

MANULIFE HOLDINGS BERHAD (24851-H)
Interim financial statements for the three months period ended 31 March 2018

Unaudited Condensed Consolidated Statement of Financial Position

	As at 31.03.2018 RM'000	As at 31.12.2017 RM'000
Assets		
Property and equipment	42,475	42,107
Investment property	82,600	82,600
Intangible assets	113,704	115,213
Available-for-sale financial assets	3,078,605	3,090,586
Financial assets at fair value through profit or loss	1,540,315	1,536,831
Loans and receivables	565,555	586,605
Reinsurance assets	5,219	6,412
Insurance receivables	15,922	23,971
Current tax assets	692	686
Cash and cash equivalents (Note 28)	170,359	148,973
Total Assets	5,615,446	5,633,984
Equity, Policyholders' Fund and Liabilities		
Share capital	103,069	103,069
Retained earnings	702,016	694,863
Other reserves	17,472	16,197
Equity attributable to the owners of the Company	822,557	814,129
Non-controlling interests	-	1,195
Total Equity	822,557	815,324
Insurance contract liabilities (Note 27)	3,943,499	3,948,122
Insurance claims liabilities	56,827	56,489
Financial liabilities at fair value through profit or loss	91	-
Deferred tax liabilities	32,204	36,540
Insurance payables	527,090	526,936
Current tax liabilities	3,802	2,456
Other payables	229,376	248,117
Total Liabilities	4,792,889	4,818,660
Total Equity, Policyholders' Fund and Liabilities	5,615,446	5,633,984
Net Assets Per Share (RM)	4.06	4.02

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	
	31.03.2018 RM'000	31.03.2017 RM'000	31.03.2018 RM'000	31.03.2017 RM'000
Premium income				
Gross premiums	216,685	190,518	216,685	190,518
Premiums ceded to reinsurers	(10,759)	(8,269)	(10,759)	(8,269)
Net premiums (<i>Note 21</i>)	205,926	182,249	205,926	182,249
Investment income (<i>Note 22</i>)	46,525	45,727	46,525	45,727
Net realised gains	17,212	7,372	17,212	7,372
Net fair value (losses)/gains	(10,547)	67,466	(10,547)	67,466
Fee income	31,929	19,346	31,929	19,346
Other operating income	519	892	519	892
Total revenue	291,564	323,052	291,564	323,052
Gross benefits and claims paid	(176,871)	(163,081)	(176,871)	(163,081)
Claims ceded to reinsurers	2,423	1,513	2,423	1,513
Gross change in contract liabilities	1,872	(74,125)	1,872	(74,125)
Change in insurance contract liabilities ceded to reinsurers	231	222	231	222
Net claims	(172,345)	(235,471)	(172,345)	(235,471)
Fee and commission expenses	(34,772)	(23,942)	(34,772)	(23,942)
Investment expenses	(1,270)	(1,542)	(1,270)	(1,542)
Management expenses	(43,426)	(41,336)	(43,426)	(41,336)
Other operating expenses (<i>Note 23</i>)	(29,334)	(13,378)	(29,334)	(13,378)
Other expenses	(108,802)	(80,198)	(108,802)	(80,198)
Profit before taxation (<i>Note 24</i>)	10,417	7,383	10,417	7,383
Taxation (<i>Note 25</i>)	(3,193)	(2,755)	(3,193)	(2,755)
Net profit for the financial period	7,224	4,628	7,224	4,628
Net profit attributable to:				
Owners of the Company	7,224	4,618	7,224	4,618
Non-controlling interests	-	10	-	10
	7,224	4,628	7,224	4,628
Basic and diluted earnings per share (sen) (<i>Note 26</i>)	3.57	2.28	3.57	2.28

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MANULIFE HOLDINGS BERHAD (24851-H)
Interim financial statements for the three months period ended 31 March 2018

Unaudited Condensed Consolidated Statement of Total Comprehensive Income

	3 months ended		Cumulative	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	7,224	4,628	7,224	4,628
Other comprehensive income, net of tax:				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:-				
Net loss on foreign currency translation	(471)	-	(471)	-
Fair value change of available-for-sale financial assets:				
- Gross fair value change	(953)	62,377	(953)	62,377
- Deferred tax	(52)	(4,945)	(52)	(4,945)
	(1,005)	57,432	(1,005)	57,432
Changes in insurance contract liabilities arising from unrealised net fair value change	2,751	(50,743)	2,751	(50,743)
Net income	<u>1,746</u>	<u>6,689</u>	<u>1,746</u>	<u>6,689</u>
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	1,275	6,689	1,275	6,689
Other comprehensive income for the financial period, net of tax	<u>1,275</u>	<u>6,689</u>	<u>1,275</u>	<u>6,689</u>
Total comprehensive income for the financial period	<u>8,499</u>	<u>11,317</u>	<u>8,499</u>	<u>11,317</u>
Total comprehensive income attributable to:				
Owners of the Company	8,499	11,307	8,499	11,307
Non-controlling interests	-	10	-	10
	<u>8,499</u>	<u>11,317</u>	<u>8,499</u>	<u>11,317</u>

