

MANULIFE HOLDINGS BERHAD
Interim financial statements for the three months period ended 31 March 2017

Unaudited Condensed Consolidated Statement of Financial Position

	As at 31.03.2017 RM'000	As at 31.12.2016 RM'000
Assets		
Property and equipment	38,205	38,143
Investment property	88,071	88,071
Intangible assets	121,971	124,034
Available-for-sale financial assets	2,981,586	2,884,579
Financial assets at fair value through profit or loss	1,384,221	1,347,826
Loans and receivables	489,144	453,497
Reinsurance assets	8,260	8,611
Insurance receivables	23,274	28,781
Current tax assets	643	615
Cash and cash equivalents (<i>Note 28</i>)	124,008	138,199
Total Assets	5,259,383	5,112,356
Equity, Policyholders' Fund and Liabilities		
Share capital	103,069	101,185
Share premium	-	1,884
Retained earnings	692,712	688,094
Other reserves	14,280	7,591
Equity attributable to the owners of the Company	810,061	798,754
Non-controlling interests	1,381	365
Total Equity	811,442	799,119
Insurance contract liabilities (<i>Note 27</i>)	3,716,279	3,591,411
Insurance claims liabilities	55,216	55,764
Financial liabilities at fair value through profit or loss	-	549
Deferred tax liabilities	35,742	26,083
Insurance payables	489,631	479,294
Current tax liabilities	6,227	5,164
Other payables	144,846	154,972
Total Liabilities	4,447,941	4,313,237
Total Equity, Policyholders' Fund and Liabilities	5,259,383	5,112,356
Net Assets Per Share (RM)	4.00	3.95

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 2017

Unaudited Condensed Consolidated Statement of Profit or Loss

	3 months ended		Cumulative 3 months ended	
	31.03.2017 RM'000	31.03.2016 RM'000	31.03.2017 RM'000	31.03.2016 RM'000
Premium income				
Gross premiums	190,518	214,783	190,518	214,783
Premiums ceded to reinsurers	(8,269)	(5,068)	(8,269)	(5,068)
Net premiums (<i>Note 21</i>)	182,249	209,715	182,249	209,715
Investment income (<i>Note 22</i>)	45,727	41,326	45,727	41,326
Net realised gains	7,372	7,152	7,372	7,152
Net fair value gains	67,466	13,384	67,466	13,384
Fee income	19,346	14,289	19,346	14,289
Other operating income	892	312	892	312
Total revenue	323,052	286,178	323,052	286,178
Gross benefits and claims paid	(163,081)	(123,759)	(163,081)	(123,759)
Claims ceded to reinsurers	1,513	1,424	1,513	1,424
Gross change in contract liabilities	(74,125)	(58,154)	(74,125)	(58,154)
Change in insurance contract liabilities ceded to reinsurers	222	489	222	489
Net claims	(235,471)	(180,000)	(235,471)	(180,000)
Fee and commission expenses	(23,942)	(23,225)	(23,942)	(23,225)
Investment expenses	(1,542)	(1,304)	(1,542)	(1,304)
Management expenses	(41,336)	(39,742)	(41,336)	(39,742)
Other operating expenses (<i>Note 23</i>)	(13,378)	(40,335)	(13,378)	(40,335)
Other expenses	(80,198)	(104,606)	(80,198)	(104,606)
Profit before taxation (<i>Note 24</i>)	7,383	1,572	7,383	1,572
Taxation (<i>Note 25</i>)	(2,755)	(1,454)	(2,755)	(1,454)
Net profit for the financial period	4,628	118	4,628	118
Net profit attributable to:				
Owners of the Company	4,618	113	4,618	113
Non-controlling interests	10	5	10	5
	4,628	118	4,628	118
Basic and diluted earnings per share (sen) (<i>Note 26</i>)	2.28	0.06	2.28	0.06

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MANULIFE HOLDINGS BERHAD

Interim financial statements for the three months period ended 31 March 2017

Unaudited Condensed Consolidated Statement of Total Comprehensive Income

	3 months ended		Cumulative 3 months ended	
	31.03.2017 RM'000	31.03.2016 RM'000	31.03.2017 RM'000	31.03.2016 RM'000
Net profit for the financial period	4,628	118	4,628	118
Other comprehensive income, net of tax:				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:-				
Fair value change of available-for-sale financial assets:				
- Gross fair value change	62,377	55,520	62,377	55,520
- Deferred tax	(4,945)	(4,697)	(4,945)	(4,697)
	57,432	50,823	57,432	50,823
Changes in insurance contract liabilities arising from unrealised net fair value change	(50,743)	(48,659)	(50,743)	(48,659)
Net gains	6,689	2,164	6,689	2,164
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	6,689	2,164	6,689	2,164
Other comprehensive income for the financial period, net of tax	6,689	2,164	6,689	2,164
Total comprehensive income for the financial period	11,317	2,282	11,317	2,282
Total comprehensive income attributable to:				
Owners of the Company	11,307	2,277	11,307	2,277
Non-controlling interests	10	5	10	5
	11,317	2,282	11,317	2,282

