

MANULIFE HOLDINGS BERHAD
(FORMERLY KNOWN AS MANULIFE INSURANCE (MALAYSIA) BERHAD)
Interim financial statements for the six months period ended 30 June 2009

The figures have not been audited

Condensed Consolidated Balance Sheet

	GROUP	
	As at	As at
	30.06.2009	31.12.2008
	RM'000	RM'000
ASSETS		
Shareholders' Fund Assets		
Property and equipment	9,568	9,150
Investment properties	26,790	27,990
Investments	375,570	351,299
Loan receivables	3,451	3,929
Assets held for sale	-	2,261
Deferred tax assets	361	1,505
Current tax recoverable	3,575	3,117
Receivables	35,036	51,350
Cash and bank balances	1,757	7,931
Total Shareholders' Fund Assets	456,108	458,532
Total Life Fund Assets	2,718,654	2,580,292
TOTAL ASSETS	3,174,762	3,038,824
LIABILITIES		
Shareholders' Fund Liabilities		
Provision for outstanding claims	619	619
Payables	3,738	8,344
Current tax payable	2,839	10,185
Deferred tax liabilities	5,378	1,406
Total Shareholders' Fund Liabilities	12,574	20,554
Total Life Fund Liabilities	323,415	306,010
Life Policyholders' Fund (Note 25)	2,392,052	2,274,223
Life Asset Revaluation Reserve	-	59
Life Fair Value Reserve	3,187	-
TOTAL LIABILITIES	2,731,228	2,600,846
SHAREHOLDERS' FUND		
Share capital	101,185	101,185
Reserves	342,349	336,793
	443,534	437,978
TOTAL LIABILITIES AND SHAREHOLDERS' FUND	3,174,762	3,038,824
Net Assets Per Share (RM)	2.19	2.16

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Condensed Life Fund Balance Sheet

	As at 30.06.2009 RM'000	As at 31.12.2008 RM'000
ASSETS		
Property and equipment	5,043	5,934
Investment properties	47,990	48,010
Intangible asset	368	430
Investments	1,901,887	1,813,175
Loan receivables	383,963	395,757
Assets held for sale	-	1,255
Deferred tax assets	11	7,018
Current tax recoverable	1,285	1,772
Receivables	43,667	43,570
Cash and bank balances	8,545	11,660
Investment-linked business assets	325,895	251,711
TOTAL LIFE FUND ASSETS	<u><u>2,718,654</u></u>	<u><u>2,580,292</u></u>
LIABILITIES		
Provision for outstanding claims	26,259	20,706
Payables	287,312	282,901
Deferred tax liabilities	5,093	-
Investment-linked business liabilities	4,751	2,403
Total Life Fund Liabilities	<u>323,415</u>	<u>306,010</u>
Life Policyholders' Fund (Note 25)	2,392,052	2,274,223
Life Asset Revaluation Reserve	-	59
Life Fair Value Reserve	<u>3,187</u>	<u>-</u>
TOTAL LIFE FUND LIABILITIES AND LIFE POLICYHOLDERS' FUND	<u><u>2,718,654</u></u>	<u><u>2,580,292</u></u>

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Condensed Consolidated Income Statement

	3 months ended		Cumulative 6 months ended	
	<u>30.06.2009</u>	<u>30.06.2008</u>	<u>30.06.2009</u>	<u>30.06.2008</u>
	RM'000	RM'000	RM'000	RM'000
Operating revenue (<i>Note 14</i>)	<u>144,157</u>	<u>138,920</u>	<u>279,478</u>	<u>271,465</u>
Surplus transfer from Life Insurance revenue account	15,118	13,825	29,129	30,309
Shareholders' fund:				
Investment income	4,372	5,031	8,549	9,480
Other operating income - net	1,003	(162)	1,116	1,969
Management expenses	(1,892)	(866)	(3,483)	(1,645)
Profit before taxation	<u>18,601</u>	<u>17,828</u>	<u>35,311</u>	<u>40,113</u>
Taxation (<i>Note 18</i>)	(3,678)	(4,155)	(7,126)	(9,592)
Net profit attributable to shareholders (<i>Note 14</i>)	<u>14,923</u>	<u>13,673</u>	<u>28,185</u>	<u>30,521</u>
Basic earnings per share (sen) (<i>Note 24</i>)	<u>7.37</u>	<u>6.76</u>	<u>13.93</u>	<u>15.08</u>

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Condensed Life Insurance Revenue Account

