

**MANULIFE HOLDINGS BERHAD (24851-H)**  
**Interim financial statements for the six months period ended 30 June 2019**

**Unaudited Condensed Consolidated Statement of Financial Position**

	<b>As at 30.06.2019 RM'000</b>	<b>As at 31.12.2018 RM'000</b>
<b>Assets</b>		
Property and equipment	40,363	41,072
Investment property	82,709	82,709
Intangible assets	107,244	110,040
Available-for-sale financial assets	3,298,160	3,089,541
Financial assets at fair value through profit or loss	1,715,242	1,561,729
Loans and receivables	401,640	479,200
Reinsurance assets	12,452	10,068
Insurance receivables	15,020	24,344
Right-of-use assets	1,403	-
Deferred tax assets	2	-
Current tax assets	8,142	5,258
Cash and cash equivalents (Note 28)	204,490	130,893
<b>Total Assets</b>	<b>5,886,867</b>	<b>5,534,854</b>
<b>Equity, Policyholders' Fund and Liabilities</b>		
Share capital	103,069	103,069
Retained earnings	711,089	704,924
Other reserves	34,119	11,788
<b>Equity attributable to the owners of the Company</b>	<b>848,277</b>	<b>819,781</b>
Non-controlling interests	825	2,090
<b>Total Equity</b>	<b>849,102</b>	<b>821,871</b>
Insurance contract liabilities (Note 27)	4,099,108	3,873,195
Insurance claims liabilities	67,822	55,014
Financial liabilities at fair value through profit or loss	-	116
Deferred tax liabilities	35,992	16,802
Insurance payables	569,691	559,159
Lease liabilities	1,427	-
Current tax liabilities	242	178
Other payables	263,483	208,519
<b>Total Liabilities</b>	<b>5,037,765</b>	<b>4,712,983</b>
<b>Total Equity, Policyholders' Fund and Liabilities</b>	<b>5,886,867</b>	<b>5,534,854</b>
<b>Net Assets Per Share (RM)</b>	<b>4.19</b>	<b>4.05</b>

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

**MANULIFE HOLDINGS BERHAD (24851-H)**  
**Interim financial statements for the six months period ended 30 June 2019**

**Unaudited Condensed Consolidated Statement of Profit or Loss**

	3 months ended		Cumulative	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	RM'000	RM'000	RM'000	RM'000
Premium income				
Gross premiums	212,659	221,789	436,671	438,474
Premiums ceded to reinsurers	(14,741)	(11,397)	(28,850)	(22,156)
Net premiums <i>(Note 21)</i>	197,918	210,392	407,821	416,318
Investment income <i>(Note 22)</i>	47,422	46,903	94,987	93,428
Net realised gains	16,225	17,004	20,526	34,216
Net fair value gains/(losses)	29,748	(101,054)	86,680	(111,601)
Fee income	26,926	26,878	51,844	58,807
Other operating income	893	600	1,720	1,119
<b>Total revenue</b>	<b>319,132</b>	<b>200,723</b>	<b>663,578</b>	<b>492,287</b>
Gross benefits and claims paid	(169,050)	(158,784)	(336,118)	(335,655)
Claims ceded to reinsurers	2,204	3,697	6,866	6,120
Gross change in contract liabilities	(62,129)	19,169	(141,586)	21,041
Change in insurance contract liabilities ceded to reinsurers	848	195	1,344	426
<b>Net claims</b>	<b>(228,127)</b>	<b>(135,723)</b>	<b>(469,494)</b>	<b>(308,068)</b>
Fee and commission expenses	(26,890)	(30,957)	(56,252)	(65,729)
Investment expenses	(1,034)	(874)	(2,419)	(2,144)
Management expenses	(46,141)	(45,179)	(89,767)	(88,605)
Other operating (expenses)/income <i>(Note 23)</i>	(1,103)	24,188	(19,690)	(5,146)
<b>Other expenses</b>	<b>(75,168)</b>	<b>(52,822)</b>	<b>(168,128)</b>	<b>(161,624)</b>
<b>Profit before taxation <i>(Note 24)</i></b>	<b>15,837</b>	<b>12,178</b>	<b>25,956</b>	<b>22,595</b>
Taxation <i>(Note 25)</i>	(2,961)	(3,960)	(5,592)	(7,153)
<b>Net profit for the financial period</b>	<b>12,876</b>	<b>8,218</b>	<b>20,364</b>	<b>15,442</b>
<b>Net profit attributable to:</b>				
Owners of the Company	12,866	8,201	20,349	15,425
Non-controlling interests	10	17	15	17
	<b>12,876</b>	<b>8,218</b>	<b>20,364</b>	<b>15,442</b>
Basic and diluted earnings per share (sen) <i>(Note 26)</i>	6.36	4.05	10.06	7.62

