

**MANULIFE HOLDINGS BERHAD**

Interim financial statements for the nine months period ended 30 September 2010

**Unaudited Condensed Consolidated Statement of Financial Position**

	<b>As at 30.09.2010 RM'000</b>	<b>Restated As at 31.12.2009 RM'000</b>
<b>ASSETS</b>		
Property and equipment	15,332	15,876
Investment properties	79,006	79,006
Intangible asset	2,346	361
Available-for-sale financial assets	2,098,475	1,867,287
Fair value through profit and loss financial assets	606,072	616,825
Loan and receivables	754,245	753,391
Reinsurance assets	3,888	1,361
Insurance receivables	19,137	24,462
Current tax recoverable	-	1,052
Cash and bank balances	14,880	20,179
<b>TOTAL ASSETS</b>	<b><u>3,593,381</u></b>	<b><u>3,379,800</u></b>
<b>Equity, Policyholders' Funds and Liabilities</b>		
Share capital	101,185	101,185
Share premiums	1,884	1,884
Retained earnings	392,701	372,841
Other reserves	22,966	12,334
<b>Total Equity</b>	<b><u>518,736</u></b>	<b><u>488,244</u></b>
Insurance contract liabilities ( <i>Note 27</i> )	2,651,514	2,553,189
Insurance claim liabilities	32,250	28,786
Deferred tax liabilities	76,228	13,215
Reinsurance liabilities	1,186	2,132
Insurance payables	279,420	256,232
Tax payable	906	-
Other payable	33,141	38,002
<b>Total Liabilities</b>	<b><u>3,074,645</u></b>	<b><u>2,891,556</u></b>
<b>TOTAL EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES</b>	<b><u>3,593,381</u></b>	<b><u>3,379,800</u></b>
<b>Net Assets Per Share (RM)</b>	<b>2.56</b>	<b>2.41</b>

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**Unaudited Condensed Consolidated Statement of Comprehensive Income**

	Restated		Restated	
	3 months ended	3 months ended	9 months ended	9 months ended
	<u>30.09.2010</u>	<u>30.09.2009</u>	<u>30.09.2010</u>	<u>30.09.2009</u>
	RM'000	RM'000	RM'000	RM'000
<b>Operation Revenue (Note 18)</b>	154,800	145,433	435,686	429,247
Gross earned permiums	115,345	109,536	328,145	328,816
Premiums ceded to reinsurers	(2,679)	(2,783)	(7,382)	(6,162)
<b>Net earned premiums (Note 21)</b>	<u>112,666</u>	<u>106,753</u>	<u>320,763</u>	<u>322,654</u>
Investment income	38,227	35,034	103,683	98,222
Realised gains/(losses)	11,269	5,241	33,899	(10,214)
Fair value gains	30,220	37,224	20,486	67,756
Fee and commission income	1,228	863	3,858	2,209
Other operating (expenses)/income	(5,457)	(957)	(11,068)	598
<b>Other revenue</b>	<u>75,487</u>	<u>77,405</u>	<u>150,858</u>	<u>158,571</u>
Gross benefits and claims paid	(97,166)	(87,479)	(272,588)	(252,637)
Claims ceded to reinsurers	699	263	3,237	620
Gross change to contract liabilities	(41,132)	(45,766)	(50,986)	(90,043)
<b>Net Claims</b>	<u>(137,599)</u>	<u>(132,982)</u>	<u>(320,337)</u>	<u>(342,060)</u>
Fee and commission expense	(16,047)	(14,683)	(45,452)	(40,662)
Management expenses	(12,618)	(12,787)	(37,562)	(34,222)
<b>Other expenses</b>	<u>(28,665)</u>	<u>(27,470)</u>	<u>(83,014)</u>	<u>(74,884)</u>
<b>Profit from operation (Note 18)</b>	21,889	23,706	68,270	64,281
Taxation (Note 22)	(8,998)	(9,177)	(22,608)	(21,567)
<b>Net profit for the year</b>	<u>12,891</u>	<u>14,529</u>	<u>45,662</u>	<u>42,714</u>
<b>Other comprehensive income/(loss)</b>				
Fair value change of available-for-sale financial assets, net of tax	6,703	11,581	10,632	(2,811)
<b>Total comprehensive income, for the period</b>	<u>19,594</u>	<u>26,110</u>	<u>56,294</u>	<u>39,903</u>
<b>Total profit attributable to:</b>				
Equity holders of the company	<u>12,891</u>	<u>14,529</u>	<u>45,662</u>	<u>42,714</u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the company	<u>19,594</u>	<u>26,110</u>	<u>56,294</u>	<u>39,903</u>
Basic earnings per share (sen) (Note 26)	<u>6.37</u>	<u>7.18</u>	<u>22.56</u>	<u>21.11</u>

