

MANULIFE HOLDINGS BERHAD (197501003360 (24851-H))
Interim financial statements for the financial period ended 30 September 2023

Unaudited Condensed Consolidated Statement of Financial Position

	As at 30.09.2023 RM'000	Restated As at 31.12.2022 RM'000
Assets		
Property and equipment	35,862	36,085
Investment property	78,902	78,902
Intangible assets	232,780	126,244
Financial assets at fair value through other comprehensive income	3,352,556	3,073,251
Financial assets at fair value through profit or loss	1,195,627	1,226,695
Financial assets at amortised cost	293,569	401,786
Reinsurance contract assets	-	315
Right-of-use assets	2,553	3,478
Current tax assets (Note 12)	31,171	28,087
Other assets	17,470	11,657
Cash and cash equivalents (Note 13)	288,659	244,876
Segregated funds net asset	1,384,077	1,324,405
Total Assets	6,913,226	6,555,781
Liabilities and Equity		
Liabilities		
Insurance contract liabilities	3,786,588	3,551,524
Segregated funds insurance net liabilities	1,384,077	1,324,405
Total insurance and segregated funds contract liabilities (Note 14)	5,170,665	4,875,929
Reinsurance contract liabilities	31,897	54,980
Financial liability at fair value through profit or loss	2,471	-
Deferred tax liabilities	114,266	104,724
Lease liabilities	2,591	3,506
Current tax liabilities (Note 12)	62	-
Other liabilities	384,416	350,818
Total Liabilities	5,706,368	5,389,957
Equity		
Share capital	136,522	131,041
Retained earnings	1,068,340	1,035,156
Other reserves	22,518	13,562
Total shareholders' equity	1,227,380	1,179,759
Participating policyholders' equity	(20,522)	(13,935)
Total Equity	1,206,858	1,165,824
Total Liabilities and Equity	6,913,226	6,555,781
Net Assets per share attributable to owners of the Company (RM)	5.59	5.46

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

MANULIFE HOLDINGS BERHAD ((197501003360 (24851-H))
Interim financial statements for the financial period ended 30 September 2023

Unaudited Condensed Consolidated Statement of Profit or Loss

	3 months ended		Cumulative 9 months ended	
	30.09.2023	Restated 30.09.2022	30.09.2023	Restated 30.09.2022
	RM'000	RM'000	RM'000	RM'000
Operating Revenue*	180,049	168,541	505,744	467,940
Insurance service result				
Insurance revenue	98,463	92,642	262,100	244,678
Insurance service expenses	(78,496)	(82,378)	(210,880)	(205,764)
Net expenses from reinsurance contracts held	34	(4,064)	2,382	(8,417)
Total insurance service results	20,001	6,200	53,602	30,497
Investment result				
Investment income				
Investment income	53,371	48,071	152,180	132,543
Realised and unrealised gains/(losses) on assets supporting insurance	29,410	(10,786)	26,237	(87,918)
Investment expenses	(2,081)	(3,161)	(6,505)	(5,572)
Net investment income (Note 16)	80,700	34,124	171,912	39,053
Insurance finance expense	(75,593)	(24,507)	(146,454)	(49,323)
Reinsurance finance (expense)/income	(3,503)	384	(4,827)	4,056
Segregated fund related investment result				
Investment income related to segregated fund net assets	88,963	(18,188)	97,680	(160,387)
Financial changes related to segregated fund net liabilities	(88,963)	18,188	(97,680)	160,387
Net segregated fund investment result	-	-	-	-
Total investment results	1,604	10,001	20,631	(6,214)
Fee income	28,215	27,828	91,464	90,719
General expenses	(11,892)	(15,843)	(47,917)	(46,685)
Commissions related to non-insurance contracts	(14,371)	(16,493)	(52,096)	(54,604)
Interest expense	(26)	(19)	(84)	(65)
Profit before taxation (Note 17)	23,531	11,674	65,600	13,648
Taxation (Note 18)	(12,190)	(11,989)	(20,639)	(15,875)
Net profit/(loss) for the financial period	11,341	(315)	44,961	(2,227)
Net profit/(loss) attributable to:				
Owners of the Company	13,417	(577)	42,501	(10,802)
Participating policyholders	(2,076)	262	2,460	8,575
	11,341	(315)	44,961	(2,227)
Basic and diluted earnings per share (sen) (Note 19)	6.15	(0.25)	19.60	(5.08)

* Operating revenue consists of insurance revenue, investment income and fee income.

