



## **Bursa Announcement**

Third Quarter Ended 31 December 2021



**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 2021**

	<b>GROUP</b>			
	<b>Individual period</b>		<b>Cumulative year</b>	
	3 months ended 31 December 2021	3 months ended 31 December 2020	9 months ended 31 December 2021	9 months ended 31 December 2020
	RM'000	RM'000	RM'000	RM'000
Gross earned premiums/contributions	753,693	651,492	2,051,069	1,762,437
Premiums/contributions ceded to reinsurers and retakaful operators	(157,646)	(63,045)	(300,995)	(224,326)
<b>Net earned premiums/contributions</b>	<b>596,047</b>	<b>588,447</b>	<b>1,750,074</b>	<b>1,538,111</b>
Investment income	65,327	65,972	200,282	199,475
Realised (loss)/gains	(695)	5,772	6,490	11,538
Fair value (loss)/gains	(8,598)	26,103	9,321	151,049
Fee and commission income	14,364	9,830	33,310	31,536
Other operating revenue	8,800	6,397	25,702	14,532
<b>Other revenue</b>	<b>79,198</b>	<b>114,074</b>	<b>275,105</b>	<b>408,130</b>
Gross claims and benefits paid	(296,166)	(295,089)	(902,063)	(781,106)
Claims ceded to reinsurers/retakaful operators	56,556	42,843	146,978	99,337
Gross change in contract liabilities	(440,514)	(145,809)	(770,899)	(467,216)
Change in contract liabilities ceded to reinsurers/retakaful operators	221,718	23,554	275,167	(33,002)
<b>Net claims and benefits</b>	<b>(458,406)</b>	<b>(374,501)</b>	<b>(1,250,817)</b>	<b>(1,181,987)</b>
Fee and commission expense	(136,138)	(124,474)	(411,386)	(335,148)
Management expenses	(80,425)	(75,135)	(200,625)	(191,205)
Finance cost	(4,194)	(4,223)	(12,578)	(12,631)
Other operating expenses	(8,612)	(12,699)	(11,267)	(30,144)
Change in expenses liabilities	(3,378)	(71)	2,653	(2,052)
Tax borne by participants	(5,551)	(6,241)	(19,263)	(20,826)
<b>Other expenses</b>	<b>(238,298)</b>	<b>(222,843)</b>	<b>(652,466)</b>	<b>(592,006)</b>
Share of results of associates	234	(1,526)	(100)	7,553
<b>Operating (loss)/profits before deficit/(surplus) attributable to takaful participants, zakat and taxation</b>	<b>(21,225)</b>	<b>103,651</b>	<b>121,796</b>	<b>179,801</b>
Deficit/(surplus) attributable to takaful participants	4,141	(43,868)	(41,032)	(14,828)
<b>Operating (loss)/profits before zakat and taxation</b>	<b>(17,084)</b>	<b>59,783</b>	<b>80,764</b>	<b>164,973</b>
Zakat	(386)	(521)	(1,050)	(1,161)
Taxation	(4,638)	(12,276)	(16,412)	(23,664)
<b>Net (loss)/profits for the period attributable to equity holders of the Company</b>	<b>(22,108)</b>	<b>46,986</b>	<b>63,302</b>	<b>140,148</b>
Basic (loss)/earnings per share attributable to equity holders of the Company (sen):	(2.8)	6.0	8.1	19.0

The Condensed Financial Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2021



**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 2021**

	<b>GROUP</b>			
	<b>Individual period</b>		<b>Cumulative year</b>	
	3 months ended 31 December 2021	3 months ended 31 December 2020	9 months ended 31 December 2021	9 months ended 31 December 2020
	RM'000	RM'000	RM'000	RM'000
<b>Net (loss)/profits for the period</b>	(22,108)	46,986	63,302	140,148
<b><u>Other comprehensive (loss)/income:</u></b>				
<b>Other comprehensive (loss)/income to be reclassified to income statement in subsequent periods:</b>				
Effects of post acquisition foreign exchange translation reserve on investment in associate	(744)	(5,545)	(3,673)	(5,656)
Effects of foreign exchange translation reserve on investment in subsidiary	(71)	(388)	16	(772)
Net (loss)/gain on financial assets at fair value of comprehensive income ("FVOCI"):				
Net (losses)/gain on fair value changes	(10,925)	(10,619)	(9,035)	48,413
Realised losses transferred to income statement	(1,324)	(2,414)	(1,473)	(3,993)
Deferred tax relating to net gain on financial assets at FVOCI	(592)	(509)	(90)	(1,307)
Other comprehensive income/(loss)	935	833	68	(6,273)
<b>Other comprehensive income/(loss) not to be reclassified to income statement in subsequent years:</b>				
Net gains/(loss) on fair value changes	837	(1,429)	1,826	149
Deferred tax on fair value changes	(42)	82	(126)	-
<b>Total comprehensive (loss)/income for the period</b>	<b>(34,034)</b>	<b>26,997</b>	<b>50,815</b>	<b>170,709</b>

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**MNRB HOLDINGS BERHAD**

(197201001795 (13487-A))