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MANULIFE HOLDINGS BERHAD

Interim financial statements for the three months period ended 31 March 2017

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 2017	101,185	1,884	5,078	2,513	688,094	798,754	365	799,119
Adjustment for effects of Companies Act 2016**	1,884	(1,884)	-	-	-	-	-	-
Changes in ownership interest in a unit trust fund managed by a subsidiary	-	-	-	-	-	-	1,006	1,006
Net profit for the financial period	-	-	-	-	4,618	4,618	10	4,628
Other comprehensive income for the financial period	-	-	-	6,689	-	6,689	-	6,689
Total comprehensive income for the financial period	-	-	-	6,689	4,618	11,307	10	11,317
At 31 March 2017	103,069	-	5,078	9,202	692,712	810,061	1,381	811,442
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	-	-	-	-	-	-	46	46
Net profit for the financial period	-	-	-	-	113	113	5	118
Other comprehensive income for the financial period	-	-	-	2,164	-	2,164	-	2,164
Total comprehensive income for the financial period	-	-	-	2,164	113	2,277	5	2,282
At 31 March 2016	101,185	1,884	4,733	11,154	659,975	778,931	643	779,574

* 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 75,012,000 (1 January 2017: RM 69,414,000 / 31 March 2016: RM72,652,000 / 1 January 2016: RM 71,155,000). 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.

** With the Companies Act 2016 ("New Act") coming into effect on 31 January 2017, the credit standing in the share premium account has been transferred to the share capital account.

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MANULIFE HOLDINGS BERHAD
Interim financial statements for the three months period ended 31 March 2017

Unaudited Condensed Consolidated Statement of Cash Flows

	3 months ended 31.03.2017 RM'000	3 months ended 31.03.2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the financial period	4,628	118
Adjustments for non-cash items	(108,555)	8,057
Operating (loss)/gain before changes in operating assets and liabilities	<u>(103,927)</u>	<u>8,175</u>
Purchase of investments	(420,339)	(461,136)
Proceeds from sale and maturity of investments	418,141	299,576
Interest income received	26,772	24,898
Dividend income received	12,542	9,595
Rental income received	1,584	2,547
Increase in insurance receivables	11,553	7,315
Decrease/(increase) in reinsurance assets	351	(1,111)
(Increase)/decrease in fixed and call deposits	(30,055)	39,960
Decrease in loan receivables	1,156	3,888
Increase in other receivables	(6,541)	(32,172)
Increase in insurance contract liabilities	74,125	58,154
(Decrease)/increase in insurance claims liabilities	(548)	6,206
Increase in payables	1,660	19,969
Cash used in operations	<u>(13,526)</u>	<u>(14,136)</u>
Income taxes paid	(5,613)	(4,537)
Net cash outflow from operating activities	<u>(19,139)</u>	<u>(18,673)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(990)	(2,056)
Purchase of intangible assets	(339)	(160)
Purchase of investments	(17,374)	(83,820)
Proceeds from sale and maturity of investments	24,141	99,944
Proceeds from disposal of property and equipment	1	-
Acquisition of subsidiary, balance of cash consideration	(1,497)	(1,943)
Net cash inflow from investing activities	<u>3,942</u>	<u>11,965</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Changes in Non-controlling interests	1,006	46
Net cash inflow from financing activities	<u>1,006</u>	<u>46</u>
Net decrease during the financial period	(14,191)	(6,662)
Cash and cash equivalents at 1 January	138,199	123,573
Cash and cash equivalents at 31 March (<i>Note 28</i>)	<u><u>124,008</u></u>	<u><u>116,911</u></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 31.03.2017 RM'000	As at 31.03.2016 RM'000
Cash and bank balances	115,397	103,498
Short-term deposits	8,611	13,413
Cash and cash equivalents	<u><u>124,008</u></u>	<u><u>116,911</u></u>

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