



## **Bursa Announcement**

Third Quarter Ended 31 December 2016



**MNRB HOLDINGS BERHAD** (13487-A)  
**INTERIM FINANCIAL REPORT**  
*(The figures have not been audited)*

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016**

|  | <b>GROUP</b>                  |                               |                               |                               |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|  | <b>Individual Period</b>      |                               | <b>Cumulative Period</b>      |                               |
|  | 3 months ended<br>31 Dec 2016 | 3 months ended<br>31 Dec 2015 | 9 months ended<br>31 Dec 2016 | 9 months ended<br>31 Dec 2015 |
|  | RM'000                        | RM'000                        | RM'000                        | RM'000                        |
| Gross earned premiums/contributions  | 566,295                       | 533,869                       | 1,675,930                     | 1,648,061                     |
| Premiums/contributions ceded to reinsurers and retakaful operators                                     | (81,630)                      | (70,992)                      | (233,056)                     | (233,246)                     |
| <b>Net earned premiums/contributions</b>   | <b>484,665</b>                | <b>462,877</b>                | <b>1,442,874</b>              | <b>1,414,815</b>              |
| Investment income  | 54,886                        | 54,448                        | 166,688                       | 156,624                       |
| Realised gains   | 31                            | 2,761                         | 4,619                         | 6,232                         |
| Fair value losses  | (8,809)                       | (1,190)                       | (15,508)                      | (19,449)                      |
| Fee and commission income  | 16,707                        | 15,191                        | 34,901                        | 32,880                        |
| Other operating revenue  | 8,473                         | 7,641                         | 21,404                        | 29,029                        |
| <b>Other revenue</b>   | <b>71,288</b>                 | <b>78,851</b>                 | <b>212,104</b>                | <b>205,316</b>                |
| Gross claims and benefits paid   | (271,470)                     | (320,260)                     | (904,886)                     | (904,044)                     |
| Claims ceded to reinsurers/retakaful operators   | (8,956)                       | 6,310                         | 77,667                        | 75,491                        |
| Gross change in contract liabilities   | (891)                         | (51,830)                      | (155,296)                     | (401,864)                     |
| Change in contract liabilities ceded to reinsurers/retakaful operators                                 | (43,236)                      | (11,490)                      | (6,345)                       | 66,720                        |
| <b>Net claims and benefits</b>   | <b>(324,553)</b>              | <b>(377,270)</b>              | <b>(988,860)</b>              | <b>(1,163,697)</b>            |
| Fee and commission expense   | (114,920)                     | (110,623)                     | (336,826)                     | (336,860)                     |
| Management expenses  | (64,002)                      | (55,451)                      | (170,723)                     | (162,630)                     |
| Finance cost   | (4,363)                       | (4,560)                       | (13,532)                      | (13,647)                      |
| Other operating expenses   | 215                           | (2,413)                       | (2,572)                       | (6,042)                       |
| Change in expenses liabilities   | 4,784                         | 622                           | 5,778                         | (4,583)                       |
| Tax borne by participants  | (4,080)                       | (3,711)                       | (11,243)                      | (8,700)                       |
| <b>Other expenses</b>  | <b>(182,366)</b>              | <b>(176,136)</b>              | <b>(529,118)</b>              | <b>(532,462)</b>              |
| Share of results of associates   | 2,529                         | 5,538                         | 8,226                         | 7,059                         |
| <b>Operating profit/(loss) before surplus attributable to takaful participants, zakat and taxation</b> | <b>51,563</b>                 | <b>(6,140)</b>                | <b>145,226</b>                | <b>(68,969)</b>               |
| (Surplus)/deficit attributable to takaful participants   | (36,044)                      | 7,371                         | (82,129)                      | 30,109                        |
| <b>Operating profit/(loss) before zakat and taxation</b>   | <b>15,519</b>                 | <b>1,231</b>                  | <b>63,097</b>                 | <b>(38,860)</b>               |
| Zakat  | 452                           | (250)                         | -                             | (750)                         |
| Taxation   | (8,679)                       | (1,648)                       | (17,360)                      | 4,407                         |
| <b>Net profit/(loss) for the period attributable to equity holders of the Company</b>                  | <b>7,292</b>                  | <b>(667)</b>                  | <b>45,737</b>                 | <b>(35,203)</b>               |
| Basic earnings/(loss) per share attributable to equity holders of the Company (sen):                   | 3.1                           | (0.3)                         | 19.3                          | (16.5)                        |

*The Condensed Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2016*



**MNRB HOLDINGS BERHAD** (13487-A)  
**INTERIM FINANCIAL REPORT**  
*(The figures have not been audited)*

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016**

|  | <b>GROUP</b>                  |                               |                               |                               |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|  | <b>Individual Period</b>      |                               | <b>Cumulative Period</b>      |                               |
|  | 3 months ended<br>31 Dec 2016 | 3 months ended<br>31 Dec 2015 | 9 months ended<br>31 Dec 2016 | 9 months ended<br>31 Dec 2015 |
|  | RM'000                        | RM'000                        | RM'000                        | RM'000                        |
| <b>Net profit/(loss) for the period</b>  | 7,292                         | (667)                         | 45,737                        | (35,203)                      |
| <b><u>Other comprehensive income/(losses):</u></b>   |                               |                               |                               |                               |
| <b>Other comprehensive income/(losses) to be reclassified to income statement in subsequent periods:</b> |                               |                               |                               |                               |
| Effects of post acquisition foreign exchange translation reserve on investment in associate              | 9,062                         | (4,451)                       | 16,157                        | 7,603                         |
| Effects of foreign exchange translation reserve on investment in subsidiary                              | (44)                          | 102                           | 1,794                         | 814                           |
| Net (loss)/gain on AFS financial assets:   |                               |                               |                               |                               |
| Net (loss)/gain on fair value changes  | (65,695)                      | 30,265                        | (24,297)                      | (12,885)                      |
| Realised gain transferred to income statement  | 139                           | (1,517)                       | (4,511)                       | (5,061)                       |
| Deferred tax relating to net loss/(gain) on AFS financial assets   | 5,223                         | (4,287)                       | 236                           | 2,716                         |
| Other comprehensive losses/(income) attributable to participants   | 38,422                        | (13,395)                      | 15,673                        | 10,588                        |
| <b>Other comprehensive income not to be reclassified to income statement in subsequent periods:</b>      |                               |                               |                               |                               |
| Revaluation of land and buildings  | 659                           | 596                           | 1,976                         | 1,786                         |
| Deferred tax relating to revaluation of land and buildings   | (53)                          | (48)                          | (158)                         | (143)                         |
| Other comprehensive income attributable to participants  | (606)                         | (548)                         | (1,818)                       | (1,643)                       |
| <b>Total comprehensive (loss)/profit for the period</b>  | <b>(5,601)</b>                | <b>6,050</b>                  | <b>50,789</b>                 | <b>(31,428)</b>               |

