

MNRB HOLDINGS BERHAD

197201001795 (13487-A)

UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2024

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

	Current quarter		Cumulative quarters	
	Three months ended		Twelve months ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Insurance/takaful revenue	707,205	541,328	3,184,879	2,648,010
Insurance/takaful service expenses	(377,813)	(505,219)	(2,645,470)	(2,547,610)
Insurance/takaful service result before reinsurance/retakaful contracts held	329,392	36,109	539,409	100,400
Allocation of reinsurance premium/retakaful contribution	(171,482)	(114,651)	(582,295)	(346,490)
Amounts recoverable from reinsurers/retakaful operators	143,031	68,980	417,567	320,781
Net expense from reinsurance/retakaful contracts held	(28,451)	(45,671)	(164,728)	(25,709)
Insurance/takaful service result	300,941	(9,562)	374,680	74,691
Investment income on financial assets	109,758	94,098	413,722	319,610
Net realised gains/(losses)	8,643	1,767	(4,199)	3,508
Net fair value gains	50,808	64,705	144,480	25,882
Net foreign exchange gains	10,581	15,254	34,270	15,717
Investment result	179,790	175,824	588,273	364,717
Net finance/profit (expenses)/income from insurance/takaful contracts issued	(126,660)	8,364	(215,920)	(39,793)
Net finance/profit income from reinsurance/retakaful contracts held	1,500	15,964	14,040	13,841
Net insurance/takaful financial result	(125,160)	24,328	(201,880)	(25,952)
Recognition of actual unallocated surplus	(115,236)	(62,685)	(290,458)	(198,247)
Fees and other operating income/(expenses)	16,059	(16,581)	46,243	9,340
Management and other operating (expenses)/income	(7,409)	10,517	(22,891)	(17,153)
Finance cost	(6,532)	(6,849)	(27,245)	(21,552)
Net other operating income and expenses	2,118	(12,913)	(3,892)	(29,365)
Share of results of associates	22,564	(4,250)	31,607	(10,820)
Profit before zakat and taxation	265,017	110,742	498,330	175,024
Zakat	(327)	(419)	(1,707)	(1,429)
Taxation	(32,059)	(15,375)	(68,279)	(30,948)
Profit after zakat and taxation for the year, attributable to owners of the Company	232,631	94,947	428,344	142,647

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024**

	Current quarter		Cumulative quarters	
	Three months ended		Twelve months ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Profit after zakat and taxation for the year, attributable to owners of the Company	232,631	94,947	428,344	142,647
Other comprehensive (loss)/income, net of tax				
Items that are or may be reclassified subsequently to profit or loss				
Net (losses)/gains on investments in debt securities measured at FVOCI	(4,429)	19,205	17,275	14,585
Net realised losses transferred to profit or loss	(5,034)	(2,957)	(6,699)	(2,852)
Effects of post acquisition foreign exchange translation reserve on investment in associate	(905)	8,892	1,830	(2,306)
Effects of foreign exchange translation reserve on investment in subsidiary	394	174	908	601
Tax effects thereon	1,699	(910)	2,259	(2,386)
Other comprehensive losses/(income) attributable to participants	4,144	(1,616)	1,102	(434)
	<u>(4,131)</u>	<u>22,787</u>	<u>16,675</u>	<u>7,208</u>
Items that will not be reclassified subsequently to profit or loss				
Net fair value gains/(losses) on equity investments at FVOCI	284	(366)	548	(70)
Revaluation surplus of land and buildings	3,940	2,012	5,606	3,625
Tax effects thereon	(746)	(283)	(486)	(407)
Other comprehensive losses attributable to participants	(510)	(934)	(2,043)	(2,418)
	<u>2,968</u>	<u>429</u>	<u>3,625</u>	<u>730</u>
Total other comprehensive (loss)/income for the year, net of tax	(1,164)	23,216	20,299	7,937
Total comprehensive income for the year, net of tax	231,468	118,164	448,644	150,583
Total comprehensive income for the year attributable to owners of the Company	231,468	118,164	448,644	150,583
Basic earnings per share attributable to equity holders of the Company (sen)	29.71	12.12	54.70	18.22

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024**

	31.03.2024	31.03.2023
	RM'000	RM'000
		(Restated)
Assets		
Property, plant and equipment	235,166	225,802
Intangible assets	83,234	60,248
Right-of-use assets	4,454	3,368
Investments in associates	183,293	151,461
Financial and other assets	11,412,544	10,142,639
Deferred tax assets	64,722	28,901
Insurance/takaful contract assets	38,518	66,518
Reinsurance/retakaful contract assets	1,164,864	690,012
Tax recoverable	26,555	42,423
Cash and bank balances	127,671	205,462
Total assets	13,341,021	11,616,834
Liabilities		
Insurance/takaful contract liabilities	9,047,755	7,852,774
Reinsurance/retakaful contract liabilities	48,466	157,922
Borrowings	620,000	520,000
Lease liabilities	1,111	3,426
Other payables	395,880	310,004
Deferred tax liabilities	26,483	4,718
Tax payable	26,124	7,746
Provision for zakat	3,365	2,203
Total liabilities	10,169,184	8,858,793
Equity		
Share capital	738,502	738,502
Reserves	2,433,336	2,019,540
Total equity attributable to owners of the Company	3,171,838	2,758,042
Total liabilities and equity	13,341,021	11,616,834
Net assets per share (RM)	4.05	3.52

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

	← Attributable to owners of the Company →					
	← Reserves →					
	← Non-distributable →			Distributable		
	Share capital RM'000	Foreign exchange translation RM'000	Fair value reserve RM'000	Revaluation reserve RM'000	Retained profits RM'000	Total RM'000
At 1 April 2023, restated	738,502	65,303	34,131	51,059	1,869,047	2,758,042
Net profit for the year	-	-	-	-	428,344	428,344
Total other comprehensive income for the year	-	2,738	14,484	3,077	-	20,299
Total comprehensive income for the year	-	2,738	14,484	3,077	428,344	448,643
Dividend paid during the year	-	-	-	-	(34,847)	(34,847)
At 31 March 2024	738,502	68,041	48,616	54,136	2,262,544	3,171,838
At 31 March 2022, as previously reported	738,502	45,966	25,973	49,575	1,611,658	2,471,674
Impact of initial application of MFRS 17	-	21,042	-	-	134,319	155,362
At 1 April 2022, restated	738,502	67,008	25,973	49,575	1,745,977	2,627,036
Net profit for the year	-	-	-	-	142,647	142,647
Total other comprehensive (loss)/income for the year	-	(1,705)	8,158	1,484	-	7,937
Total comprehensive (loss)/income for the year	-	(1,705)	8,158	1,484	142,647	150,583
Dividend paid during the year	-	-	-	-	(19,577)	(19,577)
At 31 March 2023, restated	738,502	65,303	34,131	51,059	1,869,047	2,758,042

