

MANULIFE HOLDINGS BERHAD (24851-H)

Interim financial statements for the nine months period ended 30 September 2019

Unaudited Condensed Consolidated Statement of Financial Position

	As at 30.09.2019 RM'000	As at 31.12.2018 RM'000
Assets		
Property and equipment	40,615	41,072
Investment property	82,709	82,709
Intangible assets	106,619	110,040
Available-for-sale financial assets	3,301,044	3,089,541
Financial assets at fair value through profit or loss	1,690,708	1,561,729
Loans and receivables	442,377	479,200
Reinsurance assets	5,031	10,068
Insurance receivables	17,975	24,344
Right-of-use assets	1,176	-
Deferred tax assets	2	-
Current tax assets	14,187	5,258
Cash and cash equivalents <i>(Note 28)</i>	171,495	130,893
Total Assets	5,873,938	5,534,854
Equity, Policyholders' Fund and Liabilities		
Share capital	103,069	103,069
Retained earnings	703,212	704,924
Other reserves	38,758	11,788
Equity attributable to the owners of the Company	845,039	819,781
Non-controlling interests	1,349	2,090
Total Equity	846,388	821,871
Insurance contract liabilities <i>(Note 27)</i>	4,113,628	3,873,195
Insurance claims liabilities	57,097	55,014
Financial liabilities at fair value through profit or loss	-	116
Deferred tax liabilities	37,957	16,802
Insurance payables	581,497	559,159
Lease liabilities	1,202	-
Current tax liabilities	799	178
Other payables	235,370	208,519
Total Liabilities	5,027,550	4,712,983
Total Equity, Policyholders' Fund and Liabilities	5,873,938	5,534,854
Net Assets Per Share (RM)	4.18	4.05

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

MANULIFE HOLDINGS BERHAD (24851-H)
Interim financial statements for the nine months period ended 30 September 2019

Unaudited Condensed Consolidated Statement of Profit or Loss

	3 months ended		Cumulative	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
	RM'000	RM'000	RM'000	RM'000
Premium income				
Gross premiums	230,103	223,360	666,774	661,834
Premiums ceded to reinsurers	(19,614)	(11,407)	(48,464)	(33,563)
Net premiums (Note 21)	210,489	211,953	618,310	628,271
Investment income (Note 22)	54,059	53,486	149,046	146,914
Net realised gains	128	12,488	20,654	46,704
Net fair value (losses)/gains	(38,607)	16,858	48,073	(94,743)
Fee income	29,814	25,224	81,658	84,031
Other operating income	949	633	2,669	1,752
Total revenue	256,832	320,642	920,410	812,929
Gross benefits and claims paid	(190,417)	(153,604)	(526,535)	(489,259)
Claims ceded to reinsurers	8,658	2,120	15,524	8,240
Gross change in contract liabilities	1,990	(90,315)	(139,596)	(69,274)
Change in insurance contract liabilities ceded to reinsurers	(3,070)	626	(1,726)	1,052
Net claims	(182,839)	(241,173)	(652,333)	(549,241)
Fee and commission expenses	(28,451)	(28,621)	(84,703)	(94,350)
Investment expenses	(1,429)	(865)	(3,848)	(3,009)
Management expenses	(53,522)	(45,330)	(143,289)	(133,935)
Other operating income/(expenses) (Note 23)	1,947	2,042	(17,743)	(3,104)
Other expenses	(81,455)	(72,774)	(249,583)	(234,398)
Profit before taxation (Note 24)	(7,462)	6,695	18,494	29,290
Taxation (Note 25)	(397)	(2,733)	(5,989)	(9,886)
Net (loss)/profit for the financial period	(7,859)	3,962	12,505	19,404
Net (loss)/profit attributable to:				
Owners of the Company	(7,877)	3,936	12,472	19,361
Non-controlling interests	18	26	33	43
	(7,859)	3,962	12,505	19,404
Basic and diluted (loss)/earnings per share (sen) (Note 26)	(3.90)	1.95	6.16	9.57

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MANULIFE HOLDINGS BERHAD (24851-H)
Interim financial statements for the nine months period ended 30 September 2019

