



## **Bursa Announcement**

Third Quarter Ended 31 December 2019



**MNRB HOLDINGS BERHAD**

(197201001795 (13487-A))

**INTERIM FINANCIAL STATEMENTS**

*(The figures have not been audited)*

**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

	GROUP			
	Individual period		Cumulative year	
	3 months ended 31 December 2019	3 months ended 31 December 2018	9 months ended 31 December 2019	9 months ended 31 December 2018
	RM'000	RM'000	RM'000	RM'000
Gross earned premiums/contributions	535,035	500,114	1,552,643	1,457,304
Premiums/contributions ceded to reinsurers and retakaful operators	(62,510)	(74,846)	(203,320)	(210,980)
<b>Net earned premiums/contributions</b>	<b>472,525</b>	<b>425,268</b>	<b>1,349,323</b>	<b>1,246,324</b>
Investment income	68,567	69,198	212,220	199,680
Realised gains	2,679	149	82,037	3,763
Fair value (losses)/gains	(16,545)	(7,763)	77,694	(20,058)
Fee and commission income	9,557	12,265	28,222	28,967
Other operating revenue	66	10,150	8,976	10,150
<b>Other revenue</b>	<b>64,324</b>	<b>83,999</b>	<b>409,149</b>	<b>222,502</b>
Gross claims and benefits paid	(312,612)	(310,161)	(990,745)	(948,703)
Claims ceded to reinsurers/retakaful operators	46,074	55,514	185,864	103,063
Gross change in contract liabilities	(41,287)	(23,973)	(218,567)	(155,329)
Change in contract liabilities ceded to reinsurers/retakaful operators	(33,667)	4,565	(49,792)	117,914
<b>Net claims and benefits</b>	<b>(341,492)</b>	<b>(274,055)</b>	<b>(1,073,240)</b>	<b>(883,055)</b>
Fee and commission expense	(117,838)	(104,757)	(325,367)	(293,175)
Management expenses	(65,085)	(58,472)	(184,978)	(161,732)
Finance cost	(3,960)	(4,070)	(12,592)	(12,193)
Other operating expenses	(9,195)	(29,607)	(10,964)	(9,802)
Change in expenses liabilities	(791)	(613)	866	3,780
Tax borne by participants	1,183	423	(18,964)	(5,498)
<b>Other expenses</b>	<b>(195,686)</b>	<b>(197,096)</b>	<b>(551,999)</b>	<b>(478,620)</b>
Share of results of associates	(18)	(20,346)	1,567	(23,284)
<b>Operating (loss)/profit before deficit/(surplus) attributable to takaful participants, zakat and taxation</b>	<b>(347)</b>	<b>17,770</b>	<b>134,800</b>	<b>83,867</b>
Deficit/(surplus) attributable to takaful participants	11,832	(41,228)	(24,261)	(40,348)
<b>Operating profit/(loss) before zakat and taxation</b>	<b>11,485</b>	<b>(23,458)</b>	<b>110,539</b>	<b>43,519</b>
Zakat	(279)	(232)	(1,065)	(445)
Taxation	(3,261)	11,186	(15,101)	(7,602)
<b>Net profit/(loss) for the period attributable to equity holders of the Company</b>	<b>7,945</b>	<b>(12,504)</b>	<b>94,373</b>	<b>35,472</b>
Basic and no diluted earnings/(loss) per share attributable to equity holders of the Company (sen):	1.0	(6.1)	12.0	8.9

*The Condensed Financial Statements should be read in conjunction with  
the Annual Financial Statements for the year ended 31 March 2019*



MNRB HOLDINGS BERHAD

(197201001795 (13487-A))

INTERIM FINANCIAL STATEMENTS

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019

	GROUP			
	Individual period		Cumulative year	
	3 months ended 31 December 2019	3 months ended 31 December 2018	9 months ended 31 December 2019	9 months ended 31 December 2018
	RM'000	RM'000	RM'000	RM'000
<b>Net profit/(loss) for the period</b>	7,945	(12,504)	94,373	35,472
<b>Other comprehensive loss:</b>				
<b>Other comprehensive income to be reclassified to income statement in subsequent periods:</b>				
Effects of post acquisition foreign exchange translation reserve on investment in associate	-	(5)	4,570	10,640
Effects of foreign exchange translation reserve on investment in subsidiary	(251)	(11)	98	733
Net (loss)/gain on financial assets at FVOCI:				
Net (loss)/gain on fair value changes	(4,430)	9,855	10,838	20,577
Realised gain/(loss) transferred to income statement	141	(168)	10,810	(616)
Deferred tax relating to net loss/(gain) on financial assets at FVOCI	1,682	(9,385)	354	(9,674)
Other comprehensive loss attributable to participants.	(375)	(229)	(5,207)	(898)
<b>Other comprehensive income not to be reclassified to income statement in subsequent years:</b>				
Net gains on fair value changes	499	-	1,497	-
Deferred tax on fair value changes	(40)	-	(120)	-
Revaluation of land and buildings	-	691	-	2,072
Deferred tax relating to revaluation of land and buildings	-	(346)	-	(167)
Other comprehensive loss attributable to participants	-	(635)	-	(1,905)
<b>Total comprehensive income/(losses) for the period</b>	<b>5,171</b>	<b>(12,737)</b>	<b>117,213</b>	<b>56,234</b>

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**MNRB HOLDINGS BERHAD**  
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**INTERIM FINANCIAL STATEMENTS**  
*(The figures have not been audited)*