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**MNRB HOLDINGS BERHAD (13487-A)**  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016**

|   | <b>GROUP</b>                       |                                  |
|---|------------------------------------|----------------------------------|
|   | Unaudited<br>31 Dec 2016<br>RM'000 | Audited<br>31 Mar 2016<br>RM'000 |
| <b>Assets</b>   |                                    |                                  |
| Property, plant and equipment   | 244,291                            | 247,497                          |
| Investment properties   | 7,400                              | 7,400                            |
| Intangible assets   | 17,214                             | 14,824                           |
| Deferred tax assets   | 11,488                             | 15,551                           |
| Investment in associates  | 150,292                            | 128,521                          |
| Financial assets:   |                                    |                                  |
| Financial assets at fair value<br>through profit or loss ("FVTPL")    | 132,552                            | 129,096                          |
| Held-to-maturity ("HTM") investments                                  | 695,697                            | 701,430                          |
| Available-for-sale ("AFS") financial assets                           | 3,275,129                          | 2,744,399                        |
| Loans and receivables ("LAR")   | 1,886,727                          | 2,060,905                        |
| Reinsurance/retakaful assets  | 486,079                            | 497,180                          |
| Insurance/takaful receivables   | 330,070                            | 357,012                          |
| Tax recoverable   | 31,503                             | 26,592                           |
| Cash and bank balances  | 61,602                             | 177,313                          |
| <b>Total assets</b>   | <b>7,330,044</b>                   | <b>7,107,720</b>                 |
| <b>Liabilities and Participants' funds</b>                            |                                    |                                  |
| Participants' funds   | 268,622                            | 201,186                          |
| Borrowings  | 320,000                            | 320,000                          |
| Insurance/takaful contract liabilities                                | 4,965,090                          | 4,847,518                        |
| Insurance/takaful payables  | 182,086                            | 199,285                          |
| Other payables  | 197,764                            | 194,004                          |
| Deferred tax liabilities  | 7,012                              | 10,791                           |
| Provision for taxation  | 8,439                              | 4,614                            |
| Provision for zakat   | 62                                 | 142                              |
| <b>Total liabilities and participants' funds</b>                      | <b>5,949,075</b>                   | <b>5,777,540</b>                 |
| <b>Equity</b>   |                                    |                                  |
| Share capital   | 319,605                            | 213,070                          |
| Reserves  | 1,061,364                          | 1,117,110                        |
| <b>Total equity attributable to<br/>equity holders of the Company</b> | <b>1,380,969</b>                   | <b>1,330,180</b>                 |
| <b>Total liabilities, participants' funds and equity</b>              | <b>7,330,044</b>                   | <b>7,107,720</b>                 |
| Net assets per share (RM)   | 4.32                               | 6.24                             |

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the Annual Financial Statements for the year ended 31 March 2016*



**MNRB HOLDINGS BERHAD** (13487-A)  
**INTERIM FINANCIAL REPORT**  
*(The figures have not been audited)*

**CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016**

|   | <b>GROUP</b>                                  |  |                       |                               |  |         |        |                                     |                 |
|---|---|--|-----------------------|-------------------------------|--|---------|--------|-------------------------------------|-----------------|
|   | Attributable to Equity Holders of the Company |  |                       |                               |  |         |        |                                     |                 |
|   | Share capital<br>RM'000                       | Reserves                                       |                       |                               |  |         |        | Net profit for the period<br>RM'000 | Total<br>RM'000 |
|   |   | Non-distributable                              |                       |                               | Distributable                              |         |        |                                     |                 |
| Share premium<br>RM'000                   |   | Foreign exchange translation reserve<br>RM'000 | AFS reserve<br>RM'000 | Revaluation reserve<br>RM'000 | Retained profits brought forward<br>RM'000 | -       |        |                                     |                 |
| At 1 April 2016                           | 213,070                                       | 105,051  | 38,776                | 3,527                         | 41,666                                     | 928,090 | -      | 1,330,180                           |                 |
| Issuance of bonus shares                  | 106,535                                       | (105,051)                                      | -                     | -                             | -  | (1,484) | -      | -                                   |                 |
| Total comprehensive income for the period | -   | -  | 17,951                | (12,899)                      | -  | -       | 45,737 | 50,789                              |                 |
| At 31 December 2016                       | 319,605                                       | -  | 56,727                | (9,372)                       | 41,666                                     | 926,606 | 45,737 | 1,380,969                           |                 |

**CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015**

|  | <b>GROUP</b>                                  |  |                       |                               |  |         |          |                                     |                 |
|--|---|--|-----------------------|-------------------------------|--|---------|----------|-------------------------------------|-----------------|
|  | Attributable to Equity Holders of the Company |  |                       |                               |  |         |          |                                     |                 |
|  | Share capital<br>RM'000                       | Reserves                                       |                       |                               |  |         |          | Net profit for the period<br>RM'000 | Total<br>RM'000 |
|  |   | Non-distributable                              |                       |                               | Distributable                              |         |          |                                     |                 |
| Share premium<br>RM'000                          |   | Foreign exchange translation reserve<br>RM'000 | AFS reserve<br>RM'000 | Revaluation reserve<br>RM'000 | Retained profits brought forward<br>RM'000 | -       |          |                                     |                 |
| At 1 April 2015                                  | 213,070                                       | 105,051  | 33,047                | (5,812)                       | 37,199                                     | 966,919 | -        | 1,349,474                           |                 |
| Total comprehensive income/(loss) for the period | -   | -  | 8,417                 | (6,285)                       | 1,643                                      | -       | (35,203) | (31,428)                            |                 |
| At 31 December 2015                              | 213,070                                       | 105,051  | 41,464                | (12,097)                      | 38,842                                     | 966,919 | (35,203) | 1,318,046                           |                 |

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**MNRB HOLDINGS BERHAD** (13487-A)  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016**

|   | <b>GROUP</b>                  |                               |
|---|-------------------------------|-------------------------------|
|   | 9 months ended<br>31 Dec 2016 | 9 months ended<br>31 Dec 2015 |
|   | RM'000                        | RM'000                        |
| <b>Cash flows from operating activities</b>   |                               |                               |
| Profit/(loss) before surplus transfer, zakat and tax  | 63,097                        | (38,860)                      |
| Adjustments for:  |                               |                               |
| Net fair value losses on financial assets at FVTPL  | 3,810                         | 4,449                         |
| Impairment loss on AFS financial assets   | 11,698                        | 13,809                        |
| (Reversal of impairment loss)/impairment loss on insurance/takaful receivables  | (733)                         | 267                           |
| Depreciation of property, plant and equipment   | 6,378                         | 4,634                         |
| Amortisation of intangible assets   | 1,891                         | 673                           |
| Losses on disposal of property, plant and equipment   | 15                            | 1                             |
| (Decrease)/increase in gross premium and contribution liabilities   | (32,767)                      | 17,234                        |
| Interest/profit income  | (151,494)                     | (93,303)                      |
| Dividend income   | (16,646)                      | (9,685)                       |
| Rental income   | (5,714)                       | (3,136)                       |
| Finance cost  | 13,532                        | 9,087                         |
| Net gains on disposal of investments  | (4,634)                       | (3,472)                       |
| Net amortisation of premiums on investments   | 3,307                         | 2,622                         |
| Share of results of associates  | (8,226)                       | (1,521)                       |
| Loss from operations before changes in operating assets and liabilities   | (116,486)                     | (97,201)                      |
| Increase in placements with licensed financial institutions,<br>Islamic investment accounts and marketable securities | (130,951)                     | (75,201)                      |
| Net purchase from disposal of investments   | (230,655)                     | (62,091)                      |
| Decrease in staff loans   | 964                           | 1,597                         |
| Decrease/(increase) in insurance/takaful receivables  | 29,262                        | (118,719)                     |
| Decrease/(increase) in other receivables  | 3,771                         | (2,461)                       |
| Increase in gross claim and actuarial liabilities   | 156,117                       | 350,034                       |
| (Decrease)/increase in expense liabilities  | (5,778)                       | 5,205                         |
| Increase/(decrease) in participants' funds  | 81,309                        | (22,738)                      |
| Decrease in insurance/takaful payables  | (17,459)                      | (14,997)                      |
| (Decrease)/increase in other payables   | (47,342)                      | 53,088                        |
| Taxes and zakat paid  | (14,374)                      | (31,584)                      |
| Interest/profit received  | 157,639                       | 92,196                        |
| Dividend received   | 19,319                        | 9,739                         |
| Rental received   | 5,849                         | 2,425                         |
| Decrease/(increase) in reinsurance/retakaful assets   | 11,101                        | (85,862)                      |
| Net cash (used in)/generated from operating activities  | (97,714)                      | 3,430                         |