**INTERIM FINANCIAL STATEMENTS**

*(The figures have not been audited)*

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021**

	<b>GROUP</b>	
	Unaudited 31 December 2021 RM'000	Audited 31 March 2021 RM'000
<b>Assets</b>		
Property, plant and equipment	206,039	203,377
Intangible assets	71,463	71,805
Right-of-use asset	3,903	2,906
Investment in associates	137,603	134,805
Financial assets	8,768,176	8,335,257
Deferred tax assets	19,309	21,503
Reinsurance/retakaful assets	756,686	457,235
Insurance/takaful receivables	617,240	498,866
Tax recoverable	63,159	68,670
Cash and bank balances	161,351	115,789
<b>Total assets</b>	<b>10,804,929</b>	<b>9,910,213</b>
<b>Liabilities and Participants' funds</b>		
Participants' funds	399,132	377,724
Borrowings	320,000	320,000
Insurance/takaful contract liabilities	7,187,472	6,340,990
Lease liability	3,911	2,754
Insurance/takaful payables	259,676	202,171
Other payables	171,207	230,682
Deferred tax liabilities	11,111	9,827
Provision for taxation	16,471	6,279
Provision for zakat	(1,863)	1,466
<b>Total liabilities and participants' funds</b>	<b>8,367,117</b>	<b>7,491,893</b>
<b>Equity</b>		
Share capital	738,502	738,502
Reserves	1,699,310	1,679,818
<b>Total equity attributable to equity holders of the Company</b>	<b>2,437,812</b>	<b>2,418,320</b>
<b>Total liabilities, participants' funds and equity</b>	<b>10,804,929</b>	<b>9,910,213</b>
Net assets per share (RM)	3.30	3.27

*The Condensed Financial Statements should be read in conjunction with  
the Audited Financial Statements for the year ended 31 March 2021*



**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 2021**

	<b>GROUP</b>							
	Attributable to Equity Holders of the Company							
		Reserves					Net profit	Total
		Non-distributable			Distributable			
Share capital	Foreign exchange translation reserve	Fair value reserve	Revaluation reserve	Retained profits brought forward	Net profit	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
At 1 April 2021	738,502	47,087	53,092	51,082	1,528,557	-	2,418,320	
Total comprehensive (loss)/income for the year	-	(3,657)	(8,830)	-	-	63,302	50,815	
Dividend paid during the year	-	-	-	-	(31,323)	-	(31,323)	
At 31 December 2021	738,502	43,430	44,262	51,082	1,497,234	63,302	2,437,812	

**CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020**

	<b>GROUP</b>							
	Attributable to Equity Holders of the Company							
		Reserves					Net profit	Total
		Non-distributable			Distributable			
Share capital	Foreign exchange translation reserve	Fair value reserve	Revaluation reserve	Retained profits brought forward	Net profit	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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	-	(6,428)	36,989	1,409	-	140,148	172,118	
Dividend paid during the year	-	-	-	-	-	(23,493)	(23,493)	
At 31 December 2020	738,502	47,372	105,899	49,427	1,362,557	116,655	2,420,412	

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021**

	<b>GROUP</b>	
	9 months ended 31 December 2021	9 months ended 31 December 2020
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Profit before surplus transfer, zakat and tax	80,764	164,973
Adjustments for:		
Net fair value losses on financial assets at fair value through profit and loss ("FVTPL")	(10,638)	(151,636)
(Reversal of impairment losses)/impairment losses on FVOCI financial assets	(56)	67
Reversal of impairment losses on other receivables	-	(7,779)
(Reversal of impairment losses)/impairment losses on insurance/takaful receivables	(12,062)	5,461
Depreciation of property, plant and equipment	8,453	6,972
Amortisation of intangible assets	5,113	7,037
Gains on disposal of property, plant and equipment	-	(13)
Increase in gross premium and contribution liabilities	54,160	41,537
Interest/profit income	(188,650)	(195,520)
Dividend income	(14,018)	(10,461)
Finance cost	12,610	12,631
Net gains on disposal of investments	(6,241)	(11,525)
Net amortisation of premiums on investments	2,399	6,343
Share of results of associates	100	(7,553)
Losses from operations before changes in operating assets and liabilities	(68,067)	(139,466)
Increase in placements with licensed financial institutions, Islamic investment accounts and marketable securities	(371,286)	(308,363)
Net purchase of investments	(142,608)	(16,267)
Decrease in staff loans	1,504	1,707
Increase insurance/takaful receivables	(106,313)	(35,589)
(Increase)/decrease in other receivables	(17,261)	5,047
(Decrease)/Increase in gross claim liabilities, actuarial liabilities and unallocated surplus	(309,402)	133,612
(Decrease)/Increase in expense liabilities	(2,654)	2,052
Increase in participants' funds	1,119,645	390,583
(Increase)/decrease in reinsurance and retakaful assets	(294,077)	5,072
Decrease in insurance/takaful payables	57,505	5,826
Increase in other payables	(37,504)	(14,438)
Taxes and zakat	(13,064)	(30,615)
Interest/profit received	270,881	135,036
Dividend received	12,687	23,333
Rental received	3,126	1,953
Net cash generated from operating activities	103,111	159,483



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**INTERIM FINANCIAL STATEMENTS**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021 (CONT'D.)**

	<b>GROUP</b>	
	9 months ended 31 December 2021	9 months ended 31 December 2020
	RM'000	RM'000
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(6,624)	(1,678)
Purchase of intangible assets	(4,771)	(37,846)
Proceeds from disposal of property, plant and equipment	-	(62)
Net cash used in investing activities	(11,396)	(39,586)
<b>Cash flows from financing activities</b>		
Interest/profit paid	(12,521)	(12,517)
Payment of lease liabilities	(2,310)	(4,590)
Dividend paid	(31,323)	(23,493)
Net cash used in financing activities	(46,154)	(40,600)
<b>Cash and bank balances</b>		
Net increase during the period	45,562	79,297
At the beginning of the year	115,789	118,417
<b>At the end of the period</b>	<b>161,351</b>	<b>197,714</b>

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the Audited Financial Statements for the year ended 31 March 2021*



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**INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021**  
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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 2021.