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019**

	<b>GROUP</b>	
	Unaudited	Audited
	31 December 2019 RM'000	31 March 2019 RM'000
<b>Assets</b>		
Property, plant and equipment	203,745	204,187
Right-of-use asset	3,227	-
Intangible assets	37,800	37,206
Deferred tax assets	8,986	13,247
Investment in associates	137,410	133,741
Financial assets	7,760,742	7,289,554
Reinsurance/retakaful assets	491,752	539,853
Insurance/takaful receivables	393,631	337,351
Tax recoverable	68,537	54,674
Non-current assets held for sale	-	45,875
Cash and bank balances	48,279	51,675
<b>Total assets</b>	<b>9,154,109</b>	<b>8,707,363</b>
<b>Liabilities and Participants' funds</b>		
Participants' funds	330,393	295,294
Borrowings	320,000	320,000
Insurance/takaful contract liabilities	5,766,439	5,489,890
Insurance/takaful payables	185,246	224,032
Other payables	279,410	232,532
Lease liability	4,298	-
Deferred tax liabilities	18,934	16,365
Provision for taxation	13,952	8,321
Provision for zakat	1,731	1,277
<b>Total liabilities and participants' funds</b>	<b>6,920,403</b>	<b>6,587,711</b>
<b>Equity</b>		
Share capital	738,503	722,306
Reserves	1,495,203	1,397,346
<b>Total equity attributable to equity holders of the Company</b>	<b>2,233,706</b>	<b>2,119,652</b>
<b>Total liabilities, participants' funds and equity</b>	<b>9,154,109</b>	<b>8,707,363</b>
Net assets per share (RM)	3.02	2.93

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**MNRB HOLDINGS BERHAD**  
(197201001795 (13487-A))

**INTERIM FINANCIAL STATEMENTS**  
*(The figures have not been audited)*

**CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

	<b>GROUP</b>						
	Attributable to Equity Holders of the Company						
	Share capital RM'000	Reserves					Total RM'000
		Non-distributable			Distributable		
Foreign exchange translation reserve RM'000		Fair value reserve RM'000	Revaluation reserve RM'000	Retained profits brought forward RM'000	Net profit RM'000		
At 1 April 2019, as previously stated	722,306	43,329	58,457	47,059	1,248,501	-	2,119,652
Impact of adopting MFRS 16	-	-	-	-	(180)	-	(180)
At 1 April 2019, as restated	722,306	43,329	58,457	47,059	1,248,321	-	2,119,472
Issuance of share capital	16,197	-	-	-	-	-	16,197
Total comprehensive income for the year	-	4,668	18,172	-	-	94,373	117,213
Dividend paid during the year	-	-	-	-	(19,176)	-	(19,176)
At 31 December 2019	738,503	47,997	76,629	47,059	1,229,145	94,373	2,233,706

**CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018**

	<b>GROUP</b>						
	Attributable to Equity Holders of the Company						
	Share capital RM'000	Reserves					Total RM'000
		Non-distributable			Distributable		
Foreign exchange translation reserve RM'000		Fair value reserve RM'000	Revaluation reserve RM'000	Retained profits brought forward RM'000	Net profit RM'000		
At 1 April 2018	319,605	34,898	1,205	43,652	1,138,641	-	1,538,001
Impact of adopting MFRS 9	-	-	29,592	-	-	7,698	37,290
At 1 April 2018, as restated	319,605	34,898	30,797	43,652	1,138,641	7,698	1,575,291
Issuance of rights share	402,701	-	-	-	-	-	402,701
Total comprehensive income for the year	-	11,373	9,389	-	-	35,472	56,234
At 31 December 2018	722,306	46,271	40,186	43,652	1,138,641	43,170	2,034,226

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**MNRB HOLDINGS BERHAD**

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**INTERIM FINANCIAL STATEMENTS**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

	<b>GROUP</b>	
	9 months ended 31 December 2019	9 months ended 31 December 2018
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Profit before surplus transfer, zakat and tax	110,539	43,519
Adjustments for:		
Net fair value gains on financial assets at FVTPL	(74,994)	(1,823)
Reversal of impairment losses on FVOCI financial assets	(2,444)	(1)
Net impairment losses on insurance/takaful receivables	7,542	8,098
Depreciation of property, plant and equipment	6,198	5,165
Amortisation of intangible assets	4,053	3,904
Losses/(gains) on disposal of property, plant and equipment	4	(31)
Increase in gross premium and contribution liabilities	62,254	2,709
Interest/profit income	(203,251)	(61,528)
Dividend income	(10,901)	(3,280)
Rental income	(3,235)	(4,108)
Finance cost	12,458	12,193
Net gains on disposal of investments	(81,719)	(2,497)
Net amortisation of premiums on investments	4,328	3,975
Share of results of associates	(1,567)	23,284
(Loss)/profit from operations before changes in operating assets and liabilities	(170,735)	29,579
Increase in placements with licensed financial institutions, Islamic investment accounts and marketable securities	(368,828)	(271,307)
Proceeds from disposal/(purchase) investments	156,121	(365,018)
Decrease/(increase) in staff loans	37	(852)
(Increase)/decrease in insurance/takaful receivables	(75,445)	36,540
Increase in other receivables	(27,666)	(55,147)
Increase in gross claim liabilities, actuarial liabilities and unallocated surplus	235,773	82,322
Decrease in expense liabilities	(5,875)	(3,780)
(Decrease)/increase in participants' funds	(8,369)	55,191
Decrease/(increase) in reinsurance and retakaful assets	47,041	(41,798)
Decrease in insurance/takaful payables	(41,531)	(69,070)
Increase in other payables	143,761	151,934
Decrease in lease liabilities	(1,765)	-
Taxes and zakat	(27,331)	(37,660)
Interest/profit received	150,020	94,697
Dividend received	9,004	5,371
Rental received	3,122	3,985
Net cash generated from/(used in) operating activities	17,334	(385,013)



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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019 (CONT'D.)**

	<b>GROUP</b>	
	9 months ended 31 December 2019	9 months ended 31 December 2018
	RM'000	RM'000
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,040)	(2,984)
Purchase of intangible assets	(4,676)	(9,907)
Proceeds from disposal of property, plant and equipment	2,349	-
Net cash used in investing activities	<b>(4,367)</b>	<b>(12,891)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of ordinary shares	16,196	402,701
Interest/profit paid	(12,518)	(12,231)
Payment of lease liabilities	(865)	-
Dividend paid	(19,176)	-
Net cash (used in)/generated from financing activities	<b>(16,363)</b>	<b>390,470</b>
<b>Cash and bank balances</b>		
Net decrease during the period	(3,396)	(7,434)
At the beginning of the year	51,675	142,099
<b>At the end of the period</b>	<b>48,279</b>	<b>134,665</b>

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**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**  
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**PART A – NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**A1. Basis of preparation**

The interim financial statements should be read in conjunction with the Group's most recent audited financial statements for the financial year ended 31 March 2019.