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MANULIFE HOLDINGS BERHAD (24851-H)
Interim financial statements for the three months period ended 31 March 2018

Unaudited Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the Company						Total RM'000	Non- controlling interests RM'000	Total RM'000
	Non - distributable			Distributable					
	Share capital RM'000	Share premium RM'000	Asset revaluation reserve RM'000	Currency translation reserve RM'000	Fair value reserve RM'000	Retained earnings* RM'000			
At 1 January 2018	103,069	-	5,548	(786)	11,435	694,863	814,129	1,195	815,324
Changes in ownership interest in a unit trust fund managed by a subsidiary	-	-	-	-	-	(71)	(71)	(1,195)	(1,266)
Net profit for the financial period	-	-	-	-	-	7,224	7,224	-	7,224
Other comprehensive (loss)/income for the financial period	-	-	-	(471)	1,746	-	1,275	-	1,275
Total comprehensive (loss)/income for the financial period	-	-	-	(471)	1,746	7,224	8,499	-	8,499
At 31 March 2018	103,069	-	5,548	(1,257)	13,181	702,016	822,557	-	822,557
At 1 January 2017	101,185	1,884	5,078	-	2,513	688,094	798,754	365	799,119
Transition to no-par value regime **	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

* 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 75,079,000 (1 January 2018: RM 68,988,000 / 31 March 2017: RM75,012,000 / 1 January 2017: RM 69,414,000). 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.

** Pursuant to Section 618(2) of the Companies Act, 2016, any amount standing to the credit of the share premium account shall become part of share capital.

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MANULIFE HOLDINGS BERHAD (24851-H)
Interim financial statements for the three months period ended 31 March 2018

Unaudited Condensed Consolidated Statement of Cash Flows

	3 months ended 31.03.2018 RM'000	3 months ended 31.03.2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the financial period	7,224	4,628
Adjustments for non-cash items	(18,719)	(108,555)
Operating losses before changes in operating assets and liabilities	<u>(11,495)</u>	<u>(103,927)</u>
Purchase of investments	(426,192)	(420,339)
Proceeds from disposal and maturity of investments	416,904	418,141
Interest income received	28,905	26,772
Dividend income received	7,933	12,542
Rental income received	1,678	1,584
Decrease in insurance receivables	8,049	11,553
Decrease in reinsurance assets	1,193	351
Decrease/(increase) in fixed and call deposits	68,174	(30,055)
Decrease in loan receivables	2,883	1,156
Increase in other receivables	(45,329)	(6,541)
(Decrease)/increase in insurance contract liabilities	(1,871)	74,125
Increase/(decrease) in insurance claims liabilities	338	(548)
(Decrease)/Increase in payables	(20,079)	1,660
Cash generated from/(used in) operations	<u>31,091</u>	<u>(13,526)</u>
Income taxes paid	(7,255)	(5,613)
Net cash inflow/(outflow) from operating activities	<u>23,836</u>	<u>(19,139)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(1,128)	(990)
Purchase of intangible assets	(369)	(339)
Purchase of investments	(13,906)	(17,374)
Proceeds from disposal and maturity of investments	14,219	24,141
Proceeds from disposal of property and equipment	-	1
Acquisition of subsidiary, balance of cash consideration	-	(1,497)
Net cash (outflow)/inflow from investing activities	<u>(1,184)</u>	<u>3,942</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Changes in Non-controlling interests	(1,266)	1,006
Net cash (outflow)/inflow from financing activities	<u>(1,266)</u>	<u>1,006</u>
Net increase/(decrease) during the financial period	21,386	(14,191)
Cash and cash equivalents at 1 January	148,973	138,199
Cash and cash equivalents at 31 March (Note 28)	<u>170,359</u>	<u>124,008</u>

CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the unaudited condensed consolidated statement of cash flows comprise the following:

	As at 31.03.2018 RM'000	As at 31.03.2017 RM'000
Cash and bank balances	142,205	115,397
Short-term deposits	28,154	8,611
Cash and cash equivalents	<u>170,359</u>	<u>124,008</u>

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