MANULIFE HOLDINGS BERHAD Interim financial statements for the twelve months period ended 31 December 2012

Unaudited Condensed Consolidated Statement of Financial Position

Assets	As at <u>31.12.2012</u> RM'000	Restated As at <u>31.12.2011</u> RM'000	Restated As at <u>01.01.2011</u> RM'000
Property and equipment	20,183	20,201	15,168
Investment properties	81,741	81,173	82,497
Intangible assets	2,617	2,136	2,561
Available-for-sale financial assets	2,550,577	2,410,876	2,196,016
Fair value through profit or loss financial assets	714,785	656,565	673,551
Loans and receivables	606,899	545,008	582,788
Reinsurance assets	3,268	3,021	2,368
Deferred tax assets	64	80	561
Insurance receivables	27,995	27,123	24,512
Current tax assets	3	4,169	8
Cash and cash equivalents (Note 27)	46,770	29,654	112,342
Total Assets	4,054,902	3,780,006	3,692,372
Equity, Policyholders' Funds and Liabilities Share capital Share premium Retained earnings Other reserves Total Equity	101,185 1,884 598,734 37,123 738,926	101,185 1,884 577,099 24,972 705,140	101,185 1,884 563,513 25,100 691,682
Insurance contract liabilities (Note 26)	2,803,687	2,607,779	2,548,269
Insurance claim liabilities	36,133	35,371	28,885
Deferred tax liabilities	47,691	65,636	77,429
Insurance payables	348,676	328,461	294,114
Current tax liabilities	13,284	4,167	6,777
Other payables	66,505	33,452	45,216
Total Liabilities	3,315,976	3,074,866	3,000,690
Total Equity, Policyholders' Funds and Liabilities	4,054,902	3,780,006	3,692,372
Net Assets Per Share (RM)	3.65	3.48	3.42

