

MANULIFE HOLDINGS BERHAD
Interim financial statements for the nine months period ended 30 September 2014

Unaudited Condensed Consolidated Statement of Financial Position

	As at 30.09.2014 RM'000	As at 31.12.2013 RM'000
Assets		
Property and equipment	42,584	30,371
Investment properties	78,622	78,622
Intangible assets	128,280	120,587
Available-for-sale financial assets	2,653,404	2,568,350
Fair value through profit or loss financial assets	997,904	912,252
Loans and receivables	617,895	637,770
Reinsurance assets	3,337	1,731
Insurance receivables	18,762	26,969
Deferred tax assets	131	84
Current tax assets	3,471	11
Cash and cash equivalents (<i>Note 28</i>)	91,343	57,657
Total Assets	4,635,733	4,434,404
Equity, Policyholders' Funds and Liabilities		
Share capital	101,185	101,185
Share premium	1,884	1,884
Retained earnings	628,163	634,209
Other reserves	24,666	16,353
Equity attributable to the owners of the parent	755,898	753,631
Non-controlling interests	3,664	3,669
Total Equity	759,562	757,300
Insurance contract liabilities (<i>Note 27</i>)	3,298,338	3,072,828
Insurance claims liabilities	50,701	41,001
Fair value through profit or loss financial liabilities	781	-
Deferred tax liabilities	40,286	42,168
Insurance payables	380,721	364,488
Current tax liabilities	2,422	4,971
Other payables	102,922	151,648
Total Liabilities	3,876,171	3,677,104
Total Equity, Policyholders' Funds and Liabilities	4,635,733	4,434,404
Net Assets Per Share (RM)	3.74	3.72

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 2014

Unaudited Condensed Consolidated Statement of Profit or Loss

	3 months ended		Cumulative 9 months ended	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
	RM'000	RM'000	RM'000	RM'000
Premium income				
Gross premiums	203,308	214,004	578,934	464,365
Premiums ceded to reinsurers	(2,918)	(2,708)	(7,815)	(7,809)
Net premiums <i>(Note 21)</i>	200,390	211,296	571,119	456,556
Investment income <i>(Note 22)</i>	41,676	41,120	122,818	119,835
Net realised gains	14,058	29,379	46,122	71,088
Net fair value gains	2,515	5,482	32,640	34,248
Fee income	15,237	4,056	42,416	4,994
Other operating income	490	325	1,405	796
Total revenue	274,366	291,658	816,520	687,517
Gross benefits and claims paid	(129,741)	(109,664)	(355,429)	(303,805)
Claims ceded to reinsurers	1,249	176	3,850	744
Gross change in contract liabilities	(72,280)	(108,978)	(245,530)	(196,044)
Net claims	(200,772)	(218,466)	(597,109)	(499,105)
Fee and commission expenses	(27,270)	(21,203)	(75,707)	(55,772)
Investment expenses	(1,042)	(1,167)	(3,089)	(2,866)
Management expenses	(36,023)	(29,071)	(101,393)	(76,274)
Other operating expenses <i>(Note 23)</i>	(18)	1,129	(10,927)	(4,640)
Other expenses	(64,353)	(50,312)	(191,116)	(139,552)
Profit before taxation <i>(Note 24)</i>	9,241	22,880	28,295	48,860
Taxation <i>(Note 25)</i>	(3,596)	(1,893)	(8,958)	(9,227)
Net profit for the period	5,645	20,987	19,337	39,633
Net profit attributable to:				
Owners of the parent	5,619	20,985	19,250	39,621
Non-controlling interests	26	2	87	12
	5,645	20,987	19,337	39,633
Basic earnings per share (sen) <i>(Note 26)</i>	2.77	10.37	9.51	19.58

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Interim financial statements for the nine months period ended 30 September 2014