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

	31.03.2024	31.03.2023
	RM'000	RM'000
		(Restated)
Cash flows from operating activities		
Profit before zakat and taxation	498,330	175,024
Adjustments for:		
Net fair value (gains)/losses on financial assets	(144,480)	(25,882)
Net foreign exchange gains	(34,270)	(15,717)
Reversal of impairment on financial assets	2,970	(58)
Depreciation of:		
- property, plant and equipment	7,560	6,957
- right-of-use assets	4,060	3,913
Amortisation of intangible assets	7,749	15,947
Net amortisation of premiums on investments	2,960	3,678
Net losses on disposal of intangible assets	5,603	1,249
Interest/profit income	(406,215)	(311,299)
Dividend income	(11,863)	(13,249)
Rental income	(4,130)	(3,691)
Finance cost	27,245	21,552
Realised loss/(gains) on disposal of investments	4,199	(3,508)
Share of results of associates	(31,607)	10,820
Loss from operations before changes in operating assets and liabilities	(71,890)	(134,263)
Increase in placements with licensed financial institutions, islamic investment accounts and marketable securities	(525,292)	(502,714)
Purchase of investments	(255,165)	(224,874)
Decrease in staff loans	552	234
Increase/(decrease) in other receivables	(1,868)	92,590
Changes in insurance/takaful contract assets	(356,033)	(7,504)
Changes in reinsurance/retakaful contract assets	749,884	238,331
Changes in insurance/takaful contract liabilities	327,283	745,216
Changes in reinsurance/retakaful contract liabilities	9,250	22,819
Decrease in other payables	(9,180)	(286,044)
Taxes and zakat paid	(42,349)	(46,436)
Interest/profit received	182,642	201,388
Dividends received	7,257	8,995
Rental received	3,523	3,586
Net cash generated from operating activities	18,613	111,322
Cash flows from investing activities		
Purchase of property, plant and equipment	(19,709)	(19,183)
Purchase of intangible assets	(9,509)	(56,221)
Proceeds from disposal of property, plant and equipment	-	16
Net cash used in investing activities	(29,217)	(75,388)
Cash flows from financing activities		
Repayment of borrowing	(320,000)	-
Proceed from borrowing	420,000	200,000
Payment of lease liabilities	(5,200)	(3,853)
Interest/profit paid	(27,140)	(21,093)
Dividends paid	(34,847)	(19,577)
Net cash used in financing activities	(67,187)	(44,523)
Cash and bank balances		
Net decrease during the year	(77,792)	(8,588)
At beginning of the year	205,462	214,050
At end of the year	127,671	205,462

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

A1. Basis of preparation

These condensed consolidated interim financial statements of MNRB Holdings Berhad ("MNRB" or "the Company") and its subsidiaries (MNRB and its subsidiaries are collectively referred to as "the Group") as at and for the financial period ended 31 March 2024 have been prepared in accordance with MFRS 134: *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB"), the International Accounting Standard ("IAS") 134 *Interim Financial Reporting*, paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and Guidelines/Circulars issued by Bank Negara Malaysia ("BNM") and Shariah rulings and precepts.

The condensed consolidated interim financial statements should be read in conjunction with the Group's most recent audited consolidated financial statements for the financial year ended 31 March 2023, except for the financial impact relating to the adoption of MFRS 17 *Insurance contracts*.

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 2023 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 2023:

- MFRS 17 *Insurance Contracts*
- Amendments to MFRS 17 *Insurance Contracts* - Initial Application of MFRS 17 and MFRS 9 - Comparative Information
- Amendments to MFRS 101 *Presentation of Financial Statement* - Disclosure of Accounting Policies
- Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors* - Definition of Accounting Estimates
- Amendments to MFRS 112 *Income Taxes Deferred Tax* related to (i) Assets and Liabilities arising from Single Transaction and (ii) International Tax Reform - Pillar Two Model Rules

The adoption of the above accounting standards and amendments to MFRSs did not have any material impact on the financial statements of the Group except for that discussed in Note A2.

Standards issued but not yet effective

The Amendments 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 Amendments to Standards, if applicable, when they become effective:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 101 <i>Presentation of Financial Statement</i> - Non-Current Liabilities with Covenants	1 January 2024
Amendments to MFRS 7 <i>Financial Instruments : Disclosures</i> and MFRS 107 <i>Cash Flow Statement</i> - Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 16 <i>Leases</i> - Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 121 <i>The Effects of Changes in Foreign Exchange Rates</i> - Lack of Exchangeability	1 January 2025

The adoption of the above amendments to MFRSs is not expected to have any material impact on the financial statements of the Group.

A2. Initial application of MFRS 17

MFRS 17 *Insurance Contracts* replaces MFRS 4 *Insurance Contracts* for annual period beginning on or after 1 January 2023. The Group has applied MFRS 17 including any consequential amendments to the other standards, from 1 April 2023. Accordingly, the Group has restated comparative information for the financial year ended 31 March 2023, including the opening balance as at 1 April 2022, by applying the transitional provisions of MFRS 17.

The nature and effects of the key changes in the Group's accounting policies resulting from its adoption of MFRS 17 are summarised below:

(i) Changes to classification and measurement

The adoption of MFRS 17 does not change the classification of the Group's insurance, takaful, reinsurance and retakaful contracts.

MFRS 17 establishes specific principles for the recognition and measurement of insurance/takaful contracts issued and reinsurance/retakaful contracts held by the Group.

The Group has developed policies and approved technical positions that addressed the following key principles of MFRS 17:

- Identify insurance, takaful, reinsurance and retakaful contracts as those under which the Group accepts significant insurance/takaful risk from another party (the policyholder/participant) by agreeing to compensate the policyholder/participant if a specified uncertain future event adversely affects the policyholder/participant;
- Separate specified embedded derivatives, distinct investment components and distinct non-insurance goods or services from insurance/takaful and reinsurance/retakaful contracts and accounts for them in accordance with other applicable MFRS;
- Separate the insurance/takaful and reinsurance/retakaful contracts into groups it will recognise and measure;
- Recognise and measure groups of insurance/takaful and reinsurance/retakaful contracts at a risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all available information about the fulfilment cash flows in a way that is consistent with observable market information, plus an amount representing the unearned profit in the group of contracts (the contractual service margin or "CSM");
- Recognise profit from a group of insurance/takaful and reinsurance/retakaful contracts over each period the Group provides insurance/takaful coverage, as the Group's coverage expired. If a group of contracts is expected to be onerous over the remaining coverage period, the Group will recognise the loss immediately; and
- Recognise an asset for insurance/takaful acquisition cash flows in respect of acquisition cash flows paid, or incurred, before the related group of insurance/takaful and reinsurance/retakaful contracts is recognised. Such an asset is derecognised when the insurance/takaful acquisition cash flows are included in the measurement of the related group of insurance/takaful and reinsurance/retakaful contracts.

A2. Initial application of MFRS 17 (cont'd.)

