

**MANULIFE HOLDINGS BERHAD**

Interim financial statements for the nine months period ended 30 September 2012

**Unaudited Condensed Consolidated Statement of Financial Position**

	<b>As at 30.09.2012 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	19,432	20,201	15,168
Investment properties	81,173	81,173	82,497
Intangible assets	2,155	2,136	2,561
Available-for-sale financial assets	2,520,269	2,410,876	2,196,016
Fair value through profit or loss financial assets	673,626	656,565	673,551
Loans and receivables	598,164	545,008	582,788
Reinsurance assets	2,761	3,021	2,368
Deferred tax assets	58	80	561
Insurance receivables	20,414	27,123	24,512
Current tax assets	-	2	-
Cash and cash equivalents (Note 27)	69,102	29,654	112,342
<b>Total Assets</b>	<b>3,987,154</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	590,316	577,099	563,513
Other reserves	34,564	24,972	25,100
<b>Total Equity</b>	<b>727,949</b>	<b>705,140</b>	<b>691,682</b>
Insurance contract liabilities (Note 26)	2,759,760	2,607,779	2,548,269
Insurance claim liabilities	38,573	35,371	28,885
Deferred tax liabilities	64,780	65,636	77,429
Insurance payables	339,577	328,461	294,114
Current tax liabilities	1,583	-	6,769
Other payables	54,932	33,452	45,216
<b>Total Liabilities</b>	<b>3,259,205</b>	<b>3,070,699</b>	<b>3,000,682</b>
<b>Total Equity, Policyholders' Funds and Liabilities</b>	<b>3,987,154</b>	<b>3,775,839</b>	<b>3,692,364</b>
<b>Net Assets Per Share (RM)</b>	<b>3.60</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 nine months period ended 30 September 2012

**Unaudited Condensed Consolidated Statement of Comprehensive Income**

	Restated		Restated	
	3 months ended		9 months ended	
	<u>30.09.2012</u>	<u>30.09.2011</u>	<u>30.09.2012</u>	<u>30.09.2011</u>
	RM'000	RM'000	RM'000	RM'000
Premium income				
Gross premiums	128,735	121,115	373,993	344,734
Premiums ceded to reinsurers	(2,618)	(2,639)	(7,435)	(7,524)
Net premiums (Note 20)	<u>126,117</u>	<u>118,476</u>	<u>366,558</u>	<u>337,210</u>
Investment income (Note 21)	40,921	38,696	118,864	111,978
Fee income	648	311	1,317	1,051
Net realised gains	16,008	19,059	44,638	52,482
Net fair value gains	9,673	-	32,824	-
Other operating income	(17)	3,581	734	4,085
<b>Total revenue</b>	<u>193,350</u>	<u>180,123</u>	<u>564,935</u>	<u>506,806</u>
Gross benefits and claims paid	(93,966)	(106,418)	(279,053)	(285,648)
Claims ceded to reinsurers	694	505	4,651	2,922
Gross change to contract liabilities	<u>(35,871)</u>	<u>16,934</u>	<u>(121,939)</u>	<u>(40,575)</u>
<b>Net claims</b>	<u>(129,143)</u>	<u>(88,979)</u>	<u>(396,341)</u>	<u>(323,301)</u>
Fee and commission expenses	(17,387)	(14,830)	(52,298)	(46,952)
Net fair value losses	-	(44,672)	-	(30,340)
Management expenses	(19,763)	(14,381)	(49,836)	(39,029)
Investment expenses	(1,227)	(984)	(2,827)	(2,532)
Other operating expenses (Note 22)	<u>(7,664)</u>	<u>4,267</u>	<u>(15,580)</u>	<u>(6,127)</u>
<b>Other expenses</b>	<u>(46,041)</u>	<u>(70,600)</u>	<u>(120,541)</u>	<u>(124,980)</u>
<b>Profit before taxation (Note 23)</b>	18,166	20,544	48,053	58,525
Taxation (Note 24)	<u>(4,550)</u>	<u>(3,851)</u>	<u>(7,516)</u>	<u>(11,268)</u>
<b>Net profit for the period</b>	<u>13,616</u>	<u>16,693</u>	<u>40,537</u>	<u>47,257</u>
<b>Other comprehensive income:</b>				
Fair value change of available-for-sale financial assets:				
- Gross fair value change	3,785	(12,082)	8,510	(10,860)
- Deferred taxation	(358)	1,987	133	1,865
- Net gain/(loss)	<u>3,427</u>	<u>(10,095)</u>	<u>8,643</u>	<u>(8,995)</u>
Surplus from revaluation of properties				
- Gross surplus from revaluation	-	-	-	-
- Deferred taxation	-	-	949	-
- Net gain	<u>-</u>	<u>-</u>	<u>949</u>	<u>-</u>
<b>Total comprehensive income for the period</b>	<u>17,043</u>	<u>6,598</u>	<u>50,129</u>	<u>38,262</u>
<b>Net profit attributable to:</b>				
Equity holders of the Company	<u>13,616</u>	<u>16,693</u>	<u>40,537</u>	<u>47,257</u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	<u>17,043</u>	<u>6,598</u>	<u>50,129</u>	<u>38,262</u>
Basic earnings per share (sen) (Note 25)	<u>6.73</u>	<u>8.25</u>	<u>20.03</u>	<u>23.35</u>