**MNRB HOLDINGS BERHAD** (13487-A)  
**INTERIM FINANCIAL REPORT**  
*(The figures have not been audited)*

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016**

|   | <b>GROUP</b>                  |                               |
|---|-------------------------------|-------------------------------|
|   | 9 months ended<br>31 Dec 2016 | 9 months ended<br>31 Dec 2015 |
|   | RM'000                        | RM'000                        |
| <b>Cash flows from investing activities</b>             |                               |                               |
| Purchase of property, plant and equipment               | (131)                         | (1,293)                       |
| Purchase of intangible assets                           | (4,819)                       | (767)                         |
| Proceeds from disposal of intangible assets             | 217                           | 18                            |
| Proceeds from disposal of property, plant and equipment | 412                           | 596                           |
| Net cash used in investing activities                   | (4,321)                       | (1,446)                       |
| <b>Cash flows from financing activities</b>             |                               |                               |
| Finance cost paid                                       | (13,676)                      | (9,087)                       |
| Net cash used in financing activities                   | (13,676)                      | (9,087)                       |
| <b>Cash and bank balances</b>                           |                               |                               |
| Net decrease during the period                          | (115,711)                     | (7,103)                       |
| At the beginning of the period                          | 177,313                       | 82,702                        |
| <b>At the end of the period</b>                         | <b>61,602</b>                 | <b>75,599</b>                 |

*The Condensed Financial Statements should be read in conjunction with  
the Annual Financial Statements for the year ended 31 March 2016*



**MNRB HOLDINGS BERHAD (13487-A)**  
**INTERIM FINANCIAL REPORT**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016**  
*(The figures have not been audited)*

**PART A – NOTES TO THE QUARTERLY FINANCIAL STATEMENTS**

**A1. Basis of preparation**

The interim financial report should be read in conjunction with the Group's most recent audited financial statements for the year ended 31 March 2016.

The significant accounting policies and methods of computation adopted in the unaudited condensed interim financial statements are consistent with those adopted in the audited financial statements for the year ended 31 March 2016 except for the adoption of the following accounting standard and amendments/improvements to Malaysian Financial Reporting Standards ("MFRSs") issued by MASB that are effective for the Group's financial year beginning 1 April 2016:

*MFRS 14 Regulatory Deferral Accounts*

*Amendments to MFRS 10, MFRS 12 and MFRS 128 Investment Entities: Applying the Consolidation Exception*

*Amendments to MFRS 11 Accounting for Acquisitions of Interests in Joint Operations*

*Amendments to MFRS 101 Disclosure Initiative*

*Amendments to MFRS 116 and MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation*

*Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants*

*Amendments to MFRS 127 Equity Method in Separate Financial Statements*

*Annual Improvements to MFRS 2012 - 2014 Cycle*

The adoption of the above accounting standard and amendments/improvements to MFRSs does not have any material impact on the financial statements of the Group and of the Company.

**A2. Auditors' Report on preceding annual financial statements**

The auditors' report on the audited financial statements for the financial year ended 31 March 2016 was not subject to any qualification.

**A3. Seasonal or cyclical factors**

During the financial period ended 31 December 2016, the operations of the Group were not materially affected by any seasonal factors. With regard to cyclical factors, the performance of the Group is directly correlated with the industry cycle and the economic performance of the countries in which the Group has business dealings with.

**A4. Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the financial period ended 31 December 2016.

**A5. Changes in estimates**

There were no material changes in estimates used in the preparation of this interim financial report.

**A6. Issuances, cancellations, repurchase, resale and repayments of debt and equity securities**

There was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities during the current financial period under review.





**MNRB HOLDINGS BERHAD (13487-A)**  
**INTERIM FINANCIAL REPORT**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016**  
*(The figures have not been audited)*

**PART A – NOTES TO THE QUARTERLY FINANCIAL STATEMENTS**

**A7. Dividend paid**

No dividend was paid during the third quarter ended 31 December 2016.

**A8. Segmental reporting**

Financial period ended 31 December 2016

|  | Investment Holding<br>RM'000 | Reinsurance Business<br>RM'000 | Takaful Business<br>RM'000 | Retakaful Business<br>RM'000 | Intra-Group Adjustments<br>RM'000 | Consolidated<br>RM'000 |
|--|------------------------------|--------------------------------|----------------------------|------------------------------|-----------------------------------|------------------------|
| <b>Revenue</b>   |                              |                                |                            |                              |                                   |                        |
| External   | 2,963                        | 1,034,912                      | 762,133                    | 20,908                       |                                   | 1,820,916              |
| Inter-segment  | 25,671                       | 2,029                          | 770                        | 243                          | (28,713)                          | -                      |
|  | 28,634                       | 1,036,941                      | 762,903                    | 21,151                       | (28,713)                          | 1,820,916              |
| <b>Results</b>   |                              |                                |                            |                              |                                   |                        |
| <b>Segment results</b>   | <b>(10,270)</b>              | <b>56,453</b>                  | <b>79,268</b>              | <b>14,162</b>                | <b>(2,612)</b>                    | <b>137,001</b>         |
| Share of results of associates   | 227                          | 7,999                          | -                          | -                            | -                                 | 8,226                  |
| <b>Operating (loss)/profit before surplus attributable to takaful participants, zakat and taxation</b> | <b>(10,043)</b>              | <b>64,452</b>                  | <b>79,268</b>              | <b>14,162</b>                | <b>(2,612)</b>                    | <b>145,227</b>         |
| Surplus attributable to takaful participants   | -                            | -                              | (81,309)                   | (820)                        | -                                 | (82,129)               |
| <b>Operating (loss)/profit before zakat and taxation</b>   | <b>(10,043)</b>              | <b>64,452</b>                  | <b>(2,041)</b>             | <b>13,342</b>                | <b>(2,612)</b>                    | <b>63,098</b>          |
| Zakat and taxation   | (190)                        | (11,568)                       | (5,466)                    | (137)                        | -                                 | (17,361)               |
| <b>Net (loss)/profit for the period attributable to equity holders of the Company</b>                  | <b>(10,233)</b>              | <b>52,884</b>                  | <b>(7,507)</b>             | <b>13,205</b>                | <b>(2,612)</b>                    | <b>45,737</b>          |

