



Bursa Announcement

Fourth Quarter Ended 31 March 2021



MNRB HOLDINGS BERHAD

(197201001795 (13487-A))

INTERIM FINANCIAL STATEMENTS

(The figures have not been audited)

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

| | GROUP | | | |
|---|---------------------------------|---------------------------------|---|---|
| | Individual period | | Cumulative year | |
| | 3 months ended 31 March 2021 | 3 months ended 31 March 2020 | Unaudited 12 months ended 31 March 2021 | Audited 12 months ended 31 March 2020 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Gross earned premiums/contributions | 751,569 | 609,775 | 2,514,006 | 2,162,418 |
| Premiums/contributions ceded to reinsurers and retakaful operators | (129,449) | (74,504) | (353,775) | (277,824) |
| Net earned premiums/contributions | 622,120 | 535,271 | 2,160,231 | 1,884,594 |
| Investment income | 65,335 | 71,901 | 264,810 | 284,121 |
| Realised gains | 11,581 | 12,364 | 23,119 | 94,401 |
| Fair value losses | (155,624) | (96,481) | (4,575) | (18,787) |
| Fee and commission income | 14,010 | 20,540 | 45,546 | 48,762 |
| Other operating revenue | 4,568 | 14,704 | 11,321 | 23,680 |
| Other revenue | (60,130) | 23,028 | 340,221 | 432,177 |
| Gross claims and benefits paid | (351,697) | (322,789) | (1,132,803) | (1,313,534) |
| Claims ceded to reinsurers/retakaful operators | 68,104 | 57,908 | 167,441 | 243,772 |
| Gross change in contract liabilities | 37,143 | 17,517 | (430,073) | (201,050) |
| Change in contract liabilities ceded to reinsurers/retakaful operators | 2,339 | (49,786) | (30,663) | (99,578) |
| Net claims and benefits | (244,111) | (297,150) | (1,426,098) | (1,370,390) |
| Fee and commission expense | (145,976) | (127,472) | (481,124) | (452,839) |
| Management expenses | (96,321) | (77,792) | (287,526) | (262,780) |
| Finance cost | (4,167) | (4,389) | (16,798) | (16,981) |
| Other operating expenses | 8,883 | 8,506 | (13,482) | (2,458) |
| Change in expenses liabilities | (13,904) | (8,597) | (15,956) | (7,731) |
| Tax borne by participants | 11,398 | 966 | (9,428) | (17,998) |
| Other expenses | (240,087) | (208,778) | (824,314) | (760,787) |
| Share of results of associates | 7,918 | (11,406) | 15,471 | (9,839) |
| Operating profit before surplus attributable to takaful participants, zakat and taxation | 85,710 | 40,965 | 265,511 | 175,755 |
| Surplus attributable to takaful participants | (27,413) | (571) | (42,241) | (24,832) |
| Operating profit before zakat and taxation | 58,297 | 40,394 | 223,270 | 150,923 |
| Zakat | (132) | (221) | (1,293) | (1,286) |
| Taxation | (8,784) | (1,639) | (32,448) | (16,730) |
| Net profit for the year attributable to equity holders of the Company | 49,381 | 38,534 | 189,529 | 132,907 |
| Basic earnings per share attributable to equity holders of the Company (sen): | 6.0 | 5.0 | 24.0 | 17.2 |

The Condensed Financial Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2020



MNRB HOLDINGS BERHAD

(197201001795 (13487-A))

INTERIM FINANCIAL STATEMENTS

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

| | GROUP | | | |
|--|---------------------------------|---------------------------------|----------------------------------|----------------------------------|
| | Individual period | | Cumulative year | |
| | 3 months ended 31 March 2021 | 3 months ended 31 March 2020 | 12 months ended 31 March 2021 | 12 months ended 31 March 2020 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Net profit for the year | 49,381 | 38,534 | 189,529 | 132,907 |
| Other comprehensive income/(loss): | | | | |
| Other comprehensive (loss)/income to be reclassified to income statement in subsequent periods: | | | | |
| Effects of post acquisition foreign exchange translation reserve on investment in associate | (3,814) | 5,093 | (9,470) | 9,663 |
| Effects of foreign exchange translation reserve on investment in subsidiary | 392 | 710 | (380) | 808 |
| Net (loss)/gain on financial assets at fair value of comprehensive income ("FVOCI"): | | | | |
| Net (loss)/gain on fair value changes | (52,849) | 40,422 | (4,436) | 51,260 |
| Realised loss transferred to income statement | (7,582) | (47,118) | (11,575) | (36,308) |
| Deferred tax relating to net loss/(gain) on financial assets at FVOCI | 3,857 | (2,886) | 2,550 | (2,532) |
| Other comprehensive loss attributable to participants | 6,525 | 711 | 252 | (4,496) |
| Other comprehensive income/(loss) not to be reclassified to income statement in subsequent years: | | | | |
| Net (loss)/gain on fair value changes | 73 | (1,273) | 222 | 224 |
| Deferred tax on fair value changes | - | 120 | - | - |
| Revaluation (deficits)/ surplus of land and buildings | 1,800 | 2,895 | 3,332 | 2,895 |
| Deferred tax relating to revaluation of land and buildings | (143) | 369 | (266) | 369 |
| Other comprehensive loss attributable to participants | - | - | - | - |
| Total comprehensive (losses)/income for the year | (2,360) | 37,577 | 169,758 | 154,790 |

