other emoluments RM'000	Total RM'000
Shariah committee:						
Assoc Prof Dr. Aznan Hasan	8	3	11	-	-	-
Dr. Ahcene Lahsasna	21	12	33	25	8	33
Dr. Sarip Adul	20	10	30	21	8	29
Prof Dr. Rusni Hassan	20	9	29	21	7	28
Prof Dr Abdul Rahim Abdul Rahman	20	11	31	21	8	29
Prof Dato' Dr Mohd Azmi Omar	20	13	33	7	4	11
Dato' Dr. Anhar Opir	20	11	31	7	4	11
Dr. Ismail Mohd @ Abu Hassan	-	-	-	17	6	23
Dr. Mohammad Deen Mohd Napiah	-	-	-	17	6	23
	129	69	198	136	52	188

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**30. INCOME TAX EXPENSE**

**Major components of income tax expense**

The major components of income tax expense for the period ended 30 June 2019 and 30 June 2018 are as follows:

**Income Statement**

	<b>Group</b>		<b>Company</b>	
	<b>1.6.2019</b>	<b>1.6.2018</b>	<b>1.6.2019</b>	<b>1.6.2018</b>
	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
	<b>30.6.2019</b>	<b>30.6.2018</b>	<b>30.6.2019</b>	<b>30.6.2018</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Income tax:</u></b>				
Current financial period				
- Malaysia	76,060	64,602	324	1,063
- Foreign	3,086	-	-	-
Under provision of taxation in prior financial period	-	10	-	-
	<u>79,146</u>	<u>64,612</u>	<u>324</u>	<u>1,063</u>
<b><u>Deferred taxation:</u></b>				
Relating to origination and reversal of temporary differences	61,014	9,014	-	-
	<u>140,160</u>	<u>73,626</u>	<u>324</u>	<u>1,063</u>
<b><u>Statement of Comprehensive</u></b>				
<b><u>Income:</u></b>				
Deferred income tax related to other comprehensive income:				
- Fair value changes on FVOCI investments	(22,262)	4,443	-	-
	<u>(22,262)</u>	<u>4,443</u>	<u>-</u>	<u>-</u>

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**30. INCOME TAX EXPENSE (CONTD.)**

**Reconciliation between tax expense and accounting profit**

The 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 of the Group and the Company are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>1.6.2019 to 30.6.2019 RM'000</b>	<b>1.6.2018 to 30.6.2018 RM'000</b>	<b>1.6.2019 to 30.6.2019 RM'000</b>	<b>1.6.2018 to 30.6.2018 RM'000</b>
Profit before taxation	<u>450,676</u>	<u>229,709</u>	<u>869,754</u>	<u>240</u>
Taxation at Malaysian statutory tax rate of 24% (2018: 24%)	108,162	55,130	208,741	58
Effects of tax in different jurisdiction	6,583	-	-	-
Tax exemption	(30)	-	-	-
Income not subject to tax	(68,786)	(47,393)	(210,000)	-
Expenses not deductible for tax purposes	95,229	66,260	1,583	1,005
Effects of changes in foreign tax rate	(825)	-	-	-
Under provision of taxation in prior financial period	-	10	-	-
Effect of zakat deduction	(1,248)	(446)	-	-
Effects of different tax rate on offshore business activities	(2,118)	-	-	-
Deficit arising of Annuity Non-Par not deductable for tax purposes	3,193	65	-	-
	<u>140,160</u>	<u>73,626</u>	<u>324</u>	<u>1,063</u>

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**30. INCOME TAX EXPENSE (CONTD.)**

**Tax borne by policyholders/participants**

	<b>Group</b>	
	<b>1.6.2019</b>	<b>1.6.2018</b>
	<b>to</b>	<b>to</b>
	<b>30.6.2019</b>	<b>30.6.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Income tax:</u>		
Current financial period		
- Malaysia	19,970	29,814
Under provision of taxation in prior financial period	-	25
	<u>          </u>	<u>          </u>
<u>Deferred taxation:</u>		
Relating to origination and reversal of temporary differences		
	60,279	(33,590)
	<u>80,249</u>	<u>(3,751)</u>

**Taxation of shareholders' and general funds**

The income tax for shareholders' fund and general fund in relation to the Malaysia and Singaporean operations are calculated at the statutory tax rate of 24% (2018: 24%) and 17% (2018: 17%) of the estimated assessable profit respectively for the financial period.

**Taxation of life insurance and family takaful business**

The income tax for the life and family takaful funds are calculated based on the statutory rate of 8% (2018: 8%) of the estimated assessable investment income net of allowable deductions for the financial period for the Malaysian operations.



