

**MANULIFE HOLDINGS BERHAD**

Interim financial statements for the nine months period ended 30 September 2013

**Unaudited Condensed Consolidated Statement of Financial Position**

	<b>As at 30.09.2013 RM'000</b>	<b>As at 31.12.2012 RM'000</b>
<b>Assets</b>		
Property and equipment	19,604	20,183
Investment properties	81,741	81,741
Intangible assets	33,378	2,617
Available-for-sale financial assets	2,618,326	2,550,577
Fair value through profit or loss financial assets	741,603	714,785
Loans and receivables	626,410	606,890
Reinsurance assets	1,832	3,268
Insurance receivables	18,600	27,995
Deferred tax assets	95	64
Current tax assets	-	3
Cash and cash equivalents ( <i>Note 28</i> )	133,088	46,779
<b>Total Assets</b>	<b>4,274,677</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	615,588	598,734
Other reserves	24,235	37,123
<b>Equity attributable to the owners of the parent</b>	<b>742,892</b>	<b>738,926</b>
Non-controlling interests	1,894	-
<b>Total Equity</b>	<b>744,786</b>	<b>738,926</b>
Insurance contract liabilities ( <i>Note 27</i> )	2,958,095	2,803,687
Insurance claim liabilities	43,284	36,133
Deferred tax liabilities	42,083	47,691
Insurance payables	356,126	348,676
Current tax liabilities	4,432	13,284
Other payables	125,871	66,505
<b>Total Liabilities</b>	<b>3,529,891</b>	<b>3,315,976</b>
<b>Total Equity, Policyholders' Funds and Liabilities</b>	<b>4,274,677</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 nine months period ended 30 September 2013

**Unaudited Condensed Consolidated Statement of Comprehensive Income**

	3 months ended		Cumulative 9 months ended	
	30.09.2013 RM'000	30.09.2012 RM'000	30.09.2013 RM'000	30.09.2012 RM'000
Premium income				
Gross premiums	214,004	128,735	464,365	363,993
Premiums ceded to reinsurers	(2,708)	(2,618)	(7,809)	(7,435)
Net premiums (Note 21)	211,296	126,117	456,556	356,558
Investment income (Note 22)	41,120	40,921	119,835	118,864
Net realised gains	29,379	16,008	71,088	44,638
Net fair value gains	5,482	9,673	34,248	32,824
Fee income	4,056	648	4,994	1,317
Other operating income	325	231	796	734
<b>Total revenue</b>	<b>291,658</b>	<b>193,598</b>	<b>687,517</b>	<b>554,935</b>
Gross benefits and claims paid	(109,664)	(93,966)	(303,805)	(279,053)
Claims ceded to reinsurers	176	694	744	4,651
Gross change in contract liabilities	(108,978)	(35,871)	(196,044)	(111,939)
<b>Net claims</b>	<b>(218,466)</b>	<b>(129,143)</b>	<b>(499,105)</b>	<b>(386,341)</b>
Fee and commission expenses	(21,203)	(17,387)	(55,772)	(52,298)
Investment expenses	(1,167)	(1,227)	(2,866)	(2,827)
Management expenses	(29,071)	(19,763)	(76,274)	(49,836)
Other operating expenses (Note 23)	1,129	(7,912)	(4,640)	(15,580)
<b>Other expenses</b>	<b>(50,312)</b>	<b>(46,289)</b>	<b>(139,552)</b>	<b>(120,541)</b>
<b>Profit before taxation (Note 24)</b>	<b>22,880</b>	<b>18,166</b>	<b>48,860</b>	<b>48,053</b>
Taxation (Note 25)	(1,893)	(4,550)	(9,227)	(7,516)
<b>Net profit for the period</b>	<b>20,987</b>	<b>13,616</b>	<b>39,633</b>	<b>40,537</b>
<b>Net profit attributable to:</b>				
Owners of the Parent	20,985	13,616	39,621	40,537
Non-controlling interests	2	-	12	-
	<b>20,987</b>	<b>13,616</b>	<b>39,633</b>	<b>40,537</b>
<b>Other comprehensive income:</b>				
Fair value change of available-for-sale financial assets:				
- Gross fair value change	(59,312)	11,952	(60,683)	40,653
- Deferred tax	4,510	(919)	6,159	(2,206)
	(54,802)	11,033	(54,524)	38,447
- Changes in insurance contract liabilities arising from unrealised net fair value change	48,160	(7,811)	41,636	(30,043)
- Net fair value (losses)/gains	(6,642)	3,222	(12,888)	8,404
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>(6,642)</b>	<b>3,222</b>	<b>(12,888)</b>	<b>9,353</b>
<b>Total comprehensive income for the period</b>	<b>14,345</b>	<b>16,838</b>	<b>26,745</b>	<b>49,890</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Parent	14,343	16,838	26,733	49,890
Non-controlling interests	2	-	12	-
	<b>14,345</b>	<b>16,838</b>	<b>26,745</b>	<b>49,890</b>
Basic earnings per share (sen) (Note 26)	10.37	6.73	19.58	20.03