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 2021 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 2021:

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 *Interest Rate Benchmark Reform-Phase 2*
- Amendments to MFRS 16 *Leases Covid-19-Related Rent Concessions beyond 30 June 2021*

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.

**Standards issued but not yet effective**

The Standards, Amendments to Standards and Annual Improvements to Standards that have been issued but not yet effective up to the date of issuance of the Group's unaudited financial statements are disclosed below. The Group intend to adopt these Standards, Amendments to Standards and Annual Improvements to Standards, if applicable, when they become effective:

Description	Effective for annual periods beginning on or after
• Annual Improvements to MFRS Standards 2018–2020	
i) MFRS 1 <i>First-time Adoption of Malaysian Financial Reporting Standards</i>	
ii) MFRS 9 <i>Financial Instruments</i>	
iii) MFRS 16 <i>Leases</i>	
iv) MFRS 141 <i>Agriculture</i>	1 January 2022
• Amendments to MFRS 3 <i>Business Combinations (Reference to Conceptual Framework)</i>	1 January 2022
• Amendments to MFRS 116 <i>Property, Plant and Equipment</i>	1 January 2022
• Amendments to MFRS 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i>	1 January 2022
• Amendments to MFRS 101 <i>Presentation of Financial Statements Classification of Liabilities as Current or Non-current</i>	1 January 2023
• Amendments to MFRS 101 <i>Presentation of Financial Statements Disclosure of Accounting Policies</i>	1 January 2023
• MFRS 17 <i>Insurance Contracts</i>	1 January 2023
• Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
• Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates</i>	1 January 2023
• Amendments to MFRS 112 <i>Income Taxes Deferred Tax related to Assets and Liabilities arising from Single Transaction</i>	1 January 2023
• Amendments to MFRS 10 <i>Consolidated Financial Statements</i> and MFRS 128 <i>Investment in Associates and Joint Ventures</i>	To be announced by MASB

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;





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**INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021**  
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**PART A – NOTES TO THE INTERIM FINANCIAL STATEMENTS**

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

**MFRS 17 Insurance Contracts ("MFRS 17") (cont'd.)**

- 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.

Based on the Amendments to MFRS 17, the standard is effective for reporting periods beginning on or after 1 January 2023, with the option to apply a full retrospective, modified retrospective or fair value approach on transition. Early application is permitted, as the Group and the Company have applied MFRS 9 and MFRS 15 before the date it first applies MFRS 17.

The Malaysian Accounting Standards Board subsequently issued a paper titled MFRS 17 Insurance Contracts: Definition and Scope for Takaful. The paper concluded that MFRS 17 is applicable to a Takaful contract because:

- MFRS 17 applies to those contracts that fall within the 'insurance contract' definition, regardless of their legal form or the legal form of the issuing entity. Accordingly, takaful contracts would fall within the scope of MFRS 17 because a takaful fund or entity is separate from the participants (takaful policyholders) and the fund or entity is accepting significant insurance risk from the participants in the same way that a mutual conventional insurer accepts significant insurance risk from its policyholders. As MFRS 17 deems that a mutual entity accepts insurance risk, it is considered that the mutuality aspect of takaful contracts is consistent with takaful entity also accepting insurance risk;
- In the context of MFRS 17, insurance risk is being transferred from participants (takaful policyholders) to another entity – either represented by the takaful fund or funds or the takaful operator as the entity managing the insurance business as a whole; and
- The acceptance of significant insurance risk need not be a direct, overt acceptance but may result from the presence of factors and circumstances indicating that insurance risk has been transferred. This is consistent with the objective of MFRS 17 that considers an entity's substantive rights and obligations when applying MFRS 17.

As a result of the above, the Group has assessed the takaful and retakaful contracts issued and concluded that MFRS 17 is applicable to the contracts issued and held. Consequently, 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.

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

The auditors' report on the audited financial statements for the financial year ended 31 March 2021 was not subject to any qualification.

**A3. Seasonal or cyclical factors**

During the financial period ended 31 December 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 period ended 31 December 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 third quarter ended 31 December 2021.

**A7. Dividend paid**

During the Company's Annual General Meeting ("AGM") held on 23 September 2021, a final single-tier dividend ("final dividend") of 4 sen per ordinary share on 783,086,696 ordinary shares, amounting to RM31,323,468 for the financial year ended 31 March 2021 was proposed by the Board and approved by the shareholders. The approved final dividend was paid on 27 October 2021. The entitlement date for the dividend payment was on 11 October 2021.



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

**A8. Segmental reporting**

Financial period ended 31 December 2021

	Investment Holding RM'000	Reinsurance Business RM'000	Retakaful Business RM'000	General Takaful Business RM'000	Family Takaful Business RM'000	Others RM'000	Intra-Group Adjustments RM'000	Consolidated RM'000
<b>Revenue</b>								
External	2,661	1,284,690	52,766	369,047	596,969	3,230	-	2,309,363
Inter-segment	123,677	16,653	-	945	928	2,713	(144,916)	-
	126,338	1,301,343	52,766	369,992	597,897	5,943	(144,916)	2,309,363
<b>Results</b>								
<b>Segment results</b>	<b>82,084</b>	<b>17,047</b>	<b>5,078</b>	<b>57,528</b>	<b>38,967</b>	<b>226</b>	<b>(79,034)</b>	<b>121,896</b>
Share of results of associates	5	(105)	-	-	-	-	-	(100)
<b>Operating profit before surplus attributable to takaful participants, zakat and taxation</b>	<b>82,089</b>	<b>16,942</b>	<b>5,078</b>	<b>57,528</b>	<b>38,967</b>	<b>226</b>	<b>(79,034)</b>	<b>121,796</b>
Surplus attributable to takaful participants	-	-	-	(31,070)	(9,962)	-	-	(41,032)
<b>Operating profit/(loss) before zakat and taxation</b>	<b>82,089</b>	<b>16,942</b>	<b>5,078</b>	<b>26,458</b>	<b>29,005</b>	<b>226</b>	<b>(79,034)</b>	<b>80,764</b>
Zakat and taxation	(736)	(1,825)	(554)	(7,365)	(6,978)	(4)	-	(17,462)
<b>Net profit/(loss) for the period attributable to equity holders of the Company</b>	<b>81,353</b>	<b>15,117</b>	<b>4,524</b>	<b>19,093</b>	<b>22,027</b>	<b>222</b>	<b>(79,034)</b>	<b>63,302</b>

