

MANULIFE HOLDINGS BERHAD

Interim financial statements for the twelve months period ended 31 December 2013

Unaudited Condensed Consolidated Statement of Financial Position

	As at 31.12.2013 RM'000	As at 31.12.2012 RM'000
Assets		
Property and equipment	30,371	20,183
Investment properties	78,622	81,741
Intangible assets	120,587	2,617
Available-for-sale financial assets	2,568,350	2,550,577
Fair value through profit or loss financial assets	912,252	714,785
Loans and receivables	637,770	606,890
Reinsurance assets	1,640	3,268
Insurance receivables	26,969	27,995
Deferred tax assets	84	64
Current tax assets	11	3
Cash and cash equivalents (Note 28)	57,657	46,779
Total Assets	4,434,313	4,054,902
Equity, Policyholders' Funds and Liabilities		
Share capital	101,185	101,185
Share premium	1,884	1,884
Retained earnings	634,209	598,734
Other reserves	16,353	37,123
Equity attributable to the owners of the parent	753,631	738,926
Non-controlling interests	3,669	-
Total Equity	757,300	738,926
Insurance contract liabilities (Note 27)	3,072,737	2,803,687
Insurance claim liabilities	41,001	36,133
Deferred tax liabilities	42,168	47,691
Insurance payables	364,488	348,676
Current tax liabilities	4,971	13,284
Other payables	151,648	66,505
Total Liabilities	3,677,013	3,315,976
Total Equity, Policyholders' Funds and Liabilities	4,434,313	4,054,902
Net Assets Per Share (RM)	3.72	3.65

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 2013

Unaudited Condensed Consolidated Statement of Profit or Loss

	3 months ended		Cumulative	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Premium income				
Gross premiums	220,900	151,373	685,265	515,366
Premiums ceded to reinsurers	(3,204)	(3,064)	(11,013)	(10,499)
Net premiums <i>(Note 21)</i>	217,696	148,309	674,252	504,867
Investment income <i>(Note 22)</i>	46,258	39,353	166,093	158,217
Net realised gains	29,902	23,585	100,990	68,223
Net fair value gains	35,575	2,663	69,823	35,487
Fee income	605	458	5,599	1,775
Other operating income	345	215	1,141	949
Total revenue	330,381	214,583	1,017,898	769,518
Gross benefits and claims paid	(120,448)	(96,233)	(424,253)	(375,286)
Claims ceded to reinsurers	781	1,064	1,525	5,715
Gross change in contract liabilities	(126,756)	(57,885)	(322,800)	(169,824)
Net claims	(246,423)	(153,054)	(745,528)	(539,395)
Fee and commission expenses	(22,280)	(21,513)	(78,052)	(73,811)
Investment expenses	(378)	(778)	(3,244)	(3,605)
Management expenses	(30,084)	(27,363)	(106,358)	(77,199)
Other operating expenses <i>(Note 23)</i>	(6,844)	(3,126)	(11,484)	(18,706)
Other expenses	(59,586)	(52,780)	(199,138)	(173,321)
Profit before taxation <i>(Note 24)</i>	24,372	8,749	73,232	56,802
Taxation <i>(Note 25)</i>	(5,718)	(331)	(14,945)	(7,847)
Net profit for the period/year	18,654	8,418	58,287	48,955
Net profit attributable to:				
Owners of the parent	18,621	8,418	58,242	48,955
Non-controlling interests	33	-	45	-
	18,654	8,418	58,287	48,955
Basic earnings per share (sen) <i>(Note 26)</i>	9.20	4.16	28.78	24.19

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MANULIFE HOLDINGS BERHAD

Interim financial statements for the twelve months period ended 31 December 2013

Unaudited Condensed Consolidated Statement of Total Comprehensive Income

	3 months ended		Cumulative 12 months ended	
	31.12.2013 RM'000	31.12.2012 RM'000	31.12.2013 RM'000	31.12.2012 RM'000
Net profit for the period/year	18,654	8,418	58,287	48,955
Other comprehensive income, net of tax:				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:-				
Fair value change of available-for-sale financial assets:				
- Gross fair value change	(23,211)	(1,148)	(83,894)	39,505
- Deferred tax	1,861	(13)	8,020	(2,219)
	(21,350)	(1,161)	(75,874)	37,286
- Changes in insurance contract liabilities arising from unrealised net fair value losses/(gains)	12,755	3,959	54,391	(26,084)
- Net (losses)/gains	(8,595)	2,798	(21,483)	11,202
Net other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods	(8,595)	2,798	(21,483)	11,202
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:-				
Surplus from revaluation of property:				
- Gross surplus from revaluation	1,354	-	1,354	-
- Reversal of deferred tax	-	-	-	949
	1,354	-	1,354	949
- Changes in insurance contract liabilities arising from revaluation of property	(641)	-	(641)	-
- Net gains	713	-	713	949
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	713	-	713	949
Other comprehensive (loss)/income	(7,882)	2,798	(20,770)	12,151
Total comprehensive income for the period/year	<u>10,772</u>	<u>11,216</u>	<u>37,517</u>	<u>61,106</u>
Total comprehensive income attributable to:				
Owners of the parent	10,739	11,216	37,472	61,106
Non-controlling interests	33	-	45	-
	<u>10,772</u>	<u>11,216</u>	<u>37,517</u>	<u>61,106</u>

