

MANULIFE HOLDINGS BERHAD (24851-H)

Interim financial statements for the nine months financial period ended 30 September 2018

Unaudited Condensed Consolidated Statement of Financial Position

	As at 30.09.2018 RM'000	As at 31.12.2017 RM'000
Assets		
Property and equipment	41,094	42,107
Investment property	82,600	82,600
Intangible assets	111,018	115,213
Available-for-sale financial assets	3,159,626	3,090,586
Financial assets at fair value through profit or loss	1,521,474	1,536,831
Loans and receivables	548,555	586,605
Reinsurance assets	6,709	6,412
Insurance receivables	13,632	23,971
Current tax assets	-	686
Cash and cash equivalents (Note 28)	115,892	148,973
Total Assets	5,600,600	5,633,984
Equity, Policyholders' Fund and Liabilities		
Share capital	103,069	103,069
Retained earnings	698,034	694,863
Other reserves	17,332	16,197
Equity attributable to the owners of the Company	818,435	814,129
Non-controlling interests	2,632	1,195
Total Equity	821,067	815,324
Insurance contract liabilities (Note 27)	3,974,579	3,948,122
Insurance claims liabilities	53,688	56,489
Financial liabilities at fair value through profit or loss	95	-
Deferred tax liabilities	28,893	36,540
Insurance payables	547,458	526,936
Current tax liabilities	7,476	2,456
Other payables	167,344	248,117
Total Liabilities	4,779,533	4,818,660
Total Equity, Policyholders' Fund and Liabilities	5,600,600	5,633,984
Net Assets Per Share (RM)	4.04	4.02

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

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

Unaudited Condensed Consolidated Statement of Profit or Loss

	3 months ended		Cumulative 9 months ended	
	<u>30.09.2018</u>	<u>30.09.2017</u>	<u>30.09.2018</u>	<u>30.09.2017</u>
	RM'000	RM'000	RM'000	RM'000
Premium income				
Gross premiums	223,360	216,232	661,834	620,969
Premiums ceded to reinsurers	(11,407)	(10,317)	(33,563)	(27,672)
Net premiums (Note 21)	211,953	205,915	628,271	593,297
Investment income (Note 22)	53,486	46,518	146,914	137,308
Net realised gains	12,488	15,053	46,704	29,416
Net fair value gains/(losses)	16,858	10,595	(94,743)	119,434
Fee income	25,224	27,464	84,031	69,920
Other operating income	633	429	1,752	1,770
Total revenue	320,642	305,974	812,929	951,145
Gross benefits and claims paid	(153,604)	(160,193)	(489,259)	(479,632)
Claims ceded to reinsurers	2,120	2,634	8,240	8,066
Gross change in contract liabilities	(90,315)	(41,118)	(69,274)	(180,322)
Change in insurance contract liabilities ceded to reinsurers	626	(3,864)	1,052	(3,384)
Net claims	(241,173)	(202,541)	(549,241)	(655,272)
Fee and commission expenses	(28,621)	(33,362)	(94,350)	(86,776)
Investment expenses	(865)	(1,083)	(3,009)	(3,468)
Management expenses	(45,330)	(44,553)	(133,935)	(123,252)
Other operating income/(expenses) (Note 23)	2,042	(14,032)	(3,104)	(51,778)
Other expenses	(72,774)	(93,030)	(234,398)	(265,274)
Profit before taxation (Note 24)	6,695	10,403	29,290	30,599
Taxation (Note 25)	(2,733)	(2,940)	(9,886)	(9,201)
Net profit for the financial period	3,962	7,463	19,404	21,398
Net profit attributable to:				
Owners of the Company	3,936	7,450	19,361	21,374
Non-controlling interests	26	13	43	24
	3,962	7,463	19,404	21,398
Basic and diluted earnings per share (sen) (Note 26)	1.95	3.68	9.57	10.56

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

MANULIFE HOLDINGS BERHAD (24851-H)

Interim financial statements for the nine months financial period ended 30 September 2018