The Condensed Financial Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2020



MNRB HOLDINGS BERHAD
(197201001795 (13487-A))
INTERIM FINANCIAL STATEMENTS
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

| | GROUP | |
|---|-------------------------|-------------------------|
| | Unaudited | Audited |
| | 31 March 2021 RM'000 | 31 March 2020 RM'000 |
| Assets | | |
| Property, plant and equipment | 203,519 | 204,189 |
| Intangible assets | 71,806 | 36,578 |
| Right-of-use asset | 2,909 | 4,548 |
| Investment in associates | 134,394 | 133,282 |
| Financial assets | 8,395,851 | 7,754,754 |
| Deferred tax assets | 21,593 | 15,404 |
| Reinsurance/retakaful assets | 462,607 | 497,328 |
| Insurance/takaful receivables | 472,247 | 381,703 |
| Tax recoverable | 68,670 | 68,604 |
| Cash and bank balances | 115,789 | 118,417 |
| Total assets | 9,949,385 | 9,214,807 |
| Liabilities and Participants' funds | | |
| Participants' funds | 357,676 | 332,738 |
| Borrowings | 320,000 | 320,000 |
| Insurance/takaful contract liabilities | 6,357,036 | 5,843,073 |
| Lease liability | 2,806 | 4,219 |
| Insurance/takaful payables | 204,809 | 169,851 |
| Other payables | 271,497 | 250,306 |
| Deferred tax liabilities | 9,825 | 11,946 |
| Provision for taxation | 6,218 | 9,423 |
| Provision for zakat | 1,466 | 1,464 |
| Total liabilities and participants' funds | 7,531,333 | 6,943,020 |
| Equity | | |
| Share capital | 738,502 | 738,502 |
| Reserves | 1,679,550 | 1,533,285 |
| Total equity attributable to equity holders of the Company | 2,418,052 | 2,271,787 |
| Total liabilities, participants' funds and equity | 9,949,385 | 9,214,807 |
| Net assets per share (RM) | 3.27 | 3.08 |

*The Condensed Financial Statements should be read in conjunction with
the Audited Financial Statements for the year ended 31 March 2020*



MNRB HOLDINGS BERHAD
(197201001795 (13487-A))

INTERIM FINANCIAL STATEMENTS
(The figures have not been audited)

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

| | GROUP | | | | | | |
|--|---|------------------------------|-------------------------------|--|---------------|----------------------|-----------------|
| | Attributable to Equity Holders of the Company | | | | | | |
| | Share capital RM'000 | Reserves | | | | Net profit RM'000 | 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 | | | |
| At 1 April 2020 | 738,502 | 53,800 | 68,910 | 48,018 | 1,362,557 | - | 2,271,787 |
| Total comprehensive (loss)/income for the year | - | (9,850) | (12,987) | 3,066 | - | 189,529 | 169,758 |
| Dividend paid during the year | - | - | - | - | (23,493) | - | (23,493) |
| At 31 March 2021 | 738,502 | 43,950 | 55,923 | 51,084 | 1,339,064 | 189,529 | 2,418,052 |

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

| | GROUP | | | | | | |
|--|---|------------------------------|-------------------------------|--|---------------|----------------------|-----------------|
| | Attributable to Equity Holders of the Company | | | | | | |
| | Share capital RM'000 | Reserves | | | | Net profit RM'000 | 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 | | | |
| 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 | - | - | - | - | 325 | - | 325 |
| At 1 April 2019, as restated | 722,306 | 43,329 | 58,457 | 47,059 | 1,248,826 | - | 2,119,977 |
| Issuance of share capital | 16,196 | - | - | - | - | - | 16,196 |
| Total comprehensive income for the year | - | 10,471 | 10,453 | 959 | - | 132,907 | 154,790 |
| Dividend paid during the year | - | - | - | - | - | (19,176) | (19,176) |
| At 31 March 2020 | 738,502 | 53,800 | 68,910 | 48,018 | 1,248,826 | 113,731 | 2,271,787 |

The Condensed Financial Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2020



MNRB HOLDINGS BERHAD

(197201001795 (13487-A))

INTERIM FINANCIAL STATEMENTS
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

| | GROUP | |
|---|----------------------------------|----------------------------------|
| | 12 months ended 31 March 2021 | 12 months ended 31 March 2020 |
| | Unaudited RM'000 | Audited RM'000 |
| Cash flows from operating activities | | |
| Profit before surplus transfer, zakat and tax | 223,270 | 150,923 |
| Adjustments for: | | |
| Net fair value losses on financial assets at fair value through profit and loss ("FVTPL") | 4,527 | 18,780 |
| Impairment losses/(reversal of impairment losses) on FVOCI financial assets | 234 | 576 |
| Impairment losses/(Reversal of impairment losses) on insurance/takaful receivables | 12,810 | (1,677) |
| Depreciation of property, plant and equipment | 6,104 | 5,893 |
| Amortisation of intangible assets | 10,594 | 6,633 |
| Depreciation of right-of-use ("ROU") assets | 2,895 | 3,720 |
| Tax borne by participants | 9,428 | 17,998 |
| Net loss on disposal of intangible asset | - | 4 |
| Net loss on disposal of non-current asset held for sale | - | 850 |
| Gains on disposal of property, plant and equipment | (70) | (26) |
| Impairment losses on property | - | 585 |
| Increase in gross premium and contribution liabilities | 68,482 | 97,417 |
| Interest/profit income | (255,667) | (271,712) |
| Dividend income | (17,362) | (16,412) |
| Rental income | (2,482) | (3,317) |
| Finance cost on borrowing | 16,640 | 16,685 |
| Finance cost on lease liabilities | 158 | 296 |
| Net gains on disposal of investments | (20,610) | (95,230) |
| Net amortisation of premiums on investments | 7,281 | 6,285 |
| Share of results of associates | (15,471) | 9,838 |
| Profit/(loss) from operations before changes in operating assets and liabilities | 50,761 | (51,891) |
| Increase in placements with licensed financial institutions, Islamic investment accounts and marketable securities | (558,013) | (344,964) |
| (Purchase)/Proceeds from disposal investments | (61,426) | 12,537 |
| Decrease in staff loans | 2,626 | 218 |
| Increase insurance/takaful receivables | (101,608) | (42,675) |
| Increase in other receivables | (37,083) | (37,561) |
| Increase in gross claim liabilities, actuarial liabilities and unallocated surplus | 437,361 | 248,035 |
| Increase in expense liabilities | 16,272 | 7,731 |
| Increase in participants' funds | 31,505 | 32,948 |
| Decrease/(increase) in reinsurance and retakaful assets | 26,925 | 42,525 |
| Increased/(Decrease) in insurance/takaful payables | 25,883 | (54,181) |
| Increase in other payables | 21,191 | 17,620 |
| Taxes and zakat | (51,905) | (57,397) |
| Interest/profit received | 274,410 | 256,721 |
| Dividend received | 11,669 | 21,427 |
| Rental received | 2,362 | 3,344 |
| Net cash generated from operating activities | 90,930 | 54,437 |



