

MANULIFE HOLDINGS BERHAD (197501003360 (24851-H))
Interim financial statements for the financial year ended 31 December 2023

Unaudited Condensed Consolidated Statement of Financial Position

	As at 31.12.2023	Restated As at 31.12.2022
	RM'000	RM'000
Assets		
Property and equipment	36,973	36,085
Investment property	82,300	78,902
Intangible assets	231,047	126,244
Financial assets at fair value through other comprehensive income	3,486,756	3,073,251
Financial assets at fair value through profit or loss	1,212,741	1,226,695
Financial assets at amortised cost	393,366	401,786
Reinsurance contract assets	303	315
Right-of-use assets	2,675	3,478
Current tax assets (<i>Note 12</i>)	28,679	28,087
Other assets	14,873	11,657
Cash and cash equivalents (<i>Note 13</i>)	207,877	244,876
Segregated funds net asset	1,406,253	1,324,405
Total Assets	7,103,843	6,555,781
Liabilities and Equity		
Liabilities		
Insurance contract liabilities	3,897,957	3,551,524
Segregated funds insurance net liabilities	1,406,253	1,324,405
Total insurance and segregated funds contract liabilities (<i>Note 14</i>)	5,304,210	4,875,929
Reinsurance contract liabilities	35,108	54,980
Deferred tax liabilities	120,121	104,724
Lease liabilities	2,717	3,506
Current tax liabilities (<i>Note 12</i>)	106	-
Other liabilities	392,400	350,818
Total Liabilities	5,854,662	5,389,957
Equity		
Share capital	136,522	131,041
Retained earnings	1,106,892	1,035,156
Other reserves	26,923	13,562
Total shareholders' equity	1,270,337	1,179,759
Participating policyholders' equity	(21,156)	(13,935)
Total Equity	1,249,181	1,165,824
Total Liabilities and Equity	7,103,843	6,555,781
Net Assets per share attributable to owners of the Company (RM)	5.79	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 year ended 31 December 2023

Unaudited Condensed Consolidated Statement of Profit or Loss

	3 months ended		Cumulative 12 months ended	
	Restated		Restated	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Operating Revenue*	179,463	148,713	685,207	616,653
Insurance service result				
Insurance revenue	98,114	71,491	360,214	316,169
Insurance service expenses	(68,456)	(55,612)	(279,336)	(261,376)
Net expenses from reinsurance contracts held	(6,261)	(264)	(3,879)	(8,681)
Total insurance service results	23,397	15,615	76,999	46,112
Investment result				
Investment income				
Investment income	49,859	48,829	202,039	181,372
Realised and unrealised gains/(losses) on assets supporting insurance	36,106	39,961	62,343	(47,957)
Investment expenses	(2,450)	(1,804)	(8,955)	(7,376)
Net investment income (Note 16)	83,515	86,986	255,427	126,039
Insurance finance expense	(57,606)	(61,118)	(204,060)	(110,441)
Reinsurance finance income/(expense)	551	(1,506)	(4,276)	2,550
Segregated fund related investment result				
Investment income related to segregated fund net assets	34,055	79,999	131,735	(80,388)
Financial changes related to segregated fund net liabilities	(34,055)	(79,999)	(131,735)	80,388
Net segregated fund investment result	-	-	-	-
Total investment results	26,460	24,362	47,091	18,148
Fee income	31,490	28,393	122,954	119,112
General expenses	(16,524)	(16,650)	(64,441)	(63,335)
Commissions related to non-insurance contracts	(17,255)	(12,205)	(69,351)	(66,809)
Interest expense	(25)	(27)	(109)	(92)
Profit before taxation (Note 17)	47,543	39,488	113,143	53,136
Taxation (Note 18)	(8,630)	(3,177)	(29,269)	(19,052)
Net profit for the financial period/year	38,913	36,311	83,874	34,084
Net profit attributable to:				
Owners of the Company	35,377	34,238	77,878	23,436
Participating policyholders	3,536	2,073	5,996	10,648
	38,913	36,311	83,874	34,084
Basic and diluted earnings per share (sen) (Note 19)	16.20	16.05	35.80	10.97

