

MANULIFE HOLDINGS BERHAD

Interim financial statements for the nine months period ended 30 September 2015

Unaudited Condensed Consolidated Statement of Financial Position

	As at 30.09.2015 RM'000	As at 31.12.2014 RM'000
Assets		
Property and equipment	38,613	37,576
Investment properties	86,564	84,292
Intangible assets	129,583	130,535
Available-for-sale financial assets	2,619,493	2,617,754
Financial assets at fair value through profit or loss	1,076,818	960,873
Loans and receivables	588,477	665,860
Reinsurance assets	4,858	2,644
Insurance receivables	19,106	23,608
Deferred tax assets	-	142
Current tax assets	8,518	2,212
Cash and cash equivalents (Note 28)	143,393	105,973
Total Assets	4,715,423	4,631,469
Equity, Policyholders' Funds and Liabilities		
Share capital	101,185	101,185
Share premium	1,884	1,884
Retained earnings	652,666	644,557
Other reserves	14,735	14,155
Equity attributable to the owners of the Company	770,470	761,781
Non-controlling interests	797	1,117
Total Equity	771,267	762,898
Insurance contract liabilities (Note 27)	3,286,227	3,272,074
Insurance claims liabilities	54,286	42,385
Financial liabilities at fair value through profit or loss	7,949	700
Deferred tax liabilities	29,973	34,062
Insurance payables	416,972	396,502
Current tax liabilities	337	1,901
Other payables	148,412	120,947
Total Liabilities	3,944,156	3,868,571
Total Equity, Policyholders' Funds and Liabilities	4,715,423	4,631,469
Net Assets Per Share (RM)	3.81	3.76

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 2015

Unaudited Condensed Consolidated Statement of Profit or Loss

	3 months ended		Cumulative 9 months ended	
	30.09.2015 RM'000	30.09.2014 RM'000	30.09.2015 RM'000	30.09.2014 RM'000
Premium income				
Gross premiums	223,882	203,308	553,864	578,934
Premiums ceded to reinsurers	(4,425)	(2,918)	(10,835)	(7,815)
Net premiums (Note 21)	219,457	200,390	543,029	571,119
Investment income (Note 22)	42,175	41,676	123,580	122,818
Net realised gains	3,074	14,058	18,665	46,122
Net fair value (losses)/gains	(68,616)	2,515	(103,411)	32,640
Fee income	14,706	15,237	43,522	42,416
Other operating income	448	490	1,395	1,405
Total revenue	211,244	274,366	626,780	816,520
Gross benefits and claims paid	(150,564)	(129,741)	(425,111)	(355,429)
Claims ceded to reinsurers	1,171	1,249	3,791	3,850
Gross change in contract liabilities	(24,178)	(72,280)	(51,935)	(245,530)
Net claims	(173,571)	(200,772)	(473,255)	(597,109)
Fee and commission expenses	(19,948)	(27,270)	(62,379)	(75,707)
Investment expenses	(1,307)	(1,042)	(2,927)	(3,089)
Management expenses	(40,262)	(36,023)	(110,808)	(101,393)
Other income/(expenses) (Note 23)	42,274	(18)	59,476	(10,927)
Other expenses	(19,243)	(64,353)	(116,638)	(191,116)
Profit before taxation (Note 24)	18,430	9,241	36,887	28,295
Taxation (Note 25)	(2,465)	(3,596)	(8,518)	(8,958)
Net profit for the period	15,965	5,645	28,369	19,337
Net profit attributable to:				
Owners of the Company	15,960	5,619	28,346	19,250
Non-controlling interests	5	26	23	87
	15,965	5,645	28,369	19,337
Basic and diluted earnings per share (sen) (Note 26)	7.89	2.77	14.01	9.51