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MANULIFE HOLDINGS BERHAD

Interim financial statements for the twelve months period ended 31 December 2013

Unaudited Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the parent					Total RM'000	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			
At 1 January 2013	101,185	1,884	3,795	33,328	598,734	738,926	-	738,926
Non-controlling interest arising from business combination	-	-	-	-	-	-	3,624	3,624
Net profit for the year	-	-	-	-	58,242	58,242	45	58,287
Other comprehensive income/(loss) for the year	-	-	713	(21,483)	-	(20,770)	-	(20,770)
Total comprehensive income/(loss) for the year	-	-	713	(21,483)	58,242	37,472	45	37,517
Final dividends for the financial year ended 31 December 2012	-	-	-	-	(22,767)	(22,767)	-	(22,767)
At 31 December 2013	<u>101,185</u>	<u>1,884</u>	<u>4,508</u>	<u>11,845</u>	<u>634,209</u>	<u>753,631</u>	<u>3,669</u>	<u>757,300</u>
At 1 January 2012	101,185	1,884	2,846	22,126	577,099	705,140	-	705,140
Net profit for the year	-	-	-	-	48,955	48,955	-	48,955
Other comprehensive income for the year	-	-	949	11,202	-	12,151	-	12,151
Total comprehensive income for the year	-	-	949	11,202	48,955	61,106	-	61,106
Final dividends for the financial year ended 31 December 2011	-	-	-	-	(27,320)	(27,320)	-	(27,320)
At 31 December 2012	<u>101,185</u>	<u>1,884</u>	<u>3,795</u>	<u>33,328</u>	<u>598,734</u>	<u>738,926</u>	<u>-</u>	<u>738,926</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/ 31 December 2012: RM71,719,000; 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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Unaudited Condensed Consolidated Statement of Cash Flows

	12 months ended 31.12.2013 RM'000	12 months ended 31.12.2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the year	58,287	48,955
Adjustments for non-cash items	15,023	(63,945)
Operating profits/(losses) before changes in operating assets and liabilities	<u>73,310</u>	<u>(14,990)</u>
Purchase of investments	(1,759,179)	(1,158,984)
Proceeds from sale and maturity of investments	1,747,195	1,066,981
Interest income received	110,803	109,774
Dividend income received	40,777	34,297
Rental income received	7,182	6,753
Increase in other receivables	(6,121)	(14,026)
Increase in payables	64,161	53,268
Increase in insurance claims liabilities	6,496	515
Increase in fixed and call deposits	(29,458)	(65,352)
Decrease in loan receivables	31,701	13,679
Cash generated from operations	<u>286,867</u>	<u>31,915</u>
Income taxes paid	(39,637)	(25,445)
Net cash inflow from operating activities	<u>247,230</u>	<u>6,470</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(4,719)	(2,096)
Purchase of intangible assets	(33,433)	(1,413)
Purchase of investments	(271,176)	(26,472)
Proceeds from sale and maturity of investments	174,897	64,930
Proceeds from disposal of property and equipment	-	13
Acquisition of subsidiary, net of cash and cash equivalents acquired	(82,778)	-
Net cash (outflow)/inflow from investing activities	<u>(217,209)</u>	<u>34,962</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Shareholders' dividend paid	(22,767)	(27,320)
Non-controlling interest arising from business combination	3,624	-
Net cash outflow from financing activities	<u>(19,143)</u>	<u>(27,320)</u>
CASH AND CASH EQUIVALENTS		
Net increase during the financial year	10,878	14,112
Cash and cash equivalents at 1 January	46,779	32,667
Cash and cash equivalents at 31 December (Note 28)	<u>57,657</u>	<u>46,779</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 31.12.2013 RM'000	As at 31.12.2012 RM'000
Cash and bank balances	54,331	33,819
Short-term deposits	3,326	12,960
Cash and cash equivalents	<u>57,657</u>	<u>46,779</u>

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