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 financial year ended 31 March 2019 except for the adoption of the following accounting standards, Interpretations Committee (IC) Interpretations and amendments/improvements to Malaysian Financial Reporting Standards ("MFRSs") issued by the Malaysian Accounting Standards Board ("MASB") that are effective for the Group's financial year beginning 1 April 2019:

- IC Interpretation 23 *Uncertainty over Income Tax Treatments to MFRS Standards*
- Annual improvements to MFRS Standards 2015-2017 Cycle
- MFRS 16 *Leases*
- Amendments to MFRS 119 *Plan Amendment, Curtailment or Settlement*
- Amendments to MFRS 128 *Long-term Interests in Associates and Joint Ventures*
- Amendments to MFRS 9 *Prepayment Features with Negative Compensations*

The adoption of the above accounting standards and amendments/improvements to MFRSs does not have any material impact on the financial statements of the Group except as discussed below:

**MFRS 16 Leases**

MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model, similar to the accounting for finance leases under MFRS 117. The standard will supersede MFRS 117 *Leases*, IC Interpretation 4 *Determining whether an Arrangement contains a Lease*, IC Interpretation 115 *Operating Lease - Incentives* and IC Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

(i) Lessee

At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Subsequently, lessees will be required to recognise interest expense on the lease liability and the depreciation expense on the right-of-use asset.

(i) Lessor

Lessor accounting under MFRS 16 is substantially as same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

The standard is effective for annual periods beginning on or after 1 January 2019. A lessee can choose to apply the Standards using either a full retrospective or a modified retrospective approach.

The Group and the Company have adopted MFRS 16 for the first time as of 1 April 2019, using the modified retrospective approach, whereby comparative information is not required to be restated. In line with the practical expedient allowed under MFRS 16, the Group and the Company will elect to apply the Standard to contracts that were previously identified as leases applying MFRS 117 and IC Interpretation 4. The Group and the Company will therefore not apply the standard to contracts that were not previously identified as containing a lease when applying MFRS 117 and IC Interpretation 4.

The Group and the Company will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of the initial application, and lease contracts for which the underlying asset is of low value. The Group and the Company have lease contracts for certain office equipments that are considered low in value.





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

**A1. Basis of preparation (cont'd.)**

The following table set out the financial impact arising from the adoption the MFRS 16:

	<b>RM'000</b>
Retained profits at 1 April 2019	1,248,501
Effect on adoption of MFRS 16:	
- Recognition of rights-of-use assets	6,537
- Recognition of lease liabilities	(6,773)
	(236)
- Deferred tax	27
	(209)
Elimination	29
Retained profits as at 1 April 2019, as restated	1,248,321

The day-one financial impact of the adoption of MFRS 16 on the statement of financial position of the Group were as follows:

	<b>Carrying value 1 April 2019 RM '000</b>	<b>Classifications RM '000</b>	<b>Carrying value after reclassification 1 April 2019 RM '000</b>
<b>Assets</b>			
Property, plant and equipment	204,187	-	204,187
Right-of-use asset	-	5,348	5,348
Intangible assets	37,206	-	37,206
Deferred tax assets	13,247	18	13,265
Investment in associates	133,741	-	133,741
Financial assets	7,289,554	-	7,289,554
Reinsurance/retakaful assets	539,853	-	539,853
Insurance/takaful receivables	337,351	-	337,351
Tax recoverable	54,674	-	54,674
Non-current assets held for sale	45,875	-	45,875
Cash and bank balances	51,675	-	51,675
<b>Total assets</b>	8,707,363	5,366	8,712,729
<b>Liabilities and Participants' funds</b>			
Participants' funds	295,294	-	295,294
Borrowings	320,000	-	320,000
Insurance/takaful contract liabilities	5,489,890	-	5,489,890
Insurance/takaful payables	224,032	-	224,032
Other payables	232,532	-	232,532
Lease liability	-	5,546	5,546
Deferred tax liabilities	16,365	-	16,365
Provision for taxation	8,321	-	8,321
Provision for zakat	1,277	-	1,277
<b>Total liabilities and participants' funds</b>	6,587,711	5,546	6,593,257
<b>Equity</b>			
Share capital	722,306	-	722,306
Reserves	1,397,346	(180)	1,397,166
<b>Total equity attributable to equity holders of the Company</b>	2,119,652	(180)	2,119,472
<b>Total liabilities, participants' funds and equity</b>	8,707,363	5,366	8,712,729



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

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

The auditors' report on the audited financial statements for the financial year ended 31 March 2019 was not subject to any qualification.

**A3. Seasonal or cyclical factors**

During the financial period ended 31 December 2019, 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 2019.

**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**

Other than the increase of new ordinary shares as mentioned in note A10 below, there was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities during the current financial period under review.

**A7. Dividend paid**

An interim dividend in respect of the financial year ended 31 March 2020 of 2.50 sen per ordinary share amounting to RM19.176 million based on the issued share capital of 767,050, 063 Shares as at 15 October 2019, less the amount reinvested under Dividend Reinvestment Plan ("DRP") of RM16.197 million was paid on 13 December 2019.



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

**A8. Segmental reporting**

Financial period ended 31 December 2019

	Investment Holding RM'000	Reinsurance Business RM'000	Takaful Business RM'000	Retakaful Business RM'000	Others RM'000	Intra-Group Adjustments RM'000	Consolidated RM'000
<b>Revenue</b>							
External	1,502	998,401	799,804	27,365	7,305	-	1,834,377
Inter-segment	73,525	365	1,268	-	2,626	(77,784)	-
	<b>75,027</b>	<b>998,766</b>	<b>801,072</b>	<b>27,365</b>	<b>9,931</b>	<b>(77,784)</b>	<b>1,834,377</b>
<b>Results</b>							
<b>Segment results</b>	<b>37,318</b>	<b>49,267</b>	<b>86,447</b>	<b>3,426</b>	<b>266</b>	<b>(43,491)</b>	<b>133,233</b>
Share of results of associates	302	1,265	-	-	-	-	1,567
<b>Operating profit/(loss) before surplus attributable to takaful participants, zakat and taxation</b>	<b>37,620</b>	<b>50,532</b>	<b>86,447</b>	<b>3,426</b>	<b>266</b>	<b>(43,491)</b>	<b>134,800</b>
Surplus attributable to takaful participants	-	-	(24,261)	-	-	-	(24,261)
<b>Operating profit/(loss) before zakat and taxation</b>	<b>37,620</b>	<b>50,532</b>	<b>62,186</b>	<b>3,426</b>	<b>266</b>	<b>(43,491)</b>	<b>110,539</b>
Zakat and taxation	(3,171)	(4,242)	(8,419)	(324)	(10)	-	(16,166)
<b>Net profit/(loss) for the period attributable to equity holders of the Company</b>	<b>34,449</b>	<b>46,290</b>	<b>53,767</b>	<b>3,102</b>	<b>256</b>	<b>(43,491)</b>	<b>94,373</b>

