

MANULIFE HOLDINGS BERHAD

Interim financial statements for the nine months period ended 30 September 2016

Unaudited Condensed Consolidated Statement of Financial Position

	As at 30.09.2016 RM'000	As at 31.12.2015 RM'000
Assets		
Property and equipment	36,062	37,613
Investment property	88,125	88,125
Intangible assets	126,766	129,003
Available-for-sale financial assets	2,991,748	2,718,121
Financial assets at fair value through profit or loss	1,342,927	1,156,464
Loans and receivables	457,137	580,584
Reinsurance assets	8,023	4,561
Insurance receivables	18,200	26,177
Current tax assets	555	1,840
Cash and cash equivalents (Note 28)	132,458	123,573
Total Assets	5,202,001	4,866,061
Equity, Policyholders' Fund and Liabilities		
Share capital	101,185	101,185
Share premium	1,884	1,884
Retained earnings	659,994	659,862
Other reserves	22,520	13,723
Equity attributable to the owners of the Company	785,583	776,654
Non-controlling interests	1,106	592
Total Equity	786,689	777,246
Insurance contract liabilities (Note 27)	3,642,555	3,405,312
Insurance claims liabilities	58,866	51,635
Deferred tax liabilities	35,852	32,182
Insurance payables	461,019	432,428
Current tax liabilities	2,690	-
Other payables	214,330	167,258
Total Liabilities	4,415,312	4,088,815
Total Equity, Policyholders' Fund and Liabilities	5,202,001	4,866,061
Net Assets Per Share (RM)	3.88	3.84

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 2016

Unaudited Condensed Consolidated Statement of Profit or Loss

	3 months ended		Cumulative 9 months ended	
	30.09.2016 RM'000	30.09.2015 RM'000	30.09.2016 RM'000	30.09.2015 RM'000
Premium income				
Gross premiums	212,031	223,882	653,409	553,864
Premiums ceded to reinsurers	(7,199)	(4,425)	(18,601)	(10,835)
Net premiums (Note 21)	204,832	219,457	634,808	543,029
Investment income (Note 22)	45,531	42,175	131,630	123,580
Net realised gains	84	3,074	6,973	18,665
Net fair value gains/(losses)	33	(88,556)	(8,385)	(129,492)
Fee income	15,433	14,706	44,073	43,522
Other operating income	361	448	973	1,395
Total revenue	266,274	191,304	810,072	600,699
Gross benefits and claims paid	(144,433)	(150,564)	(410,527)	(425,111)
Claims ceded to reinsurers	2,938	1,171	6,934	3,791
Gross change in contract liabilities	(55,193)	(24,467)	(170,085)	(53,151)
Change in insurance contract liabilities ceded to reinsurers	688	289	1,494	1,216
Net claims	(196,000)	(173,571)	(572,184)	(473,255)
Fee and commission expenses	(23,086)	(19,948)	(70,625)	(62,379)
Investment expenses	(1,087)	(1,307)	(3,215)	(2,927)
Management expenses	(41,175)	(40,262)	(121,396)	(110,808)
Other operating income/(expenses) (Note 23)	12,723	62,214	(15,751)	85,557
Other expenses	(52,625)	697	(210,987)	(90,557)
Profit before taxation (Note 24)	17,649	18,430	26,901	36,887
Taxation (Note 25)	(4,969)	(2,465)	(8,487)	(8,518)
Net profit for the period	12,680	15,965	18,414	28,369
Net profit attributable to:				
Owners of the Company	12,638	15,960	18,345	28,346
Non-controlling interests	42	5	69	23
	12,680	15,965	18,414	28,369
Basic and diluted earnings per share (sen) (Note 26)	6.25	7.89	9.07	14.01

