

MANULIFE HOLDINGS BERHAD (24851-H)

Interim financial statements for the six months financial period ended 30 June 2018

Unaudited Condensed Consolidated Statement of Financial Position

	As at 30.06.2018 RM'000	As at 31.12.2017 RM'000
Assets		
Property and equipment	41,758	42,107
Investment property	82,600	82,600
Intangible assets	112,228	115,213
Available-for-sale financial assets	3,063,790	3,090,586
Financial assets at fair value through profit or loss	1,429,580	1,536,831
Loans and receivables	656,825	586,605
Reinsurance assets	7,372	6,412
Insurance receivables	16,625	23,971
Current tax assets	-	686
Cash and cash equivalents (Note 28)	147,719	148,973
Total Assets	5,558,497	5,633,984
Equity, Policyholders' Fund and Liabilities		
Share capital	103,069	103,069
Retained earnings	694,098	694,863
Other reserves	8,371	16,197
Equity attributable to the owners of the Company	805,538	814,129
Non-controlling interests	2,524	1,195
Total Equity	808,062	815,324
Insurance contract liabilities (Note 27)	3,843,281	3,948,122
Insurance claims liabilities	64,087	56,489
Financial liabilities at fair value through profit or loss	3,760	-
Deferred tax liabilities	18,389	36,540
Insurance payables	536,418	526,936
Current tax liabilities	8,065	2,456
Other payables	276,435	248,117
Total Liabilities	4,750,435	4,818,660
Total Equity, Policyholders' Fund and Liabilities	5,558,497	5,633,984
Net Assets Per Share (RM)	3.98	4.02

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

MANULIFE HOLDINGS BERHAD (24851-H)

Interim financial statements for the six months financial period ended 30 June 2018

Unaudited Condensed Consolidated Statement of Profit or Loss

	3 months ended		Cumulative 6 months ended	
	30.06.2018 RM'000	30.06.2017 RM'000	30.06.2018 RM'000	30.06.2017 RM'000
Premium income				
Gross premiums	221,789	214,219	438,474	404,737
Premiums ceded to reinsurers	(11,397)	(9,086)	(22,156)	(17,355)
Net premiums (Note 21)	210,392	205,133	416,318	387,382
Investment income (Note 22)	46,903	45,063	93,428	90,790
Net realised gains	17,004	6,991	34,216	14,363
Net fair value (losses)/gains	(101,054)	41,373	(111,601)	108,839
Fee income	26,878	23,110	58,807	42,456
Other operating income	600	449	1,119	1,341
Total revenue	200,723	322,119	492,287	645,171
Gross benefits and claims paid	(158,784)	(156,358)	(335,655)	(319,439)
Claims ceded to reinsurers	3,697	3,919	6,120	5,432
Gross change in contract liabilities	19,169	(65,079)	21,041	(139,204)
Change in insurance contract liabilities ceded to reinsurers	195	258	426	480
Net claims	(135,723)	(217,260)	(308,068)	(452,731)
Fee and commission expenses	(30,957)	(29,472)	(65,729)	(53,414)
Investment expenses	(874)	(843)	(2,144)	(2,385)
Management expenses	(45,179)	(37,363)	(88,605)	(78,699)
Other operating income/(expenses) (Note 23)	24,188	(24,368)	(5,146)	(37,746)
Other expenses	(52,822)	(92,046)	(161,624)	(172,244)
Profit before taxation (Note 24)	12,178	12,813	22,595	20,196
Taxation (Note 25)	(3,960)	(3,506)	(7,153)	(6,261)
Net profit for the financial period	8,218	9,307	15,442	13,935
Net profit attributable to:				
Owners of the Company	8,201	9,306	15,425	13,924
Non-controlling interests	17	1	17	11
	8,218	9,307	15,442	13,935
Basic and diluted earnings per share (sen) (Note 26)	4.05	4.60	7.62	6.88

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MANULIFE HOLDINGS BERHAD (24851-H)
Interim financial statements for the six months financial period ended 30 June 2018

Unaudited Condensed Consolidated Statement of Total Comprehensive Income

	3 months ended		Cumulative	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	8,218	9,307	15,442	13,935
Other comprehensive (loss)/income, net of tax:				
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:-				
Net gain/(loss) on foreign currency translation	392	-	(79)	-
Fair value change of available-for-sale financial assets:				
- Gross fair value change	(98,794)	35,980	(99,747)	98,357
- Deferred tax	8,252	(3,180)	8,200	(8,125)
	(90,542)	32,800	(91,547)	90,232
Changes in insurance contract liabilities arising from unrealised net fair value change	81,049	(27,339)	83,800	(78,082)
Net (loss)/income	(9,493)	5,461	(7,747)	12,150
Net other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods	(9,101)	5,461	(7,826)	12,150
Other comprehensive (loss)/income for the financial period, net of tax	(9,101)	5,461	(7,826)	12,150
Total comprehensive (loss)/income for the financial period	(883)	14,768	7,616	26,085
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(900)	14,767	7,599	26,074
Non-controlling interests	17	1	17	11
	(883)	14,768	7,616	26,085