Financial period ended 31 December 2018

	Investment Holding RM'000	Reinsurance Business RM'000	Takaful Business RM'000	Retakaful Business RM'000	Others RM'000	Intra-Group Adjustments RM'000	Consolidated RM'000
<b>Revenue</b>							
External	1,637	925,064	707,783	30,404	9,461	-	1,674,349
Inter-segment	59,929	1,146	-	40	-	(61,115)	-
	<b>61,566</b>	<b>926,210</b>	<b>707,783</b>	<b>30,444</b>	<b>9,461</b>	<b>(61,115)</b>	<b>1,674,349</b>
<b>Results</b>							
<b>Segment results</b>	<b>24,568</b>	<b>32,292</b>	<b>72,584</b>	<b>2,443</b>	<b>238</b>	<b>(24,974)</b>	<b>107,151</b>
Share of results of associates	244	(23,528)	-	-	-	-	(23,284)
<b>Operating profit/ (loss) before surplus attributable to takaful participants, zakat and taxation</b>	<b>24,812</b>	<b>8,764</b>	<b>72,584</b>	<b>2,443</b>	<b>238</b>	<b>(24,974)</b>	<b>83,867</b>
Surplus attributable to takaful participants	-	-	(40,348)	-	-	-	(40,348)
<b>Operating profit/ (loss) before zakat and taxation</b>	<b>24,812</b>	<b>8,764</b>	<b>32,236</b>	<b>2,443</b>	<b>238</b>	<b>(24,974)</b>	<b>43,519</b>
Zakat and taxation	(1,691)	(2,914)	(3,197)	(245)	-	-	(8,047)
<b>Net profit/ (loss) for the period attributable to equity holders of the Company</b>	<b>23,121</b>	<b>5,850</b>	<b>29,039</b>	<b>2,198</b>	<b>238</b>	<b>(24,974)</b>	<b>35,472</b>



**MNRB HOLDINGS BERHAD**  
(197201001795 (13487-A))  
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*(The figures have not been audited)*

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

**A9. Carrying amount of revalued properties**

The valuation 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 2019.

**A10. Significant events**

As announced on 13 December 2019, MNRB had allotted and issued 16,036,633 new Shares at RM1.01 per share on 13 December 2019 pursuant to the DRP. With the said issuance, the enlarged share capital of MNRB is 783,086,696 shares amounting to RM738,502,475.

**A11. Subsequent events**

There were no significant subsequent events from 31 December 2019 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 financial period ended 31 December 2019.

**A13. Capital Commitments**

The amount of capital commitments of the Group as at 31 December 2019 were as follows:

	<b>RM'000</b>
Authorised and contracted for:	
- Intangible assets*	<u>4,082</u>
Authorised but not contracted for:	
- Property, plant and equipment	660
- Intangible assets*	<u>24,639</u>
	<u>25,299</u>

\* Relating to purchases and enhancement of computer systems.

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

(i) Unaudited as at 31 December 2019

	General reinsurance and shareholders' fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	General retakaful fund RM'000	Family retakaful fund RM'000	Elimination and adjustment RM'000	Consolidated RM'000
<b>Assets</b>							
Property, plant and equipment	121,985	-	-	-	-	81,760	203,745
Right-of-use asset	3,535	-	-	-	-	(308)	3,227
Investment properties	-	-	81,760	-	-	(81,760)	-
Intangible assets	37,800	-	-	-	-	-	37,800
Deferred tax assets	8,645	341	-	-	-	-	8,986
Investment in subsidiaries	1,304,476	-	-	-	-	(1,304,476)	-
Investment in associates	120,392	-	-	-	-	17,018	137,410
Financial assets	4,012,232	509,862	3,380,147	74,493	15,202	(231,194)	7,760,742
Reinsurance/retakaful assets	251,181	176,069	52,224	4,975	7,303	-	491,752
Insurance/takaful receivables	320,807	36,278	26,495	7,088	2,963	-	393,631
Tax recoverable	68,537	-	-	-	-	-	68,537
Cash and bank balances	29,440	8,838	9,818	161	22	-	48,279
<b>Total assets</b>	<b>6,279,030</b>	<b>731,388</b>	<b>3,550,444</b>	<b>86,717</b>	<b>25,490</b>	<b>(1,518,960)</b>	<b>9,154,109</b>
<b>Liabilities and Participants' funds</b>							
Participants' funds	-	153,670	178,587	-	-	(1,864)	330,393
Borrowings	321,000	-	-	-	-	(1,000)	320,000
Insurance/takaful contract liabilities	2,077,334	458,493	3,160,210	66,788	16,757	(13,143)	5,766,439
Insurance/takaful payables	133,868	30,561	12,699	5,596	2,522	-	185,246
Other payables	196,160	84,113	183,638	12,627	6,099	(203,227)	279,410
Lease liability	4,610	-	-	-	-	(312)	4,298
Deferred tax liabilities	6,322	-	11,586	70	15	941	18,934
Provision for taxation	3,944	4,551	3,724	1,636	97	-	13,952
Provision for zakat	1,731	-	-	-	-	-	1,731
<b>Total liabilities and participants' funds</b>	<b>2,744,969</b>	<b>731,388</b>	<b>3,550,444</b>	<b>86,717</b>	<b>25,490</b>	<b>(218,605)</b>	<b>6,920,403</b>
<b>Equity</b>							
Share capital	2,043,109	-	-	-	-	(1,304,606)	738,503
Reserves	1,490,952	-	-	-	-	4,251	1,495,203
<b>Total equity attributable to equity holders of the Parent</b>	<b>3,534,061</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,300,355)</b>	<b>2,233,706</b>
<b>Total liabilities, participants' funds and equity</b>	<b>6,279,030</b>	<b>731,388</b>	<b>3,550,444</b>	<b>86,717</b>	<b>25,490</b>	<b>(1,518,960)</b>	<b>9,154,109</b>