	<u>30.06.2009</u> RM'000	<u>3 months ended</u> <u>30.06.2008</u> RM'000	<u>30.06.2009</u> RM'000	<u>Cumulative</u> <u>6 months ended</u> <u>30.06.2008</u> RM'000
Gross premium	114,185	105,907	219,280	204,833
Reinsurance	(2,085)	(1,560)	(3,379)	(2,428)
Net premium (Note 17)	<u>112,100</u>	<u>104,347</u>	<u>215,901</u>	<u>202,405</u>
Net benefits paid and payable	(87,587)	(72,447)	(164,801)	(126,355)
Commission and agency expenses	(13,613)	(12,136)	(25,979)	(24,528)
Management expenses	(7,908)	(8,305)	(16,127)	(15,542)
	<u>(21,521)</u>	<u>(20,441)</u>	<u>(42,106)</u>	<u>(40,070)</u>
Investment income	25,599	27,982	51,648	57,152
Other operating (expenses) / income - net	(5,603)	4,063	(23,822)	47,086
Surplus before taxation for the financial period	<u>22,988</u>	<u>43,504</u>	<u>36,820</u>	<u>140,218</u>
Taxation	(1,747)	(2,703)	(2,047)	(8,539)
Surplus after taxation for the financial period	<u>21,241</u>	<u>40,801</u>	<u>34,773</u>	<u>131,679</u>
Surplus / (Deficit) from investment-linked business	36,870	(5,429)	38,633	(24,320)
	<u>58,111</u>	<u>35,372</u>	<u>73,406</u>	<u>107,359</u>
Life policyholders' fund at 1 Apr / 1 Jan	<u>2,349,059</u>	<u>2,290,435</u>	<u>2,274,223</u>	<u>2,234,872</u>
- Effect of adoption FRS 139	-	-	73,493	-
Life policyholders' fund at 1 Jan - restated	2,349,059	2,290,435	2,347,716	2,234,872
Balance before allocation	<u>2,407,170</u>	<u>2,325,807</u>	<u>2,421,122</u>	<u>2,342,231</u>
Transfer from revaluation reserve on disposal of properties	-	-	59	60
Transfer to Income Statement	(15,118)	(13,825)	(29,129)	(30,309)
Life policyholders' fund (Note 25)	<u><u>2,392,052</u></u>	<u><u>2,311,982</u></u>	<u><u>2,392,052</u></u>	<u><u>2,311,982</u></u>

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Condensed Consolidated Statement of Changes in Equity

	Issued share capital RM'000	Share premium RM'000	Asset revaluation reserve RM'000	Currency translation reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2009	101,185	1,884	2,370	5,190	-	327,349	437,978
Change in accounting policies: - Effect of adoption of FRS 139	-	-	-	-	-	11,450	11,450
As restated	101,185	1,884	2,370	5,190	-	338,799	449,428
Available for sale financial assets: Net valuation loss taken to equity	-	-	-	-	(14,393)	-	(14,393)
Transfer of revaluation surplus on disposal of properties	-	-	(890)	-	-	890	-
Net profit for the financial period	-	-	-	-	-	28,185	28,185
Final dividends paid for the financial year ended 31 December 2008 (Note 8)	-	-	-	-	-	(19,686)	(19,686)
At 30 June 2009	101,185	1,884	1,480	5,190	(14,393)	348,188	443,534
At 1 January 2008	101,185	1,884	2,503	5,190	-	321,821	432,583
Net profit for the financial period	-	-	-	-	-	30,521	30,521
Final dividends paid for the financial year ended 31 December 2007	-	-	-	-	-	(41,824)	(41,824)
At 30 June 2008	101,185	1,884	2,503	5,190	-	310,518	421,280

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Condensed Consolidated Cash Flow Statement

	6 months ended 30.06.2009 RM'000	6 months ended 30.06.2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit attributable to shareholders	28,185	30,521
Adjustments for non-cash items	32,100	(20,190)
Operating profit before changes in operating assets and liabilities	<u>60,285</u>	<u>10,331</u>
Net investment income received	53,373	59,477
Net purchase of investments	(127,226)	(28,836)
Decrease in loan receivables	12,314	9,206
(Increase) / Decrease in receivables	(2,403)	887
Increase in outstanding claims	5,553	6,359
Increase in payables	22,318	2,563
Cash generated from operations	<u>24,214</u>	<u>59,987</u>
Income taxes paid	(17,393)	(14,494)
Net cash inflow from operating activities	<u>6,821</u>	<u>45,493</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(384)	(1,510)
Proceeds from disposal of property and equipment	4,016	237
Net cash inflow / (outflow) from investing activities	<u>3,632</u>	<u>(1,273)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to shareholders	(19,686)	(41,824)
Net cash outflow from financing activities	<u>(19,686)</u>	<u>(41,824)</u>
CASH AND CASH EQUIVALENTS		
Net (decrease) / increase during the financial period	(9,233)	2,396
Cash and cash equivalents at 1 January	20,393	20,929
Cash and cash equivalents at 30 June (Note 26)	<u>11,160</u>	<u>23,325</u>