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

**MANULIFE HOLDINGS BERHAD (24851-H)**  
**Interim financial statements for the six months period ended 30 June 2019**

**Unaudited Condensed Consolidated Statement of Total Comprehensive Income**

	<b>3 months ended</b>		<b>Cumulative 6 months ended</b>	
	<b><u>30.06.2019</u></b>	<b><u>30.06.2018</u></b>	<b><u>30.06.2019</u></b>	<b><u>30.06.2018</u></b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Net profit for the financial period</b>	12,876	8,218	20,364	15,442
<b>Other comprehensive income, net of tax:</b>				
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:-				
Net gain/(loss) on foreign currency translation	124	392	(2)	(79)
Fair value change of available-for-sale financial assets:				
- Gross fair value change	55,787	(98,794)	117,103	(99,747)
- Deferred tax	(5,065)	8,252	(10,473)	8,200
	50,722	(90,542)	106,630	(91,547)
Changes in insurance contract liabilities arising from unrealised net fair value change	(38,448)	81,049	(84,297)	83,800
Net income/(loss)	<u>12,274</u>	<u>(9,493)</u>	<u>22,333</u>	<u>(7,747)</u>
<b>Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods</b>	12,398	(9,101)	22,331	(7,826)
<b>Other comprehensive income/(loss) for the financial period,</b>	<u>12,398</u>	<u>(9,101)</u>	<u>22,331</u>	<u>(7,826)</u>
<b>Total comprehensive income/(loss) for the financial period</b>	<u><u>25,274</u></u>	<u><u>(883)</u></u>	<u><u>42,695</u></u>	<u><u>7,616</u></u>
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the Company	25,264	(900)	42,680	7,599
Non-controlling interests	10	17	15	17
	<u><u>25,274</u></u>	<u><u>(883)</u></u>	<u><u>42,695</u></u>	<u><u>7,616</u></u>

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**MANULIFE HOLDINGS BERHAD (24851-H)**  
**Interim financial statements for the six months period ended 30 June 2019**

**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	Asset revaluation reserve RM'000	Currency translation reserve RM'000	Fair value reserve RM'000	Retained earnings* RM'000	Total RM'000			
<b>At 1 January 2019</b>	103,069	5,798	(762)	6,752	704,924	819,781	2,090	821,871	
Effect on adoption of MFRS 16 (Note 34)	-	-	-	-	(18)	(18)	-	(18)	
<b>At 1 January 2019 (restated)</b>	103,069	5,798	(762)	6,752	704,906	819,763	2,090	821,853	
Changes in ownership interest in a unit trust fund managed by a subsidiary	-	-	-	-	-	-	(1,280)	(1,280)	
Net profit for the financial period	-	-	-	-	20,349	20,349	15	20,364	
Other comprehensive (loss)/income for the financial period	-	-	(2)	22,333	-	22,331	-	22,331	
Total comprehensive (loss)/income for the financial period	-	-	(2)	22,333	20,349	42,680	15	42,695	
Final dividend for the financial period ended 31 December 2018	-	-	-	-	(14,166)	(14,166)	-	(14,166)	
<b>At 30 June 2019</b>	<u>103,069</u>	<u>5,798</u>	<u>(764)</u>	<u>29,085</u>	<u>711,089</u>	<u>848,277</u>	<u>825</u>	<u>849,102</u>	
<b>At 1 January 2018</b>	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 loss 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 period ended 31 December 2017	-	-	-	-	(16,190)	(16,190)	-	(16,190)	
<b>At 30 June 2018</b>	<u>103,069</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>	

\* 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 86,278,000 (1 January 2019: RM 69,495,000 / 30 June 2018: RM83,429,000 / 1 January 2018: RM 68,988,000). 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.

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

**MANULIFE HOLDINGS BERHAD (24851-H)**  
**Interim financial statements for the six months period ended 30 June 2019**

**Unaudited Condensed Consolidated Statement of Cash Flows**

	<b>6 months ended 30.06.2019 RM'000</b>	<b>6 months ended 30.06.2018 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit for the financial period	20,364	15,442
Adjustments for non-cash items	(175,697)	(113)
Operating (loss)/profit before changes in operating assets and liabilities	<u>(155,333)</u>	<u>15,329</u>
Purchase of investments	(861,680)	(845,417)
Proceeds from disposal and maturity of investments	721,192	912,251
Interest income received	69,884	67,378
Dividend income received	23,258	21,236
Rental income received	2,569	3,319
Decrease in insurance receivables	9,324	7,348
Increase in reinsurance assets	(2,384)	(960)
Decrease/(increase) in fixed and call deposits	84,288	(44,919)
Decrease in loan receivables	318	6,640
Increase in other receivables	(6,801)	(28,440)
Increase/(decrease) in insurance contract liabilities	141,616	(21,041)
Increase in insurance claims liabilities	12,808	7,598
Increase in payables	51,675	21,391
Cash generated from operations	<u>90,734</u>	<u>121,713</u>
Interest paid	(24)	-
Income taxes paid	(14,822)	(9,195)
Net cash inflow from operating activities	<u>75,888</u>	<u>112,518</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(1,062)	(538)
Purchase of intangible assets	(584)	(525)
Purchase of investments	(29,284)	(149,405)
Proceeds from disposal and maturity of investments	30,317	35,289
Proceeds from disposal of property and equipment	33	95
Net cash outflow from investing activities	<u>(580)</u>	<u>(115,084)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of lease liabilities	(431)	-
Changes in Non-controlling interests	(1,280)	1,312
Net cash (outflow)/inflow from financing activities	<u>(1,711)</u>	<u>1,312</u>
Net increase/(decrease) during the financial period	73,597	(1,254)
Cash and cash equivalents at 1 January	130,893	148,973
Cash and cash equivalents at 30 June (Note 28)	<u>204,490</u>	<u>147,719</u>

**CASH AND CASH EQUIVALENTS**

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

	<b>As at 30.06.2019 RM'000</b>	<b>As at 30.06.2018 RM'000</b>
Cash and bank balances	170,365	127,678
Short-term deposits	34,125	20,041
Cash and cash equivalents	<u>204,490</u>	<u>147,719</u>

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