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**31. OPERATING LEASE COMMITMENTS**

- (a) As at the reporting date, the insurance and takaful subsidiaries leases their office premises under lease agreements that are not cancellable within a year. The leases contain renewable options. Lease terms do not contain restrictions on the branch's activities concerning additional debts or further leasing.

Future minimum lease payments for the leases with initial or remaining terms of one year or more are as follows:

	<b>30.6.2019</b>	<b>31.12.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Group</b>		
Not later than one year	1,031	13,741
Between one and five years	276	37,990
	<u>1,307</u>	<u>51,731</u>

- (b) The Group has entered into operating lease agreements on its portfolio of investment properties. The leases have remaining lease terms of between 1 and 3 years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions. The leases also include a clause that allows for early termination but requires the tenant to provide a replacement tenant or pay for the remaining unexpired lease period.

The future minimum lease payments receivable under non-cancellable operating leases contracted for as at the reporting date but not recognised as receivables, are as

	<b>30.6.2019</b>	<b>31.12.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Group</b>		
Not later than one year	27,644	22,308
Between one and five years	33,613	20,103
	<u>61,256</u>	<u>42,411</u>

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**32. OTHER COMMITMENTS AND CONTINGENCIES**

	<b>30.6.2019</b>	<b>31.12.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Group</b>		
Approved and contracted for:		
Property, plant and equipment	-	211
Intangible assets	484	5,598
Information Technology Services	3,726	8,801
	<u>4,210</u>	<u>14,610</u>
Approved and not contracted for:		
Intangible assets	557	112
Information Technology Services	1,209	-
	<u>1,766</u>	<u>112</u>

**MAYBANK AGEAS HOLDINGS BERHAD**  
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**33. SIGNIFICANT RELATED PARTY DISCLOSURES**

For the purpose of these financial statements, parties are considered to be related to the Group and the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel, defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel includes the Directors and Chief Executive Officers of the Group and of the Company.

The Group and the Company have related party relationships with its shareholders, fellow subsidiaries, key management personnel and the subsidiaries and associates of a company with significant influence over its shareholders.

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions and balances of the Group and of the Company are as follows:

- (i) Significant transactions of the Group and of the Company with related parties during the financial period were as follows:

	<b>Group</b>		<b>Company</b>	
	<b>1.1.2019 to 30.6.2019 RM'000</b>	<b>1.1.2018 to 30.6.2018 RM'000</b>	<b>1.1.2019 to 30.6.2019 RM'000</b>	<b>1.1.2018 to 30.6.2018 RM'000</b>
<b><u>Income/(expenses):</u></b>				
Ultimate holding company:				
Gross premium/contribution income	12,952	13,958	-	-
Commission and fee expenses	(116,064)	(73,972)	-	-
Claims paid	(5,535)	(1,257)	-	-
Dividend Income	788	-	-	-
Interest/profit income	7,731	4,300	350	2,117
Rental income	1,758	1,795	-	-
Other income	450	-	-	-
Other expenses	(3,473)	(107)	(65)	(11)

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**33. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)**

- (i) Significant transactions of the Group and of the Company with related parties during the financial period were as follows (Contd.):

	Group		Company	
	1.1.2019 to 30.6.2019 RM'000	1.1.2018 to 30.6.2018 RM'000	1.1.2019 to 30.6.2019 RM'000	1.1.2018 to 30.6.2018 RM'000
<b><u>Income/(expenses) (contd.):</u></b>				
Fellow subsidiaries/associates within the MAHB Group:				
Gross dividend income	-	-	875,000	-
Reimbursement of shared services	-	-	16,644	16,875
Rental expense	-	-	(214)	(272)
Other expenses	-	-	(11)	-
Other related companies within the MBB Group:				
Gross premium/contribution income	15,359	2,614	-	-
Commission and fee expenses	(28,029)	(48,429)	-	-
Claims paid	(8)	-	-	-
Interest/profit income	11,388	5,809	-	-
Rental income (net)	2,401	(397)	-	-
Other investment income	-	8	-	6
Investment advisory fee	(94)	(556)	-	-
Management fee	2	(1,102)	-	-
Information Technology Outsourcing				
Outsourcing	(12,624)	(5,677)	(681)	-
Other expenses	(4,239)	(636)	(946)	-
Shareholders of MAHB:				
Dividend paid	(250,241)	(250,241)	(250,241)	(250,241)
Reimbursement of expenses	(114)	(145)	23	2

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**33. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)**

- (i) Significant transactions of the Group and of the Company with related parties during the financial period were as follows (Contd.):