Financial period ended 31 December 2015

|  | Investment Holding<br>RM'000 | Reinsurance Business<br>RM'000 | Takaful Business<br>RM'000 | Retakaful Business<br>RM'000 | Intra-Group Adjustments<br>RM'000 | Consolidated<br>RM'000 |
|--|------------------------------|--------------------------------|----------------------------|------------------------------|-----------------------------------|------------------------|
| <b>Revenue</b>   |                              |                                |                            |                              |                                   |                        |
| External   | 1,649                        | 1,099,669                      | 701,140                    | 23,034                       | -                                 | 1,825,492              |
| Inter-segment  | 123,950                      | 1,759                          | 841                        | 40                           | (126,590)                         | -                      |
|  | 125,599                      | 1,101,428                      | 701,981                    | 23,074                       | (126,590)                         | 1,825,492              |
| <b>Results</b>   |                              |                                |                            |                              |                                   |                        |
| <b>Segment results</b>   | <b>84,095</b>                | <b>(36,661)</b>                | <b>(46,514)</b>            | <b>16,030</b>                | <b>(100,000)</b>                  | <b>(83,050)</b>        |
| Share of results of associates   | 554                          | 6,505                          | -                          | -                            | -                                 | 7,059                  |
| <b>Operating profit/(loss) before surplus attributable to takaful participants, zakat and taxation</b> | <b>84,649</b>                | <b>(30,156)</b>                | <b>(46,514)</b>            | <b>16,030</b>                | <b>(100,000)</b>                  | <b>(75,991)</b>        |
| Deficit/(surplus) attributable to takaful participants   | -                            | -                              | 53,392                     | (16,261)                     | -                                 | 37,131                 |
| <b>Operating profit/(loss) before zakat and taxation</b>   | <b>84,649</b>                | <b>(30,156)</b>                | <b>6,878</b>               | <b>(231)</b>                 | <b>(100,000)</b>                  | <b>(38,860)</b>        |
| Zakat and taxation   | 879                          | 7,396                          | (4,618)                    | -                            | -                                 | 3,657                  |
| <b>Net profit/(loss) for the period attributable to equity holders of the Company</b>                  | <b>85,528</b>                | <b>(22,760)</b>                | <b>2,260</b>               | <b>(231)</b>                 | <b>(100,000)</b>                  | <b>(35,203)</b>        |

\* Restated to be in line with basis adopted in the Audited Financial Statements for financial year ended 31 March 2016



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*(The figures have not been audited)*

**PART A – NOTES TO THE QUARTERLY FINANCIAL STATEMENTS**

**A9. Carrying amount of revalued properties**

The valuations of property, plant and equipment and investment properties have been brought forward, without any change, from the financial statements for the financial year ended 31 March 2016.

**A10. Significant events**

There were no significant events during the current financial period ended 31 December 2016.

**A11. Subsequent events**

There were no significant subsequent events from 31 December 2016 to the date of this report.

**A12. Changes in the composition of the Group**

There were no significant changes in the composition of the Group during the current financial period ended 31 December 2016.

**A13. Capital Commitments**

The amount of capital commitments of the Group as at 31 December 2016 were as follows:

Authorised and contracted for:

- Intangible assets\*

\* Relating to purchases and enhancement of computer systems.

**RM'000**

5,422



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**A14. Condensed Consolidated Statement of Financial Position by Reinsurance, Takaful and Retakaful Funds**

(i) **Unaudited as at 31 December 2016**

|  | General<br>reinsurance and<br>shareholders'<br>fund<br>RM'000 | General<br>takaful fund<br>RM'000 | Family takaful<br>fund<br>RM'000 | General<br>retakaful fund<br>RM'000 | Family<br>retakaful fund<br>RM'000 | Elimination<br>and adjustment<br>RM'000 | Consolidated<br>RM'000 |
|--|---|-----------------------------------|----------------------------------|-------------------------------------|------------------------------------|---|------------------------|
| <b>Assets</b>  |   |                                   |                                  |                                     |                                    |   |                        |
| Property, plant and equipment                                    | 128,633   | -                                 | -                                | -                                   | -                                  | 115,658                                 | 244,291                |
| Investment properties  | 7,400   | -                                 | 115,658                          | -                                   | -                                  | (115,658)                               | 7,400                  |
| Intangible assets  | 17,214  | -                                 | -                                | -                                   | -                                  | -                                       | 17,214                 |
| Deferred tax assets  | 8,847   | 3,114                             | 83                               | (32)                                | -                                  | (524)                                   | 11,488                 |
| Investment in subsidiaries                                       | 843,705   | -                                 | -                                | -                                   | -                                  | (843,705)                               | -                      |
| Investment in associates   | 77,614  | -                                 | -                                | -                                   | -                                  | 72,678                                  | 150,292                |
| Financial assets at fair value                                   |   |                                   |                                  |                                     |                                    |   |                        |
| through profit or loss ("FVTPL")                                 | 864   | 792                               | 130,607                          | 281                                 | 8                                  | -                                       | 132,552                |
| Held-to-maturity ("HTM") investments                             | 261,531   | 71,768                            | 331,783                          | 19,152                              | 12,463                             | (1,000)                                 | 695,697                |
| Available-for-sale ("AFS")                                       |   |                                   |                                  |                                     |                                    |   |                        |
| financial assets   | 1,642,308   | 226,185                           | 1,392,676                        | 20,639                              | 6,363                              | (13,042)                                | 3,275,129              |
| Loans and receivables ("LAR")                                    | 1,260,596   | 107,690                           | 583,845                          | 39,162                              | 7,447                              | (112,013)                               | 1,886,727              |
| Reinsurance/retakaful assets                                     | 264,089   | 151,460                           | 43,927                           | 20,899                              | 5,704                              | -                                       | 486,079                |
| Insurance/takaful receivables                                    | 218,561   | 30,466                            | 64,679                           | 8,803                               | 7,561                              | -                                       | 330,070                |
| Tax recoverable  | 31,503  | -                                 | -                                | 8                                   | 5                                  | (13)                                    | 31,503                 |
| Cash and bank balances   | 35,468  | 1,782                             | 24,349                           | (62)                                | 65                                 | -                                       | 61,602                 |
| <b>Total assets</b>  | <b>4,798,333</b>  | <b>593,257</b>                    | <b>2,687,607</b>                 | <b>108,850</b>                      | <b>39,616</b>                      | <b>(897,619)</b>                        | <b>7,330,044</b>       |
| <b>Liabilities and Participants' funds</b>                       |   |                                   |                                  |                                     |                                    |   |                        |
| Participants' funds  | -   | 117,257                           | 152,619                          | 5,922                               | 2,346                              | (9,522)                                 | 268,622                |
| Borrowings   | 321,000   | -                                 | -                                | -                                   | -                                  | (1,000)                                 | 320,000                |
| Insurance/takaful contract liabilities                           | 2,068,187   | 403,237                           | 2,404,790                        | 83,345                              | 10,413                             | (4,882)                                 | 4,965,090              |
| Insurance/takaful payables                                       | 112,455   | 27,959                            | 28,932                           | 7,323                               | 5,417                              | -                                       | 182,086                |
| Other payables   | 122,150   | 40,136                            | 99,442                           | 15,276                              | 21,440                             | (100,680)                               | 197,764                |
| Deferred tax liabilities   | 7,012   | -                                 | -                                | -                                   | -                                  | -                                       | 7,012                  |
| Provision for taxation   | 1,957   | 4,668                             | 1,824                            | 3                                   | -                                  | (13)                                    | 8,439                  |
| Provision for zakat  | 62  | -                                 | -                                | -                                   | -                                  | -                                       | 62                     |
| <b>Total liabilities and participants' funds</b>                 | <b>2,632,823</b>  | <b>593,257</b>                    | <b>2,687,607</b>                 | <b>111,869</b>                      | <b>39,616</b>                      | <b>(116,097)</b>                        | <b>5,949,075</b>       |
| <b>Equity</b>  |   |                                   |                                  |                                     |                                    |   |                        |
| Share capital  | 1,233,105   | -                                 | -                                | -                                   | -                                  | (913,500)                               | 319,605                |
| Reserves   | 932,405   | -                                 | -                                | (3,019)                             | -                                  | 131,978                                 | 1,061,364              |
| <b>Total equity attributable to equity holders of the Parent</b> | <b>2,165,510</b>  | <b>-</b>                          | <b>-</b>                         | <b>(3,019)</b>                      | <b>-</b>                           | <b>(781,522)</b>                        | <b>1,380,969</b>       |
| <b>Total liabilities, participants' funds and equity</b>         | <b>4,798,333</b>  | <b>593,257</b>                    | <b>2,687,607</b>                 | <b>108,850</b>                      | <b>39,616</b>                      | <b>(897,619)</b>                        | <b>7,330,044</b>       |