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 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	-	738,926
Non-controlling interest arising from business combination	-	-	-	-	-	-	1,882	1,882
Total comprehensive income for the period	-	-	-	(12,888)	39,621	26,733	12	26,745
Final dividends for the financial year ended 31 December 2012	-	-	-	-	(22,767)	(22,767)	-	(22,767)
<b>At 30 September 2013</b>	<u>101,185</u>	<u>1,884</u>	<u>3,795</u>	<u>20,440</u>	<u>615,588</u>	<u>742,892</u>	<u>1,894</u>	<u>744,786</u>
<b>At 1 January 2012</b>	101,185	1,884	2,846	22,126	577,099	705,140	-	705,140
Total comprehensive income for the period	-	-	949	8,404	40,537	49,890	-	49,890
Final dividends for the financial year ended 31 December 2011	-	-	-	-	(27,320)	(27,320)	-	(27,320)
<b>At 30 September 2012</b>	<u>101,185</u>	<u>1,884</u>	<u>3,795</u>	<u>30,530</u>	<u>590,316</u>	<u>727,710</u>	<u>-</u>	<u>727,710</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 September 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.

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 2013**

**Unaudited Condensed Consolidated Statement of Cash Flows**

	<b>9 months ended 30.09.2013 RM'000</b>	<b>9 months ended 30.09.2012 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit for the period	39,633	40,537
Adjustments for non-cash items	(11,704)	(62,792)
Operating profits/(losses) before changes in operating assets and liabilities	<u>27,929</u>	<u>(22,255)</u>
Purchase of investments	(1,186,839)	(462,968)
Proceeds from sale and maturity of investments	1,332,977	458,515
Interest income received	78,814	76,504
Dividend income received	23,931	21,829
Rental income received	5,586	5,188
Increase in other receivables	(32,391)	(5,902)
Increase in payables	66,815	32,597
Increase in insurance claims liabilities	8,587	3,461
Decrease/(increase) in fixed and call deposits	11,729	(44,776)
Decrease in loan receivables	18,656	8,647
Cash generated from operations	<u>355,794</u>	<u>70,840</u>
Income taxes paid	(29,903)	(19,065)
Net cash inflow from operating activities	<u>325,891</u>	<u>51,775</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(1,011)	(718)
Purchase of intangible assets	(32,621)	(685)
Purchase of investments	(242,656)	(22,513)
Proceeds from sale and maturity of investments	57,591	38,892
Proceeds from disposal of property and equipment	-	17
Net cash (outflow)/inflow from investing activities	<u>(218,697)</u>	<u>14,993</u>
<b>CASH FLOW FROM FINANCING ACTIVITY</b>		
Shareholders' dividend paid	(22,767)	(27,320)
Non-controlling interest arising from business combination	1,882	-
Net cash outflow from financing activities	<u>(20,885)</u>	<u>(27,320)</u>
<b>CASH AND CASH EQUIVALENTS</b>		
Net increase during the financial period	86,309	39,448
Cash and cash equivalents at 1 January	46,779	29,654
Cash and cash equivalents at 30 September (Note 28)	<u>133,088</u>	<u>69,102</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 30.09.2013 RM'000</b>	<b>As at 30.09.2012 RM'000</b>
Cash and bank balances	132,770	37,983
Short-term deposits	318	31,119
Cash and cash equivalents	<u>133,088</u>	<u>69,102</u>

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