	<b>Group</b>		<b>Company</b>	
	<b>1.1.2019</b> <b>to</b> <b>30.6.2019</b>	<b>1.1.2018</b> <b>to</b> <b>30.6.2018</b>	<b>1.1.2019</b> <b>to</b> <b>30.6.2019</b>	<b>1.1.2018</b> <b>to</b> <b>30.6.2018</b>
<b><u>Income/(expenses) (contd.):</u></b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Companies related to a company with significant influence over MBB Group:				
Gross premium/contribution income	14,150	9,596	-	-
Claims paid	(4,263)	(128)	-	-
Commission and fee expenses	-	(53)	-	-
Interest on subordinated obligations	-	(7,222)	-	-
	<b>-</b>	<b>(7,222)</b>	<b>-</b>	<b>-</b>

- (ii) Included in the statements of financial position of the Group and of the Company are amounts due from/(to) related companies as follows:

	<b>Group</b>		<b>Company</b>	
	<b>30.6.2019</b> <b>RM'000</b>	<b>31.12.2018</b> <b>RM'000</b>	<b>30.6.2019</b> <b>RM'000</b>	<b>31.12.2018</b> <b>RM'000</b>
Ultimate holding company:				
Bank balances	303,774	269,540	845	1,866
Fixed deposits	262,834	401,027	11,889	759
Structured deposits	-	50,474	-	-
Debt securities	22,144	-	-	-
Derivative liabilities, net	(14,267)	(13,825)	-	-
Income and profits due and accrued	1,854	808	4	1
Insurance/takaful receivables	-	417	-	-
Insurance/takaful payables	-	(2)	-	-
Claims liabilities	(58,465)	(57,683)	-	-
Outstanding premium/contributions	7,478	8,774	-	-
Other receivables	1,127	3,436	-	-
Other payables	(43,610)	(31,293)	(544)	-

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**33. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)**

(ii) Included in the statements of financial position of the Group and of the Company are amounts due from/(to) related companies as follows (Contd.):

	Group		Company	
	30.6.2019 RM'000	31.12.2018 RM'000	30.6.2019 RM'000	31.12.2018 RM'000
Fellow subsidiaries/associates within the MAHB Group:				
Other receivables	-	-	3,812	5,062
Other payables	-	-	-	(667)
Other related companies within the MBB Group:				
Bank balances	494,934	3,050	-	-
Fixed and call deposits	366,247	376,402	8	-
Islamic investment account	-	33,521	-	-
Income and profits due and accrued	3,981	21,468	-	-
Insurance/takaful receivables	60	40	-	-
Outstanding premiums/ contributions	-	153	-	-
Other receivables	3,433	6,437	-	-
Claims liabilities	(62)	(50)	-	-
Other payables	(4,825)	(2,252)	-	-
Reinsurance assets	-	(970)	-	-
Insurance/takaful payables	-	(7)	-	-
Companies related to a company with significant influence over MBB Group:				
Outstanding premiums/ contributions	147	485	-	-
Claims liabilities	(1,579)	(1,071)	-	-
Insurance/takaful payables	-	(5)	-	-
Subordinated obligations	-	(80,317)	-	-
Other payables	(1,630)	(956)	-	-
Shareholders of MAHB:				
Other receivables	42	-	42	-

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**33. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)**

(iii) Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly. The key management personnel of the Company includes Directors and CEO.

The remuneration of key management personnel compensation during the period were as follows:

	<b>Group</b>		<b>Company</b>	
	<b>1.1.2019 to 30.6.2019 RM'000</b>	<b>1.1.2018 to 30.6.2018 RM'000</b>	<b>1.1.2019 to 30.6.2019 RM'000</b>	<b>1.1.2018 to 30.6.2018 RM'000</b>
<b>Short-term employee benefits</b>				
- Fees	3,243	73	2,021	73
- Salaries, allowances and bonuses	5,672	4,151	3,795	1,962
- Contribution to EPF and pension scheme	778	587	499	314
- Share option granted under ESOS	-	898	-	844
- Other emoluments	100	70	99	13
	<u>9,793</u>	<u>5,779</u>	<u>6,414</u>	<u>3,206</u>

(iv) The movements in the number of Employee Share Option Scheme (ESOS) granted and vested to key management personnel were as follows:

	<b>Group</b>		<b>Company</b>	
	<b>30.6.2019 000</b>	<b>31.12.2018 000</b>	<b>30.6.2019 000</b>	<b>31.12.2018 000</b>
At 1 January	-	2,989	-	1,291
Vested and exercisable	-	384	-	384
Exercised	-	(2,984)	-	(1,671)
Expired	-	(23)	-	(4)
Resignation of key management personnel	-	(385)	-	-
Appointment of key management personnel	-	19	-	-
At 30 June	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(v) The number of shares awarded for Employee Share Grant Plan (ESGP) to key management personnel were as follows:

	<b>Group</b>		<b>Company</b>	
	<b>30.6.2019 000</b>	<b>31.12.2018 000</b>	<b>30.6.2019 000</b>	<b>31.12.2018 000</b>
- Number of ESGP Shares awarded	<u>270</u>	<u>312</u>	<u>130</u>	<u>104</u>

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**34. FAIR VALUE MEASUREMENTS**

The Group and the Company classify its financial instruments measured at fair value according to the Fair Value hierarchy.