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

(ii) As at 31 March 2019

	General reinsurance and shareholders' fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	General retakaful fund RM'000	Family retakaful fund RM'000	Elimination and adjustment RM'000	Consolidated RM'000
<b>Assets</b>							
Property, plant and equipment	122,427	-	-	-	-	81,760	204,187
Investment properties	-	-	81,760	-	-	(81,760)	-
Intangible assets	37,206	-	-	-	-	-	37,206
Deferred tax assets	9,538	1,423	-	-	-	2,286	13,247
Investment in subsidiaries	1,304,476	-	-	-	-	(1,304,476)	-
Investment in associates	117,526	-	-	-	-	16,215	133,741
Financial assets	3,948,575	461,430	3,095,850	74,662	9,822	(300,785)	7,289,554
Reinsurance/retakaful assets	305,037	164,941	57,756	5,694	6,425	-	539,853
Insurance/takaful receivables	276,110	23,031	25,433	9,299	3,478	-	337,351
Tax recoverable	55,753	-	-	(1,079)	-	-	54,674
Non-current asset held for sale	-	-	45,875	-	-	-	45,875
Cash and bank balances	17,442	460	32,486	715	572	-	51,675
<b>Total assets</b>	<b>6,194,090</b>	<b>651,285</b>	<b>3,339,160</b>	<b>89,291</b>	<b>20,297</b>	<b>(1,586,760)</b>	<b>8,707,363</b>
<b>Liabilities and Participants' funds</b>							
Participants' funds	-	132,821	167,334	13,229	11	(18,101)	295,294
Borrowings	321,000	-	-	-	-	(1,000)	320,000
Insurance/takaful contract liabilities	2,037,954	432,995	2,947,235	65,161	16,544	(9,999)	5,489,890
Insurance/takaful payables	180,723	8,707	27,132	5,903	1,567	-	224,032
Other payables	224,331	72,211	188,952	4,998	2,175	(260,135)	232,532
Deferred tax liabilities	4,625	-	8,507	-	-	3,233	16,365
Provision for taxation	3,770	4,551	-	-	-	-	8,321
Provision for zakat	1,277	-	-	-	-	-	1,277
<b>Total liabilities and participants' funds</b>	<b>2,773,680</b>	<b>651,285</b>	<b>3,339,160</b>	<b>89,291</b>	<b>20,297</b>	<b>(286,002)</b>	<b>6,587,711</b>
<b>Equity</b>							
Share capital	2,026,912	-	-	-	-	(1,304,606)	722,306
Retained profit	1,393,498	-	-	-	-	3,848	1,397,346
<b>Total equity attributable to equity holders of the Parent</b>	<b>3,420,410</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,300,758)</b>	<b>2,119,652</b>
<b>Total liabilities, participants' funds and equity</b>	<b>6,194,090</b>	<b>651,285</b>	<b>3,339,160</b>	<b>89,291</b>	<b>20,297</b>	<b>(1,586,760)</b>	<b>8,707,363</b>

**A15. Unaudited Condensed Consolidated Income Statement by Reinsurance, Takaful and Retakaful Funds**

(i) 9 months ended 31 December 2019

	General reinsurance and shareholders' fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	General retakaful fund RM'000	Family retakaful fund RM'000	Elimination and adjustment RM'000	Consolidated RM'000
Gross earned premiums/contributions	869,071	221,134	440,713	15,597	6,615	(487)	1,552,643
Premiums/contributions ceded to reinsurers and retakaful operators	(67,723)	(73,814)	(55,957)	(1,181)	(4,794)	149	(203,320)
<b>Net earned premiums/contributions</b>	<b>801,348</b>	<b>147,320</b>	<b>384,756</b>	<b>14,416</b>	<b>1,821</b>	<b>(338)</b>	<b>1,349,323</b>
Investment income	143,443	13,497	97,208	1,941	626	(44,495)	212,220
Realised gains	25,573	1,228	55,236	-	-	-	82,037
Fair value (losses)/gains	(3,883)	26	84,080	-	47	(2,576)	77,694
Fee and commission income	308,396	18,528	10	51	-	(298,763)	28,222
Other operating revenue	9,296	-	-	(37)	7	(290)	8,976
<b>Other revenue</b>	<b>482,825</b>	<b>33,279</b>	<b>236,534</b>	<b>1,955</b>	<b>680</b>	<b>(346,124)</b>	<b>409,149</b>
Gross claims and benefit paid	(605,612)	(133,906)	(236,084)	(7,887)	(7,509)	253	(990,745)
Claims ceded to reinsurers/retakaful operators	82,413	59,738	39,230	104	4,632	(253)	185,864
Gross change in contract liabilities	9,969	(13,810)	(212,975)	5,875	1,201	(8,827)	(218,567)
Change in contract liabilities ceded to reinsurers/retakaful operators	(53,869)	9,543	(5,532)	(812)	878	-	(49,792)
<b>Net claims and benefits</b>	<b>(567,099)</b>	<b>(78,435)</b>	<b>(415,361)</b>	<b>(2,720)</b>	<b>(798)</b>	<b>(8,827)</b>	<b>(1,073,240)</b>
Fee and commission expenses	(325,431)	(83,556)	(173,829)	(5,550)	(251)	263,250	(325,367)
Management expenses	(222,149)	-	(996)	-	-	38,167	(184,978)
Finance cost	(12,649)	-	-	-	-	57	(12,592)
Other operating expenses	(5,248)	(31)	(5,697)	2	10	-	(10,964)
Changes in expenses liabilities	866	-	-	-	-	-	866
Tax borne by participants	-	(4,072)	(14,154)	(626)	(112)	-	(18,964)
<b>Other expenses</b>	<b>(564,611)</b>	<b>(87,659)</b>	<b>(194,676)</b>	<b>(6,174)</b>	<b>(353)</b>	<b>301,474</b>	<b>(551,999)</b>
Share of results of associates	-	-	-	-	-	1,567	1,567
<b>Operating profit/(loss) before surplus/(deficits) attributable to takaful/retakaful participants, zakat and taxation</b>	<b>152,463</b>	<b>14,505</b>	<b>11,253</b>	<b>7,477</b>	<b>1,350</b>	<b>(52,248)</b>	<b>134,800</b>
(Surplus)/deficits attributable to takaful/retakaful participants	-	(14,505)	(11,253)	(7,477)	(1,350)	10,324	(24,261)
<b>Operating profit/(loss) before zakat and taxation</b>	<b>152,463</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(41,924)</b>	<b>110,539</b>
Zakat	(1,065)	-	-	-	-	-	(1,065)
Taxation	(15,101)	-	-	-	-	-	(15,101)
<b>Net profit/(loss) for the period attributable to equity holders of the Company</b>	<b>136,297</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(41,924)</b>	<b>94,373</b>

