

**MANULIFE HOLDINGS BERHAD**  
**Interim financial statements for the six months period ended 30 June 2013**

**Unaudited Condensed Consolidated Statement of Financial Position**

	<b>As at 30.06.2013 RM'000</b>	<b>As at 31.12.2012 RM'000</b>
<b>Assets</b>		
Property and equipment	19,851	20,183
Investment properties	81,741	81,741
Intangible assets	33,667	2,617
Available-for-sale financial assets	2,649,249	2,550,577
Fair value through profit or loss financial assets	650,015	714,785
Loans and receivables	577,339	606,890
Reinsurance assets	2,082	3,268
Insurance receivables	19,606	27,995
Deferred tax assets	79	64
Current tax assets	-	3
Cash and cash equivalents ( <i>Note 28</i> )	145,492	46,779
<b>Total Assets</b>	<b>4,179,121</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	594,603	598,734
Other reserves	30,877	37,123
<b>Equity attributable to the owners of the parent</b>	<b>728,549</b>	<b>738,926</b>
Non-controlling interests	2,090	-
<b>Total Equity</b>	<b>730,639</b>	<b>738,926</b>
Insurance contract liabilities ( <i>Note 27</i> )	2,897,277	2,803,687
Insurance claim liabilities	40,271	36,133
Deferred tax liabilities	46,779	47,691
Insurance payables	359,703	348,676
Current tax liabilities	12,540	13,284
Other payables	91,912	66,505
<b>Total Liabilities</b>	<b>3,448,482</b>	<b>3,315,976</b>
<b>Total Equity, Policyholders' Funds and Liabilities</b>	<b>4,179,121</b>	<b>4,054,902</b>
<b>Net Assets Per Share (RM)</b>	<b>3.60</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 six months period ended 30 June 2013**

**Unaudited Condensed Consolidated Statement of Comprehensive Income**

	3 months ended		Cumulative 6 months ended	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
Premium income				
Gross premiums	132,168	123,274	250,361	235,258
Premiums ceded to reinsurers	(2,556)	(2,558)	(5,101)	(4,817)
Net premiums (Note 21)	129,612	120,716	245,260	230,441
Investment income (Note 22)	43,981	41,346	78,715	77,943
Net realised gains	33,538	15,853	41,709	28,630
Net fair value gains	28,898	3,026	28,766	23,151
Fee income	469	347	938	669
Other operating income	(1,022)	257	471	503
<b>Total revenue</b>	<b>235,476</b>	<b>181,545</b>	<b>395,859</b>	<b>361,337</b>
Gross benefits and claims paid	(105,133)	(99,754)	(194,141)	(185,087)
Claims ceded to reinsurers	(96)	2,722	568	3,957
Gross change in contract liabilities	(65,194)	(36,076)	(87,066)	(76,068)
<b>Net claims</b>	<b>(170,423)</b>	<b>(133,108)</b>	<b>(280,639)</b>	<b>(257,198)</b>
Fee and commission expenses	(17,996)	(19,270)	(34,569)	(34,911)
Investment expenses	(645)	(773)	(1,699)	(1,600)
Management expenses	(23,756)	(16,453)	(47,203)	(30,073)
Other operating expenses (Note 23)	(2,655)	(225)	(5,769)	(7,668)
<b>Other expenses</b>	<b>(45,052)</b>	<b>(36,721)</b>	<b>(89,240)</b>	<b>(74,252)</b>
<b>Profit before taxation (Note 24)</b>	<b>20,001</b>	<b>11,716</b>	<b>25,980</b>	<b>29,887</b>
Taxation (Note 25)	(5,398)	(1,957)	(7,334)	(2,966)
<b>Net profit for the period</b>	<b>14,603</b>	<b>9,759</b>	<b>18,646</b>	<b>26,921</b>
<b>Net profit attributable to:</b>				
Owners of the Parent	14,593	9,759	18,636	26,921
Non-controlling interests	10	-	10	-
	<b>14,603</b>	<b>9,759</b>	<b>18,646</b>	<b>26,921</b>
<b>Other comprehensive income:</b>				
Fair value change of available-for-sale financial assets:				
- Gross fair value change	12,142	2,107	(1,371)	28,701
- Deferred tax	579	(591)	1,649	(1,287)
	12,721	1,516	278	27,414
- Changes in insurance contract liabilities arising from unrealised net fair value change	(18,353)	(196)	(6,524)	(22,232)
- Net fair value (losses)/gains	(5,632)	1,320	(6,246)	5,182
Surplus from revaluation of property				
- Gross surplus from revaluation	-	-	-	-
- Reversal of deferred tax	-	-	-	949
- Net gain	-	-	-	949
<b>Other comprehensive (loss)/ income for the period, net of tax</b>	<b>(5,632)</b>	<b>1,320</b>	<b>(6,246)</b>	<b>6,131</b>
<b>Total comprehensive income for the period</b>	<b>8,971</b>	<b>11,079</b>	<b>12,400</b>	<b>33,052</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Parent	8,961	11,079	12,390	33,052
Non-controlling interests	10	-	10	-
	<b>8,971</b>	<b>11,079</b>	<b>12,400</b>	<b>33,052</b>
Basic earnings per share (sen) (Note 26)	7.21	4.82	9.21	13.30