Financial period ended 31 December 2020

	Investment Holding RM'000	Reinsurance Business RM'000	Retakaful Business RM'000	General Takaful Business RM'000	Family Takaful Business RM'000	Others RM'000	Intra-Group Adjustments RM'000	Consolidated RM'000
<b>Revenue</b>								
External	3,195	1,071,645	39,780	335,013	554,881	5,854	-	2,010,368
Inter-segment	120,214	1,260	-	2,165	929	2,279	(126,847)	-
	123,409	1,072,905	39,780	337,178	555,810	8,133	(126,847)	2,010,368
<b>Results</b>								
<b>Segment results</b>	<b>85,418</b>	<b>78,588</b>	<b>6,315</b>	<b>41,311</b>	<b>35,825</b>	<b>189</b>	<b>(75,398)</b>	<b>172,248</b>
Share of results of associates	(66)	7,619	-	-	-	-	-	7,553
<b>Operating profit/(loss) before deficit attributable to takaful participants, zakat and taxation</b>	<b>85,352</b>	<b>86,207</b>	<b>6,315</b>	<b>41,311</b>	<b>35,825</b>	<b>189</b>	<b>(75,398)</b>	<b>179,801</b>
Deficit attributable to takaful participants	-	-	-	(9,497)	(5,331)	-	-	(14,828)
<b>Operating profit/(loss) before zakat and taxation</b>	<b>85,352</b>	<b>86,207</b>	<b>6,315</b>	<b>31,814</b>	<b>30,494</b>	<b>189</b>	<b>(75,398)</b>	<b>164,973</b>
Zakat and taxation	(968)	(7,651)	(427)	(9,573)	(6,206)	-	-	(24,825)
<b>Net profit/ (loss) for the period attributable to equity holders of the Company</b>	<b>84,384</b>	<b>78,556</b>	<b>5,888</b>	<b>22,241</b>	<b>24,288</b>	<b>189</b>	<b>(75,398)</b>	<b>140,148</b>



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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 has been brought forward, without any change, from the financial statements for the financial year ended 31 March 2021.

**A10. Subsequent events**

There were no subsequent event of the Group during the financial period ended 31 December 2021.

**A11. 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 2021.

**A12. Capital Commitments**

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

	<b>RM'000</b>
Authorised and contracted for:	
- Tangible assets	6,504
- Intangible assets*	3,882
	<u>10,386</u>
Authorised but not contracted for:	
- Property, plant and equipment	1,673
- Tangible assets	2,425
- Intangible assets*	25,979
	<u>30,077</u>

\* Relating to purchases and enhancement of computer systems.

**A13. Condensed Consolidated Statement of Financial Position by Reinsurance, Takaful and Retakaful Funds**

(i) Unaudited as at 31 December 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
<b>Assets</b>							
Property, plant and equipment	124,369	-	-	-	-	81,670	206,039
Investment properties	-	-	81,620	-	-	(81,620)	-
Intangible assets	71,463	-	-	-	-	-	71,463
Right-of-use asset	11,185	-	-	-	-	(7,282)	3,903
Investment in subsidiaries	1,304,477	-	-	-	-	(1,304,477)	-
Investment in associates	120,273	-	-	-	-	17,330	137,603
Deferred tax assets	14,821	4,490	-	-	-	(2)	19,309
Financial assets	4,620,889	630,463	3,736,152	96,265	12,662	(328,255)	8,768,176
Reinsurance/retakaful assets	401,357	231,293	103,707	13,095	7,234	-	756,686
Insurance/takaful receivables	495,030	67,435	23,780	27,722	5,631	(2,358)	617,240
Tax recoverable	63,159	-	-	-	-	-	63,159
Cash and bank balances	128,937	22,201	10,009	116	88	-	161,351
<b>Total assets</b>	<b>7,355,960</b>	<b>955,882</b>	<b>3,955,268</b>	<b>137,198</b>	<b>25,615</b>	<b>(1,624,994)</b>	<b>10,804,929</b>
<b>Liabilities and Participants' funds</b>							
Participants' funds	-	189,542	211,182	-	-	(1,592)	399,132
Borrowings	321,000	-	-	-	-	(1,000)	320,000
Insurance/takaful contract liabilities	2,891,497	617,655	3,565,969	98,159	10,997	3,195	7,187,472
Lease liability	11,274	-	-	-	-	(7,363)	3,911
Insurance/takaful payables	166,650	59,641	25,953	9,747	42	(2,357)	259,676
Other payables	211,625	88,455	143,593	26,421	14,110	(312,997)	171,207
Deferred tax liabilities	2,661	-	7,605	150	30	665	11,111
Provision for taxation	11,759	589	966	2,721	436	-	16,471
Provision for zakat	1,657	-	-	-	-	(3,520)	(1,863)
<b>Total liabilities and participants' funds</b>	<b>3,618,123</b>	<b>955,882</b>	<b>3,955,268</b>	<b>137,198</b>	<b>25,615</b>	<b>(324,969)</b>	<b>8,367,117</b>
<b>Equity</b>							
Share capital	2,043,108	-	-	-	-	(1,304,606)	738,502
Reserves	1,694,729	-	-	-	-	4,581	1,699,310
<b>Total equity attributable to equity holders of the Parent</b>	<b>3,737,837</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,300,025)</b>	<b>2,437,812</b>
<b>Total liabilities, participants' funds and equity</b>	<b>7,355,960</b>	<b>955,882</b>	<b>3,955,268</b>	<b>137,198</b>	<b>25,615</b>	<b>(1,624,994)</b>	<b>10,804,929</b>

