

**MANULIFE HOLDINGS BERHAD**

Interim financial statements for the three months period ended 31 March 2013

**Unaudited Condensed Consolidated Statement of Financial Position**

	<b>As at 31.03.2013 RM'000</b>	<b>As at 31.12.2012 RM'000</b>
<b>Assets</b>		
Property and equipment	20,211	20,183
Investment properties	81,741	81,741
Intangible assets	3,210	2,617
Available-for-sale financial assets	2,589,190	2,550,577
Fair value through profit or loss financial assets	707,859	714,785
Loans and receivables	563,495	606,890
Reinsurance assets	3,481	3,268
Insurance receivables	18,075	27,995
Deferred tax assets	72	64
Current tax assets	3	3
Cash and cash equivalents ( <i>Note 27</i> )	54,517	46,779
<b>Total Assets</b>	<b>4,041,854</b>	<b>4,054,902</b>
<b>Equity, Policyholders' Funds and Liabilities</b>		
Share capital	101,185	101,185
Share premium	1,884	1,884
Retained earnings	602,777	598,734
Other reserves	36,509	37,123
<b>Total Equity</b>	<b>742,355</b>	<b>738,926</b>
Insurance contract liabilities ( <i>Note 26</i> )	2,813,730	2,803,687
Insurance claim liabilities	39,050	36,133
Deferred tax liabilities	46,627	47,691
Insurance payables	346,795	348,676
Current tax liabilities	10,975	13,284
Other payables	42,322	66,505
<b>Total Liabilities</b>	<b>3,299,499</b>	<b>3,315,976</b>
<b>Total Equity, Policyholders' Funds and Liabilities</b>	<b>4,041,854</b>	<b>4,054,902</b>
<b>Net Assets Per Share (RM)</b>	<b>3.67</b>	<b>3.65</b>

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

**MANULIFE HOLDINGS BERHAD**  
Interim financial statements for the three months period ended 31 March 2013

**Unaudited Condensed Consolidated Statement of Comprehensive Income**

	3 months ended		Cumulative 3 months ended	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
	RM'000	RM'000	RM'000	RM'000
Premium income				
Gross premiums	118,193	111,984	118,193	111,984
Premiums ceded to reinsurers	(2,545)	(2,259)	(2,545)	(2,259)
Net premiums (Note 20)	115,648	109,725	115,648	109,725
Investment income (Note 21)	34,734	36,597	34,734	36,597
Net realised gains	8,171	12,777	8,171	12,777
Net fair value gains	-	20,125	-	20,125
Fee income	469	322	469	322
Other operating income	1,493	246	1,493	246
<b>Total revenue</b>	<b>160,515</b>	<b>179,792</b>	<b>160,515</b>	<b>179,792</b>
Gross benefits and claims paid	(89,008)	(85,333)	(89,008)	(85,333)
Claims ceded to reinsurers	664	1,235	664	1,235
Gross change in contract liabilities	(21,872)	(39,992)	(21,872)	(39,992)
<b>Net claims</b>	<b>(110,216)</b>	<b>(124,090)</b>	<b>(110,216)</b>	<b>(124,090)</b>
Fee and commission expenses	(16,573)	(15,641)	(16,573)	(15,641)
Net fair value losses	(132)	-	(132)	-
Investment expenses	(1,054)	(827)	(1,054)	(827)
Management expenses	(23,447)	(13,620)	(23,447)	(13,620)
Other operating expenses (Note 22)	(3,114)	(7,443)	(3,114)	(7,443)
<b>Other expenses</b>	<b>(44,320)</b>	<b>(37,531)</b>	<b>(44,320)</b>	<b>(37,531)</b>
<b>Profit before taxation (Note 23)</b>	<b>5,979</b>	<b>18,171</b>	<b>5,979</b>	<b>18,171</b>
Taxation (Note 24)	(1,936)	(1,009)	(1,936)	(1,009)
<b>Net profit for the period</b>	<b>4,043</b>	<b>17,162</b>	<b>4,043</b>	<b>17,162</b>
<b>Other comprehensive income:</b>				
Fair value change of available-for-sale financial assets:				
- Gross fair value change	(13,513)	26,594	(13,513)	26,594
- Deferred tax	1,070	(696)	1,070	(696)
- Net (losses)/gains	(12,443)	25,898	(12,443)	25,898
Change in insurance contract liabilities arising from unrealised net fair value losses/(gains)	11,829	(22,036)	11,829	(22,036)
	(614)	3,862	(614)	3,862
Surplus from revaluation of property				
- Gross surplus from revaluation	-	-	-	-
- Reversal of deferred tax	-	949	-	949
- Net gain	-	949	-	949
<b>Other comprehensive (loss)/ income for the period, net of tax</b>	<b>(614)</b>	<b>4,811</b>	<b>(614)</b>	<b>4,811</b>
<b>Total comprehensive income for the period</b>	<b>3,429</b>	<b>21,973</b>	<b>3,429</b>	<b>21,973</b>
<b>Net profit attributable to:</b>				
Equity holders of the Company	4,043	17,162	4,043	17,162
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	3,429	21,973	3,429	21,973
Basic earnings per share (sen) (Note 25)	2.00	8.48	2.00	8.48

