

MANULIFE HOLDINGS BERHAD (197501003360 (24851-H))
Interim financial statements for the financial year ended 31 December 2019

Unaudited Condensed Consolidated Statement of Financial Position

	As at 31.12.2019 RM'000	As at 31.12.2018 RM'000
Assets		
Property and equipment	40,009	41,072
Investment property	82,593	82,709
Intangible assets	132,183	110,040
Available-for-sale financial assets	3,340,632	3,089,541
Financial assets at fair value through profit or loss	1,742,001	1,561,729
Loans and receivables	368,306	479,200
Reinsurance assets	5,938	10,068
Insurance receivables	25,794	24,344
Right-of-use assets	2,707	-
Deferred tax assets	9	-
Current tax assets	8,226	5,258
Cash and cash equivalents (<i>Note 28</i>)	208,507	130,893
Total Assets	5,956,905	5,534,854
Equity, Policyholders' Fund and Liabilities		
Share capital	103,069	103,069
Retained earnings	716,874	704,924
Other reserves	17,424	11,788
Equity attributable to the owners of the Company	837,367	819,781
Non-controlling interests	256	2,090
Total Equity	837,623	821,871
Insurance contract liabilities (<i>Note 27</i>)	4,215,893	3,873,195
Insurance claims liabilities	53,464	55,014
Financial liabilities at fair value through profit or loss	-	116
Deferred tax liabilities	34,137	16,802
Reinsurance liabilities	5,412	-
Insurance payables	602,423	559,159
Lease liabilities	2,864	-
Current tax liabilities	370	178
Other payables	204,719	208,519
Total Liabilities	5,119,282	4,712,983
Total Equity, Policyholders' Fund and Liabilities	5,956,905	5,534,854
Net Assets Per Share (RM)	4.14	4.05

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

MANULIFE HOLDINGS BERHAD ((197501003360 (24851-H))
Interim financial statements for the financial year ended 31 December 2019

Unaudited Condensed Consolidated Statement of Profit or Loss

	3 months ended		Cumulative 12 months ended	
	<u>31.12.2019</u>	<u>31.12.2018</u>	<u>31.12.2019</u>	<u>31.12.2018</u>
	RM'000	RM'000	RM'000	RM'000
Premium income				
Gross premiums	321,233	251,537	988,007	913,371
Premiums ceded to reinsurers	(20,975)	(14,402)	(69,439)	(47,965)
Net premiums (Note 21)	<u>300,258</u>	<u>237,135</u>	<u>918,568</u>	<u>865,406</u>
Investment income (Note 22)	54,701	50,174	203,747	197,088
Net realised gains/(losses)	29,755	(8,958)	50,409	37,746
Net fair value gains/(losses)	32,733	(117,234)	80,806	(211,977)
Fee income	28,005	22,703	109,663	106,734
Other operating income	1,024	1,097	3,693	2,849
Total revenue	<u>446,476</u>	<u>184,917</u>	<u>1,366,886</u>	<u>997,846</u>
Gross benefits and claims paid	(208,781)	(181,782)	(735,316)	(671,041)
Claims ceded to reinsurers	8,242	5,550	23,766	13,790
Gross change in contract liabilities	(114,750)	66,411	(254,346)	(2,863)
Change in insurance contract liabilities ceded to reinsurers	(3,964)	526	(5,690)	1,578
Net claims	<u>(319,253)</u>	<u>(109,295)</u>	<u>(971,586)</u>	<u>(658,536)</u>
Fee and commission expenses	(31,678)	(26,492)	(116,381)	(120,842)
Investment expenses	(1,346)	(1,049)	(5,194)	(4,058)
Management expenses	(60,202)	(44,943)	(203,491)	(178,878)
Other operating (expenses)/income (Note 23)	(14,102)	5,799	(31,845)	2,695
Other expenses	<u>(107,328)</u>	<u>(66,685)</u>	<u>(356,911)</u>	<u>(301,083)</u>
Profit before taxation (Note 24)	19,895	8,937	38,389	38,227
Taxation (Note 25)	(6,255)	(2,029)	(12,244)	(11,915)
Net profit for the financial year	<u>13,640</u>	<u>6,908</u>	<u>26,145</u>	<u>26,312</u>
Net profit attributable to:				
Owners of the Company	13,662	6,890	26,134	26,251
Non-controlling interests	(22)	18	11	61
	<u>13,640</u>	<u>6,908</u>	<u>26,145</u>	<u>26,312</u>
Basic and diluted earnings per share (sen) (Note 26)	<u>6.75</u>	<u>3.40</u>	<u>12.91</u>	<u>12.97</u>

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

MANULIFE HOLDINGS BERHAD (197501003360 (24851-H))
Interim financial statements for the financial year ended 31 December 2019

