

MANULIFE HOLDINGS BERHAD
(FORMERLY KNOWN AS MANULIFE INSURANCE (MALAYSIA) BERHAD)
Interim financial statements for the twelve months period ended 31 December 2008

The figures have not been audited

Condensed Consolidated Balance Sheet

	GROUP	
	As at	As at
	31.12.2008	31.12.2007
	RM'000	RM'000
ASSETS		
Shareholders' Fund Assets		
Property and equipment	9,150	10,664
Investment properties	27,990	30,840
Investments	351,299	315,341
Loan receivables	3,929	8,283
Assets held for sale	2,261	-
Deferred tax assets	99	272
Receivables	51,959	85,583
Cash and bank balances	7,884	6,701
Total Shareholders' Fund Assets	454,571	457,684
Total Life Fund Assets	2,584,235	2,549,886
TOTAL ASSETS	3,038,806	3,007,570
LIABILITIES		
Shareholders' Fund Liabilities		
Provision for outstanding claims	619	907
Payables	8,307	14,165
Current tax payable	7,668	7,841
Deferred tax liabilities	-	2,188
Total Shareholders' Fund Liabilities	16,594	25,101
Total Life Fund Liabilities	309,954	314,894
Life Policyholders' Fund (Note 27)	2,274,222	2,234,872
Life Asset Revaluation Reserve	59	120
TOTAL LIABILITIES	2,600,829	2,574,987
SHAREHOLDERS' FUND		
Share capital	101,185	101,185
Reserves	336,792	331,398
	437,977	432,583
TOTAL LIABILITIES AND SHAREHOLDERS' FUND	3,038,806	3,007,570
Net Assets Per Share (RM)	2.16	2.14

(The Condensed Consolidated Balance Sheet should be read in conjunction with the annual financial statements for the financial year ended 31 December 2007)

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Condensed Life Fund Balance Sheet

	As at 31.12.2008 RM'000	As at 31.12.2007 RM'000
ASSETS		
Property and equipment	5,934	4,161
Investment properties	48,010	280
Intangible asset	430	-
Investments	1,813,176	1,862,051
Loan receivables	395,757	410,395
Prepaid lease payments	-	391
Assets held for sale	1,255	-
Deferred tax assets	7,018	-
Current tax recoverable	2,402	62
Receivables	43,450	42,030
Cash and bank balances	15,490	13,536
Investment-linked business assets	251,313	216,980
TOTAL LIFE FUND ASSETS	<u><u>2,584,235</u></u>	<u><u>2,549,886</u></u>
LIABILITIES		
Provision for outstanding claims	20,706	12,717
Payables	287,243	295,686
Deferred tax liabilities	-	1,089
Investment-linked business liabilities	2,005	5,402
Total Life Fund Liabilities	<u>309,954</u>	<u>314,894</u>
Life Policyholders' Fund (Note 27)	2,274,222	2,234,872
Life Asset Revaluation Reserve	59	120
TOTAL LIFE FUND LIABILITIES AND LIFE POLICYHOLDERS' FUND	<u><u>2,584,235</u></u>	<u><u>2,549,886</u></u>

(The Condensed Life Fund Balance Sheet should be read in conjunction with the annual financial statements for the financial year ended 31 December 2007)

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Condensed Consolidated Income Statement

	3 months ended		Cumulative	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
	RM'000	RM'000	RM'000	RM'000
Operating revenue (<i>Note 15</i>)	<u>165,830</u>	<u>176,861</u>	<u>638,528</u>	<u>573,006</u>
Surplus transfer from Life Insurance revenue account	14,932	21,461	47,526	80,373
Shareholders' fund:				
Investment income	4,247	4,559	18,384	17,919
Other operating (expense) / income - net	(1,118)	2,624	(1,463)	18,587
Management expenses	(1,120)	(734)	(3,391)	(2,534)
Profit before taxation	<u>16,941</u>	<u>27,910</u>	<u>61,056</u>	<u>114,345</u>
Taxation (<i>Note 19</i>)	(3,421)	(7,486)	(14,053)	(29,324)
Net profit attributable to shareholders (<i>Note 15</i>)	<u>13,520</u>	<u>20,424</u>	<u>47,003</u>	<u>85,021</u>
Basic earnings per share (sen) (<i>Note 26</i>)	<u>6.68</u>	<u>10.09</u>	<u>23.23</u>	<u>42.01</u>

(The Condensed Consolidated Income Statement should be read in conjunction with the annual financial statements for the financial year ended 31 December 2007)

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Condensed Life Insurance Revenue Account