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MANULIFE HOLDINGS BERHAD

Interim financial statements for the nine months period ended 30 September 2016

Unaudited Condensed Consolidated Statement of Total Comprehensive Income

	3 months ended		Cumulative 9 months ended	
	<u>30.09.2016</u>	<u>30.09.2015</u>	<u>30.09.2016</u>	<u>30.09.2015</u>
	RM'000	RM'000	RM'000	RM'000
Net profit for the period	12,680	15,965	18,414	28,369
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	41,023	(50,677)	83,408	(41,837)
- Deferred tax	(3,565)	4,259	(7,453)	3,419
	37,458	(46,418)	75,955	(38,418)
- Changes in insurance contract liabilities arising from unrealised net fair value change	(31,045)	41,661	(67,158)	38,998
- Net income/(losses)	<u>6,413</u>	<u>(4,757)</u>	<u>8,797</u>	<u>580</u>
Net other comprehensive income/(losses) to be reclassified to profit or loss in subsequent periods	6,413	(4,757)	8,797	580
Other comprehensive income/(losses) for the period, net of tax	<u>6,413</u>	<u>(4,757)</u>	<u>8,797</u>	<u>580</u>
Total comprehensive income for the period	<u>19,093</u>	<u>11,208</u>	<u>27,211</u>	<u>28,949</u>
Total comprehensive income attributable to:				
Owners of the Company	19,051	11,203	27,142	28,926
Non-controlling interests	42	5	69	23
	<u>19,093</u>	<u>11,208</u>	<u>27,211</u>	<u>28,949</u>

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MANULIFE HOLDINGS BERHAD

Interim financial statements for the nine months period ended 30 September 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	-	-	-	-	-	-	445	445
Net profit for the period	-	-	-	-	18,345	18,345	69	18,414
Other comprehensive income for the period	-	-	-	8,797	-	8,797	-	8,797
Total comprehensive income for the period	-	-	-	8,797	18,345	27,142	69	27,211
Final dividend for the financial year ended 31 December 2015	-	-	-	-	(18,213)	(18,213)	-	(18,213)
At 30 September 2016	101,185	1,884	4,733	17,787	659,994	785,583	1,106	786,689
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	101,185	1,884	4,508	10,227	652,666	770,470	797	771,267

* 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 89,861,000 (1 January 2016: RM 71,155,000 / 30 September 2015: RM97,388,000 / 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 nine months period ended 30 September 2016

Unaudited Condensed Consolidated Statement of Cash Flows

	9 months ended 30.09.2016 RM'000	9 months ended 30.09.2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the financial period	18,414	28,369
Adjustments for non-cash items	(68,842)	(103,262)
Operating losses before changes in operating assets and liabilities	<u>(50,428)</u>	<u>(74,893)</u>
Purchase of investments	(1,246,746)	(1,389,354)
Proceeds from sale and maturity of investments	836,737	1,200,381
Interest income received	85,303	84,067
Dividend income received	29,861	29,181
Rental income received	6,085	5,032
Decrease in insurance receivables	7,977	4,510
Increase in reinsurance assets	(3,462)	(2,214)
(Increase)/decrease in other receivables	(41,393)	16,001
Increase in payables	77,607	50,937
Increase in insurance claims liabilities	7,231	11,901
Decrease in fixed and call deposits	146,578	36,312
Decrease in loan receivables	20,459	31,292
Increase in insurance contract liabilities	170,085	53,150
Cash generated from operations	<u>45,894</u>	<u>56,303</u>
Income taxes paid	(16,057)	(20,955)
Net cash inflow from operating activities	<u>29,837</u>	<u>35,348</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(3,011)	(5,889)
Purchase of intangible assets	(3,564)	(4,801)
Purchase of investments	(74,305)	(59,972)
Proceeds from sale and maturity of investments	79,595	96,280
Proceeds from disposal of property and equipment	44	36
Acquisition of subsidiary, balance of cash consideration	(1,943)	(3,002)
Net cash (outflow)/inflow from investing activities	<u>(3,184)</u>	<u>22,652</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net contribution from Non-controlling interests	445	(343)
Dividends paid to shareholders	(18,213)	(20,237)
Net cash outflow from financing activities	<u>(17,768)</u>	<u>(20,580)</u>
Net increase during the financial period	8,885	37,420
Cash and cash equivalents at 1 January	123,573	105,973
Cash and cash equivalents at 30 September (Note 28)	<u>132,458</u>	<u>143,393</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 30.09.2016 RM'000	As at 30.09.2015 RM'000
Cash and bank balances	118,859	140,114
Short-term deposits	13,599	3,279
Cash and cash equivalents	<u>132,458</u>	<u>143,393</u>

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