A15. Unaudited Condensed Consolidated Income Statement by Reinsurance, Takaful and Retakaful Funds (Cont'd.)

(ii) 9 months ended 31 December 2018

	General reinsurance and shareholders' fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	General retakaful fund RM'000	Family retakaful fund RM'000	Elimination and adjustment RM'000	Consolidated RM'000
Gross earned premiums/contributions	831,282	192,042	409,194	18,356	7,030	(600)	1,457,304
Premiums/contributions ceded to reinsurers and retakaful operators	(92,440)	(71,128)	(40,376)	(2,149)	(5,029)	142	(210,980)
<b>Net earned premiums/contributions</b>	<b>738,842</b>	<b>120,914</b>	<b>368,818</b>	<b>16,207</b>	<b>2,001</b>	<b>(458)</b>	<b>1,246,324</b>
Investment income	125,080	12,460	93,309	1,784	583	(33,536)	199,680
Realised gains/(losses)	3,917	703	(857)	-	-	-	3,763
Fair value (losses)/gains	(22,570)	(2,537)	(8,000)	-	(5)	13,054	(20,058)
Fee and commission income	258,010	15,420	3	6	-	(244,472)	28,967
Other operating revenue	18,385	365	-	119	12	(8,731)	10,150
<b>Other revenue</b>	<b>382,822</b>	<b>26,411</b>	<b>84,455</b>	<b>1,909</b>	<b>590</b>	<b>(273,685)</b>	<b>222,502</b>
Gross claims and benefit paid	(593,856)	(108,481)	(221,558)	(18,059)	(8,710)	1,961	(948,703)
Claims ceded to reinsurers/retakaful operators	22,196	41,855	30,650	5,434	4,889	(1,961)	103,063
Gross change in contract liabilities	(16,926)	(95,919)	(61,409)	23,623	(830)	(3,868)	(155,329)
Change in contract liabilities ceded to reinsurers/retakaful	56,549	80,845	(4,587)	(13,015)	(1,878)	-	117,914
<b>Net claims and benefits</b>	<b>(532,037)</b>	<b>(81,700)</b>	<b>(256,904)</b>	<b>(2,017)</b>	<b>(6,529)</b>	<b>(3,868)</b>	<b>(883,055)</b>
Fee and commission expense	(288,318)	(58,514)	(150,812)	(7,448)	(286)	212,203	(293,175)
Management expenses	(195,149)	-	(739)	-	-	34,156	(161,732)
Finance cost	(12,230)	-	-	-	-	37	(12,193)
Other operating expenses	(5,934)	(2,303)	(2,065)	(200)	(2)	702	(9,802)
Changes in expenses liabilities	3,780	-	-	-	-	-	3,780
Tax borne by participants	-	(1,962)	(3,179)	(357)	-	-	(5,498)
<b>Other expenses</b>	<b>(497,851)</b>	<b>(62,779)</b>	<b>(156,795)</b>	<b>(8,005)</b>	<b>(288)</b>	<b>247,098</b>	<b>(478,620)</b>
Share of results of associates	-	-	-	-	-	(23,284)	(23,284)
<b>Operating profit/(loss) before surplus/(deficits) attributable to takaful/retakaful participants, zakat and taxation</b>	<b>91,776</b>	<b>2,846</b>	<b>39,574</b>	<b>8,094</b>	<b>(4,226)</b>	<b>(54,197)</b>	<b>83,867</b>
(Surplus)/deficits attributable to takaful/retakaful participants	-	(2,846)	(39,574)	(8,094)	4,226	5,940	(40,348)
<b>Operating profit/(loss) before zakat and taxation</b>	<b>91,776</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(48,257)</b>	<b>43,519</b>
Zakat	(445)	-	-	-	-	-	(445)
Taxation	(7,602)	-	-	-	-	-	(7,602)
<b>Net profit/(loss) for the period attributable to equity holders of the Company</b>	<b>83,729</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(48,257)</b>	<b>35,472</b>



## A17. Fair values of assets

MFRS 7 Financial Instruments: Disclosures ("MFRS 7") requires the classification of financial instruments measured at fair value according to a hierarchy that reflects the significance of inputs used in making the measurements, in particular, whether the inputs used are observable or unobservable. MFRS 13 *Fair Value Measurement* requires similar disclosure requirements as MFRS 7, but extends to include all assets and liabilities measured at fair value and/or for which fair values are disclosed. The following levels of hierarchy are used for determining and disclosing the fair value of the Group and the Company's assets:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs that are based on observable market data, either directly or indirectly

Level 3 - Inputs that are not based on observable market data

The fair values of the Group and Company's assets are determined as follows:

- (i) The carrying amounts of financial assets, such as loans and receivables, insurance/takaful receivables and cash and bank balances, are reasonable approximation of their fair values due to the relatively short term maturity of these balances;
- (ii) The fair values of quoted equities are based on quoted market prices as at the reporting date;
- (iii) The fair values of Malaysian government securities, government investment issues and unquoted corporate debt securities are based on indicative market prices from the Bond Pricing Agency of Malaysia
- (iv) The fair values of investments in mutual funds, unit trust funds and real estate investment trusts are valued based on the net asset values of the underlying funds as at the reporting date;
- (v) Freehold land and buildings and investment property have been revalued based on valuations performed by accredited independent valuers having appropriate recognised professional qualification. The valuations are based on the income and comparison approaches. In arriving at the fair value of the assets, the valuers had also taken into consideration the future developments in terms of infrastructure in the vicinity of the properties; and
- (vi) Fair value of unquoted shares in Malaysia are derived using the net assets of the invested companies.