MNRB HOLDINGS BERHAD
(197201001795 (13487-A))
INTERIM FINANCIAL STATEMENTS
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONT'D.)

| | GROUP | |
|--|----------------------------------|----------------------------------|
| | 12 months ended 31 March 2021 | 12 months ended 31 March 2020 |
| | RM'000 | RM'000 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (1,852) | (3,227) |
| Purchase of intangible assets | (45,778) | (6,009) |
| Proceeds from disposal of non-current assets held for sale | - | 45,025 |
| Proceeds from disposal of property, plant and equipment | 70 | 39 |
| Net cash (used in)/generated from investing activities | (47,560) | 35,828 |
| Cash flows from financing activities | | |
| Interest/profit paid | (16,684) | (16,685) |
| Payment of lease liabilities | (5,821) | (3,858) |
| Dividend paid | (23,493) | (2,980) |
| Net cash used in financing activities | (45,998) | (23,523) |
| Cash and bank balances | | |
| Net (decrease)/increase during the period | (2,628) | 66,742 |
| At the beginning of the year | 118,417 | 51,675 |
| At the end of the period | 115,789 | 118,417 |

*The Condensed Financial Statements should be read in conjunction with
the Audited Financial Statements for the year ended 31 March 2020*



MNRB HOLDINGS BERHAD
(197201001795 (13487-A))
INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021
(The figures have not been audited)

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 2020.

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 2020 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 2020:

- Amendments to the Revised Conceptual Framework for Financial Reporting
- Amendments to MFRS 3 *Definition of a Business*
- Amendments to MFRS 101 and MFRS 108 - *Definition of Material*
- Amendments to MFRS 9, MFRS 139 and MFRS 7 *Interest Rate Benchmark Reform*
- Amendments to MFRS 16 (*Covid-19-Related Rent Concessions*)
- Amendments to MFRS 101 *Presentation of Financial Statements Classification of Liabilities as Current or Non-current*
- Annual Improvements to MFRS Standards 2018–2020
 - i) MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*
 - ii) MFRS 9 *Financial Instruments*
 - iii) MFRS 16 *Leases*
 - iv) MFRS 141 *Agriculture*
- Amendments to MFRS 3 *Business Combinations (Reference to Conceptual Framework)*
- Amendments to MFRS 116 *Property, Plant and Equipment*
- Amendments to MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*
- MFRS 17 *Insurance Contracts*
- Amendments to MFRS 10 *Consolidated Financial Statements* and MFRS 128 *Investment in Associates and Joint Ventures*

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 17 Insurance Contracts ("MFRS 17")

MFRS 17 will replace MFRS 4 Insurance Contracts issued in 2005. MFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects.

The main features of the new accounting model for insurance contracts are as follows:

- The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, remeasured at every reporting period (the fulfilment cash flows);
- A Contractual Service Margin ("CSM") that is equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts, representing the unearned profitability of the insurance contracts to be recognised in the income statement over the service period (i.e., coverage period);
- Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in the income statement over the remaining contractual service period;
- The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice;
- The presentation of insurance revenue and insurance service expenses in the income statement will be based on the concept of services provided during the period;
- Amounts that the policyholders will always receive, regardless of whether an insured event happens (non-distinct investment components) are not presented in the income statements, but are recognised directly on the statements of financial position;
- Insurance services results (earned revenue less incurred claims and expenses) are presented separately from the insurance finance income or expense; and
- Extensive disclosures to provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts.

On 17 March 2020, the IASB has decided on a new effective date of IFRS 17 to commence from reporting periods beginning on or after 1 January 2023.

The Group has established a project team with the assistance from consultants to plan and manage the MNRB Group wide implementation of MFRS 17. The Group is in the midst of implementing the relevant systems solution, architecture and processes to ensure compliance to the said standard.



MNRB HOLDINGS BERHAD
(197201001795 (13487-A))
INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021
(The figures have not been audited)

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 2020 was not subject to any qualification.

A3. Seasonal or cyclical factors

During the financial year ended 31 March 2021, 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 year ended 31 March 2021.

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 fourth quarter ended 31 March 2021.

A7. Dividend paid

No dividend was paid during the fourth quarter ended 31 March 2021.



MNRB HOLDINGS BERHAD
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INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021
(The figures have not been audited)

PART A – NOTES TO THE INTERIM FINANCIAL STATEMENTS

A8. Segmental reporting

Financial year ended 31 March 2021

| | Investment Holding RM'000 | Reinsurance Business RM'000 | General Takaful Business RM'000 | Family Takaful Business RM'000 | Retakaful Business RM'000 | Others RM'000 | Intra-Group Adjustments RM'000 | Consolidated RM'000 |
|--|------------------------------|--------------------------------|------------------------------------|-----------------------------------|------------------------------|------------------|-----------------------------------|------------------------|
| Revenue | | | | | | | | |
| External | 2,815 | 1,467,158 | 491,203 | 826,262 | 60,345 | 6,162 | - | 2,853,945 |
| Inter-segment | 124,046 | 1,653 | 2,534 | 929 | - | 3,328 | (132,490) | - |
| | 126,861 | 1,468,811 | 493,737 | 827,191 | 60,345 | 9,490 | (132,490) | 2,853,945 |
| Results | | | | | | | | |
| Segment results | 73,650 | 135,567 | 55,529 | 55,610 | 8,675 | 297 | (79,288) | 250,040 |
| Share of results of associates | (94) | 15,565 | - | - | - | - | - | 15,471 |
| Operating profit/(loss) before surplus attributable to takaful participants, zakat and taxation | 73,556 | 151,132 | 55,529 | 55,610 | 8,675 | 297 | (79,288) | 265,511 |
| Surplus attributable to takaful participants | - | - | (15,379) | (26,862) | - | - | - | (42,241) |
| Operating profit/(loss) before zakat and taxation | 73,556 | 151,132 | 40,150 | 28,748 | 8,675 | 297 | (79,288) | 223,270 |
| Zakat and taxation | (675) | (10,892) | (12,722) | (9,241) | (210) | (1) | - | (33,741) |
| Net profit/(loss) for the period attributable to equity holders of the Company | 72,881 | 140,240 | 27,428 | 19,507 | 8,465 | 296 | (79,288) | 189,529 |