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**MANULIFE HOLDINGS BERHAD**  
Interim financial statements for the nine months period ended 30 September 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	-	8,643	40,537	50,129
Final dividends paid for the financial year ended 31 December 2011	-	-	-	-	-	(27,320)	(27,320)
<b>At 30 September 2012</b>	<u>101,185</u>	<u>1,884</u>	<u>3,795</u>	<u>-</u>	<u>30,769</u>	<u>590,316</u>	<u>727,949</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	-	-	-	-	(8,995)	47,257	38,262
Final dividends paid for the financial year ended 31 December 2010	-	-	-	-	-	(27,320)	(27,320)
<b>At 30 September 2011 - Restated</b>	<u>101,185</u>	<u>1,884</u>	<u>2,486</u>	<u>-</u>	<u>13,619</u>	<u>583,450</u>	<u>702,624</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 September 2011: RM 141,818,000; 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.

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**MANULIFE HOLDINGS BERHAD**

Interim financial statements for the nine months period ended 30 September 2012

**Unaudited Condensed Consolidated Statement of Cash Flows**

	<b>9 months ended 30.09.2012 RM'000</b>	<b>9 months ended 30.09.2011 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit attributable to shareholders	40,537	47,257
Adjustments for non-cash items	(52,792)	(61,950)
Operating loss before changes in operating assets and liabilities	<u>(12,255)</u>	<u>(14,693)</u>
Net purchase of investments	(14,453)	(89,728)
Net investment income received	103,521	86,068
Decrease in loans receivables	8,647	28,431
Increase in other receivables	(5,902)	(783)
Increase in fixed and call deposits	(44,776)	(74,920)
Increase in insurance claims liabilities	3,461	6,836
Increase in payables	32,597	13,434
Cash generated from/(used in) operations	<u>70,840</u>	<u>(45,355)</u>
Income taxes paid	(19,065)	(22,391)
Net cash inflow/(outflow) from operating activities	<u>51,775</u>	<u>(67,746)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(718)	(375)
Purchase of intangible assets	(685)	(585)
Net proceeds from investments	16,379	18,357
Proceeds from disposal of property and equipment	17	-
Net cash inflow from investing activities	<u>14,993</u>	<u>17,397</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Shareholders' dividend paid	<u>(27,320)</u>	<u>(27,320)</u>
Net cash outflow from financing activities	<u>(27,320)</u>	<u>(27,320)</u>
<b>CASH AND CASH EQUIVALENTS</b>		
Net increase/(decrease) during the financial period	39,448	(77,669)
Cash and cash equivalents at 1 January	29,654	112,342
Cash and cash equivalents at 30 September (Note 27)	<u>69,102</u>	<u>34,673</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 30.09.2012 RM'000</b>	<b>As at 30.09.2011 RM'000</b>
Cash and bank balances	37,983	15,379
Short-term deposits	31,119	19,294
Cash and cash equivalents	<u>69,102</u>	<u>34,673</u>

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