**A13. Condensed Consolidated Statement of Financial Position by Reinsurance, Takaful and Retakaful Funds (Cont'd.)**

(ii) Audited 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
<b>Assets</b>							
Property, plant and equipment	121,707	-	-	-	-	81,670	203,377
Investment properties	-	-	81,620	-	-	(81,620)	-
Intangible assets	71,805	-	-	-	-	-	71,805
Right-of-use asset	7,136	-	-	-	-	(4,230)	2,906
Investment in subsidiaries	1,304,477	-	-	-	-	(1,304,477)	-
Investment in associates	118,225	-	-	-	-	16,580	134,805
Deferred tax assets	14,324	7,244	-	-	-	(65)	21,503
Financial assets	4,411,138	541,113	3,515,361	87,247	14,926	(234,528)	8,335,257
Reinsurance/retakaful assets	166,968	200,312	84,471	3,300	7,558	(5,374)	457,235
Insurance/takaful receivables	355,386	75,211	48,085	19,983	2,558	(2,357)	498,866
Tax recoverable	71,794	-	-	(2,695)	(429)	-	68,670
Cash and bank balances	69,971	8,173	37,412	126	107	-	115,789
<b>Total assets</b>	<b>6,712,931</b>	<b>832,053</b>	<b>3,766,949</b>	<b>107,961</b>	<b>24,720</b>	<b>(1,534,401)</b>	<b>9,910,213</b>
<b>Liabilities and Participants' funds</b>							
Participants' funds	-	159,985	199,649	6,231	125	11,734	377,724
Borrowings	321,000	-	-	-	-	(1,000)	320,000
Insurance/takaful contract liabilities	2,311,512	549,235	3,411,982	73,904	9,730	(15,373)	6,340,990
Lease liabilities	7,206	-	-	-	-	(4,452)	2,754
Insurance/takaful payables	111,841	49,349	32,504	9,965	869	(2,357)	202,171
Other payables	232,199	73,423	115,860	17,809	13,965	(222,574)	230,682
Deferred tax liabilities	2,878	-	6,444	52	31	422	9,827
Provision for taxation	5,708	61	510	-	-	-	6,279
Provision for zakat	1,466	-	-	-	-	-	1,466
<b>Total liabilities and participants' funds</b>	<b>2,993,810</b>	<b>832,053</b>	<b>3,766,949</b>	<b>107,961</b>	<b>24,720</b>	<b>(233,600)</b>	<b>7,491,893</b>
<b>Equity</b>							
Share capital	2,043,108	-	-	-	-	(1,304,606)	738,502
Retained profit	1,676,013	-	-	-	-	3,805	1,679,818
<b>Total equity attributable to equity holders of the Parent</b>	<b>3,719,121</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,300,801)</b>	<b>2,418,320</b>
<b>Total liabilities, participants' funds and equity</b>	<b>6,712,931</b>	<b>832,053</b>	<b>3,766,949</b>	<b>107,961</b>	<b>24,720</b>	<b>(1,534,401)</b>	<b>9,910,213</b>