Financial year ended 31 March 2020

| | Investment Holding RM'000 | Reinsurance Business RM'000 | General Takaful Business RM'000 | Family Takaful Business RM'000 | Retakaful Business RM'000 | Others RM'000 | Intra-Group Adjustments RM'000 | Consolidated RM'000 |
|--|------------------------------|--------------------------------|------------------------------------|-----------------------------------|------------------------------|------------------|-----------------------------------|------------------------|
| Revenue | | | | | | | | |
| External | 2,158 | 1,371,626 | 371,698 | 759,117 | 39,291 | 8,218 | - | 2,552,108 |
| Inter-segment | 78,044 | 7,599 | - | 3,156 | - | 3,568 | (92,367) | (0) |
| | 80,202 | 1,379,225 | 371,698 | 762,273 | 39,291 | 11,786 | (92,367) | 2,552,108 |
| Results | | | | | | | | |
| Segment results | 26,709 | 89,094 | 51,109 | 50,833 | 14,984 | (178) | (46,957) | 185,594 |
| Share of results of associates | 291 | (10,130) | - | - | - | - | - | (9,839) |
| Operating profit/(loss) before deficit attributable to takaful participants, zakat and taxation | 27,000 | 78,964 | 51,109 | 50,833 | 14,984 | (178) | (46,957) | 175,755 |
| Surplus attributable to takaful participants | - | - | (23,285) | (1,547) | - | - | - | (24,832) |
| Operating profit/(loss) before zakat and taxation | 27,000 | 78,964 | 27,824 | 49,286 | 14,984 | (178) | (46,957) | 150,923 |
| Zakat and taxation | 1,897 | (7,603) | (7,525) | (4,673) | (106) | (6) | - | (18,016) |
| Net profit/ (loss) for the period attributable to equity holders of the Company | 28,897 | 71,361 | 20,299 | 44,613 | 14,878 | (184) | (46,957) | 132,907 |



MNRB HOLDINGS BERHAD
(197201001795 (13487-A))
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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021
(The figures have not been audited)

PART A – NOTES TO THE INTERIM FINANCIAL STATEMENTS

A9. Carrying amount of revalued properties

During the financial year ended 31 March 2021, the Group had revalued all its self-occupied and investment properties. The resultant revaluation surplus of RM3,332,000 was recognised in Other Comprehensive Income and Statement of Equity as revaluation reserve.

A10. Significant events

The Coronavirus Pandemic (Covid-19) has significantly affected many business operations around the world. The Movement Control Order (MCO) imposed by the Government of Malaysia had impacted the group result as below.

- (i) The reinsurance and retakaful businesses had seen some increase in claims reserve;
- (ii) The general takaful business had seen some reduction in contribution from Personal Lines products but Fire and Motor classes were not affected; and
- (iii) The family takaful business had also seen some reduction in business in first quarter of the financial year ended 31 March 2021, especially from the agency and bancatakaful channels.

A11. Subsequent events

There were no subsequent event of the Group during the financial year ended 31 March 2021.

A12. Changes in the composition of the Group

There were no significant changes in the composition of the Group during the financial year ended 31 March 2021.

A13. Capital Commitments

The amount of capital commitments of the Group as at 31 March 2021 were as follows:

| | RM'000 |
|------------------------------------|---------------|
| Authorised and contracted for: | |
| - Tangible assets | 4,314 |
| - Intangible assets* | 4,059 |
| | <u>8,373</u> |
| Authorised but not contracted for: | |
| - Property, plant and equipment | 5,462 |
| - Tangible assets | 419 |
| - Intangible assets* | 26,630 |
| | <u>32,510</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 March 2021

| | 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 |
|--|--|-----------------------------------|----------------------------------|-------------------------------------|---------------------------------------|--|------------------------|
| Assets | | | | | | | |
| Property, plant and equipment | 121,740 | - | - | - | - | 81,779 | 203,519 |
| Investment properties | - | - | 81,620 | - | - | (81,620) | - |
| Intangible assets | 71,806 | - | - | - | - | - | 71,806 |
| Right-of-use asset | 7,139 | - | - | - | - | (4,230) | 2,909 |
| Investment in subsidiaries | 1,304,477 | - | - | - | - | (1,304,477) | - |
| Investment in associates | 118,225 | - | - | - | - | 16,169 | 134,394 |
| Deferred tax assets | 14,324 | 7,336 | - | - | - | (67) | 21,593 |
| Financial assets | 4,448,187 | 541,023 | 3,515,259 | 93,580 | 7,105 | (209,303) | 8,395,851 |
| Reinsurance/retakaful assets | 166,967 | 200,311 | 84,471 | 3,300 | 7,558 | - | 462,607 |
| Insurance/takaful receivables | 326,684 | 74,937 | 48,085 | 19,983 | 2,558 | - | 472,247 |
| Tax recoverable | 71,794 | - | - | (2,695) | (429) | - | 68,670 |
| Cash and bank balances | 69,971 | 8,173 | 37,412 | 126 | 107 | - | 115,789 |
| Total assets | 6,721,314 | 831,780 | 3,766,847 | 114,294 | 16,899 | (1,501,749) | 9,949,385 |
| Liabilities and Participants' funds | | | | | | | |
| Participants' funds | - | 159,493 | 199,649 | - | - | (1,466) | 357,676 |
| Borrowings | 321,000 | - | - | - | - | (1,000) | 320,000 |
| Insurance/takaful contract liabilities | 2,311,513 | 549,233 | 3,411,982 | 80,135 | 9,855 | (5,682) | 6,357,036 |
| Lease liability | 7,258 | - | - | - | - | (4,452) | 2,806 |
| Insurance/takaful payables | 111,840 | 49,631 | 32,504 | 9,965 | 869 | - | 204,809 |
| Other payables | 240,496 | 73,423 | 115,760 | 24,142 | 6,144 | (188,468) | 271,497 |
| Deferred tax liabilities | 2,878 | - | 6,442 | 52 | 31 | 422 | 9,825 |
| Provision for taxation | 5,708 | - | 510 | - | - | - | 6,218 |
| Provision for zakat | 1,466 | - | - | - | - | - | 1,466 |
| Total liabilities and participants' funds | 3,002,159 | 831,780 | 3,766,847 | 114,294 | 16,899 | (200,646) | 7,531,333 |
| Equity | | | | | | | |
| Share capital | 2,043,108 | - | - | - | - | (1,304,606) | 738,502 |
| Reserves | 1,676,047 | - | - | - | - | 3,503 | 1,679,550 |
| Total equity attributable to equity holders of the Parent | 3,719,155 | - | - | - | - | (1,301,103) | 2,418,052 |
| Total liabilities, participants' funds and equity | 6,721,314 | 831,780 | 3,766,847 | 114,294 | 16,899 | (1,501,749) | 9,949,385 |