(i) Changes to classification and measurement (cont'd.)

During the implementation period of MFRS 17, the Group has determined that its insurance/takaful contracts issued and reinsurance/retakaful contracts held are eligible for the measurement models below:

(a) Premium Allocation Approach ("PAA")

This model is applied for policies which have contract boundaries (i.e. coverage periods) of less than 1 year as well as for policies with contract boundaries of more than 1 year but which are able to pass the PAA eligibility test.

(b) General Measurement Model ("GMM")

This is the default measurement model for insurance/takaful and reinsurance/retakaful contracts valued using fulfilment cash flows (the present value of expected future cash flows, plus a risk adjustment) offset by the CSM which represents the unearned profit which the Group will recognise as it provides services under the contracts.

(c) Variable Fee Approach ("VFA")

VFA is used for insurance/takaful contracts with direct participation features where payments to policyholders/participants are contractually linked to and substantially vary with the underlying items.

The Group applies all the three models above for the insurance/takaful contracts issued and reinsurance/retakaful contracts held.

(ii) Changes to presentation and disclosure

For presentation purposes, the Group aggregates insurance/takaful and reinsurance/retakaful contracts held and these are presented separately in the statement of financial position as follows:

- Portfolios of insurance/takaful and reinsurance/retakaful contracts issued that are assets;
- Portfolios of reinsurance/retakaful contracts held that are assets;
- Portfolios of insurance/takaful and reinsurance/retakaful contracts issued that are liabilities; and
- Portfolios of reinsurance/retakaful contracts held that are liabilities.

The portfolios of contracts are as established at initial recognition in accordance with the requirements of MFRS 17.

Groups of insurance/takaful and reinsurance/retakaful contracts issued includes any assets for insurance/takaful acquisition cash flows.

The presentation of the statement of profit or loss and other comprehensive income change significantly upon the adoption of MFRS 17, with clear delineation of underwriting and investment results. There are no longer items such as gross, net or earned premiums/contributions or net claims incurred shown on the statement of profit or loss.

A2. Initial application of MFRS 17 (cont'd.)

(ii) Changes to presentation and disclosure (cont'd.)

Instead, the statement of profit or loss reflects the following items from the financial year ended 31 March 2024 and 31 March 2023:

- Insurance/takaful revenue;
- Insurance/takaful service expenses;
- Finance/profit income or expenses; and
- Income or expenses from retakaful/reinsurance contracts held

MFRS 17 requires more extensive disclosure requirements compared to MFRS 4. The Group provides both qualitative and quantitative disclosures about insurance/takaful and reinsurance/retakaful contracts in three main areas:

- Explanation of the amounts recognised in the Group's financial statements arising from insurance/takaful contracts;
- Significant judgements, and changes in those judgements, when applying MFRS 17; and
- The nature and extent of risks that arise from contracts within the scope of MFRS 17.

(iii) Transition

On the transition date of 1 April 2022, the Group has:

- Identified, recognised and measured each group of insurance/takaful and reinsurance/retakaful contracts as if MFRS 17 had always applied (unless impracticable), using the full retrospective approach;
- Identified, recognised and measured assets for insurance/takaful acquisition cash flows as if MFRS 17 had always applied;
- Derecognised any existing balances that would not exist had MFRS 17 always applied; and
- Recognised any resulting net difference in equity.

MFRS 17 requires to apply full retrospective approach ("FRA") for the changes in adoption of MFRS 17 to the extent practicable. If it is impracticable to apply FRA and unable to obtain reasonable and supportable information necessary, the Group chose to adopt fair value approach ("FVA").

The MFRS 17 introduces a consistent accounting measurement model for all insurance contracts by applying the General Measurement Model ("GMM"). However, due to the complexity of the GMM, MFRS 17 provides the option of using simplified approach which is the Premium Allocation Approach ("PAA"), primarily for short-term contracts. Variable Fee Approach ("VFA") was adopted for contracts with direct participation features.

A2. Initial application of MFRS 17 (cont'd.)

(iii) Transition (cont'd.)

The summary on the transition approach and measurement model choice for the companies within the Group is as below:

Segment	Product Grouping	Term	Measurement Model	Transition approach
General Takaful	All	Pre-dominantly short term	PAA	FRA
Family Takaful	Group Term Takaful and Group Hospitalisation and Surgical	Short term	PAA	FRA
	Long term product with PIF except for Unit-linked	Long term	VFA	- FVA, up to March 2020 - FRA, from April 2020 onwards
	Unit-linked and other long term product without PIF	Long term	GMM	- FVA, up to March 2020 - FRA, from April 2020 onwards
Reinsurance and Retakaful	All	Short term and long term	GMM	FVA, except for the family retakaful portfolio commencing from December 2021 which was on FRA

The implementation of MFRS 17 allows the Group to adjust its profit or loss for eligible financial assets under MFRS 9 by removing any accounting volatility to other comprehensive income that may have arisen due to the adoption of MFRS 17, within the constraints of MFRS 9.

The implementation of MFRS 17 involves various accounting judgments and assumptions. The impact of adopting MFRS 17 on 1 April 2023, with a transition date of 1 April 2022, reflects the Group's current assessment and based on the interim models and control environment that are still being validated. Hence, it is possible that the Group may determine that adjustments to its initial judgments and impact assessment are necessary as the results are still subject to audit validation.

PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D.)

A2. Initial application of MFRS 17 (cont'd.)

The adoption of MFRS17 resulted in the following effects to the Condensed Consolidated Statement of Financial Position of the Group as at 31 March 2023 and 31 March 2022:

	31.03.2023 RM'000	Effects of adoption of MFRS 17 RM'000	01.04.2023 RM'000 (Restated)	31.03.2022 RM'000	Effects of adoption of MFRS 17 RM'000	1.04.2022 RM'000 (Restated)
Assets						
Property, plant and equipment	225,802	-	225,802	211,213	-	211,213
Intangible assets	124,797	(64,549)	60,248	75,136	(2,598)	72,538
Right-of-use assets	3,368	-	3,368	5,554	-	5,554
Investments in associates	122,164	29,297	151,461	134,094	26,462	160,556
Financial and other assets	10,033,716	108,923	10,142,639	8,975,983	96,490	9,072,473
Deferred tax assets	42,618	(13,717)	28,901	38,330	(20,742)	17,588
Reinsurance/retakaful assets	850,692	(850,692)	-	952,271	(952,271)	-
Insurance/takaful receivables	706,541	(706,541)	-	614,826	(614,826)	-
Insurance/takaful contract assets	-	66,518	66,518	-	74,238	74,238
Reinsurance/retakaful contract assets	-	690,012	690,012	-	692,039	692,039
Tax recoverable	42,423	-	42,423	50,702	-	50,702
Cash and bank balances	205,462	-	205,462	214,050	-	214,050
Total assets	12,357,583	(740,751)	11,616,834	11,272,159	(701,207)	10,570,951

PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D.)