**A14. Unaudited Condensed Consolidated Income Statement by Reinsurance, Takaful and Retakaful Funds**

(i) 9 months ended 31 December 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	1,179,604	350,358	491,838	42,517	6,038	(19,286)	2,051,069
Premiums/contributions ceded to reinsurers and retakaful operators	(116,600)	(129,678)	(64,026)	(2,804)	(4,503)	16,616	(300,995)
<b>Net earned premiums/contributions</b>	<b>1,063,004</b>	<b>220,680</b>	<b>427,812</b>	<b>39,713</b>	<b>1,535</b>	<b>(2,670)</b>	<b>1,750,074</b>
Investment income	170,826	12,224	99,550	1,307	283	(83,908)	200,282
Realised gains	1,840	1,427	3,223	-	-	-	6,490
Fair value (losses)/gains	(7,383)	1,361	13,625	-	(72)	1,790	9,321
Fee and commission income	360,658	29,290	-	137	-	(356,775)	33,310
Other operating revenue	11,988	10,390	4,763	1,304	16	(2,759)	25,702
<b>Other revenue</b>	<b>537,929</b>	<b>54,692</b>	<b>121,161</b>	<b>2,748</b>	<b>227</b>	<b>(441,652)</b>	<b>275,105</b>
Gross claims and benefit paid	(474,808)	(131,419)	(275,596)	(15,963)	(6,439)	2,162	(902,063)
Claims ceded to reinsurers/retakaful operators	28,529	61,785	51,229	1,185	6,412	(2,162)	146,978
Gross change in contract liabilities	(530,141)	(66,756)	(153,987)	(7,448)	590	(13,157)	(770,899)
Change in contract liabilities ceded to reinsurers/retakaful operators	217,632	29,184	19,236	9,440	(325)	-	275,167
<b>Net claims and benefits</b>	<b>(758,788)</b>	<b>(107,206)</b>	<b>(359,118)</b>	<b>(12,786)</b>	<b>238</b>	<b>(13,157)</b>	<b>(1,250,817)</b>
Fee and commission expenses	(411,881)	(126,937)	(166,855)	(16,834)	(263)	311,384	(411,386)
Management expenses	(249,285)	-	(2,493)	-	-	51,153	(200,625)
Finance cost	(12,767)	-	-	-	-	189	(12,578)
Other operating expenses	(11,126)	-	-	(141)	-	-	(11,267)
Changes in expenses liabilities	2,653	-	-	-	-	-	2,653
Tax borne by participants	-	(10,159)	(8,974)	(124)	(6)	-	(19,263)
<b>Other expenses</b>	<b>(682,406)</b>	<b>(137,096)</b>	<b>(178,322)</b>	<b>(17,099)</b>	<b>(269)</b>	<b>362,726</b>	<b>(652,466)</b>
Share of results of associates	-	-	-	-	-	(100)	(100)
<b>Operating profit/(loss) before (surplus)/deficits attributable to takaful/retakaful participants, zakat and taxation</b>	<b>159,739</b>	<b>31,070</b>	<b>11,533</b>	<b>12,576</b>	<b>1,731</b>	<b>(94,853)</b>	<b>121,796</b>
(Surplus)/deficits attributable to takaful/retakaful participants	-	(31,070)	(11,533)	(12,576)	(1,731)	15,878	(41,032)
<b>Operating profit/(loss) before zakat and taxation</b>	<b>159,739</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(78,975)</b>	<b>80,764</b>
Zakat	(1,050)	-	-	-	-	-	(1,050)
Taxation	(16,360)	-	-	-	-	(52)	(16,412)
<b>Net profit/(loss) for the period attributable to equity holders of the Company</b>	<b>142,329</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(79,027)</b>	<b>63,302</b>

A14. Unaudited Condensed Consolidated Income Statement by Reinsurance, Takaful and Retakaful Funds (Cont'd.)

(ii) 9 months ended 31 December 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	986,272	293,090	451,277	28,173	6,057	(2,432)	1,762,437
Premiums/contributions ceded to reinsurers and retakaful operators	(50,866)	(115,630)	(54,372)	16	(4,377)	903	(224,326)
<b>Net earned premiums/contributions</b>	<b>935,406</b>	<b>177,460</b>	<b>396,905</b>	<b>28,189</b>	<b>1,680</b>	<b>(1,529)</b>	<b>1,538,111</b>
Investment income	179,013	12,875	94,797	1,400	478	(89,088)	199,475
Realised gains	5,089	895	5,554	-	-	-	11,538
Fair value gains	30,142	3,000	116,092	-	11	1,804	151,049
Fee and commission income	334,919	26,282	2	145	-	(329,812)	31,536
Other operating revenue	5,961	-	695	92	5	7,779	14,532
<b>Other revenue</b>	<b>555,124</b>	<b>43,052</b>	<b>217,140</b>	<b>1,637</b>	<b>494</b>	<b>(409,317)</b>	<b>408,130</b>
Gross claims and benefit paid	(463,781)	(108,081)	(199,199)	(2,515)	(4,808)	(2,722)	(781,106)
Claims ceded to reinsurers/retakaful operators	10,736	43,695	41,655	(2,734)	3,263	2,722	99,337
Gross change in contract liabilities	(172,889)	(3,672)	(277,985)	(8,086)	3,866	(8,450)	(467,216)
Change in contract liabilities ceded to reinsurers/retakaful	(24,577)	(17,740)	9,493	(318)	140	-	(33,002)
<b>Net claims and benefits</b>	<b>(650,511)</b>	<b>(85,798)</b>	<b>(426,036)</b>	<b>(13,653)</b>	<b>2,461</b>	<b>(8,450)</b>	<b>(1,181,987)</b>
Fee and commission expense	(335,421)	(117,338)	(163,320)	(11,194)	(232)	292,357	(335,148)
Management expenses	(231,710)	-	(731)	-	-	41,236	(191,205)
Finance cost	(12,950)	-	-	-	-	319	(12,631)
Other operating expenses	(25,064)	(5,051)	-	(29)	-	-	(30,144)
Changes in expenses liabilities	(2,052)	-	-	-	-	-	(2,052)
Tax borne by participants	-	(2,828)	(17,095)	(589)	(314)	-	(20,826)
<b>Other expenses</b>	<b>(607,197)</b>	<b>(125,217)</b>	<b>(181,146)</b>	<b>(11,812)</b>	<b>(546)</b>	<b>333,912</b>	<b>(592,006)</b>
Share of results of associates	-	-	-	-	-	7,553	7,553
<b>Operating profit before Deficits/(surplus) attributable to takaful/retakaful participants, zakat and taxation</b>	<b>232,822</b>	<b>9,497</b>	<b>6,863</b>	<b>4,361</b>	<b>4,089</b>	<b>(77,831)</b>	<b>179,801</b>
Deficits/(surplus) attributable to takaful/retakaful participants	-	(9,497)	(6,863)	(4,361)	(4,089)	9,982	(14,828)
<b>Operating profit/(loss) before zakat and taxation</b>	<b>232,822</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(67,849)</b>	<b>164,973</b>
Zakat	(1,161)	-	-	-	-	-	(1,161)
Taxation	(23,664)	-	-	-	-	-	(23,664)
<b>Net profit/(loss) for the period attributable to equity holders of the Company</b>	<b>207,997</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(67,849)</b>	<b>140,148</b>

## A15. 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.

The description of significant unobservable inputs is further explained as per table below:

	Valuation technique	Significant unobservable inputs	Range
<b>31 December 2021/ 31 March 2021</b>			
<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
<u>Unquoted shares in Malaysia</u>	Net assets	Net assets	Not applicable



## A15. Fair values of assets (cont'd)

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.