The levels of the Fair Value hierarchy as defined by the accounting standards, are an indication of the observability of prices or valuation input. It can be classified by the following hierarchies/levels:

- Level 1 : Active Market – quoted price

Refers to financial instruments which are regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. Such financial instruments include actively traded government securities, listed derivatives and cash products traded on an exchange.

- Level 2 : No Active Market – Valuation techniques using observable inputs

Refers to inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

Examples of Level 2 financial instruments include corporate and other government bonds, less liquid equities, and OTC derivatives.

- Level 3 : No Active Market – Valuation techniques using unobservable inputs

Refers to financial instruments where fair values are measured using unobservable market inputs. The valuation technique is consistent with Level 2. The chosen valuation technique incorporates management's assumptions and data.

Examples of Level 3 financial instruments include corporate bonds in illiquid markets, private equity investments and investment properties.



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**34. FAIR VALUE MEASUREMENTS (CONTD.)**

**(a) Fair Value Disclosures Based on 3-Level Hierarchy**

Group	Valuation technique using :			Total RM'000
	Level 1 Quoted market prices RM'000	Level 2 Using observable inputs RM'000	Level 3 Using significant unobservable inputs RM'000	
<b>30.6.2019</b>				
<b><u>Assets</u></b>				
<b>Investment properties</b>	-	-	892,830	892,830
<b>Financial investments at FVTPL</b>				
<b>(i) Designated upon initial recognition</b>				
Malaysian government papers	-	200,089	-	200,089
Singapore government securities	51,229	-	-	51,229
Equity securities	300,784	-	-	300,784
Unit and property trust funds	39,643	-	-	39,643
Debt securities, structured products, NCDs and NICDs	896,593	14,496,577	-	15,393,170
<b>(ii) Held-for-trading (HFT)</b>				
Malaysian government papers	-	4,189	-	4,189
Equity securities	1,692,873	-	140,157	1,833,030
Unit and property trust funds	137,434	-	-	137,434
Debt securities, structured products, NCDs and NICDs	-	419,170	-	419,170
Fixed and call deposits with licenced banks	-	127,060	-	127,060

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**34. FAIR VALUE MEASUREMENTS (CONTD.)**

**(a) Fair Value Disclosures Based on 3-Level Hierarchy (Contd.)**

Group (contd.)	Valuation technique using :			Total RM'000
	Level 1	Level 2	Level 3	
	Quoted market prices RM'000	Using observable inputs RM'000	Using significant unobservable inputs RM'000	
<b>30.6.2019</b>				
<b><u>Assets</u></b>				
<b>Financial investments at FVOCI</b>				
Malaysian government papers	-	493,352	-	493,352
Singapore government papers	448,495	-	-	448,495
Debt securities, structured products, NCDs and NICDs	1,122,812	8,126,164	-	9,248,976
<b>Financial investments at AC</b>				
Debt securities, structured products, NCDs and NICDs	117,968	-	-	117,968
Derivative assets	-	5,741	-	5,741
<b>Total Assets</b>	<b>4,807,831</b>	<b>23,872,342</b>	<b>1,032,987</b>	<b>29,713,160</b>
<b><u>Liabilities</u></b>				
Derivative liabilities	-	(15,208)	-	(15,208)
<b>Total Liabilities</b>	<b>-</b>	<b>(15,208)</b>	<b>-</b>	<b>(15,208)</b>

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**34. FAIR VALUE MEASUREMENTS (CONTD.)**

**(a) Fair Value Disclosures Based on 3-Level Hierarchy (Contd.)**

Group (contd.)	Valuation technique using :			Total RM'000
	Level 1	Level 2	Level 3	
	Quoted market prices RM'000	Using observable inputs RM'000	Using significant unobservable inputs RM'000	
<b><u>31.12.2018</u></b>				
<b><u>Assets</u></b>				
<b>Investment properties</b>	-	-	890,672	890,672
<b>Financial investments at FVTPL</b>				
<b>(i) Designated upon initial recognition</b>				
Malaysian government papers	-	562,540	-	562,540
Singapore government securities	45,184	-	-	45,184
Equity securities	381,852	-	-	381,852
Unit and property trust funds	19,055	-	-	19,055
Debt securities, structured products, NCDs and NICDs	573,679	14,113,564	97,776	14,785,019
<b>(ii) Held-for-trading (HFT)</b>				
Malaysian government papers	-	37,307	-	37,307
Equity securities	1,941,860	-	140,157	2,082,017
Unit and property trust funds	151,532	-	-	151,532
Other debt securities, structured products NCDs and NICDs	-	343,900	-	343,900

