

**MANULIFE HOLDINGS BERHAD**  
**Interim financial statements for the three months period ended 31 March 2016**

**Unaudited Condensed Consolidated Statement of Financial Position**

	<b>As at 31.03.2016 RM'000</b>	<b>As at 31.12.2015 RM'000</b>
<b>Assets</b>		
Property and equipment	37,688	37,613
Investment properties	88,125	88,125
Intangible assets	127,248	129,003
Available-for-sale financial assets	2,806,215	2,718,121
Financial assets at fair value through profit or loss	1,232,427	1,156,464
Loans and receivables	567,432	580,584
Reinsurance assets	5,672	4,561
Insurance receivables	18,862	26,177
Current tax assets	1,021	1,840
Cash and cash equivalents (Note 28)	116,911	123,573
<b>Total Assets</b>	<b>5,001,601</b>	<b>4,866,061</b>
<b>Equity, Policyholders' Funds and Liabilities</b>		
Share capital	101,185	101,185
Share premium	1,884	1,884
Retained earnings	659,975	659,862
Other reserves	15,887	13,723
<b>Equity attributable to the owners of the Company</b>	<b>778,931</b>	<b>776,654</b>
Non-controlling interests	643	592
<b>Total Equity</b>	<b>779,574</b>	<b>777,246</b>
Insurance contract liabilities (Note 27)	3,512,125	3,405,312
Insurance claims liabilities	57,841	51,635
Financial liabilities at fair value through profit or loss	16	-
Deferred tax liabilities	31,460	32,182
Insurance payables	436,698	432,428
Current tax liabilities	2,873	-
Other payables	181,014	167,258
<b>Total Liabilities</b>	<b>4,222,027</b>	<b>4,088,815</b>
<b>Total Equity, Policyholders' Funds and Liabilities</b>	<b>5,001,601</b>	<b>4,866,061</b>
<b>Net Assets Per Share (RM)</b>	<b>3.85</b>	<b>3.84</b>

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

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**Unaudited Condensed Consolidated Statement of Profit or Loss**

	3 months ended		Cumulative 3 months ended	
	31.03.2016 RM'000	31.03.2015 RM'000	31.03.2016 RM'000	31.03.2015 RM'000
Premium income				
Gross premiums	214,783	133,847	214,783	133,847
Premiums ceded to reinsurers	(5,068)	(2,769)	(5,068)	(2,769)
Net premiums (Note 21)	209,715	131,078	209,715	131,078
Investment income (Note 22)	41,326	38,308	41,326	38,308
Net realised gains	7,152	6,675	7,152	6,675
Net fair value gains/(losses)	13,384	(1,793)	13,384	(1,793)
Fee income	14,289	13,720	14,289	13,720
Other operating income	312	500	312	500
<b>Total revenue</b>	<b>286,178</b>	<b>188,488</b>	<b>286,178</b>	<b>188,488</b>
Gross benefits and claims paid	(123,759)	(131,299)	(123,759)	(131,299)
Claims ceded to reinsurers	1,424	1,552	1,424	1,552
Gross change in contract liabilities	(58,154)	(10,933)	(58,154)	(10,933)
Change in insurance contract liabilities ceded to reinsurers	489	480	489	480
<b>Net claims</b>	<b>(180,000)</b>	<b>(140,200)</b>	<b>(180,000)</b>	<b>(140,200)</b>
Fee and commission expenses	(23,225)	(19,804)	(23,225)	(19,804)
Investment expenses	(1,304)	(1,078)	(1,304)	(1,078)
Management expenses	(39,742)	(32,206)	(39,742)	(32,206)
Other (expenses)/income (Note 23)	(40,335)	11,303	(40,335)	11,303
<b>Other expenses</b>	<b>(104,606)</b>	<b>(41,785)</b>	<b>(104,606)</b>	<b>(41,785)</b>
<b>Profit before taxation (Note 24)</b>	<b>1,572</b>	<b>6,503</b>	<b>1,572</b>	<b>6,503</b>
Taxation (Note 25)	(1,454)	(2,121)	(1,454)	(2,121)
<b>Net profit for the period</b>	<b>118</b>	<b>4,382</b>	<b>118</b>	<b>4,382</b>
<b>Net profit attributable to:</b>				
Owners of the Company	113	4,376	113	4,376
Non-controlling interests	5	6	5	6
	<b>118</b>	<b>4,382</b>	<b>118</b>	<b>4,382</b>
Basic and diluted earnings per share (sen) (Note 26)	0.06	2.16	0.06	2.16