Unaudited Condensed Consolidated Statement of Total Comprehensive Income

	3 months ended		Cumulative 9 months ended	
	<u>30.09.2014</u>	<u>30.09.2013</u>	<u>30.09.2014</u>	<u>30.09.2013</u>
	RM'000	RM'000	RM'000	RM'000
Net profit for the period	5,645	20,987	19,337	39,633
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	(7,798)	(59,312)	(13,241)	(60,683)
- Deferred tax	553	4,510	1,011	6,159
	(7,245)	(54,802)	(12,230)	(54,524)
- Changes in insurance contract liabilities arising from unrealised net fair value losses	10,594	48,160	20,543	41,636
- Net gains/(losses)	3,349	(6,642)	8,313	(12,888)
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	3,349	(6,642)	8,313	(12,888)
Other comprehensive income/(loss) for the period, net of tax	3,349	(6,642)	8,313	(12,888)
Total comprehensive income for the period	<u>8,994</u>	<u>14,345</u>	<u>27,650</u>	<u>26,745</u>
Total comprehensive income attributable to:				
Owners of the parent	8,968	14,343	27,563	26,733
Non-controlling interests	26	2	87	12
	<u>8,994</u>	<u>14,345</u>	<u>27,650</u>	<u>26,745</u>

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MANULIFE HOLDINGS BERHAD

Interim financial statements for the nine months period ended 30 September 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	-	-	-	-	-	-	(92)	(92)
Net profit for the period	-	-	-	-	19,250	19,250	87	19,337
Other comprehensive income for the period	-	-	-	8,313	-	8,313	-	8,313
Total comprehensive income for the period	-	-	-	8,313	19,250	27,563	87	27,650
Final dividends for the financial year ended 31 December 2013	-	-	-	-	(25,296)	(25,296)	-	(25,296)
At 30 September 2014	<u>101,185</u>	<u>1,884</u>	<u>4,508</u>	<u>20,158</u>	<u>628,163</u>	<u>755,898</u>	<u>3,664</u>	<u>759,562</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	-	-	-	-	-	-	1,882	1,882
Net profit for the period	-	-	-	-	39,621	39,621	12	39,633
Other comprehensive loss for the period	-	-	-	(12,888)	-	(12,888)	-	(12,888)
Insurance claims liabilities	-	-	-	(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)
At 30 September 2013	<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>

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 RM87,736,000 (1 January 2014/ 30 September 2013: RM91,826,000/ 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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Unaudited Condensed Consolidated Statement of Cash Flows

	9 months ended 30.09.2014 RM'000	9 months ended 30.09.2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period	19,337	39,633
Adjustments for non-cash items	66,093	(11,704)
Operating profits before changes in operating assets and liabilities	<u>85,430</u>	<u>27,929</u>
Purchase of investments	(1,320,939)	(1,186,839)
Proceeds from sale and maturity of investments	1,161,766	1,332,977
Interest income received	82,049	78,814
Dividend income received	26,793	23,931
Rental income received	5,585	5,586
Decrease/(increase) in other receivables	14,748	(32,391)
(Decrease)/increase in payables	(32,493)	66,815
Increase in insurance claims liabilities	8,617	8,587
(Increase)/decrease in fixed and call deposits	(1,326)	11,729
Decrease in loan receivables	19,803	18,656
Cash generated from operations	<u>50,033</u>	<u>355,794</u>
Income taxes paid	(30,133)	(29,903)
Net cash inflow from operating activities	<u>19,900</u>	<u>325,891</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(14,108)	(1,011)
Purchase of intangible assets	(9,553)	(32,621)
Purchase of investments	(70,097)	(242,656)
Proceeds from sale and maturity of investments	132,840	57,591
Net cash inflow/(outflow) from investing activities	<u>39,082</u>	<u>(218,697)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Shareholders' dividend paid	(25,296)	(22,767)
Non-controlling interest arising from business combination	-	1,882
Net cash outflow from financing activities	<u>(25,296)</u>	<u>(20,885)</u>
Net increase during the financial year	33,686	86,309
Cash and cash equivalents at 1 January	57,657	46,779
Cash and cash equivalents at 30 September (<i>Note 28</i>)	<u>91,343</u>	<u>133,088</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 30.09.2014 RM'000	As at 30.09.2013 RM'000
Cash and bank balances	85,486	132,770
Short-term deposits	5,857	318
Cash and cash equivalents	<u>91,343</u>	<u>133,088</u>

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