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 2021				
<b>Assets measured at fair value:</b>				
<b>(a) Property, plant and equipment</b>				
Freehold land	-	-	36,800	36,800
Buildings	-	-	161,869	161,869
	<u>-</u>	<u>-</u>	<u>198,669</u>	<u>198,669</u>
<b>(b) Financial assets at FVTPL</b>				
<u>Designated upon initial recognition</u>				
Unquoted corporate debt securities	-	13,624	-	13,624
Government investment issues	-	1,204,568	-	1,204,568
Unquoted islamic private debt securities	-	1,449,122	-	1,449,122
<u>Mandatorily measured</u>				
Quoted shares in Malaysia:				
Shariah approved equities	182,410	-	-	182,410
Others	164,545	-	-	164,545
Unquoted islamic private debt securities	-	634	-	634
Shariah approved unit trust funds	349,937	-	-	349,937
Real estate investment trusts	16,566	-	-	16,566
	<u>713,458</u>	<u>2,667,948</u>	<u>-</u>	<u>3,381,406</u>
<b>(c) Financial assets at FVOCI</b>				
Malaysian government securities	-	132,830	-	132,830
Government investment issues	-	528,055	-	528,055
Unquoted corporate debt securities	-	922,823	-	922,823
Unquoted shares	-	-	84,859	84,859
Unquoted Islamic private debt securities	-	408,359	-	408,359
Golf club memberships	-	-	233	233
	<u>-</u>	<u>1,992,067</u>	<u>85,092</u>	<u>2,077,159</u>

**A15. 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 2021				
<b>Assets measured at fair value:</b>				
<b>(a) Property, plant and equipment</b>				
Freehold land	-	-	36,800	36,800
Buildings	-	-	161,587	161,587
	<u>-</u>	<u>-</u>	<u>198,387</u>	<u>198,387</u>
<b>(b) Financial assets at FVTPL</b>				
<u>Designated upon initial recognition</u>				
Unquoted corporate debt securities	-	1,162	-	1,162
Government investment issues	-	1,141,718	-	1,141,718
Unquoted islamic private debt securities	-	1,362,102	-	1,362,102
<u>Mandatorily measured</u>				
Quoted shares in Malaysia:				
Shariah approved equities	215,664	-	-	215,664
Others	97,304	-	-	97,304
Unquoted corporate debt securities	-	24,419	-	24,419
Unquoted islamic private debt securities	-	608	-	608
Shariah approved unit trust funds	241,218	-	-	241,218
Real estate investment trusts	17,442	-	-	17,442
	<u>571,628</u>	<u>2,530,009</u>	<u>-</u>	<u>3,101,637</u>
<b>(c) Financial assets at FVOCI</b>				
Malaysian government securities	-	155,329	-	155,329
Government investment issues	-	438,523	-	438,523
Unquoted corporate debt securities	-	1,028,084	-	1,028,084
Unquoted shares	-	-	84,605	84,605
Unquoted Islamic private debt securities	-	376,176	-	376,176
Golf club memberships	-	-	233	233
	<u>-</u>	<u>1,998,112</u>	<u>84,838</u>	<u>2,082,950</u>



**MNRB HOLDINGS BERHAD**  
**(197201001795 (13487-A))**  
**INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 period ended 31 December 2021, the Group recorded a revenue of RM2,309.4 million, an increase of 14.9% as compared to RM2,010.4 million reported in the corresponding period last year. The RM299.0 million increase was contributed by higher gross premiums/contributions generated by the reinsurance and takaful subsidiaries.

The Group recorded a decrease of 54.8% in net profit for the financial period ended 31 December 2021 of RM63.3 million, as compared to RM140.2 million reported in the same period last year for the reasons stated below.

Investment holding

Revenue for the financial period was RM126.3 million as compared to RM123.4 million reported in the same period last year. The higher revenue was due to increase in the Group Shared Services ("GSSU") fees income from the subsidiaries.

A net profit amounting to RM81.4 million was recorded for the financial period ended 31 December 2021 lower by 3.6% as compared to a net profit of RM84.4 million for the corresponding period. This was contributed by the lower dividend received from subsidiaries as compared to the same period last year.

Reinsurance business

Revenue for the reinsurance business for the financial period ended 31 December 2021 was RM1,301.3 million as compared to RM1,072.9 million in the same period last year. The increase was mainly due to increase in the gross premium from the international business portfolio.

Net profit for the financial period ended 31 December 2021 decreased by RM63.4 million from RM78.6 million in same period last year to RM15.1 million. The lower net profit was the result of higher large losses and lower share of net profit from associate.

Retakaful business

Revenue for the retakaful business for the financial period ended 31 December 2021 increased from RM39.8 million to RM52.8 million or 32.6% mainly attributable to higher net contribution received.

The retakaful business recorded lower net profit of RM4.5 million for the financial period ended 31 December 2021, a decrease of RM1.4 million as compared to RM5.9 million reported in the corresponding period. The decrease was contributed by higher net claims and benefits incurred.

General Takaful business

Revenue for the general takaful business for the financial period ended 31 December 2021 increased by RM32.8 million from RM337.2 million to RM370.0 million or 9.7% from corresponding period. This was mainly due to higher net earned contribution.