**MANULIFE HOLDINGS BERHAD**

Interim financial statements for the nine months period ended 30 September 2010

**Unaudited Condensed Consolidated Statement of Changes in Equity**

	<b>Issued share capital RM'000</b>	<b>Share premium RM'000</b>	<b>Asset revaluation reserve RM'000</b>	<b>Currency translation reserve RM'000</b>	<b>Fair value reserve RM'000</b>	<b>Retained earnings RM'000</b>	<b>Total RM'000</b>
<b>At 1 January 2010</b>	101,185	1,884	2,486	5,190	4,658	372,841	488,244
Total comprehensive income for the period	-	-	-	-	10,632	45,662	56,294
Final dividends paid for the financial year ended 31 December 2009	-	-	-	-	-	(25,802)	(25,802)
<b>At 30 September 2010</b>	<u>101,185</u>	<u>1,884</u>	<u>2,486</u>	<u>5,190</u>	<u>15,290</u>	<u>392,701</u>	<u>518,736</u>
<b>At 1 January 2009</b>	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	-	-	-	-	(2,811)	42,714	39,903
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)
<b>At 30 September 2009</b>	<u>101,185</u>	<u>1,884</u>	<u>1,480</u>	<u>5,190</u>	<u>3,498</u>	<u>356,407</u>	<u>469,644</u>

**MANULIFE HOLDINGS BERHAD**  
**Interim financial statements for the nine months period ended 30 September 2010**

**Unaudited Condensed Consolidated Statement of Cash Flow**

	<b>9 months ended 30.09.2010 RM'000</b>	<b>9 months ended 30.09.2009 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit attributable to shareholders	45,662	42,714
Adjustments for non-cash items	(69,667)	(34,206)
Operating (loss)/profit before changes in operating assets and liabilities	<u>(24,005)</u>	<u>8,508</u>
Net investment income received	81,850	82,839
Net purchase of investments	(33,281)	(97,837)
Decrease in loan receivables	15,363	15,307
Increase/(decrease) in receivables	(16,987)	6,378
Increase in outstanding claims	936	9,195
Increase in payables	17,381	15,114
Cash generated from operations	<u>41,257</u>	<u>39,504</u>
Income taxes paid	(17,527)	(25,871)
Net cash inflow from operating activities	<u>23,730</u>	<u>13,633</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(796)	(623)
Purchase of intangible asset	(2,431)	(57)
Proceeds from disposal of property and equipment	-	4,017
Net cash (outflow)/inflow from investing activities	<u>(3,227)</u>	<u>3,337</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid to shareholders	(25,802)	(19,686)
Net cash outflow from financing activities	<u>(25,802)</u>	<u>(19,686)</u>
<b>CASH AND CASH EQUIVALENTS</b>		
Net decrease during the financial period	(5,299)	(2,716)
Cash and cash equivalents at 1 January	20,179	20,393
<b>Cash and cash equivalents at 30 September (Note 28)</b>	<u><b>14,880</b></u>	<u><b>17,677</b></u>