	<u>31.12.2008</u> RM'000	<u>3 months ended</u> <u>31.12.2007</u> RM'000	<u>31.12.2008</u> RM'000	<u>Cumulative</u> <u>12 months ended</u> <u>31.12.2007</u> RM'000
Gross premium	132,506	144,318	503,650	443,150
Reinsurance	(2,034)	(1,839)	(5,558)	(5,111)
Net premium (<i>Note 18</i>)	<u>130,472</u>	<u>142,479</u>	<u>498,092</u>	<u>438,039</u>
Net benefits paid and payable	(92,484)	(76,821)	(304,485)	(247,367)
Commission and agency expenses	(14,512)	(15,041)	(54,498)	(49,937)
Management expenses	(8,298)	(9,815)	(32,928)	(32,032)
	<u>(22,810)</u>	<u>(24,856)</u>	<u>(87,426)</u>	<u>(81,969)</u>
Investment income	29,077	27,624	116,494	111,577
Other operating (expenses) / income - net	(26,116)	15,870	(63,666)	160,623
Surplus before taxation for the financial period / year	<u>18,139</u>	<u>84,296</u>	<u>159,009</u>	<u>380,903</u>
Taxation	(973)	(3,018)	(4,506)	(21,021)
Surplus after taxation for the financial period / year	<u>17,166</u>	<u>81,278</u>	<u>154,503</u>	<u>359,882</u>
(Deficit) / Surplus from investment-linked business	(21,778)	6,373	(67,687)	39,492
	<u>(4,612)</u>	<u>87,651</u>	<u>86,816</u>	<u>399,374</u>
Life policyholders' fund at 1 Oct / 1 Jan	2,293,766	2,168,682	2,234,872	1,915,871
Balance before allocation	<u>2,289,154</u>	<u>2,256,333</u>	<u>2,321,688</u>	<u>2,315,245</u>
Transfer from revaluation reserve on disposal of properties	-	-	60	-
Transfer to Income Statement	(14,932)	(21,461)	(47,526)	(80,373)
Life policyholders' fund (<i>Note 27</i>)	<u><u>2,274,222</u></u>	<u><u>2,234,872</u></u>	<u><u>2,274,222</u></u>	<u><u>2,234,872</u></u>

(The Condensed Life Insurance Revenue Account should be read in conjunction with the annual financial statements for the financial year ended 31 December 2007)

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Condensed Consolidated Statement of Changes in Equity

	<u>Issued share capital</u> RM'000	<u>Share premium</u> RM'000	<u>Asset revaluation reserve</u> RM'000	<u>Currency translation reserve</u> RM'000	<u>Retained earnings</u> RM'000	<u>Total</u> RM'000
At 1 January 2008	101,185	1,884	2,503	5,190	321,821	432,583
Revaluation of properties	-	-	226	-	-	226
Transfer of revaluation reserve on disposal of properties	-	-	(359)	-	359	-
Net profit for the financial year	-	-	-	-	47,003	47,003
Final dividends paid for the financial year ended 31 December 2007 (<i>Note 8</i>)	-	-	-	-	(41,835)	(41,835)
At 31 December 2008	<u>101,185</u>	<u>1,884</u>	<u>2,370</u>	<u>5,190</u>	<u>327,348</u>	<u>437,977</u>
At 1 January 2007	101,185	1,884	2,839	5,190	258,524	369,622
Transfer of revaluation reserve on disposal of properties	-	-	(336)	-	336	-
Net profit for the financial year	-	-	-	-	85,021	85,021
Final dividends paid for the financial year ended 31 December 2006	-	-	-	-	(22,060)	(22,060)
At 31 December 2007	<u>101,185</u>	<u>1,884</u>	<u>2,503</u>	<u>5,190</u>	<u>321,821</u>	<u>432,583</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the annual financial statements for the financial year ended 31 December 2007)

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Condensed Consolidated Cash Flow Statement

	12 months ended <u>31.12.2008</u> RM'000	12 months ended <u>31.12.2007</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit attributable to shareholders	47,003	85,021
Adjustments for non-cash items	65,954	45,039
Operating profit before changes in operating assets and liabilities	<u>112,957</u>	<u>130,060</u>
Net investment income received	114,855	118,466
Net purchase of investments	(156,444)	(219,489)
Decrease in loan receivables	19,458	3,063
Increase in receivables	8,602	10,449
Increase / (Decrease) in outstanding claims	7,701	(959)
Increase in payables	19,098	11,459
Cash generated from operations	<u>126,227</u>	<u>53,049</u>
Income taxes paid	(28,817)	(39,823)
Net cash inflow from operating activities	<u>97,410</u>	<u>13,226</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(53,378)	(696)
Proceeds from disposal of property and equipment	1,050	2,623
Net cash (outflow) / inflow from investing activities	<u>(52,328)</u>	<u>1,927</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to shareholders	(41,835)	(22,060)
Net cash outflow from financing activities	<u>(41,835)</u>	<u>(22,060)</u>
CASH AND CASH EQUIVALENTS		
Net increase / (decrease) during the financial year	3,247	(6,907)
Cash and cash equivalents at 1 January	20,929	27,836
Cash and cash equivalents at 31 December (Note 28)	<u>24,176</u>	<u>20,929</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the annual financial statements for the financial year ended 31 December 2007)