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

MANULIFE HOLDINGS BERHAD

Interim financial statements for the twelve months period ended 31 December 2012

Unaudited Condensed Consolidated Statement of Comprehensive Income

Permium income		3 m 31.12.2012 RM'000	Restated onths ended 31.12.2011 RM'000	12 m <u>31.12.2012</u> RM'000	Restated Cumulative onths ended 31.12.2011 RM'000
Second communication	Premium income				
Permitums ceded to reinsurers 3,064 3,058 (10,499 410,582) Net premitums (Note 20) 148,399 141,113 504,867 477,322 Investment income (Note 21) 39,353 39,576 158,217 151,554 Net realised gains 2,063 20,882 35,487		151.373	143.171	515.366	487.905
Net premiums (Note 20)	·		•	•	
Investment income (Note 21) 39,353 39,576 158,217 151,554 Net realised gains 23,585 - 68,223 52,399 Net fair value gains 2,663 20,882 35,487 Fee income 458 364 1,775 1,415 Cither operating income 214,583 201,485 769,518 687,326 Total revenue 214,583 201,485 769,518 687,326 Gross benefits and claims paid (96,233) (137,208) (375,286) (422,855) Gross benefits and claims paid (96,233) (137,208) (375,286) (422,855) Gross change to contract liabilities (57,885) (34,724) (169,824) (75,299) Net claims (153,054) (170,997) (539,395) (494,298) Net air value losses (21,513) (18,811) (73,811) (65,763) Net fair value losses (27,363) (15,927) (77,199) (54,955) Investment expenses (27,363) (15,927) (77,199) (54,955) Investment expenses (778) (783) (3,655) (3,315) Other operating expenses (Note 22) (3,126) (3,576) (18,706) (9,803) Other expenses (52,780) (39,280) (173,321) (143,295) Profit/(loss) before taxation (Note 23) (8,749) (3,792) (39,803) Net profit/(loss) tor the period/year (3,31) (2,441) (7,847) (3,827) Net profit/(loss) to the period/year (2,782) (1,759) (90) 106 Other comprehensive income: Fair value change (2,782) (1,759) (90) 106 Net gain/(loss) for mevaluation of properties (2,782) (1,759) (1,799) (1,799) - Net gain/(loss) (2,780) (1,799) (3,900) Total comprehensive income for the period/year (1,907) (2,516) (1,759) (3,900) Total comprehensive income attributable to: Equity holders of the Company (3,418) (6,351) (48,955) (4,078) Total comprehensive income attributable to: Equity holders of the Company (4,0778) (4,0778)					
Net realised gains 23,585 68,223 52,399 Net fair value gains 2,663 20,882 35,487 Fee income 458 364 1,775 1,415 Other operating income 215 550 949 4,635 Total revenue 214,583 201,485 769,518 687,326 Gross benefits and claims paid (96,233) (137,208) (375,286) (422,856) Claims ceded to reinsurers 1,064 935 5,715 3,857 Gross benefits and claims paid (96,233) (137,208) (375,286) (422,856) Claims ceded to reinsurers 1,064 935 5,715 3,857 Gross benefits and claims paid (96,233) (137,208) (375,286) (422,856) Claims ceded to reinsurers (17,087) (17,097) (589,392) (494,298) Wet claims (18,081) (18,081) (73,911) (65,763) Net claims (18,081) (18,081) (17,982) (17,981) (3,962) (17,199) (18,085	Investment income (Note 21)		•	•	
Net fair value gains			-		52,399
Child revenue 215 550 949 4.635 Total revenue 214,583 201,485 769,518 687,326 Gross benefits and claims paid (96,233) (137,208) (375,286) (42,2856) Claims ceded to reinsurers 1,064 935 5,715 3,857 Gross change to contract liabilities (57,885) (34,724) (169,824) (75,299) Net claims (153,054) (170,997) (539,395) (494,299) Fee and commission expenses (21,513) (18,811) (73,811) (65,763) Net fair value losses (27,363) (15,927) (77,199) (54,956) Investment expenses (27,363) (15,927) (77,199) (54,956) Investment expenses (778) (783) (3,605) (3,315) Other operating expenses (Note 22) (3,126) (3,676) (18,706) (9,803) Other expenses (52,780) (39,280) (173,321) (143,295) Profit/(loss) before taxation (Note 23) 8,749 (8,792) (2,663	20,882	35,487	-
Company	Fee income	458	364	1,775	1,415
Gross benefits and claims paid (96,233) (137,208) (375,286) (422,856) Claims ceded to reinsurers 1,064 935 5,715 3,857 Gross change to contract liabilities (57,885) (34,724) (169,824) (75,299) Net claims (153,054) (170,997) (539,395) (494,298) Net claims (153,054) (170,997) (539,395) (494,298) Net claims (21,513) (18,811) (7,3811) (86,763) Net flair value losses (21,513) (18,813) (7,3811) (86,763) Net flair value losses (27,363) (15,927) (77,199) (54,956) (19,927) (77,199) (54,956) (19,927) (77,199) (54,956) (19,927) (77,199) (54,956) (19,927) (77,199) (54,956) (19,927) (77,199) (54,956) (19,927) (77,199) (54,956) (19,927) (77,199) (54,956) (19,927) (77,199) (54,956) (19,927) (77,199) (54,956) (19,927) (173,321) (143,295) (19,928) (173,321) (143,295) (19,928) (173,321) (143,295) (19,928) (173,321) (143,295) (19,928) (173,321) (143,295) (19,928) (173,321) (143,295) (19,928) (19,928) (173,321) (143,295) (19,928) (19,92	Other operating income	215	550	949	4,635