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**A14. Condensed Consolidated Statement of Financial Position by Reinsurance, Takaful and Retakaful Funds (Cont'd.)**

(ii) As at 31 March 2016

|  | General<br>reinsurance and<br>shareholders'<br>fund<br>RM'000 | General<br>takaful fund<br>RM'000 | Family takaful<br>fund<br>RM'000 | General<br>retakaful fund<br>RM'000 | Family<br>retakaful fund<br>RM'000 | Elimination<br>and adjustment<br>RM'000 | Consolidated<br>RM'000 |
|--|---|-----------------------------------|----------------------------------|-------------------------------------|------------------------------------|---|------------------------|
| <b>Assets</b>  |   |                                   |                                  |                                     |                                    |   |                        |
| Property, plant and equipment                                      | 131,839   | -                                 | -                                | -                                   | -                                  | 115,658                                 | 247,497                |
| Investment properties  | 7,400   | -                                 | 115,658                          | -                                   | -                                  | (115,658)                               | 7,400                  |
| Intangible assets  | 14,824  | -                                 | -                                | -                                   | -                                  | -                                       | 14,824                 |
| Deferred tax assets  | 8,664   | 1,638                             | -                                | 67                                  | -                                  | 5,182                                   | 15,551                 |
| Investment in subsidiaries   | 843,705   | -                                 | -                                | -                                   | -                                  | (843,705)                               | -                      |
| Investment in associates   | 77,615  | -                                 | -                                | -                                   | -                                  | 50,906                                  | 128,521                |
| Financial assets at fair value<br>through profit or loss ("FVTPL") | 862   | 773                               | 127,174                          | 279                                 | 8                                  | -                                       | 129,096                |
| Held-to-maturity ("HTM") investments                               | 261,988   | 71,845                            | 336,957                          | 19,177                              | 12,463                             | (1,000)                                 | 701,430                |
| Available-for-sale ("AFS")<br>financial assets                     | 1,299,927   | 196,954                           | 1,223,635                        | 26,199                              | 11,389                             | (13,705)                                | 2,744,399              |
| Loans and receivables ("LAR")                                      | 1,471,651   | 88,156                            | 504,537                          | 35,750                              | 10,774                             | (49,963)                                | 2,060,905              |
| Reinsurance/retakaful assets                                       | 305,621   | 127,454                           | 33,098                           | 24,209                              | 6,798                              | -                                       | 497,180                |
| Insurance/takaful receivables                                      | 272,925   | 29,449                            | 45,104                           | 4,779                               | 6,344                              | (1,589)                                 | 357,012                |
| Tax recoverable  | 26,592  | -                                 | -                                | -                                   | -                                  | -                                       | 26,592                 |
| Cash and bank balances   | 32,623  | 26,846                            | 117,735                          | 74                                  | 35                                 | -                                       | 177,313                |
| <b>Total assets</b>  | <b>4,756,236</b>  | <b>543,115</b>                    | <b>2,503,898</b>                 | <b>110,534</b>                      | <b>47,811</b>                      | <b>(853,874)</b>                        | <b>7,107,720</b>       |
| <b>Liabilities and Participants' funds</b>                         |   |                                   |                                  |                                     |                                    |   |                        |
| Participants' funds  | -   | 94,058                            | 108,223                          | 4,149                               | 17,550                             | (22,794)                                | 201,186                |
| Borrowings   | 321,000   | -                                 | -                                | -                                   | -                                  | (1,000)                                 | 320,000                |
| Insurance/takaful contract liabilities                             | 2,098,230   | 378,049                           | 2,263,314                        | 87,119                              | 12,399                             | 8,407                                   | 4,847,518              |
| Insurance/takaful payables   | 106,185   | 24,305                            | 48,366                           | 9,473                               | 12,545                             | (1,589)                                 | 199,285                |
| Other payables   | 89,605  | 45,841                            | 82,095                           | 9,793                               | 5,298                              | (38,628)                                | 194,004                |
| Deferred tax liabilities   | 3,490   | -                                 | 1,895                            | -                                   | 19                                 | 5,387                                   | 10,791                 |
| Provision for taxation   | 3,747   | 862                               | 5                                | -                                   | -                                  | -                                       | 4,614                  |
| Provision for zakat  | 142   | -                                 | -                                | -                                   | -                                  | -                                       | 142                    |
| <b>Total liabilities and participants' funds</b>                   | <b>2,622,399</b>  | <b>543,115</b>                    | <b>2,503,898</b>                 | <b>110,534</b>                      | <b>47,811</b>                      | <b>(50,217)</b>                         | <b>5,777,540</b>       |
| <b>Equity</b>  |   |                                   |                                  |                                     |                                    |   |                        |
| Share capital  | 1,126,570   | -                                 | -                                | -                                   | -                                  | (913,500)                               | 213,070                |
| Reserves   | 1,007,267   | -                                 | -                                | -                                   | -                                  | 109,843                                 | 1,117,110              |
| <b>Total equity attributable to equity holders of the Parent</b>   | <b>2,133,837</b>  | <b>-</b>                          | <b>-</b>                         | <b>-</b>                            | <b>-</b>                           | <b>(803,657)</b>                        | <b>1,330,180</b>       |
| <b>Total liabilities, participants' funds and equity</b>           | <b>4,756,236</b>  | <b>543,115</b>                    | <b>2,503,898</b>                 | <b>110,534</b>                      | <b>47,811</b>                      | <b>(853,874)</b>                        | <b>7,107,720</b>       |