A2. Initial application of MFRS 17 (cont'd.)

	31.03.2023 RM'000	Effects of adoption of MFRS 17 RM'000	01.04.2023 RM'000 (Restated)	31.03.2022 RM'000	Effects of adoption of MFRS 17 RM'000	1.04.2022 RM'000 (Restated)
Liabilities						
Participants' funds	404,248	(404,248)	-	394,409	(394,409)	-
Insurance/takaful payables	306,616	(306,616)	-	305,499	(305,499)	-
Insurance/takaful contract liabilities	8,190,384	(337,610)	7,852,774	7,487,057	(258,321)	7,228,736
Reinsurance/retakaful contract liabilities	-	157,922	157,922	-	18,904	18,904
Borrowings	520,000	-	520,000	320,000	-	320,000
Lease liabilities	3,426	-	3,426	5,476	-	5,476
Other payables	335,669	(25,665)	310,004	277,793	75,970	353,763
Deferred tax liabilities	4,718	-	4,718	3,178	6,785	9,963
Tax payable	7,746	-	7,746	5,319	-	5,319
Provision for zakat	2,203	-	2,203	1,754	-	1,754
Total liabilities	9,775,010	(916,220)	8,858,793	8,800,485	(856,568)	7,943,916
Equity						
Share capital	738,502	-	738,502	738,502	-	738,502
Reserves	1,844,071	175,469	2,019,540	1,733,172	155,361	1,888,533
Total equity attributable to owners of the Company	2,582,573	175,469	2,758,042	2,471,674	155,361	2,627,036
Total liabilities and equity	12,357,583	(740,751)	11,616,834	11,272,159	(701,207)	10,570,951

Subsequent to the disclosure made in Quarter 3 2024, the restated opening balance as at 1 April 2023 and 1 April 2022 had been revised primarily driven by refinement in in the valuation and deferment of expenses methods, recognition of the loss components and effect from LabuanRe's adoption of MFRS 17.

**PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(CONT'D.)**

A3. Auditors' Report on preceding annual financial statements

The auditors' report on the audited financial statements for the financial year ended 31 March 2023 was not subject to any qualification.

A4. Seasonal or cyclical factors

During the financial year ended 31 March 2024, 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.

A5. 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 2024.

A6. Changes in estimates

There were no material changes in estimates used in the preparation of these condensed consolidated interim financial statements.

A7. 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 2024 other than those disclosed in note A10.

A8. Dividend paid

No dividend was paid during the fourth quarter ended 31 March 2024.

A9. Carrying amount of revalued properties

During the financial year ended 31 March 2024, the Group had revalued all its self-occupied and investment properties. This resulted in revaluation surplus of RM5,606,000 being recognised in Other Comprehensive Income and Statement of Equity as revaluation reserve.

A10. Significant events

On 22 March 2024, MNRB had early redeemed its existing Subordinated Sukuk Murabahah of RM320 million on its first call date on 22 March 2024 and issued a Subordinated Sukuk Murabahah of RM420 million in nominal value under the Sukuk Murabahah Programme pursuant to the upsized Sukuk Murabahah Programme.

A11. Subsequent events

There were no subsequent event of the Group during the financial year ended 31 March 2024.

A12. Changes in the composition of the Group

There was no change in the composition of the Group for the current financial quarter under review.

A13. Capital commitments

The amount of capital commitments of the Group as at 31 March 2024 were as follows:

	RM'000
Authorised and contracted for:	
Property, plant and equipment	3,638
Software development	9,125
	<u>12,763</u>
Authorised but not contracted for:	
Property, plant and equipment	7,610
Software development	5,761
	<u>13,371</u>

PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D.)

A14. Segmental reporting

The Group has five business segments as follows:

Segments

Investment holding and others	Investment holding and non-insurance/takaful subsidiaries
Reinsurance	Underwriting of all classes of general reinsurance business
Retakaful	Management of family and general retakaful businesses
General takaful	Management of general takaful business
Family takaful	Management of family and investment-linked takaful businesses

	Reinsurance RM'000	Retakaful RM'000	General takaful RM'000	Family takaful RM'000	Investment holding and others RM'000	Adjustments and eliminations RM'000	Group RM'000
31 March 2024							
<u>Operating Revenue</u>							
Insurance/takaful revenue	1,821,653	103,397	795,785	522,876	-	(58,832)	3,184,879
Investment income	177,697	7,120	42,609	182,567	108,740	(105,011)	413,722
Fee income	-	-	-	-	65,798	(61,955)	3,843
Total operating revenue	<u>1,999,350</u>	<u>110,517</u>	<u>838,394</u>	<u>705,443</u>	<u>174,538</u>	<u>(225,798)</u>	<u>3,602,444</u>
Profit before zakat and taxation	<u>385,843</u>	<u>10,776</u>	<u>82,858</u>	<u>21,370</u>	<u>80,159</u>	<u>(82,676)</u>	<u>498,330</u>
Profit after zakat and taxation	<u>352,640</u>	<u>9,754</u>	<u>63,524</u>	<u>10,099</u>	<u>75,003</u>	<u>(82,676)</u>	<u>428,344</u>
31 March 2023 (Restated)							
<u>Operating Revenue</u>							
Insurance/takaful revenue	1,496,356	69,400	600,121	507,349	-	(25,216)	2,648,010
Investment income	122,481	5,068	30,297	161,614	27,970	(27,821)	319,610
Fee income	-	-	-	-	70,013	(65,998)	4,015
Total operating revenue	<u>1,618,837</u>	<u>74,468</u>	<u>630,418</u>	<u>668,963</u>	<u>97,983</u>	<u>(119,035)</u>	<u>2,971,635</u>
Profit before zakat and taxation	<u>109,779</u>	<u>9,308</u>	<u>49,263</u>	<u>22,020</u>	<u>14,550</u>	<u>(29,896)</u>	<u>175,024</u>
Profit after zakat and taxation	<u>99,811</u>	<u>8,404</u>	<u>34,677</u>	<u>16,619</u>	<u>13,031</u>	<u>(29,896)</u>	<u>142,647</u>

PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D.)

