

MANULIFE HOLDINGS BERHAD

Interim financial statements for the twelve months period ended 31 December 2015

Unaudited Condensed Consolidated Statement of Financial Position

	As at 31.12.2015 RM'000	As at 31.12.2014 RM'000
Assets		
Property and equipment	39,392	37,576
Investment properties	88,125	84,292
Intangible assets	127,224	130,535
Available-for-sale financial assets	2,718,121	2,617,754
Financial assets at fair value through profit or loss	1,156,464	960,873
Loans and receivables	580,584	665,860
Reinsurance assets	4,561	2,644
Insurance receivables	26,177	23,608
Deferred tax assets	-	142
Current tax assets	1,840	2,212
Cash and cash equivalents (Note 28)	123,573	105,973
Total Assets	4,866,061	4,631,469
Equity, Policyholders' Funds and Liabilities		
Share capital	101,185	101,185
Share premium	1,884	1,884
Retained earnings	659,862	644,557
Other reserves	13,723	14,155
Equity attributable to the owners of the Company	776,654	761,781
Non-controlling interests	592	1,117
Total Equity	777,246	762,898
Insurance contract liabilities (Note 27)	3,405,312	3,272,074
Insurance claims liabilities	51,635	42,385
Financial liabilities at fair value through profit or loss	-	700
Deferred tax liabilities	32,182	34,062
Insurance payables	432,428	396,502
Current tax liabilities	-	1,901
Other payables	167,258	120,947
Total Liabilities	4,088,815	3,868,571
Total Equity, Policyholders' Funds and Liabilities	4,866,061	4,631,469
Net Assets Per Share (RM)	3.84	3.76

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 2015

Unaudited Condensed Consolidated Statement of Profit or Loss

	3 months ended		Cumulative 12 months ended	
	31.12.2015 RM'000	31.12.2014 RM'000	31.12.2015 RM'000	31.12.2014 RM'000
Premium income				
Gross premiums	260,313	200,091	814,177	779,025
Premiums ceded to reinsurers	(5,269)	(3,522)	(16,104)	(11,337)
Net premiums (Note 21)	255,044	196,569	798,073	767,688
Investment income (Note 22)	49,960	48,738	173,540	171,556
Net realised gains	2,910	9,269	21,575	55,391
Net fair value gains/(losses)	37,987	(45,388)	(65,424)	(12,748)
Fee income	13,416	16,390	56,938	58,806
Other operating income	354	597	1,749	2,002
Total revenue	359,671	226,175	986,451	1,042,695
Gross benefits and claims paid	(178,670)	(134,584)	(603,781)	(490,013)
Claims ceded to reinsurers	1,488	(67)	5,279	3,783
Gross change in contract liabilities	(79,348)	(14,847)	(131,283)	(260,377)
Net claims	(256,530)	(149,498)	(729,785)	(746,607)
Fee and commission expenses	(25,160)	(23,395)	(87,539)	(99,102)
Investment expenses	(625)	(676)	(3,552)	(3,765)
Management expenses	(44,796)	(40,256)	(155,604)	(141,649)
Other (expenses)/income (Note 23)	(21,554)	9,269	37,922	(1,658)
Other expenses	(92,135)	(55,058)	(208,773)	(246,174)
Profit before taxation (Note 24)	11,006	21,619	47,893	49,914
Taxation (Note 25)	(3,809)	(5,278)	(12,327)	(14,236)
Net profit for the year	7,197	16,341	35,566	35,678
Net profit attributable to:				
Owners of the Company	7,196	16,394	35,542	35,644
Non-controlling interests	1	(53)	24	34
	7,197	16,341	35,566	35,678
Basic and diluted earnings per share (sen) (Note 26)	3.55	8.10	17.56	17.61