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MANULIFE HOLDINGS BERHAD (197501003360 (24851-H))

Interim financial statements for the financial period ended 30 September 2023

Unaudited Condensed Consolidated Statement of Total Comprehensive Income

	3 months ended		Cumulative 9 months ended	
		Restated		Restated
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
Net profit/(loss) for the financial period	11,341	(315)	44,961	(2,227)
Other comprehensive (loss)/income, net of tax:				
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:-				
Foreign exchange gains	527	725	1,265	2,014
Fair value through OCI investments:				
Net (losses)/gains on fair value changes	(39,387)	(25,870)	32,090	(177,836)
Realised (gains)/losses transferred to income statements	(323)	1,592	(1,641)	6,307
Deferred tax	(8,094)	28,163	(13,966)	37,043
Fair value through OCI investments, net of deferred tax	(47,804)	3,885	16,483	(134,486)
Insurance finance income/(expense)	36,409	28,931	(20,230)	176,874
Deferred tax	(5,498)	(2,606)	9,770	(29,607)
Insurance finance income/(expense), net of deferred tax	30,911	26,325	(10,460)	147,267
Reinsurance finance expense	(1,943)	(2,168)	(1,882)	(4,726)
Deferred tax	230	36	324	(87)
Reinsurance finance expense, net of deferred tax	(1,713)	(2,132)	(1,558)	(4,813)
Net other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods	(18,079)	28,803	5,730	9,982
Other comprehensive (loss)/income for the financial period	(18,079)	28,803	5,730	9,982
Total comprehensive (loss)/income for the financial period	(6,738)	28,488	50,691	7,755
Other comprehensive (loss)/income attributable to:				
Owners of the Company	(7,784)	9,271	7,088	5,282
Participating policyholders	(10,295)	19,532	(1,358)	4,700
	(18,079)	28,803	5,730	9,982
Total comprehensive (loss)/income attributable to:				
Owners of the Company	5,633	8,694	49,589	(5,520)
Participating policyholders	(12,371)	19,794	1,102	13,275
	(6,738)	28,488	50,691	7,755

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MANULIFE HOLDINGS BERHAD (197501003360 (24851-H))
Interim financial statements for the financial period ended 30 September 2023

Unaudited Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the Company						Distributable	Total Shareholders' Equity	Participating Policyholders' Equity	Total Equity
	<=====Non-distributable=====>									
	Share Capital	Insurance Reserve	Reinsurance Finance Reserve	Fair Value Reserve	Asset Revaluation Reserve	Currency Translation Reserve	Retained Earnings*	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2023 - as previously reported	131,041	-	-	232	6,454	(476)	817,999	955,250	-	955,250
Effect of adopting MFRS 9 and MFRS 17	-	51,760	(6,008)	(40,242)	-	1,842	217,157	224,509	(13,935)	210,574
	131,041	51,760	(6,008)	(40,010)	6,454	1,366	1,035,156	1,179,759	(13,935)	1,165,824
Effect of adopting MFRS 9 classification overlay	-	-	-	1,734	-	134	(1,868)	-	-	-
At 1 January 2023 - as restated	131,041	51,760	(6,008)	(38,276)	6,454	1,500	1,033,288	1,179,759	(13,935)	1,165,824
Issuance of 3,205,555 new shares pursuant to Dividend Reinvestment Plan	5,481	-	-	-	-	-	-	5,481	-	5,481
Net profit for the financial period	-	-	-	-	-	-	42,501	42,501	2,460	44,961
Other comprehensive income/(loss) for the financial period	-	11,078	(1,558)	(3,697)	-	1,265	-	7,088	(1,358)	5,730
Total comprehensive income/(loss) for the financial period	-	11,078	(1,558)	(3,697)	-	1,265	42,501	49,589	1,102	50,691
Surplus transfer from participating policyholders	-	-	-	-	-	-	7,689	7,689	(7,689)	-
Dividend paid for financial year ended 31 December 2022	-	-	-	-	-	-	(15,138)	(15,138)	-	(15,138)
At 30 September 2023	136,522	62,838	(7,566)	(41,973)	6,454	2,765	1,068,340	1,227,380	(20,522)	1,206,858

* 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 RM352,647,000 (1 January 2023-restated: RM335,621,000). 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.