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

(ii) As at 31 March 2020

| | 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 |
|--|--|-----------------------------------|----------------------------------|-------------------------------------|---------------------------------------|--|------------------------|
| Assets | | | | | | | |
| Property, plant and equipment | 122,408 | - | - | - | - | 81,781 | 204,189 |
| Investment properties | - | - | 81,620 | - | - | (81,620) | - |
| Intangible assets | 36,578 | - | - | - | - | - | 36,578 |
| Right-of-use asset | 13,924 | - | - | - | - | (9,376) | 4,548 |
| Investment in subsidiaries | 1,304,476 | - | - | - | - | (1,304,476) | - |
| Investment in associates | 123,889 | - | - | - | - | 9,393 | 133,282 |
| Deferred tax assets | 11,232 | 4,172 | - | - | - | - | 15,404 |
| Financial assets | 4,108,505 | 493,806 | 3,315,613 | 54,679 | 5,368 | (223,217) | 7,754,754 |
| Reinsurance/retakaful assets | 240,203 | 193,415 | 52,608 | 3,712 | 7,390 | - | 497,328 |
| Insurance/takaful receivables | 297,174 | 45,179 | 27,860 | 8,036 | 3,454 | - | 381,703 |
| Tax recoverable | 71,040 | - | - | (2,267) | (169) | - | 68,604 |
| Cash and bank balances | 38,444 | 20,979 | 58,705 | 239 | 50 | - | 118,417 |
| Total assets | 6,367,873 | 757,551 | 3,536,406 | 64,399 | 16,093 | (1,527,515) | 9,214,807 |
| Liabilities and Participants' funds | | | | | | | |
| Participants' funds | - | 151,245 | 170,745 | 1,814 | 11 | 8,923 | 332,738 |
| Borrowings | 321,000 | - | - | - | - | (1,000) | 320,000 |
| Insurance/takaful contract liabilities | 2,126,723 | 481,376 | 3,175,141 | 56,341 | 13,492 | (10,000) | 5,843,073 |
| Lease liabilities | 13,786 | - | - | - | - | (9,567) | 4,219 |
| Insurance/takaful payables | 109,832 | 33,000 | 18,586 | 5,858 | 2,575 | - | 169,851 |
| Other payables | 208,533 | 91,801 | 159,162 | 316 | - | (209,506) | 250,306 |
| Deferred tax liabilities | 1,467 | - | 9,778 | 70 | 15 | 616 | 11,946 |
| Provision for taxation | 6,300 | 129 | 2,994 | - | - | - | 9,423 |
| Provision for zakat | 1,464 | - | - | - | - | - | 1,464 |
| Total liabilities and participants' funds | 2,789,105 | 757,551 | 3,536,406 | 64,399 | 16,093 | (220,534) | 6,943,020 |
| Equity | | | | | | | |
| Share capital | 2,043,108 | - | - | - | - | (1,304,606) | 738,502 |
| Retained profit | 1,535,660 | - | - | - | - | (2,375) | 1,533,285 |
| Total equity attributable to equity holders of the Parent | 3,578,768 | - | - | - | - | (1,306,981) | 2,271,787 |
| Total liabilities, participants' funds and equity | 6,367,873 | 757,551 | 3,536,406 | 64,399 | 16,093 | (1,527,515) | 9,214,807 |

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

(i) 12 months ended 31 March 2021

| | 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 | 1,356,979 | 419,487 | 688,196 | 43,861 | 8,302 | (2,819) | 2,514,006 |
| Premiums/contributions ceded to reinsurers and retakaful operators | (94,600) | (174,616) | (77,025) | (2,746) | (5,691) | 903 | (353,775) |
| Net earned premiums/contributions | 1,262,379 | 244,871 | 611,171 | 41,115 | 2,611 | (1,916) | 2,160,231 |
| Investment income | 208,892 | 17,166 | 126,823 | 1,796 | 583 | (90,450) | 264,810 |
| Realised gains | 11,751 | 2,644 | 8,711 | - | 13 | - | 23,119 |
| Fair value gains/(losses) | 31,296 | 2,832 | (39,568) | - | (50) | 915 | (4,575) |
| Fee and commission income | 478,406 | 38,682 | 2 | 223 | - | (471,767) | 45,546 |
| Other operating revenue | 9,380 | - | 569 | 216 | 6 | 1,150 | 11,321 |
| Other revenue | 739,725 | 61,324 | 96,537 | 2,235 | 552 | (560,152) | 340,221 |
| Gross claims and benefit paid | (670,094) | (158,765) | (287,931) | (4,908) | (8,383) | (2,722) | (1,132,803) |
| Claims ceded to reinsurers/retakaful operators | 38,521 | 63,989 | 59,747 | (2,581) | 5,043 | 2,722 | 167,441 |
| Gross change in contract liabilities | (157,007) | (18,564) | (236,841) | (15,129) | 3,762 | (6,294) | (430,073) |
| Change in contract liabilities ceded to reinsurers/retakaful operators | (68,842) | 6,386 | 31,863 | (238) | 168 | - | (30,663) |
| Net claims and benefits | (857,422) | (106,954) | (433,162) | (22,856) | 590 | (6,294) | (1,426,098) |
| Fee and commission expenses | (481,252) | (175,581) | (237,492) | (15,923) | (319) | 429,443 | (481,124) |
| Management expenses | (334,536) | - | (1,107) | - | - | 48,117 | (287,526) |
| Finance cost | (17,222) | - | - | - | - | 424 | (16,798) |
| Other operating expenses | (8,610) | (6,576) | - | 120 | - | 1,584 | (13,482) |
| Changes in expenses liabilities | (15,956) | - | - | - | - | - | (15,956) |
| Tax borne by participants | - | (1,705) | (7,043) | (405) | (275) | - | (9,428) |
| Other expenses | (857,576) | (183,862) | (245,642) | (16,208) | (594) | 479,568 | (824,314) |
| Share of results of associates | - | - | - | - | - | 15,471 | 15,471 |
| Operating profit/(loss) before surplus/(deficits) attributable to takaful/retakaful participants, zakat and taxation | 287,106 | 15,379 | 28,904 | 4,286 | 3,159 | (73,323) | 265,511 |
| (Surplus)/deficits attributable to takaful/retakaful participants | - | (15,379) | (28,904) | (4,286) | (3,159) | 9,487 | (42,241) |
| Operating profit/(loss) before zakat and taxation | 287,106 | - | - | - | - | (63,836) | 223,270 |
| Zakat | (1,293) | - | - | - | - | - | (1,293) |
| Taxation | (32,448) | - | - | - | - | - | (32,448) |
| Net profit/(loss) for the period attributable to equity holders of the Company | 253,365 | - | - | - | - | (63,836) | 189,529 |