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**34. FAIR VALUE MEASUREMENTS (CONTD.)**

**(a) Fair Value Disclosures Based on 3-Level Hierarchy (Contd.)**

Group (contd.)	Valuation technique using :			Total RM'000
	Level 1	Level 2	Level 3	
	Quoted market prices RM'000	Using observable inputs RM'000	Using significant unobservable inputs RM'000	
<b><u>31.12.2018</u></b>				
<b><u>Assets</u></b>				
<b>Financial investments at FVOCI</b>				
Malaysian government papers	-	643,762	-	643,762
Singapore government papers	612,149	-	-	612,149
Debt securities, structured products, NCDs and NICDs	497,932	6,285,111	-	6,783,043
Derivative assets	-	4,124	-	4,124
<b>Total Assets</b>	<b>4,223,243</b>	<b>21,990,308</b>	<b>1,128,605</b>	<b>27,342,156</b>
<b><u>Liabilities</u></b>				
Derivative liabilities	-	(15,463)	-	(15,463)
<b>Total Liabilities</b>	<b>-</b>	<b>(15,463)</b>	<b>-</b>	<b>(15,463)</b>

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**34. FAIR VALUE MEASUREMENTS (CONTD.)**

**(a) Fair Value Disclosures Based on 3-Level Hierarchy (Contd.)**

Company	Valuation technique using :			Total RM'000
	Level 1	Level 2	Level 3	
	Quoted market prices RM'000	Using observable inputs RM'000	Using significant unobservable inputs RM'000	
<b><u>30.6.2019</u></b>				
<b><u>Assets</u></b>				
<b>Financial investments at FVOCI</b>				
Debt securities	-	436,349	-	436,349
<b>Total Assets</b>	<b>-</b>	<b>436,349</b>	<b>-</b>	<b>436,349</b>

**(b) Transfer between Level 1 and Level 2 in the fair value hierarchy**

Assets and liabilities of the Group and the Company are recognised in the financial statements on a recurring basis. The Group and the Company determine whether transfers have occurred between fair value hierarchy levels by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There were no transfer between Level 1 and Level 2 for the Group and the Company during the financial period ended 30 June 2019.

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**34. FAIR VALUE MEASUREMENTS (CONTD.)**

**(c) Reconciliation of Level 3 fair value hierarchy**

**Group**

**30.6.2019**

**Financial instruments measured at fair value**

	<b>Investment properties</b>	<b>Designated at FVTPL/HFT</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
As at 1 January 2019	890,672	140,157	1,030,829
Addition to IPUC	2,158	-	2,158
As at 30 June 2019	892,830	140,157	1,032,987

**31.12.2018**

As at 1 January 2018	588,224	-	588,224
Effect of adoption of MFRS9	-	129,699	129,699
As at 1 January 2018, (as restated)	588,224	129,699	717,923
Recognised in income statement:			
Realised loss	-	10,458	10,458
Fair value gain	31,708	-	31,708
Reclassification on completion of IPUC	271,260	-	271,260
Disposal	(520)	-	(520)
As at 31 December 2018	890,672	140,157	1,030,829

Total gains or losses recognised in income statement for financial instruments measured at fair value at the end of the reporting period

31,708	10,458	42,166
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**(d) Sensitivity of fair value measurements to changes in unobservable input assumptions**

The Group's exposure to financial instruments measured with valuation techniques using significant unobservable inputs comprised a small number of financial instruments which constitute an insignificant component of the Group's portfolio of financial instruments. Hence, changing one or more of the inputs to reasonable alternative assumptions would not change the value significantly for the financial assets in Level 3 of the fair value hierarchy.

Recent sale transactions transacted in the real estate market would result in a significant change of estimated fair value for investment properties.

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**35. FINANCIAL EFFECTS ARISING FROM THE ADOPTION OF MFRS 16 LEASES**

- (i) The adoption of MFRS 16 resulted in the following financial effects to the statement of financial position items of the Group:

A reconciliation of the operating lease commitments as at 31 December 2018 to the lease liabilities recognised in the statement of financial position as at 1 January 2019 is shown as below:

**Reconciliation of lease liabilities:**

	<b>Group RM'000</b>
<b>Operating lease commitments as at 31 December 2018</b>	51,731
Current leases with a lease term of 12 months or less (short-term leases)	(647)
Leases of low-value-assets (low-value leases)	(2,937)
Variable lease payments	(37,512)
Out of scope	<u>(1,307)</u>
<b>Operating lease commitments as at 1 January 2019 (gross, without discounting)</b>	<b>9,328</b>
Effect from discounting at the incremental borrowing rate as of 1 January 2019	1,085
<b>Operating lease commitments as at 1 January 2019 (net, discounted)</b>	<b><u>8,243</u></b>
Reasonably certain extension or termination options	<u>21,987</u>
<b>Total lease liabilities as at 1 January 2019</b>	<b><u>30,230</u></b>