MANULIFE HOLDINGS BERHAD (197501003360 (24851-H))
Interim financial statements for the financial period ended 30 September 2023

Unaudited Condensed Consolidated Statement of Changes in Equity (continued)

	Attributable to owners of the Company						Distributable	Total Shareholders' Equity	Participating Policyholders' Equity	Total Equity
	<=====Non-distributable=====>									
	Share Capital	Insurance Reserve	Reinsurance Finance Reserve	Fair Value Reserve	Asset Revaluation Reserve	Currency Translation Reserve	Retained Earnings*	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2022 - as previously stated	121,353	-	-	11,500	6,613	204	813,896	953,566	-	953,566
Effect of adopting MFRS 17	-	(2,147)	(93)	5,792	-	-	185,163	188,715	(16,002)	172,713
Effect of adopting MFRS 9	-	-	-	(8,969)	-	-	16,503	7,534	-	7,534
At 1 January 2022 - as restated	121,353	(2,147)	(93)	8,323	6,613	204	1,015,562	1,149,815	(16,002)	1,133,813
Issuance of 4,702,646 new shares pursuant to Dividend Reinvestment Plan	9,688	-	-	-	-	-	-	9,688	-	9,688
Net (loss)/profit for the financial period	-	-	-	-	-	-	(10,802)	(10,802)	8,575	(2,227)
Other comprehensive income/(loss) for the financial period	-	78,719	(4,813)	(70,638)	-	2,014	-	5,282	4,700	9,982
Total comprehensive income/(loss) for the financial period	-	78,719	(4,813)	(70,638)	-	2,014	(10,802)	(5,520)	13,275	7,755
Surplus transfer from participating policyholders	-	-	-	-	-	-	8,238	8,238	(8,238)	-
Dividend paid for financial year ended 31 December 2021	-	-	-	-	-	-	(14,809)	(14,809)	-	(14,809)
At 30 September 2022	131,041	76,572	(4,906)	(62,315)	6,613	2,218	998,189	1,147,412	(10,965)	1,136,447

* 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 RM337,357,000 (1 January 2022-restated: RM338,350,000). 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 period ended 30 September 2023

Unaudited Condensed Consolidated Statement of Cash Flows

	9 months ended <u>30.09.2023</u> RM'000	9 months ended <u>30.09.2022</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit/(loss) for the financial period	44,961	(2,227)
Adjustments for non-cash items	(182,871)	(27,673)
Operating loss before changes in operating assets and liabilities	<u>(137,910)</u>	<u>(29,900)</u>
Purchase of investments	(934,327)	(1,020,651)
Proceeds from disposal and maturity of investments	776,432	739,126
Interest income received	122,705	111,495
Dividend income received	20,235	12,568
Rental income received	2,833	2,280
Increase in other receivables	(24,376)	(42,789)
Decrease in fixed and call deposits	129,355	86,294
Increase in loans receivables	(45)	(1,903)
Increase in insurance contract liabilities	212,952	159,503
Decrease in net reinsurance contract liabilities	(22,769)	(18,161)
Increase in other liabilities	35,430	69,601
Cash generated from operations	<u>180,515</u>	<u>67,463</u>
Interest paid	(73)	(57)
Income taxes paid	(18,104)	(22,337)
Net cash inflow from operating activities	<u>162,338</u>	<u>45,069</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(2,617)	(2,829)
Purchase of intangible assets	(108,615)	(1,064)
Purchase of investments	(21,334)	(10,183)
Proceeds from disposal and maturity of investments	24,996	18,517
Net cash (outflow)/inflow from investing activities	<u>(107,570)</u>	<u>4,441</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net dividends paid to shareholders	(9,657)	(5,122)
Payment of principal portion of lease liabilities	(1,328)	(1,559)
Net cash outflow from financing activities	<u>(10,985)</u>	<u>(6,681)</u>
Net increase during the financial period	43,783	42,829
Cash and cash equivalents at 1 January	244,876	219,321
Cash and cash equivalents at 30 September	<u>288,659</u>	<u>262,150</u>

CASH AND CASH EQUIVALENTS

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

	As at <u>30.09.2023</u> RM'000	As at <u>30.09.2022</u> RM'000
Cash and bank balances	204,142	217,156
Short-term deposits	84,517	44,994
Cash and cash equivalents	<u>288,659</u>	<u>262,150</u>

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