

MANULIFE HOLDINGS BERHAD

Interim financial statements for the three months period ended 31 March 2014

Unaudited Condensed Consolidated Statement of Financial Position

	As at 31.03.2014 RM'000	As at 31.12.2013 RM'000
Assets		
Property and equipment	32,342	30,371
Investment properties	78,622	78,622
Intangible assets	120,760	120,587
Available-for-sale financial assets	2,550,223	2,568,350
Fair value through profit or loss financial assets	906,790	912,252
Loans and receivables	681,047	637,770
Reinsurance assets	1,598	1,731
Insurance receivables	17,031	26,969
Deferred tax assets	99	84
Current tax assets	18	11
Cash and cash equivalents (Note 28)	63,219	57,657
Total Assets	4,451,749	4,434,404
Equity, Policyholders' Funds and Liabilities		
Share capital	101,185	101,185
Share premium	1,884	1,884
Retained earnings	640,037	634,209
Other reserves	17,226	16,353
Equity attributable to the owners of the parent	760,332	753,631
Non-controlling interests	3,480	3,669
Total Equity	763,812	757,300
Insurance contract liabilities (Note 27)	3,124,369	3,072,828
Insurance claim liabilities	40,905	41,001
Deferred tax liabilities	40,471	42,168
Insurance payables	365,216	364,488
Current tax liabilities	4,057	4,971
Other payables	112,919	151,648
Total Liabilities	3,687,937	3,677,104
Total Equity, Policyholders' Funds and Liabilities	4,451,749	4,434,404
Net Assets Per Share (RM)	3.76	3.72

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 2014

Unaudited Condensed Consolidated Statement of Profit or Loss

	3 months ended		Cumulative	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	RM'000	RM'000	RM'000	RM'000
Premium income				
Gross premiums	155,655	118,193	155,655	118,193
Premiums ceded to reinsurers	(2,250)	(2,545)	(2,250)	(2,545)
Net premiums (<i>Note 21</i>)	153,405	115,648	153,405	115,648
Investment income (<i>Note 22</i>)	38,222	34,734	38,222	34,734
Net realised gains	14,948	8,171	14,948	8,171
Net fair value gains/(losses)	18,487	(132)	18,487	(132)
Fee income	13,550	469	13,550	469
Other operating income	444	237	444	237
Total revenue	239,056	159,127	239,056	159,127
Gross benefits and claims paid	(102,237)	(89,008)	(102,237)	(89,008)
Claims ceded to reinsurers	22	664	22	664
Gross change in contract liabilities	(67,730)	(21,872)	(67,730)	(21,872)
Net claims	(169,945)	(110,216)	(169,945)	(110,216)
Fee and commission expenses	(22,506)	(16,573)	(22,506)	(16,573)
Investment expenses	(1,220)	(1,054)	(1,220)	(1,054)
Management expenses	(32,129)	(23,447)	(32,129)	(23,447)
Other operating expenses (<i>Note 23</i>)	(4,723)	(1,858)	(4,723)	(1,858)
Other expenses	(60,578)	(42,932)	(60,578)	(42,932)
Profit before taxation (<i>Note 24</i>)	8,533	5,979	8,533	5,979
Taxation (<i>Note 25</i>)	(2,650)	(1,936)	(2,650)	(1,936)
Net profit for the period	5,883	4,043	5,883	4,043
Net profit attributable to:				
Owners of the parent	5,828	4,043	5,828	4,043
Non-controlling interests	55	-	55	-
	5,883	4,043	5,883	4,043
Basic earnings per share (sen) (<i>Note 26</i>)	2.88	2.00	2.88	2.00