A15. Unaudited condensed consolidated statement of profit or loss and consolidated statement of financial position of Reinsurance, Retakaful and Takaful business

Pursuant to Paragraph 11.4(f) of Bank Negara Malaysia's Financial Reporting Policy document issued on 29 April 2022, the breakdown of Unaudited Statement of Profit or Loss and Statements of Financial Position of Reinsurance Business, Retakaful Business, Family Takaful Business, General Takaful Business are disclosed as follows:

(a) Unaudited condensed consolidated statement of profit or loss for financial year ended 31 March 2024

	Reinsurance RM'000	Retakaful RM'000	General takaful RM'000	Family takaful RM'000	Others RM'000	Group RM'000
Insurance/takaful revenue	1,821,653	103,397	795,785	522,876	(58,832)	3,184,879
Insurance/takaful service expenses	(1,376,209)	(122,544)	(655,539)	(526,173)	34,995	(2,645,470)
Insurance/takaful service result before reinsurance/retakaful contracts held	445,444	(19,147)	140,245	(3,297)	(23,837)	539,409
Allocation of reinsurance premium/retakaful contribution	(259,417)	1,730	(248,078)	(133,952)	57,422	(582,295)
Amounts recoverable from reinsurers/retakaful operators	132,895	37,694	182,581	99,392	(34,995)	417,567
Net expense from reinsurance/retakaful contracts held	(126,522)	39,424	(65,498)	(34,560)	22,427	(164,729)
Insurance/takaful service result	318,922	20,277	74,747	(37,857)	(1,410)	374,680
Investments income on financial assets	177,697	7,120	42,609	182,567	3,730	413,722
Net realised gains and losses	(11,595)	-	(5,536)	12,999	(67)	(4,199)
Net fair value gains and losses	21,338	(2)	6,557	120,123	(3,535)	144,480
Net foreign exchange gains	42,372	0	-	-	(8,102)	34,270
Investment result	229,812	7,118	43,630	315,689	(7,974)	588,273
Net finance/profit (expenses)/income from insurance/takaful contracts issued	(201,864)	-	(15,031)	976	-	(215,920)
Net finance/profit income from reinsurance/retakaful contracts held	5,251	-	6,463	3,860	(1,534)	14,040
Net insurance/takaful financial result	(196,613)	-	(8,568)	4,836	(1,534)	(201,880)
Recognition of actual unallocated surplus	-	-	(35,974)	(254,484)	-	(290,458)
Fees and other operating income	48,535	800	-	-	(3,092)	46,243
Management and other operating (expenses)/income	(2,118)	(17,418)	9,333	(6,814)	(5,872)	(22,891)
Finance cost	(12,694)	-	(311)	-	(14,240)	(27,245)
Net other operating income and expenses	33,722	(16,618)	9,021	(6,814)	(23,204)	(3,892)
Share of results of associates	-	-	-	-	31,607	31,607
Profit/(loss) before zakat and taxation	385,844	10,776	82,857	21,370	(2,515)	498,330
Zakat	-	(127)	(1,203)	(377)	-	(1,707)
Taxation	(33,204)	(895)	(18,131)	(10,894)	(5,156)	(68,279)
Profit/(loss) after zakat and taxation	352,640	9,754	63,524	10,099	(7,671)	428,344

PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D.)

A15. Unaudited condensed consolidated statement of profit or loss and consolidated statement of financial position of Reinsurance, Retakaful and Takaful business (cont'd.)

(b) Unaudited condensed consolidated statement of profit or loss for financial year ended 31 March 2023 (Restated)

	Reinsurance RM'000	Retakaful RM'000	General takaful RM'000	Family takaful RM'000	Others RM'000	Group RM'000
Insurance/takaful revenue	1,496,356	69,400	600,121	507,349	(25,216)	2,648,010
Insurance/takaful service expenses	(1,444,574)	(82,744)	(545,954)	(493,328)	18,990	(2,547,610)
Insurance/takaful service result before reinsurance/retakaful contracts held	51,782	(13,344)	54,167	14,021	(6,226)	100,400
Allocation of reinsurance premium/retakaful contribution	(104,274)	(1,085)	(170,907)	(95,062)	24,838	(346,490)
Amounts recoverable from reinsurers/retakaful operators	76,574	30,454	145,580	87,162	(18,990)	320,781
Net expense from reinsurance/retakaful contracts held	(27,700)	29,369	(25,327)	(7,900)	5,848	(25,709)
Insurance/takaful service result	24,083	16,026	28,841	6,121	(378)	74,691
Investment income on financial assets	122,481	5,068	30,297	161,614	149	319,610
Net realised gains and losses	(1,762)	-	(1,249)	6,519	-	3,508
Net fair value gains and losses	(24,071)	(70)	(589)	37,927	12,685	25,882
Net foreign exchange gains and losses	21,845	-	-	-	(6,128)	15,717
Investment result	118,493	4,998	28,459	206,060	6,706	364,717
Net finance/profit expenses from insurance/takaful contracts issued	(38,142)	-	(4,529)	2,878	-	(39,793)
Net finance/profit income/(expenses) from reinsurance/retakaful contracts held	11,842	-	2,086	1,153	(1,240)	13,841
Net insurance/takaful financial result	(26,300)	-	(2,442)	4,031	(1,240)	(25,952)
Recognition of actual unallocated surplus	-	-	(15,057)	(183,190)	-	(198,247)
Fees and other operating income	6,377	580	-	-	2,384	9,340
Management and other operating expenses	(6,180)	(12,295)	9,867	(11,002)	2,457	(17,153)
Finance cost	(6,693)	-	(405)	-	(14,454)	(21,552)
Net other operating income and expenses	(6,496)	(11,716)	9,462	(11,002)	(9,613)	(29,365)
Share of results of associates	-	-	-	-	(10,820)	(10,820)
Profit/(loss) before zakat and taxation	109,779	9,308	49,263	22,020	(15,344)	175,024
Zakat	-	(89)	(1,028)	(312)	-	(1,429)
Taxation	(9,968)	(814)	(13,558)	(5,089)	(1,519)	(30,948)
Profit/(loss) after zakat and taxation	99,811	8,404	34,677	16,619	(16,863)	142,647

PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D.)

A15. Unaudited condensed consolidated statement of profit or loss and consolidated statement of financial position of Reinsurance, Retakaful and Takaful business (cont'd.)

(c) Unaudited condensed consolidated statement of statement of financial position as at 31 March 2024

	Reinsurance RM'000	Retakaful RM'000	General takaful RM'000	Family takaful RM'000	Others RM'000	Group RM'000
Assets						
Property, plant and equipment	137,243	1	672	85,439	11,810	235,166
Intangible assets	5,432	-	16,547	54,621	6,634	83,234
Right-of-use assets	-	-	6,608	543	(2,697)	4,454
Investments in associates	125,449	-	-	-	57,844	183,293
Financial and other assets	4,937,832	148,985	1,231,624	4,844,007	250,095	11,412,544
Deferred tax assets	-	-	53,232	10,746	744	64,722
Insurance/takaful contract assets	-	-	-	38,518	-	38,518
Reinsurance/retakaful contract assets	559,458	150,255	437,116	18,035	-	1,164,864
Tax recoverable	-	-	-	7,351	19,204	26,555
Cash and bank balances	75,424	9,048	24,418	11,616	7,164	127,671
Total assets	5,840,839	308,289	1,770,218	5,070,876	350,799	13,341,021
Liabilities						
Insurance/takaful contract liabilities	3,216,885	252,464	1,221,635	4,356,771	-	9,047,755
Reinsurance/retakaful contract liabilities	-	-	-	48,466	-	48,466
Borrowings	251,000	-	-	-	369,000	620,000
Lease liabilities	-	-	6,955	547	(6,391)	1,111
Other payables	44,948	3,412	180,046	140,823	26,651	395,880
Deferred tax liabilities	10,922	(243)	-	15,804	-	26,483
Tax payable	9,461	2,121	13,402	1,140	-	26,124
Provision for zakat	-	3	3,063	299	-	3,365
Total liabilities	3,533,217	257,756	1,425,101	4,563,850	389,260	10,169,184
Equity						
Share capital	663,106	-	230,000	405,000	(559,604)	738,502
Reserves	1,644,517	50,532	115,116	102,026	521,145	2,433,336
Total equity attributable to owners of the Company	2,307,622	50,532	345,117	507,026	(38,459)	3,171,838
Total liabilities and equity	5,840,839	308,289	1,770,218	5,070,876	350,800	13,341,021

PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D.)