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MANULIFE HOLDINGS BERHAD

Interim financial statements for the twelve months period ended 31 December 2015

Unaudited Condensed Consolidated Statement of Total Comprehensive Income

	3 months ended		Cumulative 12 months ended	
	31.12.2015 RM'000	31.12.2014 RM'000	31.12.2015 RM'000	31.12.2014 RM'000
Net profit for the year	7,197	16,341	35,566	35,678
Other comprehensive loss, net of tax:				
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:-				
Fair value change of available-for-sale financial assets:				
- Gross fair value change	40,897	(56,441)	(940)	(69,682)
- Deferred tax	(3,109)	4,402	310	5,413
	37,788	(52,039)	(630)	(64,269)
- Changes in insurance contract liabilities arising from unrealised fair value change	(39,025)	41,528	(27)	62,071
- Net loss	(1,237)	(10,511)	(657)	(2,198)
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	(1,237)	(10,511)	(657)	(2,198)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:-				
Surplus from revaluation of property:				
- Gross surplus from revaluation	426	-	426	-
	426	-	426	-
- Changes in insurance contract liabilities arising from revaluation of property	(201)	-	(201)	-
- Net gains	225	-	225	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	225	-	225	-
Other comprehensive loss for the year, net of tax	(1,012)	(10,511)	(432)	(2,198)
Total comprehensive income for the year	<u>6,185</u>	<u>5,830</u>	<u>35,134</u>	<u>33,480</u>
Total comprehensive income attributable to:				
Owners of the Company	6,184	5,883	35,110	33,446
Non-controlling interests	1	(53)	24	34
	<u>6,185</u>	<u>5,830</u>	<u>35,134</u>	<u>33,480</u>

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MANULIFE HOLDINGS BERHAD

Interim financial statements for the twelve months period ended 31 December 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	-	-	-	-	-	-	(549)	(549)	
Net profit for the year	-	-	-	-	35,542	35,542	24	35,566	
Other comprehensive income/(loss) for the year	-	-	225	(657)	-	(432)	-	(432)	
Total comprehensive income/(loss) for the year	-	-	225	(657)	35,542	35,110	24	35,134	
Final dividend for the financial year ended 31 December 2014	-	-	-	-	(20,237)	(20,237)	-	(20,237)	
At 31 December 2015	101,185	1,884	4,733	8,990	659,862	776,654	592	777,246	
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	-	-	-	-	-	-	(2,586)	(2,586)	
Net profit for the year	-	-	-	-	35,644	35,644	34	35,678	
Other comprehensive loss for the year	-	-	-	(2,198)	-	(2,198)	-	(2,198)	
Total comprehensive (loss)/income for the year	-	-	-	(2,198)	35,644	33,446	34	33,480	
Final dividends for the financial year ended 31 December 2013	-	-	-	-	(25,296)	(25,296)	-	(25,296)	
At 31 December 2014	101,185	1,884	4,508	9,647	644,557	761,781	1,117	762,898	

* 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 71,155,000 (1 January 2015: RM 71,719,000/ 31 December 2014: RM 71,719,000/ 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.

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MANULIFE HOLDINGS BERHAD
Interim financial statements for the twelve months period ended 31 December 2015

Unaudited Condensed Consolidated Statement of Cash Flows

	12 months ended 31.12.2015 RM'000	12 months ended 31.12.2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the financial year	35,566	35,678
Adjustments for non-cash items	(27,269)	69,904
Operating profits before changes in operating assets and liabilities	<u>8,297</u>	<u>105,582</u>
Purchase of investments	(1,679,677)	(1,707,139)
Proceeds from sale and maturity of investments	1,386,467	1,530,628
Interest income received	116,806	114,171
Dividend income received	46,660	43,734
Rental income received	6,318	7,195
(Increase)/decrease in other receivables	(22,411)	10,524
Increase in payables	82,237	1,313
Increase in insurance claims liabilities	9,060	1,412
Decrease/(increase) in fixed and call deposits	56,178	(61,141)
Decrease in loan receivables	48,028	32,361
Cash generated from operations	<u>57,963</u>	<u>78,640</u>
Income taxes paid	(22,263)	(37,734)
Net cash inflow from operating activities	<u>35,700</u>	<u>40,906</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(8,641)	(20,265)
Purchase of intangible assets	(4,833)	(13,176)
Purchase of investments	(83,820)	(79,904)
Proceeds from sale and maturity of investments	99,944	148,402
Proceeds from disposal of property and equipment	36	235
Net cash inflow from investing activities	<u>2,686</u>	<u>35,292</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Shareholders' dividend paid	(20,237)	(25,296)
Changes in Non-controlling interests	(549)	(2,586)
Net cash outflow from financing activities	<u>(20,786)</u>	<u>(27,882)</u>
Net increase during the financial year	17,600	48,316
Cash and cash equivalents at 1 January	105,973	57,657
Cash and cash equivalents at 31 December (<i>Note 28</i>)	<u>123,573</u>	<u>105,973</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 31.12.2015 RM'000	As at 31.12.2014 RM'000
Cash and bank balances	116,270	99,274
Short-term deposits	7,303	6,699
Cash and cash equivalents	<u>123,573</u>	<u>105,973</u>

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