

MANULIFE HOLDINGS BERHAD
Interim financial statements for the six months period ended 30 June 2014

Unaudited Condensed Consolidated Statement of Financial Position

	As at 30.06.2014 RM'000	As at 31.12.2013 RM'000
Assets		
Property and equipment	37,099	30,371
Investment properties	78,622	78,622
Intangible assets	129,298	120,587
Available-for-sale financial assets	2,646,570	2,568,350
Fair value through profit or loss financial assets	955,421	912,252
Loans and receivables	674,837	637,770
Reinsurance assets	2,237	1,731
Insurance receivables	20,652	26,969
Deferred tax assets	110	84
Current tax assets	18	11
Cash and cash equivalents <i>(Note 28)</i>	80,824	57,657
Total Assets	4,625,688	4,434,404
Equity, Policyholders' Funds and Liabilities		
Share capital	101,185	101,185
Share premium	1,884	1,884
Retained earnings	622,544	634,209
Other reserves	21,317	16,353
Equity attributable to the owners of the parent	746,930	753,631
Non-controlling interests	4,224	3,669
Total Equity	751,154	757,300
Insurance contract liabilities <i>(Note 27)</i>	3,236,356	3,072,828
Insurance claim liabilities	46,803	41,001
Deferred tax liabilities	41,159	42,168
Insurance payables	369,587	364,488
Current tax liabilities	3,362	4,971
Other payables	177,267	151,648
Total Liabilities	3,874,534	3,677,104
Total Equity, Policyholders' Funds and Liabilities	4,625,688	4,434,404
Net Assets Per Share (RM)	3.69	3.72

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 2014

Unaudited Condensed Consolidated Statement of Profit or Loss

	3 months ended		Cumulative 6 months ended	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
	RM'000	RM'000	RM'000	RM'000
Premium income				
Gross premiums	219,971	132,168	375,626	250,361
Premiums ceded to reinsurers	(2,647)	(2,556)	(4,897)	(5,101)
Net premiums <i>(Note 21)</i>	<u>217,324</u>	<u>129,612</u>	<u>370,729</u>	<u>245,260</u>
Investment income <i>(Note 22)</i>	42,920	43,981	81,142	78,715
Net realised gains	17,116	33,538	32,064	41,709
Net fair value gains	11,638	28,898	30,125	28,766
Fee income	13,629	469	27,179	938
Other operating income	471	234	915	471
Total revenue	<u>303,098</u>	<u>236,732</u>	<u>542,154</u>	<u>395,859</u>
Gross benefits and claims paid	(123,451)	(105,133)	(225,688)	(194,141)
Claims ceded to reinsurers	2,579	(96)	2,601	568
Gross change in contract liabilities	<u>(105,520)</u>	<u>(65,194)</u>	<u>(173,250)</u>	<u>(87,066)</u>
Net claims	<u>(226,392)</u>	<u>(170,423)</u>	<u>(396,337)</u>	<u>(280,639)</u>
Fee and commission expenses	(25,931)	(17,996)	(48,437)	(34,569)
Investment expenses	(827)	(645)	(2,047)	(1,699)
Management expenses	(33,241)	(23,756)	(65,370)	(47,203)
Other operating expenses <i>(Note 23)</i>	<u>(6,186)</u>	<u>(3,911)</u>	<u>(10,909)</u>	<u>(5,769)</u>
Other expenses	<u>(66,185)</u>	<u>(46,308)</u>	<u>(126,763)</u>	<u>(89,240)</u>
Profit before taxation <i>(Note 24)</i>	10,521	20,001	19,054	25,980
Taxation <i>(Note 25)</i>	<u>(2,712)</u>	<u>(5,398)</u>	<u>(5,362)</u>	<u>(7,334)</u>
Net profit for the period	<u>7,809</u>	<u>14,603</u>	<u>13,692</u>	<u>18,646</u>
Net profit attributable to:				
Owners of the parent	7,803	14,593	13,631	18,636
Non-controlling interests	6	10	61	10
	<u>7,809</u>	<u>14,603</u>	<u>13,692</u>	<u>18,646</u>
Basic earnings per share (sen) <i>(Note 26)</i>	<u>3.86</u>	<u>7.21</u>	<u>6.74</u>	<u>9.21</u>

