

**MANULIFE HOLDINGS BERHAD**  
**Interim financial statements for the six months period ended 30 June 2012**

**Unaudited Condensed Consolidated Statement of Financial Position**

	<b>As at 30.06.2012 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	19,807	20,201	15,168
Investment properties	81,173	81,173	82,497
Intangible assets	1,895	2,136	2,561
Available-for-sale financial assets	2,513,415	2,410,876	2,196,016
Fair value through profit or loss financial assets	688,831	656,565	673,551
Loans and receivables	532,001	545,008	582,788
Reinsurance assets	2,820	3,021	2,368
Deferred tax assets	68	80	561
Insurance receivables	20,512	27,123	24,512
Current tax assets	1,940	2	-
Cash and cash equivalents (Note 27)	68,926	29,654	112,342
<b>Total Assets</b>	<b>3,931,388</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	576,700	577,099	563,513
Other reserves	31,137	24,972	25,100
<b>Total Equity</b>	<b>710,906</b>	<b>705,140</b>	<b>691,682</b>
Insurance contract liabilities (Note 26)	2,716,079	2,607,779	2,548,269
Insurance claim liabilities	37,683	35,371	28,885
Deferred tax liabilities	64,037	65,636	77,429
Insurance payables	336,711	328,461	294,114
Current tax liabilities	-	-	6,769
Other payables	65,972	33,452	45,216
<b>Total Liabilities</b>	<b>3,220,482</b>	<b>3,070,699</b>	<b>3,000,682</b>
<b>Total Equity, Policyholders' Funds and Liabilities</b>	<b>3,931,388</b>	<b>3,775,839</b>	<b>3,692,364</b>
<b>Net Assets Per Share (RM)</b>	<b>3.51</b>	<b>3.48</b>	<b>3.42</b>

The accompanying notes form an integrated part of these interim financial statements.

**MANULIFE HOLDINGS BERHAD**

Interim financial statements for the six months period ended 30 June 2012

**Unaudited Condensed Consolidated Statement of Comprehensive Income**

	Restated		Restated Cumulative	
	3 months ended 30.06.2012 RM'000	30.06.2011 RM'000	6 months ended 30.06.2012 RM'000	30.06.2011 RM'000
<b>Operating Revenue (Note 18)</b>	164,967	158,302	323,870	297,641
Gross earned premiums	123,274	119,324	245,258	223,619
Premiums ceded to reinsurers	(2,558)	(2,126)	(4,817)	(4,885)
<b>Net earned premiums (Note 20)</b>	120,716	117,198	240,441	218,734
Investment income (Note 21)	41,346	38,638	77,943	73,282
Net realised gains	15,853	9,502	28,630	33,423
Net fair value gains	3,026	8,159	23,151	14,332
Fee income	347	340	669	740
Other operating income	408	188	656	504
<b>Other income</b>	60,980	56,827	131,049	122,281
Gross benefits and claims paid	(99,754)	(96,483)	(185,087)	(179,230)
Claims ceded to reinsurers	2,722	1,187	3,957	2,417
Gross change to contract liabilities	(33,145)	(22,629)	(85,973)	(59,480)
<b>Net claims</b>	(130,177)	(117,925)	(267,103)	(236,293)
Fee and commission expenses	(19,270)	(16,663)	(34,911)	(32,122)
Management expenses	(16,453)	(13,412)	(30,073)	(24,648)
Investment expenses	(773)	(632)	(1,600)	(1,548)
Other operating expenses (Note 22)	(3,307)	(3,892)	(7,916)	(8,423)
<b>Other expenses</b>	(39,803)	(34,599)	(74,500)	(66,741)
<b>Profit before taxation (Note 18 and Note 23)</b>	11,716	21,501	29,887	37,981
Taxation (Note 24)	(1,957)	(4,133)	(2,966)	(7,417)
<b>Net profit for the period</b>	9,759	17,368	26,921	30,564
<b>Other comprehensive income:</b>				
Fair value change of available-for-sale financial assets:				
- Gross fair value change	1,922	3,221	4,725	1,222
- Deferred taxation	(557)	(648)	491	(122)
- Net gain	1,365	2,573	5,216	1,100
Surplus from revaluation of properties				
- Gross surplus from revaluation	-	-	-	-
- Deferred taxation	-	-	949	-
- Net gain	-	-	949	-
<b>Total comprehensive income for the period</b>	11,124	19,941	33,086	31,664
<b>Net profit attributable to:</b>				
Equity holders of the Company	9,759	17,368	26,921	30,564
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	11,124	19,941	33,086	31,664
Basic earnings per share (sen) (Note 25)	4.82	8.58	13.30	15.10

The accompanying notes form an integrated part of these interim financial statements.