### Description of significant unobservable inputs:

	Valuation technique	Significant unobservable inputs	Range
<b>31 December 2019/31 March 2019</b>			
<u>Property, plant and equipment</u>			
Office building of Malaysian Reinsurance Berhad ("MRE")	Income approach	Yield Rental per square foot	6.0% to 6.25% RM4.50
Office buildings of Takaful Ikhlas Family Berhad ("TIFB")	Comparison approach	Sales price per square feet for similar properties	RM833 to RM1,545
Unquoted shares in Malaysia	Net assets	Net assets	Not applicable

A significant increase or decrease in the unobservable inputs used in the valuation would result in a correspondingly higher or lower fair value.

There has been no transfer between Level 1 and Level 2 of the fair value hierarchy during the financial period.

## A17. Fair values of assets (cont'd.)

As at the reporting date, the Group and the Company held the following assets that are measured at fair value and/or for which fair values are disclosed under Levels 1, 2 and 3 of the fair value hierarchy:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial period ended 31 December 2019				
<b>Assets measured at fair value:</b>				
<b>(a) Property, plant and equipment</b>				
Freehold land	-	-	36,800	36,800
Buildings	-	-	162,483	162,483
	<u>-</u>	<u>-</u>	<u>199,283</u>	<u>199,283</u>
<b>(b) Financial assets at FVTPL</b>				
<u>Designated upon initial recognition</u>				
Unquoted corporate debt securities	-	19,800	-	19,800
Government investment issues	-	1,201,156	-	1,201,156
Unquoted islamic private debt securities:				
Government guaranteed	-	674,408	-	674,408
Unsecured	-	569,065	-	569,065
<u>Mandatorily measured</u>				
Quoted shares in Malaysia:				
Shariah approved equities	138,698	-	-	138,698
Warrants	-	-	-	-
Others	158,145	-	-	158,145
Unquoted corporate debt securities	-	-	-	-
Unquoted islamic private debt securities				
Shariah approved unit trust funds	134,850	-	-	134,850
Property trust funds	8,611	-	-	8,611
Real estate investment trusts	16,334	-	-	16,334
	<u>456,638</u>	<u>2,465,087</u>	<u>-</u>	<u>2,921,725</u>
<b>(c) Financial assets at FVOCI</b>				
Malaysian government securities	-	166,987	-	166,987
Government investment issues	-	475,302	-	475,302
Unquoted corporate debt securities	-	1,117,145	-	1,117,145
Unquoted shares	-	-	84,075	84,075
Unquoted Islamic private debt securities:				
Government guaranteed	-	58,162	-	58,162
Unsecured	-	75,810	-	75,810
Golf club memberships	-	-	293	293
	<u>-</u>	<u>1,893,406</u>	<u>84,368</u>	<u>1,977,774</u>

**A17. Fair values of assets (cont'd.)**

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial year ended 31 March 2019				
<b>Assets measured at fair value:</b>				
<b>(a) Property, plant and equipment</b>				
Freehold land	-	-	36,800	36,800
Buildings	-	-	163,312	163,312
	<u>-</u>	<u>-</u>	<u>200,112</u>	<u>200,112</u>
<b>(b) Financial assets at FVTPL</b>				
<u>Designated upon initial recognition</u>				
Unquoted corporate debt securities	-	4,178	-	4,178
Government investment issues	-	1,306,506	-	1,306,506
Unquoted islamic private debt securities:				
Government guaranteed	-	702,381	-	702,381
Unsecured	-	507,833	-	507,833
<u>Mandatorily measured</u>				
Quoted shares in Malaysia:				
Shariah approved equities	184,207	-	-	184,207
Warrants	43	-	-	43
Others	82,914	-	-	82,914
Unquoted corporate debt securities	-	15,142	-	15,142
Unquoted islamic private debt securities	-	739	-	739
Shariah approved unit trust funds	168,589	-	-	168,589
Real estate investment trusts	16,299	-	-	16,299
	<u>452,052</u>	<u>2,536,779</u>	<u>-</u>	<u>2,988,831</u>
<b>(c) Financial assets at FVOCI</b>				
Malaysian government securities	-	183,878	-	183,878
Government investment issues	-	519,843	-	519,843
Unquoted corporate debt securities	-	1,031,242	-	1,031,242
Unquoted shares	-	-	84,158	84,158
Unquoted Islamic private debt securities:				
Government guaranteed	-	105,860	-	105,860
Unsecured	-	230,462	-	230,462
Golf club memberships	-	-	293	293
	<u>-</u>	<u>2,071,285</u>	<u>84,451</u>	<u>2,155,736</u>



**MNRB HOLDINGS BERHAD**  
**(197201001795 (13487-A))**  
**INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**  
*(The figures have not been audited)*

**PART B – ADDITIONAL INFORMATION REQUIRED BY THE  
LISTING REQUIREMENTS OF BURSA MALAYSIA**

**B1. Review of performance**

For the financial period ended 31 December 2019, the Group recorded a revenue of RM1.834 billion, an increase of 9.6% as compared to RM1.674 billion reported in the corresponding period last year. The RM160.1 million increase was mainly attributable to higher gross premiums/ contributions and investment income generated by the reinsurance and takaful subsidiaries.

The Group recorded a 165.9% growth of net profit for the financial period ended 31 December 2019 of RM94.4 million, as compared to RM35.5 million reported in the corresponding period last year for the reasons stated below.

Investment holding

Revenue for the financial period was RM75.0 million as compared to RM61.6 million reported in the corresponding period last year. The higher revenue was due to higher investment income and shared services fee received from the shared services function provided to the subsidiaries.