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 2014

Unaudited Condensed Consolidated Statement of Total Comprehensive Income

	3 months ended		Cumulative 6 months ended	
	30.06.2014 RM'000	30.06.2013 RM'000	30.06.2014 RM'000	30.06.2013 RM'000
Net profit for the period	7,809	14,603	13,692	18,646
Other comprehensive income/(loss), net of tax:				
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:-				
Fair value change of available-for-sale financial assets:				
- Gross fair value change	11,254	12,142	(5,443)	(1,371)
- Deferred tax	(797)	579	458	1,649
	10,457	12,721	(4,985)	278
- Changes in insurance contract liabilities arising from unrealised net fair value (gains)/losses	(6,366)	(18,353)	9,949	(6,524)
- Net gains/(losses)	4,091	(5,632)	4,964	(6,246)
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	4,091	(5,632)	4,964	(6,246)
Other comprehensive income/(loss) for the period, net of tax	4,091	(5,632)	4,964	(6,246)
Total comprehensive income for the period	11,900	8,971	18,656	12,400
Total comprehensive income attributable to:				
Owners of the parent	11,894	8,961	18,595	12,390
Non-controlling interests	6	10	61	10
	11,900	8,971	18,656	12,400

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MANULIFE HOLDINGS BERHAD

Interim financial statements for the six months period ended 30 June 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	-	-	-	-	-	-	494	494
Net profit for the period	-	-	-	-	13,631	13,631	61	13,692
Other comprehensive income for the period	-	-	-	4,964	-	4,964	-	4,964
Total comprehensive income for the period	-	-	-	4,964	13,631	18,595	61	18,656
Final dividends for the financial year ended 31 December 2013	-	-	-	-	(25,296)	(25,296)	-	(25,296)
At 30 June 2014	<u>101,185</u>	<u>1,884</u>	<u>4,508</u>	<u>16,809</u>	<u>622,544</u>	<u>746,930</u>	<u>4,224</u>	<u>751,154</u>
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							2,080	2,080
Net profit for the period	-	-	-	-	18,636	18,636	10	18,646
Other comprehensive loss for the period	-	-	-	(6,246)	-	(6,246)	-	(6,246)
Total comprehensive (loss)/income for the period	-	-	-	(6,246)	18,636	12,390	10	12,400
Final dividends for the financial year ended 31 December 2012	-	-	-	-	(22,767)	(22,767)	-	(22,767)
At 30 June 2013	<u>101,185</u>	<u>1,884</u>	<u>3,795</u>	<u>27,082</u>	<u>594,603</u>	<u>728,549</u>	<u>2,090</u>	<u>730,639</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 RM82,300,000 (1 January 2014: RM71,719,000/ 30 June 2013: RM77,844,000/ 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 six months period ended 30 June 2014

Unaudited Condensed Consolidated Statement of Cash Flows

	6 months ended 30.06.2014 RM'000	6 months ended 30.06.2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period	13,692	18,646
Adjustments for non-cash items	50,699	(48,986)
Operating profits/(losses) before changes in operating assets and liabilities	<u>64,391</u>	<u>(30,340)</u>
Purchase of investments	(991,533)	(697,418)
Proceeds from sale and maturity of investments	898,240	895,502
Interest income received	56,184	54,853
Dividend income received	18,837	16,434
Rental income received	3,979	3,766
(Increase)/decrease in other receivables	(2,911)	4,122
Increase in payables	5,421	13,666
Increase in insurance claims liabilities	5,523	5,324
(Increase)/decrease in fixed and call deposits	(39,642)	22,599
Decrease in loan receivables	11,722	12,888
Cash generated from operations	<u>30,211</u>	<u>301,396</u>
Income taxes paid	(16,370)	(12,031)
Net cash inflow from operating activities	<u>13,841</u>	<u>289,365</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(8,370)	(733)
Purchase of intangible assets	(11,082)	(31,736)
Purchase of investments	(31,228)	(181,313)
Proceeds from sale and maturity of investments	60,006	21,050
Net cash inflow/(outflow) from investing activities	<u>9,326</u>	<u>(192,732)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Non-controlling interest arising from business combination	-	2,080
Net cash inflow from financing activities	<u>-</u>	<u>2,080</u>
CASH AND CASH EQUIVALENTS		
Net increase during the financial year	23,167	98,713
Cash and cash equivalents at 1 January	57,657	46,779
Cash and cash equivalents at 30 June (Note 28)	<u>80,824</u>	<u>145,492</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 30.06.2014 RM'000	As at 30.06.2013 RM'000
Cash and bank balances	78,470	46,461
Short-term deposits	2,354	99,031
Cash and cash equivalents	<u>80,824</u>	<u>145,492</u>

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