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MANULIFE HOLDINGS BERHAD

Interim financial statements for the three months period ended 31 March 2014

Unaudited Condensed Consolidated Statement of Total Comprehensive Income

	3 months ended		Cumulative 3 months ended	
	31.03.2014 RM'000	31.03.2013 RM'000	31.03.2014 RM'000	31.03.2013 RM'000
Net profit for the period	5,883	4,043	5,883	4,043
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	(16,697)	(13,513)	(16,697)	(13,513)
- Deferred tax	1,255	1,070	1,255	1,070
	(15,442)	(12,443)	(15,442)	(12,443)
- Changes in insurance contract liabilities arising from unrealised net fair value losses	16,315	11,829	16,315	11,829
- Net gains/(losses)	873	(614)	873	(614)
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	873	(614)	873	(614)
Other comprehensive income/(loss) for the period, net of tax	873	(614)	873	(614)
Total comprehensive income for the period	<u>6,756</u>	<u>3,429</u>	<u>6,756</u>	<u>3,429</u>
Total comprehensive income attributable to:				
Owners of the parent	6,701	3,429	6,701	3,429
Non-controlling interests	55	-	55	-
	<u>6,756</u>	<u>3,429</u>	<u>6,756</u>	<u>3,429</u>

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 2014

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 2014	101,185	1,884	4,508	11,845	634,209	753,631	3,669	757,300
Changes in ownership interest in a unit trust fund managed by a subsidiary	-	-	-	-	-	-	(244)	(244)
Net profit for the period	-	-	-	-	5,828	5,828	55	5,883
Other comprehensive income for the period	-	-	-	873	-	873	-	873
Total comprehensive income for the period	-	-	-	873	5,828	6,701	55	6,756
At 31 March 2014	<u>101,185</u>	<u>1,884</u>	<u>4,508</u>	<u>12,718</u>	<u>640,037</u>	<u>760,332</u>	<u>3,480</u>	<u>763,812</u>
At 1 January 2013	101,185	1,884	3,795	33,328	598,734	738,926	-	738,926
Net profit for the period	-	-	-	-	4,043	4,043	-	4,043
Other comprehensive loss for the period	-	-	-	(614)	-	(614)	-	(614)
Total comprehensive income for the period	-	-	-	(614)	4,043	3,429	-	3,429
At 31 March 2013	<u>101,185</u>	<u>1,884</u>	<u>3,795</u>	<u>32,714</u>	<u>602,777</u>	<u>742,355</u>	<u>-</u>	<u>742,355</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 2014/ 31 March 2013/ 1 January 2013: RM71,719,000). 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 2014

Unaudited Condensed Consolidated Statement of Cash Flows

	3 months ended <u>31.03.2014</u> RM'000	3 months ended <u>31.03.2013</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period	5,883	4,043
Adjustments for non-cash items	5,050	(16,893)
Operating profits/(losses) before changes in operating assets and liabilities	<u>10,933</u>	<u>(12,850)</u>
Purchase of investments	(422,957)	(288,654)
Proceeds from sale and maturity of investments	461,501	256,807
Interest income received	24,489	21,692
Dividend income received	8,447	4,105
Rental income received	2,201	1,752
Decrease in other receivables	13,878	20,827
Decrease in payables	(38,001)	(26,064)
Increase in insurance claims liabilities	163	2,704
(Increase)/decrease in fixed and call deposits	(50,817)	29,565
Decrease in loan receivables	2,631	3,163
Cash generated from operations	<u>12,468</u>	<u>13,047</u>
Income taxes paid	(9,004)	(6,673)
Net cash inflow from operating activities	<u>3,464</u>	<u>6,374</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(2,636)	(554)
Purchase of intangible assets	(1,146)	(909)
Purchase of investments	(16,150)	(1,122)
Proceeds from sale and maturity of investments	22,030	3,949
Net cash inflow from investing activities	<u>2,098</u>	<u>1,364</u>
CASH AND CASH EQUIVALENTS		
Net increase during the financial year	5,562	7,738
Cash and cash equivalents at 1 January	57,657	46,779
Cash and cash equivalents at 31 March (<i>Note 28</i>)	<u>63,219</u>	<u>54,517</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 <u>31.03.2014</u> RM'000	As at <u>31.03.2013</u> RM'000
Cash and bank balances	60,878	36,535
Short-term deposits	2,341	17,982
Cash and cash equivalents	<u>63,219</u>	<u>54,517</u>

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