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**PART A – NOTES TO THE QUARTERLY FINANCIAL STATEMENTS**

**A15. Unaudited Condensed Consolidated Income Statement by Insurance Funds**

**(i) 9 months ended 31 December 2016**

|   | General<br>reinsurance and<br>shareholders'<br>fund<br>RM'000 | General<br>takaful fund<br>RM'000 | Family takaful<br>fund<br>RM'000 | General<br>retakaful fund<br>RM'000 | Family<br>retakaful fund<br>RM'000 | Elimination<br>and adjustment<br>RM'000 | Consolidated<br>RM'000 |
|---|---|-----------------------------------|----------------------------------|-------------------------------------|------------------------------------|---|------------------------|
| Gross earned premiums/contributions   | 984,819   | 213,099                           | 464,911                          | 6,890                               | 7,851                              | (1,640)                                 | 1,675,930              |
| Premiums/contributions ceded to<br>reinsurers and retakaful operators   | (85,887)  | (85,679)                          | (53,393)                         | (2,878)                             | (5,849)                            | 630                                     | (233,056)              |
| <b>Net earned premiums/contributions</b>  | <b>898,932</b>  | <b>127,420</b>                    | <b>411,518</b>                   | <b>4,012</b>                        | <b>2,002</b>                       | <b>(1,010)</b>                          | <b>1,442,874</b>       |
| Investment income   | 88,249  | 10,967                            | 71,143                           | 2,182                               | 926                                | (6,779)                                 | 166,688                |
| Realised gains and losses   | 2,466   | 431                               | 1,722                            | -                                   | -                                  | -                                       | 4,619                  |
| Fair value gains and losses   | (6,494)   | (1,003)                           | (8,012)                          | 1                                   | -                                  | -                                       | (15,508)               |
| Fee and commission income   | 239,703   | 18,428                            | 3,735                            | 14                                  | -                                  | (226,979)                               | 34,901                 |
| Other operating revenue   | 35,441  | -                                 | 3,765                            | 990                                 | 1                                  | (18,793)                                | 21,404                 |
| <b>Other revenue</b>  | <b>359,365</b>  | <b>28,823</b>                     | <b>72,353</b>                    | <b>3,187</b>                        | <b>927</b>                         | <b>(252,551)</b>                        | <b>212,104</b>         |
| Gross claims and benefit paid   | (628,707)   | (99,750)                          | (162,073)                        | (7,598)                             | (7,320)                            | 562                                     | (904,886)              |
| Claims ceded to reinsurers/retakaful<br>operators   | 35,265  | 41,341                            | (4,256)                          | 1,242                               | 4,637                              | (562)                                   | 77,667                 |
| Gross change in contract liabilities  | (7,342)   | (28,641)                          | (141,476)                        | 6,067                               | 1,987                              | 14,109                                  | (155,296)              |
| Change in contract liabilities ceded to<br>reinsurers/retakaful operators                                       | (32,760)  | 19,975                            | 10,829                           | (3,294)                             | (1,095)                            | -                                       | (6,345)                |
| <b>Net claims and benefits</b>  | <b>(633,544)</b>  | <b>(67,075)</b>                   | <b>(296,976)</b>                 | <b>(3,583)</b>                      | <b>(1,791)</b>                     | <b>14,109</b>                           | <b>(988,860)</b>       |
| Fee and commission expenses   | (334,136)   | (60,664)                          | (139,421)                        | (3,896)                             | (319)                              | 201,610                                 | (336,826)              |
| Management expenses   | (220,587)   | 4,476                             | 16,860                           | (5)                                 | -                                  | 28,533                                  | (170,723)              |
| Finance cost  | (13,569)  | -                                 | -                                | -                                   | -                                  | 37                                      | (13,532)               |
| Other operating expenses  | (1,771)   | (2,786)                           | -                                | (800)                               | -                                  | 2,785                                   | (2,572)                |
| Changes in expenses liabilities   | 5,778   | -                                 | -                                | -                                   | -                                  | -                                       | 5,778                  |
| Tax borne by participants   | -   | (5,816)                           | (5,427)                          | -                                   | -                                  | -                                       | (11,243)               |
| <b>Other expenses</b>   | <b>(564,285)</b>  | <b>(64,790)</b>                   | <b>(127,988)</b>                 | <b>(4,701)</b>                      | <b>(319)</b>                       | <b>232,965</b>                          | <b>(529,118)</b>       |
| Share of results of associates  | -   | -                                 | -                                | -                                   | -                                  | 8,226                                   | 8,226                  |
| <b>Operating profit/(loss) before surplus/<br/>attributable to takaful participants,<br/>zakat and taxation</b> | <b>60,468</b>   | <b>24,378</b>                     | <b>58,907</b>                    | <b>(1,085)</b>                      | <b>819</b>                         | <b>1,739</b>                            | <b>145,226</b>         |
| (Surplus)/deficit attributable to takaful<br>participants   | -   | (24,378)                          | (58,907)                         | (1,898)                             | (820)                              | 3,874                                   | (82,129)               |
| <b>Operating profit/(loss) before zakat<br/>and taxation</b>  | <b>60,468</b>   | <b>-</b>                          | <b>-</b>                         | <b>(2,983)</b>                      | <b>(1)</b>                         | <b>5,613</b>                            | <b>63,097</b>          |
| Zakat   | -   | -                                 | -                                | -                                   | -                                  | -                                       | -                      |
| Taxation  | (17,325)  | -                                 | -                                | (35)                                | -                                  | -                                       | (17,360)               |
| <b>Net profit/(loss) for the period attributable<br/>to equity holders of the Parent</b>                        | <b>43,143</b>   | <b>-</b>                          | <b>-</b>                         | <b>(3,018)</b>                      | <b>(1)</b>                         | <b>5,613</b>                            | <b>45,737</b>          |



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**A15. Unaudited Condensed Consolidated Income Statement by Insurance Funds (Cont'd.)**