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

(ii) 12 months ended 31 March 2020

| | 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 | 1,200,829 | 320,199 | 618,594 | 22,287 | 8,818 | (8,309) | 2,162,418 |
| Premiums/contributions ceded to reinsurers and retakaful operators | (94,147) | (104,603) | (76,889) | (1,778) | (6,390) | 5,983 | (277,824) |
| Net earned premiums/contributions | 1,106,682 | 215,596 | 541,705 | 20,509 | 2,428 | (2,326) | 1,884,594 |
| Investment income | 179,015 | 17,664 | 130,552 | 2,537 | 862 | (46,509) | 284,121 |
| Realised gains | 36,808 | 3,926 | 53,667 | - | - | - | 94,401 |
| Fair value (losses)/gains | (45,687) | (4,823) | 31,117 | - | 73 | 533 | (18,787) |
| Fee and commission income | 442,511 | 26,899 | 10 | 302 | - | (420,960) | 48,762 |
| Other operating revenue | 33,909 | 1,330 | 4,048 | 16 | 15 | (15,638) | 23,680 |
| Other revenue | 646,556 | 44,996 | 219,394 | 2,855 | 950 | (482,574) | 432,177 |
| Gross claims and benefit paid | (772,253) | (188,976) | (333,972) | (9,680) | (9,686) | 1,033 | (1,313,534) |
| Claims ceded to reinsurers/retakaful operators | 87,611 | 90,484 | 60,321 | 209 | 6,180 | (1,033) | 243,772 |
| Gross change in contract liabilities | (9,395) | 29,390 | (227,906) | 9,705 | 3,052 | (5,896) | (201,050) |
| Change in contract liabilities ceded to reinsurers/retakaful | (62,162) | (31,261) | (5,148) | (1,972) | 965 | - | (99,578) |
| Net claims and benefits | (756,199) | (100,363) | (506,705) | (1,738) | 511 | (5,896) | (1,370,390) |
| Fee and commission expense | (453,538) | (137,312) | (232,720) | (8,931) | (336) | 379,998 | (452,839) |
| Management expenses | (308,212) | - | (1,350) | - | - | 46,782 | (262,780) |
| Finance cost | (17,463) | - | - | - | - | 482 | (16,981) |
| Other operating expenses | (2,430) | - | - | (28) | - | - | (2,458) |
| Changes in expenses liabilities | (7,731) | - | - | - | - | - | (7,731) |
| Tax borne by participants | - | 368 | (16,913) | (1,258) | (184) | (11) | (17,998) |
| Other expenses | (789,374) | (136,944) | (250,983) | (10,217) | (520) | 427,251 | (760,787) |
| Share of results of associates | - | - | - | - | - | (9,839) | (9,839) |
| Operating profit/(loss) before surplus/(deficits) attributable to takaful/retakaful participants, zakat and taxation | 207,665 | 23,285 | 3,411 | 11,409 | 3,369 | (73,384) | 175,755 |
| (Surplus)/deficits attributable to takaful/retakaful participants | - | (23,285) | (3,411) | (11,409) | (3,369) | 16,642 | (24,832) |
| Operating profit/(loss) before zakat and taxation | 207,665 | - | - | - | - | (56,742) | 150,923 |
| Zakat | (1,286) | - | - | - | - | - | (1,286) |
| Taxation | (16,730) | - | - | - | - | - | (16,730) |
| Net profit/(loss) for the period attributable to equity holders of the Company | 189,649 | - | - | - | - | (56,742) | 132,907 |

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 ("BPAM");
- (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 |
|---|---------------------|--|------------------|
| 31 March 2021 | | | |
| <u>Property, plant and equipment</u> | | | |
| Office building of Malaysian Reinsurance Berhad ("MRE") | Income approach | Yield Rental per square foot | 6.25% RM4.50 |
| Office buildings of Takaful Ikhlas Family Berhad ("TIFB") | Comparison approach | Sales price per square feet for similar properties | RM641 to RM1,511 |
| Unquoted shares in Malaysia | Net assets | Net assets | Not applicable |

A17. Fair values of assets (cont'd)

Description of significant unobservable inputs (cont'd):

| | Valuation technique | Significant unobservable inputs | Range |
|--------------------------------------|---|--|-------------------------|
| 31 March 2020 | | | |
| <u>Property, plant and equipment</u> | | | |
| Office building of MRE | Income approach | Yield Rental per square foot | 6.0% to 6.25% RM4.50 |
| Office buildings of 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 |
| Investment in associate | Cash flow projection of dividend x stream | Cash flow projection of dividend x stream | Not applicable |
| 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 year.