A15. Unaudited condensed consolidated statement of profit or loss and consolidated statement of financial position of Reinsurance, Retakaful and Takaful business (cont'd.)

(d) Unaudited condensed consolidated statement of statement of financial position as at 31 March 2023 (Restated)

	Reinsurance RM'000	Retakaful RM'000	General takaful RM'000	Family takaful RM'000	Others RM'000	Group RM'000
Assets						
Property, plant and equipment	127,475	1	825	84,861	12,641	225,802
Intangible assets	5,901	-	11,519	38,096	4,732	60,248
Right-of-use assets	-	-	7,964	161	(4,757)	3,368
Investments in associates	113,812	-	-	-	37,648	151,461
Financial and other assets	4,288,344	116,999	1,039,364	4,616,741	81,190	10,142,639
Deferred tax assets	-	-	26,371	4,937	(2,405)	28,901
Insurance/takaful contract assets	-	-	-	66,518	-	66,518
Reinsurance/retakaful contract assets	336,981	23,690	315,843	28,702	(15,205)	690,012
Tax recoverable	11,050	(820)	-	12,501	19,693	42,423
Cash and bank balances	131,706	5,153	50,928	9,982	7,693	205,462
Total assets	5,015,269	145,023	1,452,814	4,862,500	141,225	11,616,834
Liabilities						
Insurance/takaful contract liabilities	2,639,522	113,329	1,019,304	3,968,069	112,550	7,852,774
Reinsurance/retakaful contract liabilities	-	-	-	157,922	-	157,922
Borrowings	251,000	-	-	-	269,000	520,000
Lease liabilities	-	-	8,202	165	(4,941)	3,426
Other payables	39,744	(8,818)	125,252	155,592	(1,768)	310,004
Deferred tax liabilities	13,243	(185)	-	6,402	(14,742)	4,718
Tax payable	-	-	7,436	310	-	7,746
Provision for zakat	-	-	1,961	239	3	2,203
Total liabilities	2,943,508	104,325	1,162,155	4,288,699	360,102	8,858,793
Equity						
Share capital	663,106	-	230,000	405,000	(559,604)	738,502
Reserves	1,408,656	40,697	60,660	168,801	340,727	2,019,540
Total equity attributable to owners of the Company	2,071,761	40,697	290,660	573,801	(218,878)	2,758,042
Total liabilities and equity	5,015,269	145,023	1,452,814	4,862,500	141,225	11,616,834

PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D.)

A16. Fair value information

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'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's assets are determined as follows:

- (i) The carrying amounts of financial assets, such as loans and 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) Over-the-counter derivatives comprised foreign exchange forward contracts are revalued at each reporting date, based on valuations provided by the respective counterparties in accordance with market conventions;
- (v) 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;
- (vi) 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
- (vii) Fair value of unquoted shares in Malaysia are derived using the net assets of the invested companies.

PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D.)

A16. Fair value information (cont'd.)

Description of significant unobservable inputs:

	Valuation technique	Significant Observable inputs	Range
31 March 2024/2023			
<u>Property, plant and equipment</u>			
Freehold land and office building of Malaysian Reinsurance Berhad ("MRE")	Income approach	Yield Rental per square feet	6.25% RM1.40 to RM5.40
Office buildings of Takaful Ikhlas Family Berhad ("TIFB")	Comparison approach	Sales price per square feet for similar properties	RM769 to RM1,832
<u>Unquoted shares in Malaysia</u>	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.

PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D.)

A16. Fair value information (cont'd.)

Financial instruments that are measured at fair value disclosed under Levels 1, 2 and 3 of the fair value hierarchy as at 31 March 2024:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets				
a) Property, plant and equipment				
Freehold land	-	-	46,000	46,000
Building	-	-	164,398	164,398
	<u>-</u>	<u>-</u>	<u>210,398</u>	<u>210,398</u>
b) Financial assets at FVTPL				
<u>Designated upon initial recognition</u>				
Government investment issues	-	1,519,411	-	1,519,411
Unquoted islamic private debt securities	-	1,405,231	-	1,405,231
<u>Mandatorily measured</u>				
Quoted shares in Malaysia:				
Shariah approved equities	149,228	-	-	149,228
Others	97,394	-	-	97,394
Unquoted perpetual bond in Malaysia	-	5,799	-	5,799
Unquoted corporate debt securities	-	-	-	-
Shariah approved unit trust funds	456,831	-	-	456,831
Real estate investment trusts	10,496	-	-	10,496
Derivatives ⁽ⁱ⁾	-	(319)	-	(319)
	<u>713,947</u>	<u>2,930,121</u>	<u>-</u>	<u>3,644,068</u>
c) Financial assets at FVOCI				
Malaysian government securities	-	301,812	-	301,812
Government investment issues	-	569,248	-	569,248
Unquoted corporate debt securities	-	980,227	-	980,227
Unquoted shares in Malaysia	-	-	87,666	87,666
Unquoted Islamic private debt securities	-	279	-	279
Golf club memberships	50	65	118	233
	<u>50</u>	<u>1,851,631</u>	<u>87,784</u>	<u>1,939,464</u>

PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D.)

A16. Fair value information (cont'd.)

Financial instruments that are measured at fair value disclosed under Levels 1, 2 and 3 of the fair value hierarchy as at 31 March 2023:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets				
a) Property, plant and equipment				
Freehold land	-	-	36,800	36,800
Building	-	-	162,891	162,891
	<u>-</u>	<u>-</u>	<u>199,691</u>	<u>199,691</u>
b) Financial assets at FVTPL				
<u>Designated upon initial recognition</u>				
Government investment issues	-	1,414,505	-	1,414,505
Unquoted islamic private debt securities	-	1,436,711	-	1,436,711
<u>Mandatorily measured</u>				
Quoted shares in Malaysia:				
Shariah approved equities	166,292	-	-	166,292
Others	56,296	-	-	56,296
Unquoted perpetual bond in Malaysia	-	4,884	-	4,884
Unquoted corporate debt securities	-	5,576	-	5,576
Shariah approved unit trust funds	346,407	-	-	346,407
Real estate investment trusts	14,553	-	-	14,553
Derivatives ⁽ⁱ⁾	-	69	-	69
	<u>583,548</u>	<u>2,861,745</u>	<u>-</u>	<u>3,445,293</u>
c) Financial assets at FVOCI				
Malaysian government securities	-	89,773	-	89,773
Government investment issues	-	685,736	-	685,736
Unquoted corporate debt securities	-	635,572	-	635,572
Unquoted shares in Malaysia	-	-	87,119	87,119
Unquoted Islamic private debt securities	-	305,469	-	305,469
Golf club memberships	50	65	233	233
	<u>50</u>	<u>1,716,615</u>	<u>87,352</u>	<u>1,803,902</u>

PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D.)

