

MANULIFE HOLDINGS BERHAD
Interim financial statements for the six months period ended 30 June 2016

Unaudited Condensed Consolidated Statement of Financial Position

	As at 30.06.2016 RM'000	As at 31.12.2015 RM'000
Assets		
Property and equipment	38,793	37,613
Investment property	88,125	88,125
Intangible assets	124,229	129,003
Available-for-sale financial assets	2,824,885	2,718,121
Financial assets at fair value through profit or loss	1,215,356	1,156,464
Loans and receivables	795,602	580,584
Reinsurance assets	6,712	4,561
Insurance receivables	20,572	26,177
Current tax assets	677	1,840
Cash and cash equivalents (<i>Note 28</i>)	123,229	123,573
Total Assets	5,238,180	4,866,061
Equity, Policyholders' Fund and Liabilities		
Share capital	101,185	101,185
Share premium	1,884	1,884
Retained earnings	647,356	659,862
Other reserves	16,107	13,723
Equity attributable to the owners of the Company	766,532	776,654
Non-controlling interests	1,722	592
Total Equity	768,254	777,246
Insurance contract liabilities (<i>Note 27</i>)	3,556,317	3,405,312
Insurance claims liabilities	55,806	51,635
Deferred tax liabilities	30,492	32,182
Insurance payables	449,262	432,428
Current tax liabilities	2,097	-
Other payables	375,952	167,258
Total Liabilities	4,469,926	4,088,815
Total Equity, Policyholders' Fund and Liabilities	5,238,180	4,866,061
Net Assets Per Share (RM)	3.79	3.84

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 2016

Unaudited Condensed Consolidated Statement of Profit or Loss

	3 months ended		Cumulative 6 months ended	
	30.06.2016 RM'000	30.06.2015 RM'000	30.06.2016 RM'000	30.06.2015 RM'000
Premium income				
Gross premiums	226,595	196,135	441,378	329,982
Premiums ceded to reinsurers	(6,334)	(3,641)	(11,402)	(6,410)
Net premiums <i>(Note 21)</i>	220,261	192,494	429,976	323,572
Investment income <i>(Note 22)</i>	44,773	43,097	86,099	81,405
Net realised (losses)/gains	(263)	8,916	6,889	15,591
Net fair value losses	(21,802)	(39,143)	(8,418)	(40,936)
Fee income	14,351	15,096	28,640	28,816
Other operating income	300	447	612	947
Total revenue	257,620	220,907	543,798	409,395
Gross benefits and claims paid	(142,335)	(143,248)	(266,094)	(274,547)
Claims ceded to reinsurers	2,572	1,068	3,996	2,620
Gross change in contract liabilities	(56,738)	(17,751)	(114,892)	(28,684)
Change in insurance contract liabilities ceded to reinsurers	317	447	806	927
Net claims	(196,184)	(159,484)	(376,184)	(299,684)
Fee and commission expenses	(24,314)	(22,627)	(47,539)	(42,431)
Investment expenses	(824)	(542)	(2,128)	(1,620)
Management expenses	(40,479)	(38,340)	(80,221)	(70,546)
Other operating income/(expenses) <i>(Note 23)</i>	11,861	12,040	(28,474)	23,343
Other expenses	(53,756)	(49,469)	(158,362)	(91,254)
Profit before taxation <i>(Note 24)</i>	7,680	11,954	9,252	18,457
Taxation <i>(Note 25)</i>	(2,064)	(3,932)	(3,518)	(6,053)
Net profit for the period	5,616	8,022	5,734	12,404
Net profit attributable to:				
Owners of the Company	5,594	8,010	5,707	12,386
Non-controlling interests	22	12	27	18
	5,616	8,022	5,734	12,404
Basic and diluted earnings per share (sen) <i>(Note 26)</i>	2.76	3.96	2.82	6.12