Claims ceded to reinsurers	Total revenue	214,583	201,485	769,518	687,326
Comparison of the period of	· ·		, , ,	, , ,	, ,
Net claims					
Pee and commission expenses (21,513) (18,811) (73,811) (65,783)	· · · · · · · · · · · · · · · · · · ·				
Net fair value losses - (83) - (9,458)	Net claims	(153,054)	(170,997)	(539,395)	(494,298)
Management expenses (27,363) (15,927) (77,199) (54,956) Investment expenses (778) (783) (3,065) (3,315) Other operating expenses (Note 22) (3,126) (3,676) (18,706) (9,803) Other expenses (52,780) (39,280) (173,321) (143,295) Profit/(loss) before taxation (Note 23) 8,749 (8,792) 56,802 49,733 Taxation (Note 24) (331) 2,441 (7,847) (8,827) Net profit/(loss) for the period/year 8,418 (6,351) 48,955 40,906 Other comprehensive income: Fair value change of available-for-sale financial assets: 2,782 10,266 11,292 (594) Obegred taxation (223) (1,759) (90) 106 Net gain/(loss) 2,559 8,507 11,202 (488) Surplus from revaluation of properties Gross surplus from revaluation - 480 - 480 Provision for)/reversal of deferred taxation - (120) <t< td=""><td></td><td>(21,513)</td><td></td><td>(73,811)</td><td>, ,</td></t<>		(21,513)		(73,811)	, ,
Investment expenses (778) (783) (3,605) (3,315) Other operating expenses (Note 22) (3,126) (3,676) (18,706) (9,803) Other expenses (52,780) (39,280) (173,321) (143,295) Profit/(loss) before taxation (Note 23)		-		=	
Other operating expenses (Note 22) (3,126) (3,676) (18,706) (9,803) Other expenses (52,780) (39,280) (173,321) (143,295) Profit/(loss) before taxation (Note 23) 8,749 (8,792) 56,802 49,733 Taxation (Note 24) (331) 2,441 (7,847) (8,827) Net profit/(loss) for the period/year 8,418 (6,351) 48,955 40,906 Other comprehensive income: Fair value change of available-for-sale financial assets: 2,782 10,266 11,292 (594) Gross fair value change 2,782 10,266 11,292 (594) Deferred taxation (223) (1,759) (90) 106 Net gain/(loss) 2,559 8,507 11,202 (488) Surplus from revaluation of properties Gross surplus from revaluation - 480 - 480 (Provision for)/reversal of deferred taxation - 480 949 360 Total comprehensive income for the period/year 10,977 2,516 61,106	•				
Other expenses (52,780) (39,280) (173,321) (143,295) Profit/(loss) before taxation (Note 23) 8,749 (8,792) 56,802 49,733 Taxation (Note 24) (331) 2,441 (7,847) (8,827) Net profit/(loss) for the period/year 8,418 (6,351) 48,955 40,906 Other comprehensive income: Fair value change of available-for-sale financial assets: - - - 48,955 40,906 Other comprehensive income: 2,782 10,266 11,292 (594) - Deferred taxation (223) (1,759) (90) 106 - Net gain/(loss) 2,559 8,507 11,202 (488) Surplus from revaluation of properties - Gross surplus from revaluation - 480 - 480 - (Provision for)/reversal of deferred taxation - (120) 949 (120) - Net gain - 360 949 360 Total comprehensive income for the period/year 10,977 2,516	•	` '	, ,		
Profit/(loss) before taxation (Note 23) 8,749 (331) 56,802 (49,733) 49,733 Taxation (Note 24) (331) 2,441 (7,847) (8,827) Net profit/(loss) for the period/year 8,418 (6,351) 48,955 40,906 Other comprehensive income: Fair value change of available-for-sale financial assets: - - 10,266 11,292 (594) - (594) -					
Comparison (Note 24) Company C	Other expenses	(52,780)	(39,280)	(173,321)	(143,295)
Net profit/(loss) for the period/year 8,418 (6,351) 48,955 40,906 Other comprehensive income: Fair value change of available-for-sale financial assets:		,			
Other comprehensive income: Fair value change of available-for-sale financial assets: 2,782 10,266 11,292 (594) - Deferred taxation (223) (1,759) (90) 106 - Net gain/(loss) 2,559 8,507 11,202 (488) Surplus from revaluation of properties - 480 - 480 - (Provision for)/reversal of deferred taxation - (120) 949 (120) - Net gain - 360 949 360 Total comprehensive income for the period/year 10,977 2,516 61,106 40,778 Net profit/(loss) attributable to: Equity holders of the Company 8,418 (6,351) 48,955 40,906 Total comprehensive income attributable to: Equity holders of the Company 10,977 2,516 61,106 40,778					
