

**MANULIFE HOLDINGS BERHAD**

Interim financial statements for the three months period ended 31 March 2012

**Unaudited Condensed Consolidated Statement of Financial Position**

	<b>As at 31.03.2012 RM'000</b>	<b>Restated As at 31.12.2011 RM'000</b>	<b>Restated As at 01.01.2011 RM'000</b>
<b>Assets</b>			
Property and equipment	19,972	20,201	15,168
Investment properties	81,173	81,173	82,497
Intangible assets	1,914	2,136	2,561
Available-for-sale financial assets	2,477,614	2,410,876	2,196,016
Fair value through profit or loss financial assets	686,988	656,565	673,551
Loans and receivables	552,425	545,008	582,788
Reinsurance assets	2,969	3,021	2,368
Deferred tax assets	-	80	561
Insurance receivables	16,477	27,123	24,512
Current tax assets	294	2	-
Cash and cash equivalents ( <i>Note 27</i> )	21,954	29,654	112,342
<b>Total Assets</b>	<b>3,861,780</b>	<b>3,775,839</b>	<b>3,692,364</b>
<b>Equity, Policyholders' Funds and Liabilities</b>			
Share capital	101,185	101,185	101,185
Share premium	1,884	1,884	1,884
Retained earnings	594,261	577,099	563,513
Other reserves	29,772	24,972	25,100
<b>Total Equity</b>	<b>727,102</b>	<b>705,140</b>	<b>691,682</b>
Insurance contract liabilities ( <i>Note 26</i> )	2,679,807	2,607,779	2,548,269
Insurance claim liabilities	35,021	35,371	28,885
Deferred tax liabilities	63,523	65,636	77,429
Insurance payables	329,926	328,478	294,140
Current tax liabilities	-	-	6,769
Other payables	26,401	33,435	45,190
<b>Total Liabilities</b>	<b>3,134,678</b>	<b>3,070,699</b>	<b>3,000,682</b>
<b>Total Equity, Policyholders' Funds and Liabilities</b>	<b>3,861,780</b>	<b>3,775,839</b>	<b>3,692,364</b>
<b>Net Assets Per Share (RM)</b>	<b>3.59</b>	<b>3.48</b>	<b>3.42</b>

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**Unaudited Condensed Consolidated Statement of Comprehensive Income**

	Restated 3 months ended		Restated Cumulative 3 months ended	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
	RM'000	RM'000	RM'000	RM'000
<b>Operating Revenue</b> (Note 17)	158,903	139,339	158,903	139,339
Gross earned premiums	121,984	104,295	121,984	104,295
Premiums ceded to reinsurers	(2,259)	(2,759)	(2,259)	(2,759)
<b>Net earned premiums</b> (Note 20)	119,725	101,536	119,725	101,536
Investment income (Note 21)	36,597	34,644	36,597	34,644
Net realised gains	12,777	23,921	12,777	23,921
Net fair value gains	20,125	6,173	20,125	6,173
Fee income	322	400	322	400
Other operating income	248	316	248	316
<b>Other income</b>	70,069	65,454	70,069	65,454
Gross benefits and claims paid	(85,333)	(82,747)	(85,333)	(82,747)
Claims ceded to reinsurers	1,235	1,230	1,235	1,230
Gross change to contract liabilities	(52,828)	(36,851)	(52,828)	(36,851)
<b>Net claims</b>	(136,926)	(118,368)	(136,926)	(118,368)
Fee and commission expenses	(15,641)	(15,459)	(15,641)	(15,459)
Management expenses	(13,620)	(11,236)	(13,620)	(11,236)
Investment expenses	(827)	(916)	(827)	(916)
Other operating expenses (Note 22)	(4,609)	(4,531)	(4,609)	(4,531)
<b>Other expenses</b>	(34,697)	(32,142)	(34,697)	(32,142)
<b>Profit before taxation</b> (Note 17 (a) and Note 23)	18,171	16,480	18,171	16,480
Taxation (Note 24)	(1,009)	(3,284)	(1,009)	(3,284)
<b>Net profit for the period</b>	17,162	13,196	17,162	13,196
<b>Other comprehensive income/(loss):</b>				
Fair value change of available-for-sale financial assets:				
- Gross fair value change	2,803	(1,999)	2,803	(1,999)
- Deferred taxation	1,048	526	1,048	526
- Net gain/(loss)	3,851	(1,473)	3,851	(1,473)
Surplus from revaluation of properties				
- Gross surplus from revaluation	-	-	-	-
- Deferred taxation	949	-	949	-
- Net gain	949	-	949	-
<b>Total comprehensive income for the period</b>	21,962	11,723	21,962	11,723
<b>Net profit attributable to:</b>				
Equity holders of the Company	17,162	13,196	17,162	13,196
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	21,962	11,723	21,962	11,723
Basic earnings per share (sen) (Note 25)	8.48	6.52	8.48	6.52