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MANULIFE HOLDINGS BERHAD (24851-H)
Interim financial statements for the six months financial period ended 30 June 2018

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	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	-	-	-	-	-	-	-	1,312	1,312
Net profit for the financial period	-	-	-	-	-	15,425	15,425	17	15,442
Other comprehensive income for the financial period	-	-	-	(79)	(7,747)	-	(7,826)	-	(7,826)
Total comprehensive (loss)/income for the financial period	-	-	-	(79)	(7,747)	15,425	7,599	17	7,616
Final dividend for the financial year ended 31 December 2017	-	-	-	-	-	(16,190)	(16,190)	-	(16,190)
At 30 June 2018	<u>103,069</u>	<u>-</u>	<u>5,548</u>	<u>(865)</u>	<u>3,688</u>	<u>694,098</u>	<u>805,538</u>	<u>2,524</u>	<u>808,062</u>
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	-	-	-	-	-	-	-	275	275
Net profit for the financial period	-	-	-	-	-	13,924	13,924	11	13,935
Other comprehensive income for the financial period	-	-	-	-	12,150	-	12,150	-	12,150
Total comprehensive income for the financial period	-	-	-	-	12,150	13,924	26,074	11	26,085
Final dividend for the financial year ended 31 December 2016	-	-	-	-	-	(21,249)	(21,249)	-	(21,249)
At 30 June 2017	<u>103,069</u>	<u>-</u>	<u>5,078</u>	<u>-</u>	<u>14,663</u>	<u>680,769</u>	<u>803,579</u>	<u>651</u>	<u>804,230</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 83,429,000 (1 January 2018: RM 68,988,000 / 30 June 2017: RM83,315,000 / 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.

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

MANULIFE HOLDINGS BERHAD (24851-H)
Interim financial statements for the six months financial period ended 30 June 2018

Unaudited Condensed Consolidated Statement of Cash Flows

	6 months ended 30.06.2018 RM'000	6 months ended 30.06.2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the financial period	15,442	13,935
Adjustments for non-cash items	(113)	(166,578)
Operating profit/(loss) before changes in operating assets and liabilities	<u>15,329</u>	<u>(152,643)</u>
Purchase of investments	(845,417)	(732,377)
Proceeds from disposal and maturity of investments	912,251	650,710
Interest income received	67,378	61,812
Dividend income received	21,236	23,803
Rental income received	3,319	3,933
Decrease in insurance receivables	7,348	6,981
Increase in reinsurance assets	(960)	(841)
Increase in fixed and call deposits	(44,919)	(13,925)
Decrease in loan receivables	6,640	4,177
(Increase)/decrease in other receivables	(28,440)	12,058
(Decrease)/increase in insurance contract liabilities	(21,041)	139,204
Increase in insurance claims liabilities	7,598	2,565
Increase/(decrease) in payables	21,391	(7,534)
Cash generated from/(used in) operations	<u>121,713</u>	<u>(2,077)</u>
Income taxes paid	(9,195)	(10,665)
Net cash inflow/(outflow) from operating activities	<u>112,518</u>	<u>(12,742)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(538)	(1,481)
Purchase of intangible assets	(525)	(470)
Purchase of investments	(149,405)	(60,889)
Proceeds from disposal and maturity of investments	35,289	64,693
Proceeds from disposal of property and equipment	95	1
Acquisition of subsidiary, balance of cash consideration	-	(1,521)
Net cash (outflow)/inflow from investing activities	<u>(115,084)</u>	<u>333</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Changes in Non-controlling interests	1,312	275
Net cash inflow from financing activities	<u>1,312</u>	<u>275</u>
Net decrease during the financial period	(1,254)	(12,134)
Cash and cash equivalents at 1 January	148,973	138,199
Cash and cash equivalents at 30 June (Note 28)	<u>147,719</u>	<u>126,065</u>

CASH AND CASH EQUIVALENTS

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

	As at 30.06.2018 RM'000	As at 30.06.2017 RM'000
Cash and bank balances	127,678	107,885
Short-term deposits	20,041	18,180
Cash and cash equivalents	<u>147,719</u>	<u>126,065</u>

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