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 year ended 31 March 2021 | | | | |

Assets measured at fair value:

(a) Property, plant and equipment

| | | | | |
|---------------|----------|----------|----------------|----------------|
| Freehold land | - | - | 36,800 | 36,800 |
| Buildings | - | - | 161,571 | 161,571 |
| | <u>-</u> | <u>-</u> | <u>198,371</u> | <u>198,371</u> |

A17. Fair values of assets (cont'd)**(b) Financial assets at FVTPL**Designated upon initial recognition

| | | | | |
|--|---|-----------|---|-----------|
| Unquoted corporate debt securities | - | 20,581 | - | 20,581 |
| Government investment issues | - | 1,141,718 | - | 1,141,718 |
| Unquoted islamic private debt securities | - | 1,362,102 | - | 1,362,102 |

Mandatorily measured

Quoted shares in Malaysia:

| | | | | |
|--|----------------|------------------|----------|------------------|
| Shariah approved equities | 153,089 | - | - | 153,089 |
| Warrants | - | - | - | - |
| Others | 159,879 | - | - | 159,879 |
| Unquoted corporate debt securities | - | - | - | - |
| Unquoted islamic private debt securities | - | 608 | - | 608 |
| Shariah approved unit trust funds | 186,951 | - | - | 186,951 |
| Property trust funds | 5,191 | - | - | 5,191 |
| Real estate investment trusts | 34,717 | - | - | 34,717 |
| | <u>539,827</u> | <u>2,525,009</u> | <u>-</u> | <u>3,064,836</u> |

(c) Financial assets at FVOCI

| | | | | |
|--|----------|------------------|---------------|------------------|
| Malaysian government securities | - | 155,329 | - | 155,329 |
| Government investment issues | - | 438,523 | - | 438,523 |
| Unquoted corporate debt securities | - | 1,097,881 | - | 1,097,881 |
| Unquoted shares | - | - | 84,605 | 84,605 |
| Unquoted Islamic private debt securities | - | 401,108 | - | 401,108 |
| Government guaranteed | - | - | - | - |
| Unsecured | - | - | - | - |
| Golf club memberships | - | - | 233 | 233 |
| | <u>-</u> | <u>2,092,841</u> | <u>84,838</u> | <u>2,177,679</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 2020 | | | | |
| Assets measured at fair value: | | | | |
| (a) Property, plant and equipment | | | | |
| Freehold land | - | - | 36,800 | 36,800 |
| Buildings | - | - | 162,903 | 162,903 |
| | <u>-</u> | <u>-</u> | <u>199,703</u> | <u>199,703</u> |
| (b) Financial assets at FVTPL | | | | |
| <u>Designated upon initial recognition</u> | | | | |
| Unquoted corporate debt securities | - | 2,190 | - | 2,190 |
| Government investment issues | - | 1,262,018 | - | 1,262,018 |
| Unquoted islamic private debt securities: | - | 1,253,077 | - | 1,253,077 |
| <u>Mandatorily measured</u> | | | | |
| Quoted shares in Malaysia: | | | | |
| Shariah approved equities | 209,176 | - | - | 209,176 |
| Warrants | 11 | - | - | 11 |
| Others | 86,450 | - | - | 86,450 |
| Unquoted corporate debt securities | - | 17,928 | - | 17,928 |
| Unquoted islamic private debt securities | - | 626 | - | 626 |
| Shariah approved unit trust funds | 113,826 | - | - | 113,826 |
| Real estate investment trusts | 23,298 | - | - | 23,298 |
| | <u>432,761</u> | <u>2,535,839</u> | <u>-</u> | <u>2,968,600</u> |
| (c) Financial assets at FVOCI | | | | |
| Malaysian government securities | - | 145,670 | - | 145,670 |
| Government investment issues | - | 601,240 | - | 601,240 |
| Unquoted corporate debt securities | - | 1,098,935 | - | 1,098,935 |
| Unquoted shares | - | - | 84,382 | 84,382 |
| Unquoted Islamic private debt securities: | - | 323,643 | - | 323,643 |
| Golf club memberships | - | - | 293 | 293 |
| | <u>-</u> | <u>2,169,488</u> | <u>84,675</u> | <u>2,254,163</u> |



MNRB HOLDINGS BERHAD
(197201001795 (13487-A))
INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021
(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 year ended 31 March 2021, the Group recorded a revenue of RM2,853.9 million, an increase of 11.8% as compared to RM2,552.1 million reported in the previous financial year. The RM301.8 million increase was contributed by higher gross premiums/contributions generated by the reinsurance and takaful subsidiaries.

The Group recorded a 42.6% growth of net profit for the financial year ended 31 March 2021 of RM189.5 million, as compared to RM132.9 million reported in the previous financial year for the reasons stated below.

Investment holding

Revenue for the financial year was RM126.9 million as compared to RM80.2 million reported in the previous financial year. The higher revenue was due to increased dividends received from the subsidiaries.

A net profit amounting to RM72.9 million was recorded for the financial year ended 31 March 2021, as compared to a profit of RM28.9 million for the previous financial year. This was contributed by the dividend income as mentioned above as well as higher profit income due to higher investible funds.

Reinsurance business

Revenue for the reinsurance business for the financial year ended 31 March 2021 was RM1,468.8 million as compared to RM1,379.2 million in the previous financial year. The increase was mainly due to increase in earned premiums and higher investment income from Equities.

Net profit for the financial year ended 31 March 2021 increased by RM68.9 million from RM71.4 million last year to RM140.2 million. The higher net profit was the result of higher share of profits from associate as well as higher unrealised gain from investment.

General Takaful business

Revenue for the general takaful business for the financial year ended 31 March 2021 increased by RM122.0 million from RM371.7 million to RM493.7 million or 32.8% from previous financial year. This was mainly due to better marketing efforts resulting in higher gross contribution from its Fire and Motor classes despite the challenging market as a result of the Covid-19 pandemic.