General takaful business recorded a net profit of RM19.1 million in the financial period ended 31 December 2021, a decrease of 14.2% as compared to a net profit of RM22.2 million reported in the same period last year due to higher acquisition expenses.

Family Takaful business

Revenue for the family takaful business for the financial period ended 31 December 2021 increased by RM42.1 million to RM597.9 million from RM555.8 million or 7.8% from the corresponding period. This was mainly due to higher gross contribution.

Family takaful business recorded a net profit of RM22.0 million in the financial period ended 31 December 2021, a decrease of RM2.3 million as compared to a net profit of RM24.3 million reported in the corresponding period due to higher expenses in regulatory fees.



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

The Group recorded a net loss of RM22.1 million in the current quarter as compared to net profit of RM19.4 million in the preceding quarter due to lower investment income and higher net claims and benefits incurred, including claims arising from the December 2021 flood in Malaysia.

**B3. Current year prospect**

With the recovery momentum seen during the first nine months of 2021, the Malaysian economy is on track for recovery and is expected to rebound on most fronts, riding on the positive momentum of high vaccine coverage in the country and the ongoing vaccine booster rollout. This signals a more sustainable economic re-opening and resumption of most social activities in 2022. However, the recent emergence of the Omicron variant poses a potential threat which could delay the economic recovery but would not completely derail it.

The prolonged effects of the pandemic pose a challenge to the Group's operating environment. The normalisation of claims ratios with the easing of the lockdowns and the re-opening of the economy coupled with the year-end flood catastrophe also contributed to the current challenging business results.

Despite the challenges, the Group remains resilient and optimistic to pursue our strategic initiatives and leverage on our capital position to deliver a decent profit for the current financial year. Additionally, the Group continues to emphasize prudent risk management, drive further adoption of digital solutions and remains committed to providing excellent customer experience.

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

There was no profit forecast issued by the Group during the period ended 31 December 2021.

**B5. Investment income**

	<b>GROUP</b>			
	<b>Individual period</b>		<b>Cumulative year</b>	
	<b>3 months ended 31 December 2021 RM'000</b>	<b>3 months ended 31 December 2020 RM'000</b>	<b>9 months ended 31 December 2021 RM'000</b>	<b>9 months ended 31 December 2020 RM'000</b>
<b>Financial assets at FVTPL</b>				
<u>Designated upon initial recognition</u>				
Interest/profit income	29,368	26,903	86,498	80,881
<u>Mandatorily measured:</u>				
Interest/profit income	16	15	46	46
Dividend income:				
- quoted shares in Malaysia	2,645	1,910	9,850	7,342
- unquoted shares in Malaysia	387	1,917	2,314	2,681
- unit trust funds	(470)	133	1,681	408
- real estate investment trusts	34	12	209	30
<b>Financial assets at FVOCI</b>				
Interest/profit income	20,358	21,952	60,587	67,147
<b>Financial assets at Amortised Cost ("AC")</b>				
Interest/profit income	14,984	15,092	41,486	47,450
Rental income	(1,268)	120	-	621
Net amortisation of premiums	(789)	(1,753)	(2,258)	(6,343)
Investment expenses	62	(329)	(131)	(788)
	<b>65,327</b>	<b>65,972</b>	<b>200,282</b>	<b>199,475</b>



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**B6. Taxation**

	GROUP			
	Individual period		Cumulative year	
	3 months ended 31 December 2021 RM'000	3 months ended 31 December 2020 RM'000	9 months ended 31 December 2021 RM'000	9 months ended 31 December 2020 RM'000
Operating (loss)/profit before zakat and tax	(17,084)	59,783	80,764	164,973
Current tax	(186)	(10,117)	(9,825)	(22,446)
Deferred tax	(4,452)	(2,159)	(6,587)	(1,218)
Total tax	(4,638)	(12,276)	(16,412)	(23,664)
Zakat	(386)	(521)	(1,050)	(1,161)
	(5,024)	(12,797)	(17,462)	(24,825)
Effective tax rate	-27.1%	20.5%	20.3%	14.3%

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 December 2021 were as follows:

	GROUP 31 December 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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**B11. (Loss)/earnings per share**

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

	<b>GROUP</b>			
	<b>Individual period</b>		<b>Cumulative year</b>	
	<b>3 months ended 31 December 2021 RM'000</b>	<b>3 months ended 31 December 2020 RM'000</b>	<b>9 months ended 31 December 2021 RM'000</b>	<b>9 months ended 31 December 2020 RM'000</b>
Net (loss)/profit for the period (RM'000)	(22,108)	46,986	63,302	140,148
Number/Weighted average number of ordinary shares in issue ('000)	783,088	738,502	783,088	738,502
Basic (loss)/earnings per share (sen)	(2.8)	6.0	8.1	19.0

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

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

	<b>GROUP</b>			
	<b>Individual period</b>		<b>Cumulative year</b>	
	<b>3 months ended 31 December 2021 RM'000</b>	<b>3 months ended 31 December 2020 RM'000</b>	<b>9 months ended 31 December 2021 RM'000</b>	<b>9 months ended 31 December 2020 RM'000</b>
Finance cost	(4,194)	(4,223)	(12,578)	(12,631)
Net (loss)/gain on disposal of investments	(695)	5,772	6,490	11,538
Depreciation and amortisation	(6,822)	(3,089)	(13,567)	(13,383)
Writeback of/(allowance for) impairment loss on insurance/takaful receivables	7,641	(863)	13,099	(5,461)
Writeback for impairment loss/(impairment loss) on investments	(930)	37	(922)	(175)

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

**By Order of the Board**

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

**Kuala Lumpur**  
**Dated: 28 February 2022**