**(ii) 9 months ended 31 December 2015**

|  | General<br>reinsurance and<br>shareholders'<br>fund<br>RM'000 | General<br>takaful fund<br>RM'000 | Family takaful<br>fund<br>RM'000 | General<br>retakaful fund<br>RM'000 | Family<br>retakaful fund<br>RM'000 | Elimination<br>and adjustment<br>RM'000 | Consolidated<br>RM'000 |
|--|---|-----------------------------------|----------------------------------|-------------------------------------|------------------------------------|---|------------------------|
| Gross earned premiums/contributions  | 1,003,486   | 198,663                           | 429,466                          | 11,691                              | 9,386                              | (4,631)                                 | 1,648,061              |
| Premiums/contributions ceded to<br>reinsurers and retakaful operators  | (97,484)  | (71,577)                          | (59,608)                         | (1,283)                             | (3,839)                            | 545                                     | (233,246)              |
| <b>Net earned premiums/contributions</b>   | <b>906,002</b>  | <b>127,086</b>                    | <b>369,858</b>                   | <b>10,408</b>                       | <b>5,547</b>                       | <b>(4,086)</b>                          | <b>1,414,815</b>       |
| Investment income  | 185,775   | 9,438                             | 62,946                           | 2,364                               | 1,087                              | (104,986)                               | 156,624                |
| Realised gains and losses  | 1,702   | 354                               | 4,134                            | 28                                  | 14                                 | -                                       | 6,232                  |
| Fair value gains and losses  | (15,536)  | (848)                             | (3,055)                          | 12                                  | (22)                               | -                                       | (19,449)               |
| Fee and commission income  | 215,093   | 18,509                            | -                                | 76                                  | 74                                 | (200,872)                               | 32,880                 |
| Other operating revenue  | 22,632  | -                                 | 7,210                            | 609                                 | 34                                 | (1,456)                                 | 29,029                 |
| <b>Other revenue</b>   | <b>409,666</b>  | <b>27,453</b>                     | <b>71,235</b>                    | <b>3,089</b>                        | <b>1,187</b>                       | <b>(307,314)</b>                        | <b>205,316</b>         |
| Gross claims and benefit paid  | (557,239)   | (98,274)                          | (225,247)                        | (20,642)                            | (4,844)                            | 2,202                                   | (904,044)              |
| Claims ceded to reinsurers/retakaful<br>operators  | 20,024  | 39,834                            | 12,734                           | 2,710                               | 2,391                              | (2,202)                                 | 75,491                 |
| Gross change in contract liabilities   | (251,773)   | (31,125)                          | (146,449)                        | 15,741                              | 11,742                             | -                                       | (401,864)              |
| Change in contract liabilities ceded to<br>reinsurers/retakaful  | 66,548  | 11,080                            | (4,246)                          | (3,829)                             | (2,833)                            | -                                       | 66,720                 |
| <b>Net claims and benefits</b>   | <b>(722,440)</b>  | <b>(78,485)</b>                   | <b>(363,208)</b>                 | <b>(6,020)</b>                      | <b>6,456</b>                       | <b>-</b>                                | <b>(1,163,697)</b>     |
| Fee and commission expense   | (335,133)   | (58,215)                          | (117,969)                        | (2,950)                             | (1,246)                            | 178,653                                 | (336,860)              |
| Management expenses  | (181,188)   | (3,524)                           | (8,659)                          | -                                   | -                                  | 30,741                                  | (162,630)              |
| Finance cost   | (13,647)  | -                                 | -                                | -                                   | -                                  | -                                       | (13,647)               |
| Other operating expenses   | (4,595)   | (1,456)                           | -                                | (204)                               | (6)                                | 219                                     | (6,042)                |
| Changes in expenses liabilities  | (4,583)   | -                                 | -                                | -                                   | -                                  | -                                       | (4,583)                |
| Tax borne by participants  | -   | (3,420)                           | (5,280)                          | -                                   | -                                  | -                                       | (8,700)                |
| <b>Other expenses</b>  | <b>(539,146)</b>  | <b>(66,615)</b>                   | <b>(131,908)</b>                 | <b>(3,154)</b>                      | <b>(1,252)</b>                     | <b>209,613</b>                          | <b>(532,462)</b>       |
| Share of results of associates   | -   | -                                 | -                                | -                                   | -                                  | 7,059                                   | 7,059                  |
| <b>Operating profit/(loss) before surplus<br/>attributable to takaful participants,<br/>zakat and taxation</b> | <b>54,082</b>   | <b>9,439</b>                      | <b>(54,023)</b>                  | <b>4,323</b>                        | <b>11,938</b>                      | <b>(94,728)</b>                         | <b>(68,969)</b>        |
| (Surplus)/deficit attributable to takaful<br>participants  | -   | (9,439)                           | 54,023                           | (4,323)                             | (11,938)                           | 1,786                                   | 30,109                 |
| <b>Operating profit/(loss) before zakat<br/>and taxation</b>   | <b>54,082</b>   | <b>-</b>                          | <b>-</b>                         | <b>-</b>                            | <b>-</b>                           | <b>(92,942)</b>                         | <b>(38,860)</b>        |
| Zakat  | (750)   | -                                 | -                                | -                                   | -                                  | -                                       | (750)                  |
| Taxation   | 4,407   | -                                 | -                                | -                                   | -                                  | -                                       | 4,407                  |
| <b>Net profit/(loss) for the period attributable<br/>to equity holders of the Parent</b>                       | <b>57,739</b>   | <b>-</b>                          | <b>-</b>                         | <b>-</b>                            | <b>-</b>                           | <b>(92,942)</b>                         | <b>(35,203)</b>        |



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**B1. Review of performance**

For the period ended 31 December 2016, the Group recorded a revenue of RM1.82 billion as compared to RM1.83 billion reported in the corresponding period last year. This was mainly due to lower gross premiums by the Company's reinsurance subsidiary.

Group's net profit for the current period was RM45.7 million, higher by RM80.9 million as compared to RM35.2 million net loss reported in the corresponding period last year. This was mainly attributable to the improvement in the results of the Company's reinsurance subsidiary.

Investment holding

Revenue for the period ended 31 December 2016 of RM28.6 million was lower by RM97.0 million or 77.2% as compared to RM125.6 million reported in the corresponding period last year.

Net loss reported for the period ended 31 December 2016 was RM10.2 million as compared to a net profit of RM85.5 million in the corresponding period last year.

The lower revenue and the net loss reported were mainly due to no dividend income received from the Company's subsidiaries.

Reinsurance business

Revenue for reinsurance business for the period ended 31 December 2016 decreased by 6.1% from RM1.10 billion to RM1.03 billion. The decrease was mainly due to the lower gross premiums from international business as a result of conscious effort to withdraw from certain business segments.

Net profit for the period ended 31 December 2016 was higher by 332.41% from net loss of RM22.8 million to net profit of RM52.9 million as a result of lower claims.

Takaful business

Revenue for takaful business for the period ended 31 December 2016 increased by 8.7% from RM702.0 million to RM762.9 million. This was mainly due to higher gross contributions achieved by the takaful subsidiary.

The takaful subsidiary recorded a net loss of RM7.5 million in the current period as compared to a net profit of RM2.2 million. The net loss was mainly due to reclassification of certain expenses of the takaful funds to the shareholder's fund.

Retakaful business

Revenue for retakaful business for the period ended 31 December 2016 was lower by 8.3% from RM23.1 million to RM21.2 million, consistent with the efforts to consolidate its business portfolio.

The retakaful business recorded a profit of RM14.7 million in the current period as compared to a loss of RM0.2 million in the corresponding period last year mainly due to the partial reversal of Qard impairment.