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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	Non-distributable	Distributable	Total RM'000
						Retained earnings Non-distributable * RM'000	Retained earnings Distributable RM'000	
<b>At 1 January 2012</b>	101,185	1,884	2,846	5,190	13,266	-	451,440	575,811
Effect on adoption of MFRS and change in accounting policy	-	-	-	(5,190)	8,860	120,469	5,190	129,329
<b>At 1 January 2012 - Restated</b> (Note 2 and Note 28)	101,185	1,884	2,846	-	22,126	120,469	456,630	705,140
Total comprehensive income for the year	-	-	949	-	3,851	-	17,162	21,962
<b>At 31 March 2012</b>	101,185	1,884	3,795	-	25,977	120,469	473,792	727,102
<b>At 1 January 2011</b>	101,185	1,884	2,486	5,190	13,449	-	411,393	535,587
Effect on adoption of MFRS and change in accounting policy	-	-	-	(5,190)	9,165	146,930	5,190	156,095
<b>At 1 January 2011 - Restated</b> (Note 2 and Note 28)	101,185	1,884	2,486	-	22,614	146,930	416,583	691,682
Total comprehensive income for the year	-	-	-	-	(1,473)	(2,864)	16,060	11,723
<b>At 31 March 2011 -Restated</b>	101,185	1,884	2,486	-	21,141	144,066	432,643	703,405

\* Non-distributable retained earnings comprise surplus from non-participating life fund of the insurance subsidiary (net of deferred tax). This amount is only distributable upon the actual recommended transfer from the life fund into the shareholders' fund by the Appointed Actuary.

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**Unaudited Condensed Consolidated Statement of Cash Flows**

	<b>3 months ended 31.03.2012 RM'000</b>	<b>3 months ended 31.03.2011 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit attributable to shareholders	17,162	13,196
Adjustments for non-cash items	(9,320)	(14,399)
Operating profit/(loss) before changes in operating assets and liabilities	<u>7,842</u>	<u>(1,203)</u>
Net investment income received	29,235	26,265
Net (purchase of)/proceeds from investments	(26,635)	5,024
Increase in loans and receivables	(1,498)	(1,793)
Decrease in receivables	2,243	13,820
(Decrease)/increase in outstanding claims	(299)	1,691
Decrease in payables	(5,586)	(7,331)
Cash generated from operations	<u>5,302</u>	<u>36,473</u>
Income taxes paid	(7,441)	(6,421)
Net cash (outflow)/inflow from operating activities	<u>(2,139)</u>	<u>30,052</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(253)	(263)
Purchase of intangible assets	(136)	(142)
Net purchase of investments	(5,172)	(1,769)
Net cash outflow from investing activities	<u>(5,561)</u>	<u>(2,174)</u>
<b>CASH AND CASH EQUIVALENTS</b>		
Net (decrease)/increase during the financial year	(7,700)	27,878
Cash and cash equivalents at 1 January	29,654	112,342
Cash and cash equivalents at 31 March (Note 27)	<u>21,954</u>	<u>140,220</u>

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents included in the statements of cash flows and statements of financial position comprise the following:

	<b>As at 31.03.2012 RM'000</b>	<b>As at 31.03.2011 RM'000</b>
Cash and bank balances	17,943	27,801
Short-term deposits	4,011	112,419
Cash and cash equivalents	<u>21,954</u>	<u>140,220</u>