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Interim financial statements for the six months period ended 30 June 2012

**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
<b>At 1 January 2012 - As previously reported</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	125,659	129,329
<b>At 1 January 2012 - Restated (Note 2 and Note 28)</b>	101,185	1,884	2,846	-	22,126	577,099	705,140
Total comprehensive income for the period	-	-	949	-	5,216	26,921	33,086
Final dividends for the financial year ended 31 December 2011	-	-	-	-	-	(27,320)	(27,320)
<b>At 30 June 2012</b>	<u>101,185</u>	<u>1,884</u>	<u>3,795</u>	<u>-</u>	<u>27,342</u>	<u>576,700</u>	<u>710,906</u>
<b>At 1 January 2011 - As previously reported</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	152,120	156,095
<b>At 1 January 2011 - Restated (Note 2 and Note 28)</b>	101,185	1,884	2,486	-	22,614	563,513	691,682
Total comprehensive income for the period	-	-	-	-	1,100	30,564	31,664
Final dividends paid for the financial year ended 31 December 2010	-	-	-	-	-	(27,320)	(27,320)
<b>At 30 June 2011 - Restated</b>	<u>101,185</u>	<u>1,884</u>	<u>2,486</u>	<u>-</u>	<u>23,714</u>	<u>566,757</u>	<u>696,026</u>

Included in the retained earnings are surplus from non-participating life fund of the insurance subsidiary (net of deferred tax) of approximately RM 120,469,000 (1 January 2012: RM 120,469,000; 30 June 2011: RM 141,712,000; 1 January 2011: RM 146,930,000). These amounts are only distributable upon the actual recommended transfer from the life fund to the shareholders' fund of the insurance subsidiary by the Appointed Actuary.

The accompanying notes form an integrated part of these interim financial statements.

**MANULIFE HOLDINGS BERHAD**  
**Interim financial statements for the six months period ended 30 June 2012**

**Unaudited Condensed Consolidated Statement of Cash Flows**

	<b>6 months ended <u>30.06.2012</u> RM'000</b>	<b>6 months ended <u>30.06.2011</u> RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit attributable to shareholders	26,921	30,564
Adjustments for non-cash items	(31,470)	(34,413)
Operating loss before changes in operating assets and liabilities	<u>(4,549)</u>	<u>(3,849)</u>
Net purchase of investments	(64,635)	(54,184)
Net investment income received	72,996	60,740
Decrease in loans receivables	4,615	21,646
(Increase)/decrease in other receivables	(1,373)	12,313
Decrease/(increase) in fixed and call deposits	18,014	(55,699)
Increase in insurance claims liabilities	2,513	3,727
Increase/(decrease) in payables	13,449	(3,893)
Cash generated from/(used in) operations	<u>41,030</u>	<u>(19,199)</u>
Income taxes paid	(14,071)	(11,924)
Net cash inflow/(outflow) from operating activities	<u>26,959</u>	<u>(31,123)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(567)	(276)
Purchase of intangible assets	(195)	(379)
Net proceeds from investments	13,075	12,088
Net cash inflow from investing activities	<u>12,313</u>	<u>11,433</u>
<b>CASH AND CASH EQUIVALENTS</b>		
Net increase/(decrease) during the financial period	39,272	(19,690)
Cash and cash equivalents at 1 January	29,654	112,342
Cash and cash equivalents at 30 June ( <i>Note 27</i> )	<u>68,926</u>	<u>92,652</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 <u>30.06.2012</u> RM'000</b>	<b>As at <u>30.06.2011</u> RM'000</b>
Cash and bank balances	18,848	43,338
Short-term deposits	50,078	49,314
Cash and cash equivalents	<u>68,926</u>	<u>92,652</u>

The accompanying notes form an integrated part of these interim financial statements.