Unaudited Condensed Consolidated Statement of Total Comprehensive Income

	3 months ended		Cumulative 9 months ended	
	<u>30.09.2018</u> RM'000	<u>30.09.2017</u> RM'000	<u>30.09.2018</u> RM'000	<u>30.09.2017</u> RM'000
Net profit for the financial period	3,962	7,463	19,404	21,398
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	211	-	132	(300)
Fair value change of available-for-sale financial assets:				
- Gross fair value change	54,531	(20,090)	(45,216)	78,267
- Deferred tax	(4,854)	1,581	3,346	(6,544)
	49,677	(18,509)	(41,870)	71,723
Changes in insurance contract liabilities arising from unrealised net fair value change	(40,927)	16,708	42,873	(61,374)
Net income/(loss)	<u>8,750</u>	<u>(1,801)</u>	<u>1,003</u>	<u>10,349</u>
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	8,961	(1,801)	1,135	10,049
Other comprehensive income/(loss) for the financial period, net of tax	<u>8,961</u>	<u>(1,801)</u>	<u>1,135</u>	<u>10,049</u>
Total comprehensive income for the financial period	<u>12,923</u>	<u>5,662</u>	<u>20,539</u>	<u>31,447</u>
Total comprehensive income attributable to:				
Owners of the Company	12,897	5,649	20,496	31,423
Non-controlling interests	26	13	43	24
	<u>12,923</u>	<u>5,662</u>	<u>20,539</u>	<u>31,447</u>

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

MANULIFE HOLDINGS BERHAD (24851-H)
Interim financial statements for the nine months financial period ended 30 September 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	-	-	-	-	-	-	-	1,394	1,394
Net profit for the financial period	-	-	-	-	-	19,361	19,361	43	19,404
Other comprehensive income for the financial period	-	-	-	132	1,003	-	1,135	-	1,135
Total comprehensive income for the financial period	-	-	-	132	1,003	19,361	20,496	43	20,539
Final dividend for the financial year ended 31 December 2017	-	-	-	-	-	(16,190)	(16,190)	-	(16,190)
At 30 September 2018	<u>103,069</u>	<u>-</u>	<u>5,548</u>	<u>(654)</u>	<u>12,438</u>	<u>698,034</u>	<u>818,435</u>	<u>2,632</u>	<u>821,067</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	-	-	-	-	-	-	-	403	403
Net profit for the financial period	-	-	-	-	-	21,374	21,374	24	21,398
Other comprehensive (loss)/income for the financial period	-	-	-	(300)	10,349	-	10,049	-	10,049
Total comprehensive (loss)/income for the financial period	-	-	-	(300)	10,349	21,374	31,423	24	31,447
Final dividend for the financial year ended 31 December 2016	-	-	-	-	-	(21,249)	(21,249)	-	(21,249)
At 30 September 2017	<u>103,069</u>	<u>-</u>	<u>5,078</u>	<u>(300)</u>	<u>12,862</u>	<u>688,219</u>	<u>808,928</u>	<u>792</u>	<u>809,720</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 87,008,000 (1 January 2018: RM 68,988,000 / 30 September 2017: RM89,681,000 / 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 nine months financial period ended 30 September 2018

Unaudited Condensed Consolidated Statement of Cash Flows

	9 months ended 30.09.2018 RM'000	9 months ended 30.09.2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the financial period	19,404	21,398
Adjustments for non-cash items	(81,657)	(220,400)
Operating loss before changes in operating assets and liabilities	<u>(62,253)</u>	<u>(199,002)</u>
Purchase of investments	(1,295,882)	(1,057,146)
Proceeds from disposal and maturity of investments	1,250,655	901,160
Interest income received	95,932	87,958
Dividend income received	32,945	32,026
Rental income received	4,731	5,361
Decrease in insurance receivables	11,403	11,785
(Increase)/decrease in reinsurance assets	(297)	3,615
Decrease in fixed and call deposits	30,101	4,648
Decrease in loan receivables	8,047	6,754
Decrease/(increase) in other receivables	9,921	(1,380)
Increase in insurance contract liabilities	69,329	180,322
(Decrease)/increase in insurance claims liabilities	(2,801)	6,632
(Decrease)/increase in payables	(53,618)	34,116
Cash generated from operations	<u>98,213</u>	<u>16,849</u>
Income taxes paid	(24,261)	(21,061)
Net cash inflow/(outflow) from operating activities	<u>73,952</u>	<u>(4,212)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(608)	(1,577)
Purchase of intangible assets	(934)	(724)
Purchase of investments	(196,547)	(91,666)
Proceeds from disposal and maturity of investments	105,756	136,653
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>(92,238)</u>	<u>41,166</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to shareholders	(16,190)	(21,249)
Changes in Non-controlling interests	1,395	403
Net cash outflow from financing activities	<u>(14,795)</u>	<u>(20,846)</u>
Net decrease during the financial period	(33,081)	16,108
Cash and cash equivalents at 1 January	148,973	138,199
Cash and cash equivalents at 30 September (Note 28)	<u>115,892</u>	<u>154,307</u>

CASH AND CASH EQUIVALENTS

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

	As at 30.09.2018 RM'000	As at 30.09.2017 RM'000
Cash and bank balances	102,888	137,063
Short-term deposits	13,004	17,244
Cash and cash equivalents	<u>115,892</u>	<u>154,307</u>

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