Fair value change of available-for-sale financial assets: - Gross fair value change - Deferred taxation - Net gain/(loss) Surplus from revaluation of properties - Gross surplus from revaluation - (Provision for)/reversal of deferred taxation - (Provision for)/reversal of deferred taxation - Net gain - Total comprehensive income for the period/year Net profit/(loss) attributable to: Equity holders of the Company Pair value change - 2,782 10,266 11,292 (594) - 11,202 (488) - 2,559 8,507 11,202 (488) - 480 - 480 - 480 - (120) 949 (120) - Net gain - 360 949 360 - 360 949 360 - Total comprehensive income for the period/year - 10,977 2,516 61,106 40,778 - Total comprehensive income attributable to: Equity holders of the Company - 10,977 2,516 61,106 40,778	Net profit/(loss) for the period/year	8,418	(6,351)	48,955	40,906
Deferred taxation	Fair value change of available-for-sale financial assets:				
- Net gain/(loss) 2,559 8,507 11,202 (488) Surplus from revaluation of properties - 480 - 480 - (Provision for)/reversal of deferred taxation - (120) 949 (120) - Net gain - 360 949 360 Total comprehensive income for the period/year 10,977 2,516 61,106 40,778 Net profit/(loss) attributable to: Equity holders of the Company 8,418 (6,351) 48,955 40,906 Total comprehensive income attributable to: Equity holders of the Company 10,977 2,516 61,106 40,778	3			•	
Surplus from revaluation of properties - Gross surplus from revaluation - (Provision for)/reversal of deferred taxation - Net gain - 360 Total comprehensive income for the period/year Net profit/(loss) attributable to: Equity holders of the Company Total comprehensive income attributable to: Equity holders of the Company 10,977 2,516 61,106 48,955 40,906 Total comprehensive income attributable to: Equity holders of the Company 10,977 2,516 61,106 40,778				\ /	
- Gross surplus from revaluation - 480 - 480 - (Provision for)/reversal of deferred taxation - (120) 949 (120) - Net gain - 360 949 360 Total comprehensive income for the period/year 10,977 2,516 61,106 40,778 Net profit/(loss) attributable to: Equity holders of the Company 8,418 (6,351) 48,955 40,906 Total comprehensive income attributable to: Equity holders of the Company 10,977 2,516 61,106 40,778	- Net gain/(loss)	2,559	8,507	11,202	(488)
- (Provision for)/reversal of deferred taxation - (120) 949 (120) - Net gain - 360 949 360 Total comprehensive income for the period/year Net profit/(loss) attributable to: Equity holders of the Company 8,418 (6,351) 48,955 40,906 Total comprehensive income attributable to: Equity holders of the Company 10,977 2,516 61,106 40,778	Surplus from revaluation of properties				
- (Provision for)/reversal of deferred taxation - (120) 949 (120) - Net gain - 360 949 360 Total comprehensive income for the period/year Net profit/(loss) attributable to: Equity holders of the Company 8,418 (6,351) 48,955 40,906 Total comprehensive income attributable to: Equity holders of the Company 10,977 2,516 61,106 40,778	- Gross surplus from revaluation	-	480	-	480
- Net gain - 360 949 360 Total comprehensive income for the period/year 10,977 2,516 61,106 40,778 Net profit/(loss) attributable to: Equity holders of the Company 8,418 (6,351) 48,955 40,906 Total comprehensive income attributable to: Equity holders of the Company 10,977 2,516 61,106 40,778	- (Provision for)/reversal of deferred taxation	-	(120)	949	(120)
Net profit/(loss) attributable to: Equity holders of the Company 8,418 (6,351) 48,955 40,906 Total comprehensive income attributable to: Equity holders of the Company 10,977 2,516 61,106 40,778	,	-	•		
Net profit/(loss) attributable to: Equity holders of the Company 8,418 (6,351) 48,955 40,906 Total comprehensive income attributable to: Equity holders of the Company 10,977 2,516 61,106 40,778	Total comprehensive income for the period/year	10,977	2,516	61,106	40,778
Equity holders of the Company 8,418 (6,351) 48,955 40,906 Total comprehensive income attributable to: Equity holders of the Company 10,977 2,516 61,106 40,778		-			
Total comprehensive income attributable to: Equity holders of the Company 10,977 2,516 61,106 40,778					
Equity holders of the Company	Equity holders of the Company	8,418	(6,351)	48,955	40,906
	•				
Basic earnings/(loss) per share (sen) (Note 25) 4.16 (3.14) 24.19 20.21	Equity holders of the Company	10,977	2,516	61,106	40,778
	Basic earnings/(loss) per share (sen) (Note 25)	4.16	(3.14)	24.19	20.21