As a result of the above, higher net profit amounting to RM34.4 million was recorded for the financial period ended 31 December 2019, as compared to a profit of RM23.1 million for the same period last year.

Reinsurance business

Revenue for reinsurance business for the financial period ended 31 December 2019 was RM998.8 million as compared to RM926.2 million in the corresponding period last year. The increase was mainly due to the higher gross premiums from domestic and international portfolios.

Net profit for the financial period ended 31 December 2019 increased significantly by RM40.4 million from RM5.9 million last year to RM46.3 million. The higher net profit was mainly due to higher share of profit of the Associates and lower large claims incurred during the period.

Takaful business

Revenue for takaful business for the financial period ended 31 December 2019 increased by 13.2% from RM707.8 million to RM801.1 million in the corresponding period of last year. This was mainly due to higher gross contribution and investment income.

Takaful business recorded a net profit of RM53.8 million in the financial period ended 31 December 2019, an increase of 85.2% as compared to a net profit of RM29.0 million for the same period last year due to higher revenue and lower management expenses.

Retakaful business

Revenue for retakaful business for the financial period ended 31 December 2019 decreased slightly from RM30.4 million to RM27.4 million, mainly due to lower gross contribution received.

Despite the lower revenue, retakaful business recorded a higher net profit of RM3.1 million in the financial period ended 31 December 2019 as compared to a net profit of RM2.2 million reported in the corresponding period last year due to lower management expenses.

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

The Group recorded a net profit of RM7.9 million in the current quarter as compared to net profit of RM48.5 million in the preceding quarter as a result of several large claims from reinsurance business and lower fair value gain from the investment portfolio.



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**B3. Current year prospects**

Barring any unforeseen circumstances, the Group's performance is expected to be satisfactory for the current financial year ending 31 March 2020.

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

There was no profit forecast issued by the Group during the financial period ended 31 December 2019.

**B5. Investment income**

	GROUP			
	Individual period		Cumulative year	
	3 months ended 31 December 2019 RM'000	3 months ended 31 December 2018 RM'000	9 months ended 31 December 2019 RM'000	9 months ended 31 December 2018 RM'000
<b>Financial assets at FVTPL</b>				
<u>Designated upon initial recognition</u>				
Interest/profit income	25,419	28,175	80,119	82,231
<u>Mandatorily measured:</u>				
Interest/profit income	50	-	50	-
Dividend income:				
- quoted shares in Malaysia	1,815	886	7,693	2,104
- unquoted shares in Malaysia	-	-	1,523	-
- unit trust funds	353	484	1,684	1,176
<b>Financial assets at FVOCI</b>				
Interest/profit income	22,218	21,798	68,807	66,194
Dividend income:				
- unquoted shares in Malaysia	-	-	-	103
<b>Financial assets at AC</b>				
Interest/profit income	20,654	17,337	54,296	48,386
Rental income	64	2,139	3,235	4,107
Net amortisation of premiums	(1,771)	(1,181)	(4,328)	(3,975)
Investment expenses	(235)	(440)	(859)	(646)
	<b>68,567</b>	<b>69,198</b>	<b>212,220</b>	<b>199,680</b>



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**B6. Taxation**

	GROUP			
	Individual period		Cumulative year	
	3 months ended 31 December 2019 RM'000	3 months ended 31 December 2018 RM'000	9 months ended 31 December 2019 RM'000	9 months ended 31 December 2018 RM'000
Operating profit/(loss) before zakat and tax	11,485	(23,458)	110,539	43,519
Current tax	(2,536)	13,818	(15,112)	(3,253)
Deferred tax	(725)	(2,632)	11	(4,349)
Total tax	(3,261)	11,186	(15,101)	(7,602)
Zakat	(279)	(232)	(1,065)	(445)
	(3,540)	10,954	(16,166)	(8,047)
Effective tax rate	28.4%	NIL	13.7%	17.5%

The effective tax rate for the cumulative period was lower than the statutory tax rate mainly due to the reduction in tax rate from 24% to 8% for reinsurance/retakaful business which came into effect from Year of Assessment 2019. This had also affected the corresponding individual period due to reversal for over tax provision for previous period. Effective tax rate for current individual period was higher than statutory tax rate due to non-tax allowable expenses incurred during the quarter.

**B7. Status of corporate proposal**

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

**B8. Borrowings and debt securities**

The Group borrowings as at 31 December 2019 were as follows:

	GROUP 31 December 2019 RM'000
Unsecured long term borrowings:	
RM 320.0 million Sukuk Murabahah due on 22 March 2029	320,000

**B9. Off balance sheet financial instruments**

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

**B10. Material litigation**

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



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**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.

	GROUP			
	Individual period		Cumulative year	
	3 months ended 31 December 2019	3 months ended 31 December 2018	9 months ended 31 December 2019	9 months ended 31 December 2018
Net profit/(loss) for the period (RM'000)	7,945	(12,504)	94,373	35,472
Weighted average number of ordinary shares in issue ('000)	769,412	396,765	769,412	396,765
Basic earnings/(loss) per share (sen)	1.0	(3.2)	12.0	8.9

The Group has no dilution in its earnings per share in the current and previous financial period as there are no potential dilution to its ordinary shares.

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

	GROUP			
	Individual period		Cumulative year	
	3 months ended 31 December 2019 RM'000	3 months ended 31 December 2018 RM'000	9 months ended 31 December 2019 RM'000	9 months ended 31 December 2018 RM'000
Finance cost	(4,019)	(4,070)	(12,592)	(12,193)
Net gain on disposal of investments	2,679	144	82,037	3,732
Depreciation and amortisation	(2,275)	(3,142)	(10,410)	(8,950)
Allowance for impairment loss on insurance/takaful receivables	(4,221)	(3,689)	(6,075)	(4,902)
Writeback for impairment loss on investments	2,427	1	2,412	1

There was no gain or loss on derivatives and exceptional items reported during the financial period ended 31 December 2019.

**By Order of the Board**

**LENA BINTI ABD LATIF (LS 8766)**  
**Company Secretary**

**Kuala Lumpur**  
**Dated: 27 February 2020**