A16. Fair value information (cont'd.)

(i) Derivatives

Derivative financial instruments are measured at fair value together with their corresponding contract/notional amounts:

	<----- 31.03.2024 ----->			<----- 31.03.2023 ----->		
	Notional Amount RM'000	Asset RM'000	Liability RM'000	Notional Amount RM'000	Asset RM'000	Liability RM'000
Trading derivative						
Forward foreign exchange contracts, less than 3 years	68,838	-	(319)	195,766	69	-

Derivative financial instruments are initially recognised at fair value, which is normally zero or negligible at inception and subsequently remeasured at their fair value. All derivatives are carried as assets when fair value is positive/net gain position and as liabilities when fair value is negative/net loss position. Changes in the fair value of any derivatives that do not qualify for hedge accounting are recognised immediately in profit or loss.

The notional amount recorded at gross is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the end of the financial year and are neither indicative of the market risk nor the credit risk.

The Group's derivatives are subject to credit risk, market risk and liquidity risk as follows:

Credit Risk

Credit risk is the risk of financial loss resulting from the failure of the Group's counterparties to fulfil their contractual obligations to repay their commitments. As at 31 March 2024, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was nil (31 March 2023: RM 69,000). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Market Risk

Market risk on derivatives is the potential loss to the value of these contracts due to changes in foreign exchange rates. The notional or contractual amounts provide only the volume of transactions outstanding at the reporting date and do not represent the amount at risk. Exposure to market risk may be reduced by offsetting items from on and off-balance sheet positions.

Liquidity Risk

Liquidity risk on derivatives is the risk that the derivative position cannot be closed out promptly. Exposure to liquidity risk is reduced through contracting derivatives where the underlying items are widely traded.

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PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D.)

A17. Insurance/takaful contract assets/liabilities and reinsurance/retakaful contract assets/liabilities

	31.03.2024			31.03.2023		
	Remaining coverage RM'000	Incurred claims RM'000	Total RM'000	Remaining coverage RM'000	Incurred claims RM'000	Total RM'000
Assets						
Insurance/takaful contract	-	38,518	38,518	19,800	46,718	66,518
Reinsurance/retakaful contract	875,537	289,327	1,164,864	394,262	295,749	690,012
	875,537	327,845	1,203,382	414,062	342,467	756,530
Liabilities						
Insurance/takaful contract	4,909,548	4,138,207	9,047,755	4,285,385	3,567,389	7,852,774
Reinsurance/retakaful contract	-	48,466	48,466	82,252	75,670	157,922
	4,909,549	4,186,673	9,096,221	4,367,637	3,643,059	8,010,696

PART B: EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of performance

The Group

For the year ended 31 March 2024, the Group recorded a 21.2% or RM631.0 million growth in operating revenue from RM3.0 billion to RM3.6 billion. The growth was primarily contributed by the increase in the Group's insurance/takaful revenue by RM536.9 million due to strong growth in the general takaful and reinsurance businesses. The growth in operating revenue was also due to better investment income by RM94.1 million.

The Group recorded a significantly higher profit before tax ("PBT") for the financial year ended 31 March 2024 by RM323.3 million from RM175.0 million to RM498.3 million. The increase was mainly due to the following:-

- improved insurance/takaful service result of the reinsurance and general takaful businesses as a result of better claims experience compared with corresponding year;
- better investment income due to higher investment returns from equity, fixed income and deposits; and
- improved share of results of associates compared to a share of loss in the corresponding year.

Investment holding and non-insurance/takaful subsidiaries

The investment holding and non-insurance/takaful subsidiaries recorded higher operating revenue and PBT by RM76.6 million and RM65.6 million respectively for the financial year ended 31 March 2024. This was due to higher dividend income from subsidiaries.

Reinsurance Business

Operating revenue of this segment increased by RM380.5 million or 23.5% mainly driven by the growth in insurance revenue by RM325.3 million contributed by Specialty business, Domestic and Overseas Treaties from Middle East and North Africa business portfolio as well as an increase in investment income of RM55.2 million.

PBT of this segment increased significantly by RM276.1 million from RM109.8 million to RM385.8 million. The significant increase was primarily driven by better insurance service result due to better claims experience in current year as compared to the previous year which was affected by catastrophic and large losses, coupled with higher investment income and favourable fair value movements from investments.

Retakaful Business

The operating revenue of this segment recorded a growth of RM36.1 million or 48.4%, predominantly due to increase in the family retakaful revenue by RM34.0 million and investment income of RM2.1 million.

PBT of this segment recorded an increase of RM1.5 million to RM9.3 million mainly due to higher investment income.

General Takaful Business

The operating revenue of this segment recorded RM838.4 million, representing an increase of RM208.0 million or 33.0% primarily due to growth in takaful revenue of RM195.7 million and investment income by RM12.3 million. The increase in takaful revenue was mainly due to higher gross contribution from all classes of business.

PBT of this segment increased by RM33.6 million from RM49.3 million to RM82.9 million. This was primarily due to higher takaful service result attributable to significantly higher gross contribution, coupled with better investment result.

PART B: EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D.)

B1. Review of performance (cont'd.)

Family Takaful Business

The operating revenue of this segment recorded RM705.4 million, representing an increase of RM36.5 million mainly due to higher investment income by RM21.0 million attributable to overall favourable returns from equity, fixed income and deposits.

PBT of this segment recorded a decrease of RM0.6 million from RM22.0 million to RM21.4 million. This was mainly due to unfavourable takaful service results arising from higher takaful service expenses, partially offset by favourable investment results.

B2. Review of current quarter profitability against immediate preceding quarter

The Group's PBT increased significantly in the current quarter by RM167.6 million, from RM97.4 million to RM265.0 million. The increase was mainly due to the following:-

- higher insurance/ takaful service result of RM272.6 million arising from lower insurance/ takaful service expense predominantly driven by better claims experience in relation to catastrophic losses;
- higher share of results of associates by RM18.0 million due to better insurance/ takaful service result; and
- better investment results by RM6.3 million attributable to overall favourable returns from equity, fixed income and deposits.

However, the increase is offset by higher insurance finance income and expenses by RM107.0 million due to interest accretion recognition, as a result of increase in the average yield rate and foreign exchange loss on the claims for international business due to weakening of the RM against USD and Euro.