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**35. FINANCIAL EFFECTS ARISING FROM THE ADOPTION OF MFRS 16 LEASES (CONTD.)**

- (ii) The quantitative impacts of the first-time application of MFRS 16 as of 31 December 2018/1 January 2019 on the Statement of Financial Position are shown as below:

**Group**

	<b>MFRS 117</b>	<b>Modified retrospective</b>	<b>MFRS 16</b>
	<b>31.12.2018</b>	<b>- adjustments to</b>	<b>1.1.2019</b>
	<b>RM'000</b>	<b>MFRS 16</b>	<b>RM'000</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>			
Right-of-use assets	-	30,231	30,231
<b>LIABILITIES</b>			
Other liabilities - ROU lease liabilities	-	30,231	30,231
	<hr/>	<hr/>	<hr/>

- (iii) The impact of the application of MFRS 16 to the Income Statement for the period ended 30 June 2019 are shown as below:

	<b>Group</b>
	<b>RM'000</b>
ROU - Depreciation	4,368
ROU - Lease interest expenses	413
	<hr/>

The adjustments from the initial application of MFRS 16 reflect the depreciation of ROU assets and ROU interest expense from the compounding of lease liabilities for leases categorised as operating leases until 31 December 2018.

- (iv) The impact of the application of MFRS 16 on the Cash Flows Statement for the period ended 30 June 2019 are shown as below:

	<b>Group</b>
	<b>RM'000</b>
Cash flows from operating activities	
- ROU Depreciation	4,368
- ROU Lease interest expenses	413
	<hr/>
Cash flows from financing activities	
- Payment of lease liabilities	<hr/> (4,107)



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**36. INSURANCE FUNDS**

The Group's statement of financial position and Income Statement have been further analysed by funds.

The Life and Family Takaful insurance businesses offer a wide range of participating and non-participating Whole Life, Term Assurance, Endowment and Annuity products, as well as Unit-linked products.

The General Insurance and General Takaful insurance businesses offer general insurance/takaful products which include Motor, Fire, Marine, Aviation and Transit ("MAT") and Miscellaneous products.