Unaudited Condensed Consolidated Statement of Total Comprehensive Income

	3 months ended		Cumulative 9 months ended	
	<u>30.09.2019</u>	<u>30.09.2018</u>	<u>30.09.2019</u>	<u>30.09.2018</u>
	RM'000	RM'000	RM'000	RM'000
Net (loss)/profit for the financial period	(7,859)	3,962	12,505	19,404
Other comprehensive (loss)/income, net of tax:				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:-				
Net gain on foreign currency translation	129	211	127	132
Fair value change of available-for-sale financial assets:				
- Gross fair value change	23,824	54,531	140,927	(45,216)
- Deferred tax	(3,119)	(4,854)	(13,592)	3,346
	20,705	49,677	127,335	(41,870)
Changes in insurance contract liabilities arising from unrealised net fair value change	(16,195)	(40,927)	(100,492)	42,873
Net income	<u>4,510</u>	<u>8,750</u>	<u>26,843</u>	<u>1,003</u>
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	4,639	8,961	26,970	1,135
Other comprehensive income for the financial period	<u>4,639</u>	<u>8,961</u>	<u>26,970</u>	<u>1,135</u>
Total comprehensive (loss)/income for the financial period	<u>(3,220)</u>	<u>12,923</u>	<u>39,475</u>	<u>20,539</u>
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(3,238)	12,897	39,442	20,496
Non-controlling interests	18	26	33	43
	<u>(3,220)</u>	<u>12,923</u>	<u>39,475</u>	<u>20,539</u>

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MANULIFE HOLDINGS BERHAD (24851-H)
Interim financial statements for the nine months period ended 30 September 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			
At 1 January 2019	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)	
At 1 January 2019 (restated)	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	-	-	-	-	-	-	(774)	(774)	
Net profit for the financial period	-	-	-	-	12,472	12,472	33	12,505	
Other comprehensive income for the financial period	-	-	127	26,843	-	26,970	-	26,970	
Total comprehensive income for the financial period	-	-	127	26,843	12,472	39,442	33	39,475	
Final dividend for the financial period ended 31 December 2018	-	-	-	-	(14,166)	(14,166)	-	(14,166)	
At 30 September 2019	<u>103,069</u>	<u>5,798</u>	<u>(635)</u>	<u>33,595</u>	<u>703,212</u>	<u>845,039</u>	<u>1,349</u>	<u>846,388</u>	
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 period ended 31 December 2017	-	-	-	-	(16,190)	(16,190)	-	(16,190)	
At 30 September 2018	<u>103,069</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>	

* Included in the retained earnings are surplus from Non-participating life fund of the insurance subsidiaries of the Group (net of deferred tax) of approximately RM 82,605,000 (1 January 2019: RM 69,495,000 / 30 September 2018: RM87,008,000 / 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 nine months period ended 30 September 2019

Unaudited Condensed Consolidated Statement of Cash Flows

	9 months ended 30.09.2019 RM'000	9 months ended 30.09.2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the financial period	12,505	19,404
Adjustments for non-cash items	(191,957)	(81,657)
Operating loss before changes in operating assets and liabilities	<u>(179,452)</u>	<u>(62,253)</u>
Purchase of investments	(1,561,364)	(1,295,882)
Proceeds from disposal and maturity of investments	1,356,554	1,250,655
Interest income received	102,738	95,932
Dividend income received	36,867	32,945
Rental income received	3,662	4,731
Decrease in insurance receivables	6,369	11,403
Decrease/(increase) in reinsurance assets	5,037	(297)
Decrease in fixed and call deposits	58,591	30,101
Decrease in loan receivables	1,986	8,047
(Increase)/decrease in other receivables	(18,940)	9,921
Increase in insurance contract liabilities	139,941	69,329
Increase/(decrease) in insurance claims liabilities	2,083	(2,801)
Increase/(decrease) in payables	37,182	(53,618)
Cash (used in)/generated from operations	<u>(8,746)</u>	<u>98,213</u>
Interest paid	(36)	-
Income taxes paid	(21,969)	(24,261)
Net cash (outflow)/inflow from operating activities	<u>(30,751)</u>	<u>73,952</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(2,161)	(608)
Purchase of intangible assets	(2,335)	(934)
Purchase of investments	(44,864)	(196,547)
Proceeds from disposal and maturity of investments	122,119	105,756
Proceeds from disposal of property and equipment	33	95
Net cash inflow/(outflow) from investing activities	<u>72,792</u>	<u>(92,238)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to shareholders	-	(16,190)
Payment of lease liabilities	(665)	-
Changes in Non-controlling interests	(774)	1,395
Net cash outflow from financing activities	<u>(1,439)</u>	<u>(14,795)</u>
Net increase/(decrease) during the financial period	40,602	(33,081)
Cash and cash equivalents at 1 January	130,893	148,973
Cash and cash equivalents at 30 September (<i>Note 28</i>)	<u>171,495</u>	<u>115,892</u>

CASH AND CASH EQUIVALENTS

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

	As at 30.09.2019 RM'000	As at 30.09.2018 RM'000
Cash and bank balances	147,574	102,888
Short-term deposits	23,921	13,004
Cash and cash equivalents	<u>171,495</u>	<u>115,892</u>

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