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**B2. Review of current quarter profitability against immediate preceding quarter**

The Group recorded a marginally higher net profit of RM7.6 million in the current quarter as compared to RM7.5 million in the preceding quarter.

**B3. Current year prospects**

Barring any unforeseen circumstances, the Group is expected to achieve improved results for the financial year ending 31 March 2017 as compared to the previous financial year.

**B4. Explanatory note for variance from profit forecast**

There was no profit forecast issued by the Group during the financial period ended 31 December 2016.

**B5. Taxation**

|                                       | <b>GROUP</b>   |  |  |  |
|---------------------------------------|--|--|--|--|
|                                       | <b>Individual Period</b>                             |  | <b>Cumulative Period</b>                             |  |
|                                       | <b>3 months<br/>ended<br/>31 Dec 2016<br/>RM'000</b> | <b>3 months<br/>ended<br/>31 Dec 2015<br/>RM'000</b> | <b>9 months<br/>ended<br/>31 Dec 2016<br/>RM'000</b> | <b>9 months<br/>ended<br/>31 Dec 2015<br/>RM'000</b> |
| Operating profit before zakat and tax | 15,519   | 1,231  | 63,097   | (38,860)   |
| Current tax                           | (8,584)  | (1,919)  | (15,392)   | (4,122)  |
| Deferred tax                          | (95)   | 271  | (1,968)  | 8,529  |
| Zakat                                 | (8,679)  | (1,648)  | (17,360)   | 4,407  |
|                                       | 452  | (250)  | -  | (750)  |
|                                       | (8,227)  | (1,898)  | (17,360)   | 3,657  |
| Net profit                            | 7,292  | (667)  | 45,737   | (35,203)   |
| Effective tax rate                    | 55.9%  | 133.9%   | 27.5%  | 11.3%  |

The effective tax rate for the 9 months period ended 31 December 2016 was higher than the statutory tax rate of 24% principally due to the higher non-deductible expenses in the takaful subsidiary.

The effective tax rate for the 9 months period ended 31 December 2015 was lower than the statutory tax rate of 24% principally due to the deferred tax asset recognised for the loss reported by the Company's reinsurance subsidiary being partially offset by the tax expenses of the Company's takaful subsidiary.

**B6. Status of corporate proposals**

There is no corporate proposal announced but not completed as at the date of this announcement.





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**B7. Borrowings and debt securities**

The Group borrowings as at 31 December 2016 were as follows:

|  | <b>GROUP<br/>31 Dec 2016<br/>RM'000</b> |
|--|---|
| Unsecured long term borrowings:                                  |   |
| RM200.0 million Islamic Commodity Murabahah Facility due in 2017 | 200,000                                 |
| RM120.0 million Sukuk Mudharabah Programme due in 2017           | 120,000                                 |
|  | <b>320,000</b>                          |

**B8. Off balance sheet financial instruments**

There were no financial instruments with material off balance sheet risk as at the date of this report.

**B9. Material litigation**

There was no pending material litigation as at the date of this report.

**B10. Dividends**

No dividends were paid or declared to date for the current financial year ending 31 March 2017.

**B11. Earnings/(loss) per share**

The basic earnings/(loss) per share is calculated by dividing the net profit/(loss) for the period by the number of ordinary shares in issue during the period.

|   | <b>GROUP</b>                              |   |   |   |
|---|---|---|---|---|
|   | <b>Individual Period</b>                  |   | <b>Cumulative Period</b>                  |   |
|   | <b>3 months<br/>ended<br/>31 Dec 2016</b> | <b>3 months<br/>ended<br/>31 Dec 2015</b> | <b>9 months<br/>ended<br/>31 Dec 2016</b> | <b>9 months<br/>ended<br/>31 Dec 2015</b> |
| Net profit/(loss) for the period (RM'000) | 7,292                                     | (667)                                     | 45,737                                    | (35,203)                                  |
| Number of ordinary shares in issue ('000) | 236,744 <sup>*</sup>                      | 213,070                                   | 236,744 <sup>*</sup>                      | 213,070                                   |
| Basic earnings/(loss) per share (sen)     | 3.1                                       | (0.3)                                     | 19.3                                      | (16.5)                                    |

<sup>\*</sup> Calculated based on weighted average number of shares in issue during the period.

The Group has no potential dilutive ordinary shares in issue as at the end of the period and therefore, diluted earnings per share has not been presented.



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**B12. Additional disclosures for the income statement**

|   | <b>GROUP</b>   |  |  |  |
|---|--|--|--|--|
|   | <b>Individual Period</b>                             |  | <b>Cumulative Period</b>                             |  |
|   | <b>3 months<br/>ended<br/>31 Dec 2016<br/>RM'000</b> | <b>3 months<br/>ended<br/>31 Dec 2015<br/>RM'000</b> | <b>9 months<br/>ended<br/>31 Dec 2016<br/>RM'000</b> | <b>9 months<br/>ended<br/>31 Dec 2015<br/>RM'000</b> |
|   |  |  |  |  |
| Interest/profit income  | 51,584   | 48,026   | 151,494  | 141,329  |
| Dividend income   | 4,865  | 5,279  | 16,646   | 14,964   |
| Rental income   | 2,533  | 1,869  | 5,714  | 5,005  |
| Finance cost  | (4,364)  | (4,560)  | (13,532)   | (13,647)   |
| Net gain on disposal of investments   | 31   | 2,760  | 4,634  | 6,232  |
| Depreciation and amortisation   | (2,745)  | (2,794)  | (8,269)  | (8,101)  |
| (Impairment loss)/reversal of impairment loss on<br>insurance/takaful receivables | (1,892)  | 5,684  | 733  | 5,417  |
| Impairment loss on investments  | (4,190)  | (4,457)  | (11,698)   | (18,266)   |

Other than the above, there were no gain or loss on derivatives and exceptional items reported during the period ended 31 December 2016.

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**B13. Disclosure of realised and unrealised profits**

As required by Bursa Securities, the breakdown of the retained profits of the Group as at 31 December 2016, into realised and unrealised profits, was as follows:

|   | <b>GROUP</b>       |                    |
|---|--------------------|--------------------|
|   | <b>31 Dec 2016</b> | <b>31 Mar 2016</b> |
|   | <b>RM'000</b>      | <b>RM'000</b>      |
| Total retained profits of the Group:                          |                    |                    |
| Realised  | 1,037,539          | 991,375            |
| Unrealised  | 527                | 6,509              |
|   | 1,038,066          | 997,884            |
| Share of realised retained profits from associated companies  | 17,385             | 9,159              |
|   | 1,055,451          | 1,007,043          |
| Less: Consolidation adjustments                               | (87,179)           | (78,953)           |
| Total retained profits per the statement of changes in equity | 968,272            | 928,090            |

The determination of realised and unrealised profits is compiled based on Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

**By Order of the Board**

**NORAZMAN BIN HASHIM (MIA 5817)**  
**LENA BTE ABD LATIF (LS 8766)**  
**Company Secretaries**

**Kuala Lumpur**  
**Dated: 27 February 2017**