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MANULIFE HOLDINGS BERHAD

Interim financial statements for the six months period ended 30 June 2016

Unaudited Condensed Consolidated Statement of Total Comprehensive Income

	3 months ended		Cumulative 6 months ended	
	30.06.2016 RM'000	30.06.2015 RM'000	30.06.2016 RM'000	30.06.2015 RM'000
Net profit for the period	5,616	8,022	5,734	12,404
Other comprehensive income/(losses), net of tax:				
Other comprehensive income/(losses) to be reclassified to profit or loss in subsequent periods:-				
Fair value change of available-for-sale financial assets:				
- Gross fair value change	(13,135)	(40,379)	42,385	8,840
- Deferred tax	809	3,097	(3,888)	(840)
	(12,326)	(37,282)	38,497	8,000
- Changes in insurance contract liabilities arising from unrealised net fair value change	12,546	34,625	(36,113)	(2,663)
- Net income/(losses)	220	(2,657)	2,384	5,337
Net other comprehensive income/(losses) to be reclassified to profit or loss in subsequent periods	220	(2,657)	2,384	5,337
Other comprehensive income/(losses) for the period, net of tax	220	(2,657)	2,384	5,337
Total comprehensive income for the period	5,836	5,365	8,118	17,741
Total comprehensive income attributable to:				
Owners of the Company	5,814	5,353	8,091	17,723
Non-controlling interests	22	12	27	18
	5,836	5,365	8,118	17,741

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MANULIFE HOLDINGS BERHAD

Interim financial statements for the six months period ended 30 June 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			
At 1 January 2016	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	-	-	-	-	-	-	1,103	1,103	
Net profit for the period	-	-	-	-	5,707	5,707	27	5,734	
Other comprehensive income for the period	-	-	-	2,384	-	2,384	-	2,384	
Total comprehensive income for the period	-	-	-	2,384	5,707	8,091	27	8,118	
Final dividend for the financial year ended 31 December 2015	-	-	-	-	(18,213)	(18,213)	-	(18,213)	
At 30 June 2016	101,185	1,884	4,733	11,374	647,356	766,532	1,722	768,254	
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	-	-	-	-	-	-	182	182	
Net profit for the period	-	-	-	-	12,386	12,386	18	12,404	
Other comprehensive income for the period	-	-	-	5,337	-	5,337	-	5,337	
Total comprehensive income for the period	-	-	-	5,337	12,386	17,723	18	17,741	
Final dividend for the financial year ended 31 December 2014	-	-	-	-	(20,237)	(20,237)	-	(20,237)	
At 30 June 2015	101,185	1,884	4,508	14,984	636,706	759,267	1,317	760,584	

* 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 77,530,000 (1 January 2016: RM 71,155,000 / 30 June 2015: RM84,250,000 / 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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MANULIFE HOLDINGS BERHAD
Interim financial statements for the six months period ended 30 June 2016

Unaudited Condensed Consolidated Statement of Cash Flows

	6 months ended 30.06.2016 RM'000	6 months ended 30.06.2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the financial period	5,734	12,404
Adjustments for non-cash items	(19,548)	(75,666)
Operating losses before changes in operating assets and liabilities	<u>(13,814)</u>	<u>(63,262)</u>
Purchase of investments	(848,669)	(1,006,261)
Proceeds from sale and maturity of investments	657,613	918,925
Interest income received	61,249	58,247
Dividend income received	19,311	18,027
Rental income received	4,160	3,502
Decrease/(increase) in insurance receivables	5,605	(467)
Increase in reinsurance assets	(2,151)	(1,556)
Increase in other receivables	(255,674)	(53,088)
Increase in payables	225,528	132,943
Increase in insurance claims liabilities	4,171	13,469
Decrease/(increase) in fixed and call deposits	25,231	(6,583)
Decrease in loan receivables	15,182	19,862
Increase in insurance contract liabilities	114,892	28,684
Cash generated from operations	<u>12,634</u>	<u>62,442</u>
Income taxes paid	(8,178)	(10,761)
Net cash inflow from operating activities	<u>4,456</u>	<u>51,681</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(3,286)	(5,104)
Purchase of intangible assets	(528)	(3,662)
Purchase of investments	(83,820)	(56,570)
Proceeds from sale and maturity of investments	99,944	84,400
Proceeds from disposal of property and equipment	-	36
Net cash inflow from investing activities	<u>12,310</u>	<u>19,100</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net contribution from Non-controlling interests	1,103	182
Dividends paid to shareholders	(18,213)	(20,237)
Net cash outflow from financing activities	<u>(17,110)</u>	<u>(20,055)</u>
Net (decrease)/increase during the financial period	(344)	50,726
Cash and cash equivalents at 1 January	123,573	105,973
Cash and cash equivalents at 30 June (<i>Note 28</i>)	<u>123,229</u>	<u>156,699</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 30.06.2016 RM'000	As at 30.06.2015 RM'000
Cash and bank balances	103,714	50,726
Short-term deposits	19,515	105,973
Cash and cash equivalents	<u>123,229</u>	<u>156,699</u>

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