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 2013

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

	Attributable to owners of the parent					Non-controlling interests RM'000	Total RM'000
	Share capital RM'000	Share premium RM'000	Asset revaluation reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000		
<b>At 1 January 2013</b>	101,185	1,884	3,795	33,328	598,734	-	738,926
Non-controlling interest arising from business combination	-	-	-	-	-	2,080	2,080
Total comprehensive income for the period	-	-	-	(6,246)	18,636	10	12,400
Final dividends for the financial year ended 31 December 2012	-	-	-	-	(22,767)	-	(22,767)
<b>At 30 June 2013</b>	<u>101,185</u>	<u>1,884</u>	<u>3,795</u>	<u>27,082</u>	<u>594,603</u>	<u>2,090</u>	<u>730,639</u>
<b>At 1 January 2012</b>	101,185	1,884	2,846	22,126	577,099	-	705,140
Total comprehensive income for the period	-	-	949	5,182	26,921	-	33,052
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>27,308</u>	<u>576,700</u>	<u>-</u>	<u>710,872</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; 30 June 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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**Interim financial statements for the six months period ended 30 June 2013**

**Unaudited Condensed Consolidated Statement of Cash Flows**

	<b>6 months ended 30.06.2013 RM'000</b>	<b>6 months ended 30.06.2012 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit for the period	18,646	26,921
Adjustments for non-cash items	(48,986)	(41,593)
Operating losses before changes in operating assets and liabilities	<u>(30,340)</u>	<u>(14,672)</u>
Purchase of investments	(697,418)	(571,470)
Proceeds from sale and maturity of investments	895,502	516,958
Interest income received	54,853	54,547
Dividend income received	16,434	14,963
Rental income received	3,766	3,486
Decrease/(increase) in other receivables	4,122	(1,373)
Increase in payables	13,666	13,449
Increase in insurance claims liabilities	5,324	2,513
Decrease in fixed and call deposits	22,599	16,828
Decrease in loan receivables	12,888	4,615
Cash generated from operations	<u>301,396</u>	<u>39,844</u>
Income taxes paid	(12,031)	(14,071)
Net cash inflow from operating activities	<u>289,365</u>	<u>25,773</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(733)	(567)
Purchase of intangible assets	(31,736)	(195)
Purchase of investments	(181,313)	(16,313)
Proceeds from sale and maturity of investments	21,050	29,388
Net cash (outflow)/inflow from investing activities	<u>(192,732)</u>	<u>12,313</u>
<b>CASH FLOW FROM FINANCING ACTIVITY</b>		
Non-controlling interest arising from business combination	2,080	-
Net cash inflow from financing activity	<u>2,080</u>	<u>-</u>
<b>CASH AND CASH EQUIVALENTS</b>		
Net increase during the financial period	98,713	38,086
Cash and cash equivalents at 1 January	46,779	32,667
Cash and cash equivalents at 30 June (Note 28)	<u>145,492</u>	<u>70,753</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 30.06.2013 RM'000</b>	<b>As at 30.06.2012 RM'000</b>
Cash and bank balances	46,461	18,848
Short-term deposits	99,031	51,905
Cash and cash equivalents	<u>145,492</u>	<u>70,753</u>

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