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

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 2023

Unaudited Condensed Consolidated Statement of Total Comprehensive Income

	3 months ended		Cumulative	
	Restated		Restated	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period/year	38,913	36,311	83,874	34,084
Other comprehensive income/(loss), net of tax:				
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:-				
Foreign exchange (losses)/gains	(429)	(853)	836	1,161
Fair value through OCI investments:				
Net gains/(losses) on fair value changes	63,140	68,411	95,230	(109,425)
Realised losses/(gains) transferred to income statements	79	7,139	(1,562)	13,446
Deferred tax	(11,617)	(20,193)	(25,583)	16,850
Fair value through OCI investments, net of deferred tax	51,602	55,357	68,085	(79,129)
Insurance finance (expense)/income	(58,811)	(75,047)	(79,041)	101,827
Deferred tax	9,331	14,686	19,101	(14,921)
Insurance finance (expense)/income, net of deferred tax	(49,480)	(60,361)	(59,940)	86,906
Reinsurance finance income/(expense)	1,674	(948)	(208)	(5,674)
Deferred tax	(17)	(153)	307	(240)
Reinsurance finance income/(expense), net of deferred tax	1,657	(1,101)	99	(5,914)
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	3,350	(6,958)	9,080	3,024
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:-				
Surplus from revaluation of property:				
Gross surplus from revaluation	71	82	71	82
Deferred tax	(11)	(58)	(11)	(58)
Surplus from revaluation, net of deferred	60	24	60	24
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	60	24	60	24
Other comprehensive income/(loss) for the financial period/year	3,410	(6,934)	9,140	3,048
Total comprehensive income for the financial period/year	42,323	29,377	93,014	37,132
Other comprehensive income/(loss) attributable to:				
Owners of the Company	4,405	(4,620)	11,493	662
Participating policyholders	(995)	(2,314)	(2,353)	2,386
	3,410	(6,934)	9,140	3,048
Total comprehensive income attributable to:				
Owners of the Company	39,782	29,618	89,371	24,098
Participating policyholders	2,541	(241)	3,643	13,034
	42,323	29,377	93,014	37,132

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 2023

Unaudited Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the Company						Retained Earnings*	Total Shareholders' Equity	Participating Policyholders' Equity	Total Equity
	<=====Non-distributable=====>			Distributable						
	Share Capital	Insurance Reserve	Reinsurance Finance Reserve	Fair Value Reserve	Asset Revaluation Reserve	Currency Translation Reserve	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	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 year	-	-	-	-	-	-	77,878	77,878	5,996	83,874
Other comprehensive (loss)/income for the financial year	-	(20,248)	99	30,781	25	836	-	11,493	(2,353)	9,140
Total comprehensive (loss)/income for the financial year	-	(20,248)	99	30,781	25	836	77,878	89,371	3,643	93,014
Surplus transfer from participating policyholders	-	-	-	-	-	-	10,864	10,864	(10,864)	-
Dividend paid for financial year ended 31 December 2022	-	-	-	-	-	-	(15,138)	(15,138)	-	(15,138)
At 31 December 2023	136,522	31,512	(5,909)	(7,495)	6,479	2,336	1,106,892	1,270,337	(21,156)	1,249,181

* 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 RM359,278,000 (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.

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 profit for the financial year	-	-	-	-	-	-	23,436	23,436	10,648	34,084
Other comprehensive income/(loss) for the financial year	-	53,908	(5,915)	(48,333)	(159)	1,161	-	662	2,386	3,048
Total comprehensive income/(loss) for the financial year	-	53,908	(5,915)	(48,333)	(159)	1,161	23,436	24,098	13,034	37,132
Surplus transfer from participating policyholders	-	-	-	-	-	-	10,967	10,967	(10,967)	-
Dividend paid for financial year ended 31 December 2021	-	-	-	-	-	-	(14,809)	(14,809)	-	(14,809)
At 31 December 2022	131,041	51,761	(6,008)	(40,010)	6,454	1,365	1,035,156	1,179,759	(13,935)	1,165,824

* 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 RM337,489,000 (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 year ended 31 December 2023

Unaudited Condensed Consolidated Statement of Cash Flows

	12 months ended <u>31.12.2023</u> RM'000	12 months ended <u>31.12.2022</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the financial year	83,874	34,084
Adjustments for non-cash items	(244,395)	(103,612)
Operating loss before changes in operating assets and liabilities	<u>(160,521)</u>	<u>(69,528)</u>
Purchase of investments	(1,144,806)	(1,396,925)
Proceeds from disposal and maturity of investments	912,393	1,097,635
Interest income received	171,815	158,505
Dividend income received	27,817	27,665
Rental income received	4,270	3,295
(Increase)/decrease in other receivables	(14,700)	12,697
Decrease/(increase) in fixed and call deposits	19,215	(7,007)
Increase in loans receivables	(117)	(4,207)
Increase in insurance contract liabilities	267,184	231,107
Decrease in net reinsurance contract liabilities	(19,861)	(20,825)
Increase in other liabilities	43,512	29,191
Cash generated from operations	<u>106,201</u>	<u>61,603</u>
Interest paid	(96)	(81)
Income taxes paid	(20,678)	(30,641)
Net cash inflow from operating activities	<u>85,427</u>	<u>30,881</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(4,486)	(4,129)
Purchase of intangible assets	(108,287)	(1,914)
Purchase of investments	(23,243)	(11,151)
Proceeds from disposal and maturity of investments	24,997	19,019
Net cash (outflow)/inflow from investing activities	<u>(111,019)</u>	<u>1,825</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net dividends paid to shareholders	(9,657)	(5,121)
Payment of principal portion of lease liabilities	(1,750)	(2,030)
Net cash outflow from financing activities	<u>(11,407)</u>	<u>(7,151)</u>
Net (decrease)/increase during the financial year	(36,999)	25,555
Cash and cash equivalents at 1 January	244,876	219,321
Cash and cash equivalents at 31 December	<u>207,877</u>	<u>244,876</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>31.12.2023</u> RM'000	As at <u>31.12.2022</u> RM'000
Cash and bank balances	162,786	181,205
Short-term deposits	45,091	63,671
Cash and cash equivalents	<u>207,877</u>	<u>244,876</u>

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