

MANULIFE HOLDINGS BERHAD
Interim financial statements for the six months period ended 30 June 2011

Unaudited Condensed Consolidated Statement of Financial Position

	As at 30.06.2011 RM'000	As at 31.12.2010 RM'000
ASSETS		
Property and equipment	14,739	15,168
Investment properties	82,497	82,497
Intangible assets	2,403	2,561
Available-for-sale financial assets	2,289,073	2,183,222
Fair value through profit and loss financial assets	672,707	671,085
Loans and receivables	660,876	685,236
Reinsurance assets	2,507	2,368
Insurance receivables	17,869	24,512
Cash and bank balances	43,338	25,154
TOTAL ASSETS	<u>3,786,009</u>	<u>3,691,803</u>
Equity, Policyholders' Funds and Liabilities		
Share capital	101,185	101,185
Share premium	1,884	1,884
Retained earnings	419,855	411,393
Other reserves	21,230	21,125
Total Equity	<u>544,154</u>	<u>535,587</u>
Insurance contract liabilities (<i>Note 27</i>)	2,807,593	2,753,341
Insurance claim liabilities	32,930	29,063
Deferred tax liabilities	27,707	27,891
Insurance payables	310,683	294,371
Tax payable	11,046	6,769
Other payables	51,896	44,781
Total Policyholders' Funds and Liabilities	<u>3,241,855</u>	<u>3,156,216</u>
TOTAL EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES	<u>3,786,009</u>	<u>3,691,803</u>
Net Assets Per Share (RM)	2.69	2.65

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Unaudited Condensed Consolidated Statement of Comprehensive Income

	3 months ended		Cumulative 6 months ended	
	30.06.2011 RM'000	30.06.2010 RM'000	30.06.2011 RM'000	30.06.2010 RM'000
Operating Revenue (Note 18)	157,670	147,538	296,093	278,897
Gross earned permiums	119,324	115,042	223,619	212,800
Premiums ceded to reinsurers	(2,126)	(2,492)	(4,885)	(4,703)
Net earned premiums (Note 21)	117,198	112,550	218,734	208,097
Investment income	38,006	32,181	71,734	65,456
Net realised gains	17,180	15,387	51,065	22,630
Fee income	340	315	740	641
Other operating income	189	343	505	610
Other revenue	55,715	48,226	124,044	89,337
Gross benefits and claims paid	(96,483)	(94,993)	(179,230)	(175,422)
Claims ceded to reinsurers	1,187	1,992	2,417	2,538
Gross change to contract liabilities	(19,283)	411	(50,553)	(9,855)
Net claims	(114,579)	(92,590)	(227,366)	(182,739)
Fair value gains/(losses)	481	(18,049)	(3,310)	(9,733)
Fee and commission expense	(16,663)	(15,959)	(32,122)	(29,405)
Management expenses	(13,412)	(11,631)	(24,648)	(23,078)
Other operating expenses	(4,100)	(1,994)	(10,394)	(11,249)
Other expenses	(33,694)	(47,633)	(70,474)	(73,465)
Profit before taxation (Note 18 (a))	24,640	20,553	44,938	41,230
Taxation (Note 22)	(4,917)	(4,442)	(9,156)	(8,459)
Net profit for the period	19,723	16,111	35,782	32,771
Other comprehensive income/(loss)				
Fair value change of available-for-sale financial assets:				
- Gross fair value change	2,296	2,524	140	5,239
- Deferred taxation	(574)	(631)	(35)	(1,310)
- Net gain	1,722	1,893	105	3,929
Total comprehensive income for the financial period	21,445	18,004	35,887	36,700
Total profit attributable to:				
Equity holders of the Company	19,723	16,111	35,782	32,771
Total comprehensive income attributable to:				
Equity holders of the Company	21,445	18,004	35,887	36,700
Basic earnings per share (sen) (Note 26)	9.75	7.96	17.68	16.19

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Unaudited Condensed Consolidated Statement of Changes in Equity

	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 2011	101,185	1,884	2,486	5,190	13,449	411,393	535,587
Total comprehensive income for the financial period	-	-	-	-	105	35,782	35,887
Final dividends for the financial year ended 31 December 2010	-	-	-	-	-	(27,320)	(27,320)
At 30 June 2011	<u>101,185</u>	<u>1,884</u>	<u>2,486</u>	<u>5,190</u>	<u>13,554</u>	<u>419,855</u>	<u>544,154</u>
At 1 January 2010	101,185	1,884	2,486	5,190	4,658	372,841	488,244
Total comprehensive income for the financial period	-	-	-	-	3,929	32,771	36,700
Final dividends paid 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>

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Unaudited Condensed Consolidated Statement of Cash Flow

	6 months ended <u>30.06.2011</u> RM'000	6 months ended <u>30.06.2010</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit attributable to shareholders	35,782	32,771
Adjustments for non-cash items	(39,631)	(40,002)
Operating loss before changes in operating assets and liabilities	<u>(3,849)</u>	<u>(7,231)</u>
Net investment income received	60,740	53,394
Net purchase of investments	(59,921)	(46,280)
Decrease in loan receivables	21,646	9,608
Decrease/(increase) in receivables	12,313	(314)
Increase/(decrease) in outstanding claims	3,727	(1,700)
Decrease in payables	(3,893)	(3,728)
Cash generated from operations	<u>30,763</u>	<u>3,749</u>
Income taxes paid	(11,924)	(8,851)
Net cash inflow/(outflow) from operating activities	<u>18,839</u>	<u>(5,102)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(276)	(549)
Purchase of intangible asset	(379)	(429)
Net cash outflow from investing activities	<u>(655)</u>	<u>(978)</u>
CASH AND CASH EQUIVALENTS		
Net increase/(decrease) during the financial period	18,184	(6,080)
Cash and cash equivalents at 1 January	25,154	20,179
Cash and cash equivalents at 30 June <i>(Note 28)</i>	<u>43,338</u>	<u>14,099</u>