

MANULIFE HOLDINGS BERHAD

Interim financial statements for the six months period ended 30 June 2010

Unaudited Condensed Consolidated Statement of Financial Position

	As at 30.06.2010 RM'000	Restated As at 31.12.2009 RM'000
ASSETS		
Property and equipment	17,358	15,876
Investment properties	79,006	79,006
Intangible asset	317	361
Available-for-sale financial assets	2,010,065	1,867,287
Fair value through profit and loss financial assets	561,057	616,825
Loan and receivables	752,516	753,391
Reinsurance assets	3,565	1,361
Insurance receivables	19,881	24,462
Current tax recoverable	-	1,052
Cash and bank balances	14,099	20,179
TOTAL ASSETS	<u>3,457,864</u>	<u>3,379,800</u>
Equity, Policyholders' Funds and Liabilities		
Share capital	101,185	101,185
Share premiums	1,884	1,884
Retained earnings	379,810	372,841
Other reserves	16,263	12,334
Total Equity	<u>499,142</u>	<u>488,244</u>
Insurance contract liabilities (Note 27)	2,542,256	2,553,189
Insurance claim liabilities	29,291	28,786
Deferred tax liabilities	64,691	13,215
Reinsurance liabilities	287	2,132
Insurance payables	272,102	256,232
Tax payable	4,041	-
Other payable	46,054	38,002
Total Liabilities	<u>2,958,722</u>	<u>2,891,556</u>
TOTAL EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES	<u>3,457,864</u>	<u>3,379,800</u>
Net Assets Per Share (RM)	2.47	2.41

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

MANULIFE HOLDINGS BERHAD
Interim financial statements for the six months period ended 30 June 2010

Unaudited Condensed Consolidated Statement of Comprehensive Income

	Restated		Restated	
	3 months ended	3 months ended	6 months ended	6 months ended
	<u>30.06.2010</u>	<u>30.06.2009</u>	<u>30.06.2010</u>	<u>30.06.2009</u>
	RM'000	RM'000	RM'000	RM'000
Operating Revenue (Note 15)	148,585	147,031	280,886	283,814
Gross earned premiums	115,042	114,185	212,800	219,280
Premiums ceded to reinsurers	(2,492)	(2,085)	(4,703)	(3,379)
Net earned premiums (Note 18)	<u>112,550</u>	<u>112,100</u>	<u>208,097</u>	<u>215,901</u>
Investment income	32,181	32,112	65,456	63,188
Realised gains/(losses)	15,387	1,068	22,630	(15,455)
Fair value (losses)/gains	(18,050)	35,643	(9,734)	30,532
Fee and commission income	1,362	734	2,630	1,346
Other operating (expenses)/income	(73)	(2,400)	(5,611)	1,555
Other revenue	<u>30,807</u>	<u>67,157</u>	<u>75,371</u>	<u>81,166</u>
Gross benefits and claims paid	(94,993)	(87,914)	(175,422)	(165,158)
Claims ceded to reinsurers	1,992	326	2,538	357
Gross change to contract liabilities	412	(42,991)	(9,854)	(44,277)
Net claims	<u>(92,589)</u>	<u>(130,579)</u>	<u>(182,738)</u>	<u>(209,078)</u>
Fee and commission expense	(15,959)	(13,614)	(29,405)	(25,979)
Management expenses	(12,765)	(11,407)	(24,944)	(21,435)
Other expenses	<u>(28,724)</u>	<u>(25,021)</u>	<u>(54,349)</u>	<u>(47,414)</u>
Profit from operation (Note 15)	22,044	23,657	46,381	40,575
Taxation (Note 19)	(5,933)	(8,734)	(13,610)	(12,390)
Net profit for the year	<u>16,111</u>	<u>14,923</u>	<u>32,771</u>	<u>28,185</u>
Other comprehensive income/(loss)				
Fair value change of available-for-sale financial assets, net of tax	1,893	(8,048)	3,929	(14,392)
Total comprehensive income, for the period	<u>18,004</u>	<u>6,875</u>	<u>36,700</u>	<u>13,793</u>
Total profit attributable to:				
Equity holders of the company	<u>16,111</u>	<u>14,923</u>	<u>32,771</u>	<u>28,185</u>
Total comprehensive income attributable to:				
Equity holders of the company	<u>18,004</u>	<u>6,875</u>	<u>36,700</u>	<u>13,793</u>
Basic earnings per share (sen) (Note 26)	<u>7.96</u>	<u>7.37</u>	<u>16.19</u>	<u>13.93</u>

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

MANULIFE HOLDINGS BERHAD

Interim financial statements for the six months period ended 30 June 2010

Unaudited 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 2010	101,185	1,884	2,486	5,190	4,658	372,841	488,244
Total comprehensive income for the period	-	-	-	-	3,929	32,771	36,700
Final dividends for the financial year ended 31 December 2009	-	-	-	-	-	(25,802)	(25,802)
At 30 June 2010	<u>101,185</u>	<u>1,884</u>	<u>2,486</u>	<u>5,190</u>	<u>8,587</u>	<u>379,810</u>	<u>499,142</u>
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	-	-	-	-	6,309	5,140	11,449
At 1 January 2009, restated	101,185	1,884	2,370	5,190	6,309	332,489	449,427
Total comprehensive income for the period	-	-	-	-	(14,392)	28,185	13,793
Transfer of revaluation surplus on disposal of properties	-	-	(890)	-	-	890	-
Final dividends paid for the financial year ended 31 Dec 2008	-	-	-	-	-	(19,686)	(19,686)
At 30 June 2009	<u>101,185</u>	<u>1,884</u>	<u>1,480</u>	<u>5,190</u>	<u>(8,083)</u>	<u>341,878</u>	<u>443,534</u>

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Interim financial statements for the six months period ended 30 June 2010

Unaudited Condensed Consolidated Statement of Cash Flow

	6 months ended 30.06.2010 RM'000	6 months ended 30.06.2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit attributable to shareholders	32,771	28,185
Adjustments for non-cash items	(45,122)	(15,258)
Operating (loss)/profit before changes in operating assets and liabilities	<u>(12,351)</u>	<u>12,927</u>
Net investment income received	53,394	53,373
Net purchase of investments	(41,033)	(79,868)
Decrease in loan receivables	9,608	12,314
Decrease/(increase) in receivables	1,195	(157)
(Decrease)/increase in outstanding claims	(1,700)	5,553
(Decrease)/increase in payables	(3,728)	20,072
Cash generated from operations	<u>5,385</u>	<u>24,214</u>
Income taxes paid	(8,851)	(17,393)
Net cash (outflow)/inflow from operating activities	<u>(3,466)</u>	<u>6,821</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(2,614)	(384)
Proceeds from disposal of property and equipment	-	4,016
Net cash (outflow)/inflow from investing activities	<u>(2,614)</u>	<u>3,632</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid to shareholders	-	(19,686)
Net cash outflow from financing activities	<u>-</u>	<u>(19,686)</u>
CASH AND CASH EQUIVALENTS		
Net decrease during the financial period	(6,080)	(9,233)
Cash and cash equivalents at 1 January	20,179	20,393
Cash and cash equivalents at 30 June (Note 28)	<u>14,099</u>	<u>11,160</u>

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