

MANULIFE HOLDINGS BERHAD

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

Unaudited Condensed Consolidated Statement of Financial Position

	As at 31.12.2012 RM'000	Restated As at 31.12.2011 RM'000	Restated As at 01.01.2011 RM'000
Assets			
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 (<i>Note 27</i>)	46,770	29,654	112,342
Total Assets	4,054,902	3,780,006	3,692,372
Equity, Policyholders' Funds and Liabilities			
Share capital	101,185	101,185	101,185
Share premium	1,884	1,884	1,884
Retained earnings	598,734	577,099	563,513
Other reserves	37,123	24,972	25,100
Total Equity	738,926	705,140	691,682
Insurance contract liabilities (<i>Note 26</i>)	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

	Restated		Restated	
	3 months ended		12 months ended	
	<u>31.12.2012</u>	<u>31.12.2011</u>	<u>31.12.2012</u>	<u>31.12.2011</u>
	RM'000	RM'000	RM'000	RM'000
Premium income				
Gross premiums	151,373	143,171	515,366	487,905
Premiums ceded to reinsurers	(3,064)	(3,058)	(10,499)	(10,582)
Net premiums (Note 20)	<u>148,309</u>	<u>140,113</u>	<u>504,867</u>	<u>477,323</u>
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
Other operating income	215	550	949	4,635
Total revenue	<u>214,583</u>	<u>201,485</u>	<u>769,518</u>	<u>687,326</u>
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	<u>(57,885)</u>	<u>(34,724)</u>	<u>(169,824)</u>	<u>(75,299)</u>
Net claims	<u>(153,054)</u>	<u>(170,997)</u>	<u>(539,395)</u>	<u>(494,298)</u>
Fee and commission expenses	(21,513)	(18,811)	(73,811)	(65,763)
Net fair value losses	-	(83)	-	(9,458)
Management expenses	(27,363)	(15,927)	(77,199)	(54,956)
Investment expenses	(778)	(783)	(3,605)	(3,315)
Other operating expenses (Note 22)	<u>(3,126)</u>	<u>(3,676)</u>	<u>(18,706)</u>	<u>(9,803)</u>
Other expenses	<u>(52,780)</u>	<u>(39,280)</u>	<u>(173,321)</u>	<u>(143,295)</u>
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	<u>8,418</u>	<u>(6,351)</u>	<u>48,955</u>	<u>40,906</u>
Other comprehensive income:				
Fair value change of available-for-sale financial assets:				
- 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	-	(120)	949	(120)
- Net gain	-	360	949	360
Total comprehensive income for the period/year	<u>10,977</u>	<u>2,516</u>	<u>61,106</u>	<u>40,778</u>
Net profit/(loss) attributable to:				
Equity holders of the Company	<u>8,418</u>	<u>(6,351)</u>	<u>48,955</u>	<u>40,906</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>10,977</u>	<u>2,516</u>	<u>61,106</u>	<u>40,778</u>
Basic earnings/(loss) per share (sen) (Note 25)	<u>4.16</u>	<u>(3.14)</u>	<u>24.19</u>	<u>20.21</u>

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 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 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	<u>101,185</u>	<u>1,884</u>	<u>3,795</u>	<u>-</u>	<u>33,328</u>	<u>598,734</u>	<u>738,926</u>
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	<u>101,185</u>	<u>1,884</u>	<u>2,846</u>	<u>-</u>	<u>22,126</u>	<u>577,099</u>	<u>705,140</u>

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

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

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