**UNAUDITED INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION BY FUNDS**  
**AS AT 30 JUNE 2019**

	Total		* Consolidation elimination		Shareholders' and General Funds		Life Fund		General Takaful Fund		Family Takaful Fund	
	30.6.2019 RM'000	31.12.2018 RM'000	30.6.2019 RM'000	31.12.2018 RM'000	30.6.2019 RM'000	31.12.2018 RM'000	30.6.2019 RM'000	31.12.2018 RM'000	30.6.2019 RM'000	31.12.2018 RM'000	30.6.2019 RM'000	31.12.2018 RM'000
<b>Assets:</b>												
Property, plant and equipment	116,194	120,943			79,475	81,227	36,719	39,716	-	-	-	-
Investment properties	892,830	890,672			(22,168)	(22,168)	914,998	912,840	-	-	-	-
Prepaid land lease payments	17,827	18,070			16,999	17,229	828	841	-	-	-	-
Right-of-use assets	26,119	-			26,119	-	-	-	-	-	-	-
Intangible assets	95,119	93,158			48,389	51,182	46,729	41,976	-	-	-	-
Investment in subsidiaries	-	-			-	-	-	-	-	-	-	-
Investment in associates	1,238	1,238			1,238	1,238	-	-	-	-	-	-
Investments	31,179,010	28,924,918	(22,599)	(24,632)	6,234,576	4,946,701	11,988,250	11,995,394	1,862,184	1,697,218	11,116,599	10,310,237
Financing receivables	262,642	262,365			51,789	50,537	210,853	211,828	-	-	-	-
Reinsurance assets	3,440,595	3,132,102			3,041,916	2,773,886	55,654	52,241	250,634	232,173	92,391	73,802
Insurance receivables	788,580	514,020			524,992	342,808	33,150	32,386	98,981	63,235	131,457	75,591
Other assets	582,094	604,206			277,570	157,022	147,196	261,493	29,571	19,568	127,758	166,123
Derivative assets	5,741	4,124			-	296	5,742	3,828	-	-	-	-
Deferred tax assets	23,388	17,559			12,387	8,809	2,725	-	5,486	6,983	2,790	1,767
Current tax assets	227,551	133,847			165,435	108,783	37,121	-	3,883	3,883	21,112	21,181
Cash and bank balances	501,704	487,146			131,193	190,544	258,771	130,956	48,945	62,114	62,795	103,532
<b>Total Assets</b>	<b>38,160,632</b>	<b>35,204,368</b>			<b>10,589,910</b>	<b>8,708,094</b>	<b>13,738,735</b>	<b>13,683,499</b>	<b>2,299,684</b>	<b>2,085,174</b>	<b>11,554,902</b>	<b>10,752,233</b>
<b>Equity and liabilities:</b>												
Share capital	660,866	660,866			660,866	660,866	-	-	-	-	-	-
Reserves	5,534,914	5,379,339	(1,599)	(3,632)	5,536,514	5,382,971	-	-	-	-	-	-
<b>Total Equity</b>	<b>6,195,780</b>	<b>6,040,205</b>			<b>6,197,380</b>	<b>6,043,837</b>						
<b>Liabilities:</b>												
Insurance/takaful contract liabilities	28,447,876	25,799,681	(21,000)	(21,000)	2,625,019	3,473,621	12,801,637	10,353,703	1,838,624	1,706,242	11,203,596	10,287,115
Subordinated obligations	-	300,000			-	300,000	-	-	-	-	-	-
Expense liabilities	660,654	573,531			660,654	573,531	-	-	-	-	-	-
Derivative liabilities	15,208	15,463			233	249	14,975	15,214	-	-	-	-
Deferred tax liabilities	500,688	409,366			41,957	303,390	408,091	105,976	10,181	-	40,459	-
Insurance payables	669,213	566,452			521,577	421,867	16,966	42,404	101,888	68,666	28,782	33,515
Other liabilities	1,562,013	1,218,263			436,567	(2,690,998)	494,388	3,167,392	348,991	310,266	282,065	431,603
Interest/profit payable on subordinated obligations	-	1,189			-	1,189	-	-	-	-	-	-
Current tax liabilities	109,200	280,218			106,523	281,408	2,678	(1,190)	-	-	-	-
<b>Total Liabilities</b>	<b>31,964,852</b>	<b>29,164,163</b>			<b>4,392,530</b>	<b>2,664,257</b>	<b>13,738,735</b>	<b>13,683,499</b>	<b>2,299,684</b>	<b>2,085,174</b>	<b>11,554,902</b>	<b>10,752,233</b>
<b>Total equity and liabilities</b>	<b>38,160,632</b>	<b>35,204,368</b>			<b>10,589,910</b>	<b>8,708,094</b>	<b>13,738,735</b>	<b>13,683,499</b>	<b>2,299,684</b>	<b>2,085,174</b>	<b>11,554,902</b>	<b>10,752,233</b>

\* The consolidation elimination indicated the group inter-fund elimination.

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## 36. INSURANCE FUNDS (CONTD.)