MANULIFE HOLDINGS BERHAD

Interim financial statements for the twelve months period ended 31 December 2012

Unaudited Condensed Consolidated Statement of Changes in Equity

	Share <u>capital</u> RM'000	Share premium RM'000	Asset revaluation reserve RM'000	Currency translation reserve RM'000	Fair value <u>reserve</u> RM'000	Retained earnings RM'000	<u>Total</u> RM'000
At 1 January 2012 - As previously reported	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
At 1 January 2012 - Restated (Note 2 and Note 28)	101,185	1,884	2,846		22,126	577,099	705,140
Total comprehensive income for the year	-	-	949	-	11,202	48,955	61,106
Final dividends paid for the financial year ended 31 December 2011	-	-	-	-	-	(27,320)	(27,320)
At 31 December 2012	101,185	1,884	3,795	-	33,328	598,734	738,926
At 1 January 2011 - As previously reported	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
At 1 January 2011 - Restated (Note 2 and Note 28)	101,185	1,884	2,486		22,614	563,513	691,682
Total comprehensive income for the year	-	-	360	-	(488)	40,906	40,778
Final dividends paid for the financial year ended 31 December 2010	-	-	-	-	-	(27,320)	(27,320)
At 31 December 2011 - Restated	101,185	1,884	2,846	<u>-</u>	22,126	577,099	705,140

Included in the retained earnings are surplus from non-participating life fund of the insurance subsidiary (net of deferred tax) of approximately RM 71,719,000 (1 January 2012/31 December 2011: RM 120,469,000; 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 twelve months period ended 31 December 2012

Unaudited Condensed Consolidated Statement of Cash Flows

	12 months ended <u>31.12.2012</u> RM'000	12 months ended 31.12.2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	555	1 000
Net profit attributable to shareholders	48,955	40,906
Adjustments for non-cash items	(54,044)	(101,943)
Operating loss before changes in operating assets and liabilites	(5,089)	(61,037)
Net purchase of investments Net investment income received Decrease in loans receivables (Increase)/decrease in other receivables Increase in fixed and call deposits Increase in insurance claims liabilities Increase in payables	(102,004) 150,816 13,679 (13,418) (62,342) 515 53,268	(178,899) 141,856 32,705 4,551 (2,499) 5,833 22,547
Cash generated from/(used in) operations	35,425	(34,943)
Income taxes paid	(26,072)	(31,496)
Net cash inflow/(outflow) from operating activities	9,353	(66,439)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment Purchase of intangible assets Net proceeds from investments Proceeds from disposal of property and equipment Net cash inflow from investing activities	(1,975) (1,413) 38,459 12 35,083	(2,050) (474) 13,594 1 11,071
CASH FLOWS FROM FINANCING ACTIVITIES		
Shareholders' dividend paid Net cash outflow from financing activities	(27,320) (27,320)	(27,320) (27,320)
CASH AND CASH EQUIVALENTS		
Net increase/(decrease) during the financial year Cash and cash equivalents at 1 January	17,116 29,654	(82,688) 112,342
Cash and cash equivalents at 31 December (Note 27)	46,770	29,654

CASH AND CASH EQUIVALENTS

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

	As at <u>31.12.2012</u> RM'000	As at <u>31.12.2011</u> RM'000
Cash and bank balances	33,818	22,262
Short-term deposits	12,952	7,392
Cash and cash equivalents	46,770	29,654

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