General takaful business recorded a net profit of RM27.4 million in the financial year ended 31 March 2021, an increase of 35.1% as compared to a net profit of RM20.3 million reported in the previous financial year due to higher revenue as mentioned above and lower management expenses.

Family Takaful business

Revenue for the family takaful business for the financial year ended 31 March 2021 increased by RM64.9 million to RM827.2 million from RM762.3 million from the previous financial year. This was mainly due to higher gross contribution.

Family takaful business recorded a net profit of RM19.5 million in the financial year ended 31 March 2021, a decrease of RM25.1 million as compared to a net profit of RM44.6 million reported in the previous financial year due to lower net operating income, fair value losses on investment in Sukuks, dividend received from quoted shares and under provision of tax in prior year.

Retakaful business

Revenue for the retakaful business for the financial year ended 31 March 2021 increased from RM39.3 million to RM60.3 million or 53.6% mainly attributable to higher gross contribution received.

The retakaful business recorded lower net profit of RM8.5 million for the financial year ended 31 March 2021 a decrease of RM6.4 million as compared to RM14.9 million reported in the previous financial year. This decrease was contributed by lower net investment income and increase in expense liabilities.



MNRB HOLDINGS BERHAD
(197201001795 (13487-A))
INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021
(The figures have not been audited)

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

B2. Review of current quarter profitability against immediate preceding quarter

The Group recorded a net profit of RM49.4 million in the current quarter as compared to net profit of RM47.0 million in the preceding quarter as a result of increase in profit from its reinsurance business.

B3. Current year prospects

Despite the adverse economic impact brought upon by the COVID-19 pandemic both domestically and globally, we are confident that with its strong capital position and growth in revenue, the Group will be able to sustain satisfactory results for the current financial year ending 31 March 2022.

B4. Explanatory note for variance from profit forecast

There was no profit forecast issued by the Group during the financial year ended 31 March 2021.

B5. Investment income

| | GROUP | | | |
|--|--|--|---|---|
| | Individual period | | Cumulative year | |
| | 3 months ended 31 March 2021 RM'000 | 3 months ended 31 March 2020 RM'000 | 12 months ended 31 March 2021 RM'000 | 12 months ended 31 March 2020 RM'000 |
| Financial assets at FVTPL | | | | |
| <u>Designated upon initial recognition</u> | | | | |
| Interest/profit income | 26,490 | 26,373 | 107,371 | 106,492 |
| <u>Mandatorily measured:</u> | | | | - |
| Interest/profit income | 273 | 217 | 319 | 267 |
| Dividend income: | | | | - |
| - quoted shares in Malaysia | 6,055 | 5,516 | 13,397 | 13,209 |
| - unquoted shares in Malaysia | (2,681) | (641) | - | 882 |
| - unit trust funds | 1,162 | 544 | 1,570 | 2,228 |
| - real estate investment trusts | 31 | 93 | 61 | 93 |
| Financial assets at FVOCI | | | | |
| Interest/profit income | 20,757 | 22,960 | 87,904 | 91,767 |
| Financial assets at Amortised Cost ("AC") | | | | |
| Interest/profit income | 12,580 | 18,890 | 60,030 | 73,186 |
| Rental income | 1,861 | 82 | 2,482 | 3,317 |
| Net amortisation of premiums | (937) | (1,957) | (7,280) | (6,285) |
| Investment expenses | (256) | (176) | (1,044) | (1,035) |
| | 65,335 | 71,901 | 264,810 | 284,121 |



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

B6. Taxation

| | GROUP | | | |
|---------------------------------------|--|--|---|---|
| | Individual period | | Cumulative year | |
| | 3 months ended 31 March 2021 RM'000 | 3 months ended 31 March 2020 RM'000 | 12 months ended 31 March 2021 RM'000 | 12 months ended 31 March 2020 RM'000 |
| Operating profit before zakat and tax | 58,297 | 40,394 | 223,270 | 150,923 |
| Current tax | (10,229) | (8,429) | (32,675) | (23,531) |
| Deferred tax | 1,445 | 6,790 | 227 | 6,801 |
| Total tax | (8,784) | (1,639) | (32,448) | (16,730) |
| Zakat | (132) | (221) | (1,293) | (1,286) |
| | (8,916) | (1,860) | (33,741) | (18,016) |
| Effective tax rate | 15.1% | 4.1% | 14.5% | 11.1% |

The effective tax rate was lower than the statutory tax rate of 24% mainly due to reinsurance/retakaful operating profit being taxed at 8%.

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 March 2021 were as follows:

| | GROUP 31 March 2021 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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**PART B – ADDITIONAL INFORMATION REQUIRED BY THE
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B11. Earnings per share

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

| | GROUP | | | |
|---|--|--|---|---|
| | Individual period | | Cumulative year | |
| | 3 months ended 31 March 2021 RM'000 | 3 months ended 31 March 2020 RM'000 | 12 months ended 31 March 2021 RM'000 | 12 months ended 31 March 2020 RM'000 |
| Net profit for the period (RM'000) | 49,381 | 38,534 | 189,529 | 132,907 |
| Number/Weighted average number of ordinary shares in issue ('000) | 783,088 | 772,812 | 783,088 | 772,812 |
| Basic earnings per share (sen) | 6.0 | 5.0 | 24.0 | 17.2 |

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 March 2021 RM'000 | 3 months ended 31 March 2020 RM'000 | 12 months ended 31 March 2021 RM'000 | 12 months ended 31 March 2020 RM'000 |
| Finance cost | (4,167) | (4,389) | (16,798) | (16,981) |
| Net gain on disposal of investments | 6,667 | 13,214 | 18,205 | 95,251 |
| Depreciation and amortisation | (491) | (505) | (13,874) | (10,915) |
| Writeback of/(allowance for) impairment on insurance/takaful receivables | 26 | 5,969 | (5,435) | (106) |
| (Impairment loss)/writeback for impairment loss on investments | (29) | (1,972) | (204) | 440 |

There was no gain or loss on derivatives and exceptional items reported during the financial year ended 31 March 2021.

By Order of the Board

LENA BINTI ABD LATIF (LS 8766)
Company Secretary

Kuala Lumpur
Dated: 28 May 2021