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 2016

**Unaudited Condensed Consolidated Statement of Total Comprehensive Income**

	3 months ended		Cumulative 3 months ended	
	31.03.2016 RM'000	31.03.2015 RM'000	31.03.2016 RM'000	31.03.2015 RM'000
<b>Net profit for the period</b>	118	4,382	118	4,382
<b>Other comprehensive income, net of tax:</b>				
Other comprehensive gain to be reclassified to profit or loss in subsequent periods:-				
Fair value change of available-for-sale financial assets:				
- Gross fair value change	55,520	49,219	55,520	49,219
- Deferred tax	(4,697)	(3,937)	(4,697)	(3,937)
	50,823	45,282	50,823	45,282
- Changes in insurance contract liabilities arising from unrealised fair value change	(48,659)	(37,288)	(48,659)	(37,288)
- Net gain	2,164	7,994	2,164	7,994
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>	2,164	7,994	2,164	7,994
<b>Other comprehensive income for the period, net of tax</b>	2,164	7,994	2,164	7,994
<b>Total comprehensive income for the period</b>	2,282	12,376	2,282	12,376
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	2,277	12,370	2,277	12,370
Non-controlling interests	5	6	5	6
	2,282	12,376	2,282	12,376

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**MANULIFE HOLDINGS BERHAD**

Interim financial statements for the three months period ended 31 March 2016

**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			
<b>At 1 January 2016</b>	101,185	1,884	4,733	8,990	659,862	776,654	592	777,246	
Changes in ownership interest in a unit trust fund managed by a subsidiary	-	-	-	-	-	-	46	46	
Net profit for the period	-	-	-	-	113	113	5	118	
Other comprehensive income for the period	-	-	-	2,164	-	2,164	-	2,164	
Total comprehensive income for the period	-	-	-	2,164	113	2,277	5	2,282	
<b>At 31 March 2016</b>	<u>101,185</u>	<u>1,884</u>	<u>4,733</u>	<u>11,154</u>	<u>659,975</u>	<u>778,931</u>	<u>643</u>	<u>779,574</u>	
<b>At 1 January 2015</b>	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	-	-	-	-	-	-	(580)	(580)	
Net profit for the period	-	-	-	-	4,376	4,376	6	4,382	
Other comprehensive income for the period	-	-	-	7,994	-	7,994	-	7,994	
Total comprehensive income for the period	-	-	-	7,994	4,376	12,370	6	12,376	
<b>At 31 March 2015</b>	<u>101,185</u>	<u>1,884</u>	<u>4,508</u>	<u>17,641</u>	<u>648,933</u>	<u>774,151</u>	<u>543</u>	<u>774,694</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 72,652,000 (1 January 2016: RM 71,155,000/ 31 March 2015: RM 75,545,000/ 1 January 2015: 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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**Interim financial statements for the three months period ended 31 March 2016**

**Unaudited Condensed Consolidated Statement of Cash Flows**

	<b>3 months ended 31.03.2016 RM'000</b>	<b>3 months ended 31.03.2015 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit for the financial period	118	4,382
Adjustments for non-cash items	8,057	(55,586)
Operating profits/(losses) before changes in operating assets and liabilities	<u>8,175</u>	<u>(51,204)</u>
Purchase of investments	(461,136)	(414,329)
Proceeds from sale and maturity of investments	299,576	391,350
Interest income received	24,898	27,045
Dividend income received	9,595	9,504
Rental income received	2,547	1,631
Decrease in insurance receivables	7,315	9,582
Increase in reinsurance assets	(1,111)	(702)
Increase in other receivables	(32,172)	(37,462)
Increase in payables	18,026	42,460
Increase in insurance claims liabilities	6,206	9,316
Decrease in fixed and call deposits	39,960	36,052
Decrease in loan receivables	3,888	7,964
Increase in insurance contract liabilities	58,154	10,933
Cash (used in)/generated from operations	<u>(16,079)</u>	<u>42,140</u>
Income taxes paid	(4,537)	(8,607)
Net cash (outflow)/inflow from operating activities	<u>(20,616)</u>	<u>33,533</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(2,056)	(4,163)
Purchase of intangible assets	(160)	(2,522)
Purchase of investments	(83,820)	(5,288)
Proceeds from sale and maturity of investments	99,944	39,292
Proceeds from disposal of property and equipment	-	36
Net cash inflow from investing activities	<u>13,908</u>	<u>27,355</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Changes in Non-controlling interests	46	(580)
Net cash inflow/(outflow) from financing activities	<u>46</u>	<u>(580)</u>
Net (decrease)/increase during the financial period	(6,662)	60,308
Cash and cash equivalents at 1 January	123,573	105,973
Cash and cash equivalents at 31 March ( <i>Note 28</i> )	<u>116,911</u>	<u>166,281</u>

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents included in the statements of cash flows and statements of financial position comprise the following:

	<b>As at 31.03.2016 RM'000</b>	<b>As at 31.03.2015 RM'000</b>
Cash and bank balances	103,498	162,083
Short-term deposits	13,413	4,198
Cash and cash equivalents	<u>116,911</u>	<u>166,281</u>

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