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 2015

Unaudited Condensed Consolidated Statement of Total Comprehensive Income

	3 months ended		Cumulative 9 months ended	
	<u>30.09.2015</u>	<u>30.09.2014</u>	<u>30.09.2015</u>	<u>30.09.2014</u>
	RM'000	RM'000	RM'000	RM'000
Net profit for the period	15,965	5,645	28,369	19,337
Other comprehensive (loss)/ income, net of tax:				
Other comprehensive (loss)/ income to be reclassified to profit or loss in subsequent periods:-				
Fair value change of available-for-sale financial assets:				
- Gross fair value change	(50,677)	(7,798)	(41,837)	(13,241)
- Deferred tax	4,259	553	3,419	1,011
	(46,418)	(7,245)	(38,418)	(12,230)
- Changes in insurance contract liabilities arising from unrealised fair value change	41,661	10,594	38,998	20,543
- Net (loss)/gains	(4,757)	3,349	580	8,313
Net other comprehensive (loss)/ income to be reclassified to profit or loss in subsequent periods	(4,757)	3,349	580	8,313
Other comprehensive (loss)/ income for the period, net of tax	(4,757)	3,349	580	8,313
Total comprehensive income for the period	<u>11,208</u>	<u>8,994</u>	<u>28,949</u>	<u>27,650</u>
Total comprehensive income attributable to:				
Owners of the Company	11,203	8,968	28,926	27,563
Non-controlling interests	5	26	23	87
	<u>11,208</u>	<u>8,994</u>	<u>28,949</u>	<u>27,650</u>

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 2015

Unaudited Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the Company							Non-controlling interests RM'000	Total RM'000
	Non - distributable			Distributable					
	Share capital RM'000	Share premium RM'000	Asset revaluation reserve RM'000	Fair value reserve RM'000	Retained earnings* RM'000	Total RM'000			
At 1 January 2015	101,185	1,884	4,508	9,647	644,557	761,781	1,117	762,898	
Changes in ownership interest in a unit trust fund managed by a subsidiary	-	-	-	-	-	-	(343)	(343)	
Net profit for the period	-	-	-	-	28,346	28,346	23	28,369	
Other comprehensive income for the period	-	-	-	580	-	580	-	580	
Total comprehensive income for the period	-	-	-	580	28,346	28,926	23	28,949	
Final dividend for the financial year ended 31 December 2014	-	-	-	-	(20,237)	(20,237)	-	(20,237)	
At 30 September 2015	<u>101,185</u>	<u>1,884</u>	<u>4,508</u>	<u>10,227</u>	<u>652,666</u>	<u>770,470</u>	<u>797</u>	<u>771,267</u>	
At 1 January 2014	101,185	1,884	4,508	11,845	634,209	753,631	3,669	757,300	
Changes in ownership 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>	

* 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 RM 97,388,000 (1 January 2015: RM 71,719,000/ 30 September 2014: RM 87,736,000/ 1 January 2014: RM 71,719,000). These amounts are only distributable upon the actual recommended transfer from the Non-participating life fund to the Shareholder's 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 2015

Unaudited Condensed Consolidated Statement of Cash Flows

	9 months ended 30.09.2015 RM'000	9 months ended 30.09.2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the financial period	28,369	19,337
Adjustments for non-cash items	(51,327)	66,185
Operating (losses)/profits before changes in operating assets and liabilities	<u>(22,958)</u>	<u>85,522</u>
Purchase of investments	(1,389,354)	(1,320,939)
Proceeds from sale and maturity of investments	1,200,381	1,161,766
Interest income received	84,067	82,049
Dividend income received	29,181	26,793
Rental income received	5,032	5,585
Decrease in other receivables	20,510	14,748
Increase/(decrease) in payables	47,936	(32,493)
Increase in insurance claims liabilities	10,902	8,617
Decrease/(increase) in fixed and call deposits	36,312	(1,326)
Decrease in loan receivables	31,292	19,803
Cash generated from operations	<u>53,301</u>	<u>50,125</u>
Income taxes paid	(20,955)	(30,133)
Net cash inflow from operating activities	<u>32,346</u>	<u>19,992</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(5,889)	(14,108)
Purchase of intangible assets	(4,801)	(9,553)
Purchase of investments	(59,972)	(70,097)
Proceeds from sale and maturity of investments	96,280	132,840
Proceeds from disposal of property and equipment	36	-
Net cash inflow from investing activities	<u>25,654</u>	<u>39,082</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Shareholders' dividend paid	(20,237)	(25,296)
Changes in Non-controlling interests	(343)	(92)
Net cash outflow from financing activities	<u>(20,580)</u>	<u>(25,388)</u>
Net increase during the financial period	37,420	33,686
Cash and cash equivalents at 1 January	105,973	57,657
Cash and cash equivalents at 30 September (<i>Note 28</i>)	<u>143,393</u>	<u>91,343</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 30.09.2015 RM'000	As at 30.09.2014 RM'000
Cash and bank balances	140,114	85,486
Short-term deposits	3,279	5,857
Cash and cash equivalents	<u>143,393</u>	<u>91,343</u>

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