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

**MANULIFE HOLDINGS BERHAD**  
**Interim financial statements for the three months period ended 31 March 2013**

**Unaudited Condensed Consolidated Statement of Changes in Equity**

	<b>Share capital</b> RM'000	<b>Share premium</b> RM'000	<b>Asset revaluation reserve</b> RM'000	<b>Currency translation reserve</b> RM'000	<b>Fair value reserve</b> RM'000	<b>Retained earnings</b> RM'000	<b>Total</b> RM'000
<b>At 1 January 2013</b>	101,185	1,884	3,795	-	33,328	598,734	738,926
Total comprehensive income for the period	-	-	-	-	(614)	4,043	3,429
<b>At 31 March 2013</b>	<u>101,185</u>	<u>1,884</u>	<u>3,795</u>	<u>-</u>	<u>32,714</u>	<u>602,777</u>	<u>742,355</u>
<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	-	-	-	(5,190)	8,860	125,659	129,329
<b>At 1 January 2012 - under MFRS</b>	<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>
Total comprehensive income for the period	-	-	949	-	3,862	17,162	21,973
<b>At 31 March 2012</b>	<u>101,185</u>	<u>1,884</u>	<u>3,795</u>	<u>-</u>	<u>25,988</u>	<u>594,261</u>	<u>727,113</u>

Included in the retained earnings are surplus from Non-participating life fund of the insurance subsidiary of the Group (net of deferred tax) of approximately RM71,719,000 (1 January 2013: RM71,719,000; 31 March 2012/1 January 2012: RM120,469,000). These amounts are only distributable upon the actual recommended transfer from the Non-participating life fund to the Shareholders' fund of the insurance subsidiary of the Group by the Appointed Actuary.

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**MANULIFE HOLDINGS BERHAD**

Interim financial statements for the three months period ended 31 March 2013

**Unaudited Condensed Consolidated Statement of Cash Flows**

	<b>3 months ended 31.03.2013 RM'000</b>	<b>3 months ended 31.03.2012 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit attributable to shareholders	4,043	17,162
Adjustments for non-cash items	(16,893)	(20,435)
Operating losses before changes in operating assets and liabilities	<u>(12,850)</u>	<u>(3,273)</u>
Purchase of investments	(288,654)	(234,423)
Proceeds from sale and maturity of investments	256,807	215,792
Interest income received	21,692	21,434
Dividend income received	4,105	6,500
Rental income received	1,752	1,746
Decrease in other receivables	20,827	5,036
Decrease in payables	(26,064)	(5,586)
Increase/(decrease) in insurance claims liabilities	2,704	(299)
Decrease/(increase) in fixed and call deposits	29,565	(581)
Decrease/(increase) in loan receivables	3,163	(1,498)
Cash generated from operations	<u>13,047</u>	<u>4,848</u>
Income taxes paid	(6,673)	(7,441)
Net cash inflow/(outflow) from operating activities	<u>6,374</u>	<u>(2,593)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(554)	(253)
Purchase of intangible assets	(909)	(136)
Purchase of investments	(1,122)	(9,839)
Proceeds from sale and maturity of investments	3,949	4,836
Net cash inflow/(outflow) from investing activities	<u>1,364</u>	<u>(5,392)</u>
<b>CASH AND CASH EQUIVALENTS</b>		
Net increase/(decrease) during the financial year	7,738	(7,985)
Cash and cash equivalents at 1 January	46,779	32,667
Cash and cash equivalents at 31 March (Note 27)	<u>54,517</u>	<u>24,682</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 31.03.2013 RM'000</b>	<b>As at 31.03.2012 RM'000</b>
Cash and bank balances	36,535	17,943
Short-term deposits	17,982	6,739
Cash and cash equivalents	<u>54,517</u>	<u>24,682</u>

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