B3. Current year prospect

Malaysia's GDP is expected to remain stable while poised for growth, reflecting the nation's economic resilience amid prevailing challenges. The key drivers for growth include resilient domestic expenditure, continued investment momentum, and gradual trade recoveries. Stable employment conditions and wage increases support robust household spending, while elevated tourism activities contribute to sustained domestic demand. The progress of multi-year projects in the private and public sectors fuels investment momentum, while additional stimulus under the national master plans further enhances investment prospects. Gradual trade recoveries are expected to be in alignment with the rebound in global trade, technology upcycles, and higher commodity prices. We expect the ongoing geopolitical conflicts to dampen these trajectories, weakening the expected global growth and increasing pressure on commodity production. Additionally, the domestic enforcement of subsidy rationalization measures may also impact growth.

The takaful segment continues to grow, driven by various initiatives to increasing sales through Agency, Bancatakaful and Corporate distribution channels. The national economic plans announced by the government, including the National Energy Transition Roadmap (NETR), the New Industrial Master Plan 2030 (NIMP 2030), and the Madani Economy: Empowering the People framework is expected to enhance the positive trajectory. The Group's aim is to accelerate business growth and scale, while enhancing operational efficiency by leveraging on digitalisation measures to offer excellent customer experience and easy access to transactional online platforms.

In the Group's reinsurance and retakaful sectors, despite the continued dominance in the domestic industry, a proactive stance to risk diversification, pursuing growth in overseas markets and venturing into specialised business lines remains a top priority. With the increasing frequency and/or severity of climate-related disasters, the Group maintains a disciplined underwriting approach, emphasising the efficient use of capital and implementing appropriate retrocession protection program.

PART B: EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D.)

B3. Current year prospect (cont'd.)

The Group continues to expect a challenging economic environment locally and globally as inflationary pressures around the world remains elevated amidst soaring energy prices, supply chain shocks and geopolitical risks in the Middle East and Ukraine. This has kept interest rates high, further constraining credit rating and risking slower growth. With the Overnight Policy Rate remaining at 3.0% for the rest of this year, a continuation of the Group's strategic approach to asset allocation focusing on high yielding securities with strong fundamentals, will continue to be integral to capital preservation for the Group. For alpha enhancement purposes, the Group sees opportunities in the local equity market amidst clarity in the national energy agenda under the National Energy Transition Plan, the National Industrial Masterplan 2030, the development of the Johor-Singapore Special Economic Zone, recovery in the global chip sector and stable domestic growth.

The Group is committed to balancing its economic performance with environmental, social and governance (ESG) considerations, targeting to become a Net Zero Carbon organisation by 2050 as outlined in its enhanced Group Sustainability Roadmap. In FY2024, MNRB implemented its Sustainability Investing Guide to reduce Greenhouse Gas (GHG) emissions in its investment portfolios and to support securities that have a positive ESG impact. Moving forward, the Group will adopt a more proactive stance towards sustainability, surpassing mere compliance to safeguard business growth and stakeholders' interests, while fostering social and economic justice within its operational space and ensuring a measured and steady progress of our Sustainability Commitments.

B4. Explanatory note for variance from profit forecast

There was no profit forecast issued by the Group during the year ended 31 March 2024.

B5. Status of corporate proposal

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

B6. Off balance sheet financial instruments

There were no financial instruments with material off balance sheet risk as at the date of this report except as disclosed in A16.

B7. Material litigation and contingent liability

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

PART B: EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D.)

B8. Investment result

	Current quarter		Cumulative quarters	
	Three months ended		Twelve months ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Investments income on financial assets				
Interest/profit income	105,716	90,138	406,215	311,299
Dividend income	4,190	5,436	11,863	13,249
(Net amortisation of premiums)/accretion of discount on investments	(148)	(1,476)	(4,356)	(4,938)
	<u>109,758</u>	<u>94,098</u>	<u>413,722</u>	<u>319,610</u>
Net realised gains and losses				
Government investment issues	(836)	3,721	8,682	5,496
Unquoted islamic private debt securities	(659)	921	588	1,365
Quoted shares in Malaysia	9,415	(3,434)	(13,399)	(4,009)
Shariah approved unit trust funds	723	559	(70)	657
	<u>8,643</u>	<u>1,767</u>	<u>(4,199)</u>	<u>3,508</u>
Net fair value gains and losses				
Unquoted corporate debt securities	(3,914)	1,014	(10,699)	9,859
Government investment issues	8,877	7	31,912	(49)
Unquoted islamic private debt securities	10,357	(132)	28,641	(17,187)
Quoted shares in Malaysia	35,488	63,818	94,626	33,258
	<u>50,808</u>	<u>64,705</u>	<u>144,480</u>	<u>25,882</u>
Net foreign exchange gains				
Deposit placements	14,077	6,193	37,709	6,656
Shariah approved unit trust funds	(2,594)	2,803	(2,536)	2,802
	<u>10,581</u>	<u>15,254</u>	<u>34,270</u>	<u>15,717</u>
Total investments return	<u>179,790</u>	<u>175,824</u>	<u>588,273</u>	<u>364,717</u>

PART B: EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D.)

B9. Taxation

	Current quarter		Cumulative quarters	
	Three months ended		Twelve months ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Profit before zakat and taxation	265,017	110,742	498,330	175,024
Taxation:				
Current tax	(21,728)	(8,245)	(13,084)	(14,474)
Deferred tax	(10,332)	(7,128)	(55,194)	(16,473)
	<u>(32,059)</u>	<u>(15,375)</u>	<u>(68,279)</u>	<u>(30,948)</u>
Effective tax rate	<u>12.1%</u>	<u>13.9%</u>	<u>13.7%</u>	<u>17.7%</u>

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

B10. Borrowings and debt securities

The Group borrowings as at 31 March 2024 were as follows:

	31.03.2024	31.03.2023
	RM'000	RM'000
		(Restated)
Unsecured long term borrowings:		
Sukuk Murabahah due on 22 March 2034/22 March 2029	420,000	320,000
Subordinated Debt due on 26 October 2032	200,000	200,000
	<u>620,000</u>	<u>520,000</u>

PART B: EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D.)

B11. Earnings per share

	Current quarter		Cumulative quarters	
	Three months ended		Twelve months ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Net profit for the year (RM'000)	232,631	94,947	428,344	142,647
Number of ordinary shares in issue ('000)	783,088	783,088	783,088	783,088
Basic earnings/(loss) per share (sen)	29.71	12.12	54.70	18.22

B12. Additional disclosures for the income statement

	Current quarter		Cumulative quarters	
	Three months ended		Twelve months ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Fair value losses on derivative	(8,440)	-	(9,364)	-

By Order of the Board

LENA BINTI ABD LATIF (LS 8766)
Company Secretary

Kuala Lumpur
Dated: 8 May 2024