Unaudited Condensed Consolidated Statement of Total Comprehensive Income

	3 months ended		Cumulative 12 months ended	
	31.12.2019 RM'000	31.12.2018 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
Net profit for the financial year	13,640	6,908	26,145	26,312
Other comprehensive (loss)/income, net of tax:				
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:-				
Net (loss)/gain on foreign currency translation	(616)	(108)	(489)	24
Fair value change of available-for-sale financial assets:				
- Gross fair value change	(37,838)	(44,172)	103,089	(89,388)
- Deferred tax	5,797	3,384	(7,795)	6,730
	(32,041)	(40,788)	95,294	(82,658)
Changes in insurance contract liabilities arising from unrealised net fair value change	10,919	35,102	(89,573)	77,975
Net (loss)/income	(21,122)	(5,686)	5,721	(4,683)
Net other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods	(21,738)	(5,794)	5,232	(4,659)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:-				
Surplus from revaluation of property:				
- Gross surplus from revaluation	642	419	642	419
	642	419	642	419
- Changes in insurance contract liabilities arising from revaluation of property	(238)	(169)	(238)	(169)
- Net gains	404	250	404	250
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	404	250	404	250
Other comprehensive (loss)/income for the financial year	(21,334)	(5,544)	5,636	(4,409)
Total comprehensive (loss)/income for the financial year	(7,694)	1,364	31,781	21,903
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(7,672)	1,346	31,770	21,842
Non-controlling interests	(22)	18	11	61
	(7,694)	1,364	31,781	21,903

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MANULIFE HOLDINGS BERHAD (197501003360 (24851-H))
Interim financial statements for the financial year ended 31 December 2019

Unaudited Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the Company							
	← 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	Non- controlling interests 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	-	-	-	-	-	-	(1,845)	(1,845)
Net profit for the financial year	-	-	-	-	26,134	26,134	11	26,145
Other comprehensive income/(loss) for the financial year	-	404	(489)	5,721	-	5,636	-	5,636
Total comprehensive income/(loss) for the financial year	-	404	(489)	5,721	26,134	31,770	11	31,781
Dividend paid	-	-	-	-	(14,166)	(14,166)	-	(14,166)
At 31 December 2019	<u>103,069</u>	<u>6,202</u>	<u>(1,251)</u>	<u>12,473</u>	<u>716,874</u>	<u>837,367</u>	<u>256</u>	<u>837,623</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	-	-	-	-	-	-	834	834
Net profit for the financial year	-	-	-	-	26,251	26,251	61	26,312
Other comprehensive income/(loss) for the financial year	-	250	24	(4,683)	-	(4,409)	-	(4,409)
Total comprehensive income/(loss) for the financial year	-	250	24	(4,683)	26,251	21,842	61	21,903
Dividend paid	-	-	-	-	(16,190)	(16,190)	-	(16,190)
At 31 December 2018	<u>103,069</u>	<u>5,798</u>	<u>(762)</u>	<u>6,752</u>	<u>704,924</u>	<u>819,781</u>	<u>2,090</u>	<u>821,871</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 68,830,000 (31 December 2018: RM 69,495,000). 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 (197501003360 (24851-H))
Interim financial statements for the financial year ended 31 December 2019

Unaudited Condensed Consolidated Statement of Cash Flows

	12 months ended 31.12.2019 RM'000	12 months ended 31.12.2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the financial year	26,145	26,312
Adjustments for non-cash items	(285,894)	(9,661)
Operating (loss)/profit before changes in operating assets and liabilities	<u>(259,749)</u>	<u>16,651</u>
Purchase of investments	(2,339,908)	(1,936,830)
Proceeds from disposal and maturity of investments	2,063,720	1,746,600
Interest income received	141,160	133,939
Dividend income received	62,312	57,112
Rental income received	4,600	6,091
Increase in insurance receivables	(1,450)	(371)
Decrease/(increase) in reinsurance assets	9,542	(3,656)
Decrease in fixed and call deposits	84,619	104,976
Decrease in loan receivables	4,020	9,383
Decrease/(increase) in other receivables	18,882	(7,085)
Increase in insurance contract liabilities	252,887	2,879
Decrease in insurance claims liabilities	(1,550)	(1,475)
Increase/(decrease) in payables	2,688	(6,539)
Cash generated from operations	<u>41,773</u>	<u>121,675</u>
Interest paid	(68)	-
Income taxes paid	(27,403)	(32,255)
Net cash inflow from operating activities	<u>14,302</u>	<u>89,420</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(2,396)	(1,455)
Purchase of intangible assets	(3,071)	(1,371)
Purchase of investments	(129,462)	(209,483)
Proceeds from disposal and maturity of investments	215,376	119,851
Proceeds from disposal of property and equipment	46	314
Net cash inflow/(outflow) from investing activities	<u>80,493</u>	<u>(92,144)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to shareholders	(14,166)	(16,190)
Payment of lease liabilities	(1,170)	-
Changes in Non-controlling interests	(1,845)	834
Net cash outflow from financing activities	<u>(17,181)</u>	<u>(15,356)</u>
Net increase/(decrease) during the financial year	77,614	(18,080)
Cash and cash equivalents at 1 January	130,893	148,973
Cash and cash equivalents at 31 December (Note 28)	<u>208,507</u>	<u>130,893</u>

CASH AND CASH EQUIVALENTS

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

	As at 31.12.2019 RM'000	As at 31.12.2018 RM'000
Cash and bank balances	134,200	105,971
Short-term deposits	74,307	24,922
Cash and cash equivalents	<u>208,507</u>	<u>130,893</u>

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