## UNAUDITED INTERIM CONDENSED INCOME STATEMENT/REVENUE ACCOUNTS BY FUND

	Total		Consolidation elimination		Shareholder Funds		General fund		Life Fund		General Takaful Fund		Family Takaful Fund	
	30.6.2019 RM'000	30.6.2018 RM'000	30.6.2019 RM'000	30.6.2018 RM'000	30.6.2019 RM'000	30.6.2018 RM'000	30.6.2019 RM'000	30.6.2018 RM'000	30.6.2019 RM'000	30.6.2018 RM'000	30.6.2019 RM'000	30.6.2018 RM'000	30.6.2019 RM'000	30.6.2018 RM'000
<b>Operating revenue</b>	4,507,934	4,090,415	(467,558)	(418,965)	563,615	468,297	846,111	783,788	1,585,941	1,486,168	843,012	681,939	1,136,813	1,089,188
Gross earned premiums/contributions	3,621,361	3,321,066	(89)	(23)	-	-	704,476	604,816	1,305,465	1,239,237	718,500	618,392	893,009	858,644
Earned premiums/contributions ceded to reinsurers/retakaful	(527,299)	(455,502)			-	-	(400,502)	(344,176)	(14,548)	(10,867)	(72,030)	(65,172)	(40,219)	(35,287)
<b>Net earned premiums/contributions</b>	<b>3,094,062</b>	<b>2,865,564</b>			<b>-</b>	<b>-</b>	<b>303,974</b>	<b>260,640</b>	<b>1,290,917</b>	<b>1,228,370</b>	<b>646,470</b>	<b>553,220</b>	<b>852,790</b>	<b>823,357</b>
Fee and commission income	51,653	51,936	(440,049)	(389,951)	440,049	389,952	44,159	43,122	2,166	(157)	5,197	8,788	131	182
Investment income	670,182	620,536			86,701	90,905	21,155	19,105	280,476	246,931	38,046	33,051	243,804	230,544
Realised (losses)/gains	48,790	(52,027)			(4,721)	(8,346)	(464)	1,656	41,953	8,827	2,296	239	9,726	(54,403)
Fair value (losses)/gains	962,118	(488,704)			102,206	(32,869)	6,525	(13,696)	518,327	(325,690)	3,107	(6,558)	331,953	(109,891)
Other operating income/(expenses), net	(20,499)	16,955			617	42	(8,098)	11,966	(12,088)	4,883	(1,295)	800	365	(736)
<b>Other revenue</b>	<b>1,712,244</b>	<b>148,696</b>			<b>624,852</b>	<b>439,684</b>	<b>63,277</b>	<b>62,153</b>	<b>830,834</b>	<b>(65,206)</b>	<b>47,351</b>	<b>36,320</b>	<b>585,979</b>	<b>65,696</b>
Gross benefits and claims paid	(1,739,429)	(1,616,420)			-	-	(283,866)	(297,746)	(570,283)	(528,577)	(363,892)	(365,867)	(521,388)	(424,230)
Claims ceded to reinsurers	185,977	201,810			-	-	139,082	156,482	6,052	4,491	10,201	14,793	30,642	26,044
Gross change in contract/certificate liabilities	(2,131,899)	(716,817)			-	-	(203,471)	(6,443)	(1,109,702)	(412,353)	(79,993)	(14,033)	(738,733)	(283,988)
Change in contract/certificate liabilities ceded to reinsurers/retakaful	234,998	13,591			-	-	187,896	25,057	10,529	2,434	17,984	1,270	18,589	(15,170)
<b>Net benefits and claims</b>	<b>(3,450,353)</b>	<b>(2,117,836)</b>			<b>-</b>	<b>-</b>	<b>(160,359)</b>	<b>(122,650)</b>	<b>(1,663,404)</b>	<b>(934,005)</b>	<b>(415,700)</b>	<b>(363,837)</b>	<b>(1,210,890)</b>	<b>(697,344)</b>
Management expenses	(444,359)	(416,536)	89	23	(225,469)	(212,709)	(91,918)	(92,643)	(113,257)	(99,633)	-	-	(13,804)	(11,574)
Reimbursement of Shared Services	18,104	25,087			18,104	25,087	-	-	-	-	-	-	-	-
Change in expense liabilities	(87,123)	6,171			(87,123)	6,171	-	-	-	-	-	-	-	-
Fee and commission expenses	(306,115)	(268,220)	440,049	389,951	(135,672)	(123,458)	(70,877)	(62,273)	(99,064)	(82,017)	(252,543)	(198,443)	(188,008)	(191,980)
Interest on subordinated obligations	(5,535)	(16,968)			(5,535)	(16,968)	-	-	-	-	-	-	-	-
Tax borne by policyholders/participants	(80,249)	3,751			-	-	-	-	(53,512)	(8,148)	(670)	54	(26,067)	11,845
<b>Other expenses</b>	<b>(905,277)</b>	<b>(666,715)</b>			<b>(435,695)</b>	<b>(321,877)</b>	<b>(162,795)</b>	<b>(154,916)</b>	<b>(265,833)</b>	<b>(189,798)</b>	<b>(253,213)</b>	<b>(198,389)</b>	<b>(227,879)</b>	<b>(191,709)</b>
<b>Surplus transfer from/(to):</b>	<b>450,676</b>	<b>229,709</b>			<b>189,157</b>	<b>117,807</b>	<b>44,097</b>	<b>45,227</b>	<b>192,514</b>	<b>39,361</b>	<b>24,908</b>	<b>27,314</b>	<b>-</b>	<b>-</b>
- General Fund	-	-			34,415	33,116	(34,415)	(33,116)	-	-	-	-	-	-
- Life Par Fund	-	-			10,323	(2,004)	-	-	(10,323)	2,004	-	-	-	-
- Life Non Par Fund	-	-			182,191	41,365	-	-	(182,191)	(41,365)	-	-	-	-
- General Takaful Fund	-	-			24,908	27,314	-	-	-	-	(24,908)	(27,314)	-	-
- Family Fund	-	-			-	-	-	-	-	-	-	-	-	-
<b>Profit before taxation</b>	<b>450,676</b>	<b>229,709</b>			<b>440,994</b>	<b>217,598</b>	<b>9,682</b>	<b>12,111</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Taxation	(140,160)	(73,626)			(130,478)	(61,515)	(9,682)	(12,111)	-	-	-	-	-	-
Zakat	(4,780)	(5,347)			(4,780)	(5,347)	-	-	-	-	-	-	-	-
<b>Net profit for the period</b>	<b>305,736</b>	<b>150,736</b>			<b>305,736</b>	<b>150,736</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>