



Bursa Announcement

Second Quarter Ended 30 September 2020



MNRB HOLDINGS BERHAD

(197201001795 (13487-A))

INTERIM FINANCIAL STATEMENTS

(The figures have not been audited)

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

	GROUP			
	Individual period		Cumulative year	
	3 months ended 30 September 2020	3 months ended 30 September 2019	6 months ended 30 September 2020	6 months ended 30 September 2019
	RM'000	RM'000	RM'000	RM'000
Gross earned premiums/contributions	622,021	538,774	1,110,945	1,017,608
Premiums/contributions ceded to reinsurers and retakaful operators	(107,053)	(73,885)	(161,281)	(140,810)
Net earned premiums/contributions	514,968	464,889	949,664	876,798
Investment income	66,867	68,304	134,318	143,653
Realised gains	2,831	73,181	5,766	79,358
Fair value gains	22,389	15,457	124,946	94,239
Fee and commission income	13,129	9,934	21,706	18,665
Other operating revenue	2,416	2,594	7,320	8,910
Other revenue	107,632	169,470	294,056	344,825
Gross claims and benefits paid	(269,011)	(334,206)	(486,017)	(678,133)
Claims ceded to reinsurers/retakaful operators	36,177	53,963	56,494	139,790
Gross change in contract liabilities	(211,196)	(77,195)	(321,261)	(177,280)
Change in contract liabilities ceded to reinsurers/retakaful operators	10,132	12,963	(56,556)	(16,125)
Net claims and benefits	(433,898)	(344,475)	(807,340)	(731,748)
Fee and commission expense	(109,766)	(114,638)	(209,472)	(207,529)
Management expenses	(63,002)	(65,942)	(116,070)	(119,893)
Finance cost	(4,201)	(4,440)	(8,408)	(8,632)
Other operating expenses	(14,044)	1,697	(18,647)	(1,769)
Change in expenses liabilities	(2,789)	1,275	(1,981)	1,657
Tax borne by participants	(1,407)	(10,229)	(14,585)	(20,147)
Other expenses	(195,209)	(192,277)	(369,163)	(356,313)
Share of results of associates	5,282	(391)	9,079	1,585
Operating (loss)/profit before deficit/(surplus) attributable to takaful participants, zakat and taxation	(1,225)	97,216	76,296	135,147
Deficit/(surplus) attributable to takaful participants	48,436	(41,444)	28,894	(36,093)
Operating profit before zakat and taxation	47,211	55,772	105,190	99,054
Zakat	(406)	(421)	(640)	(786)
Taxation	(4,449)	(6,835)	(11,388)	(11,840)
Net profit for the period attributable to equity holders of the Company	42,356	48,516	93,162	86,428
Basic earnings per share attributable to equity holders of the Company (sen):	5.0	6.0	12.0	11.0

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



MNRB HOLDINGS BERHAD

(197201001795 (13487-A))

INTERIM FINANCIAL STATEMENTS

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

	GROUP			
	Individual period		Cumulative year	
	3 months ended 30 September 2020	3 months ended 30 September 2019	6 months ended 30 September 2020	6 months ended 30 September 2019
	RM'000	RM'000	RM'000	RM'000
Net profit for the period	42,356	48,516	93,162	86,428
Other comprehensive income/(loss):				
Other comprehensive income to be reclassified to income statement in subsequent periods:				
Effects of post acquisition foreign exchange translation reserve on investment in associate	(4,013)	2,107	(111)	4,570
Effects of foreign exchange translation reserve on investment in subsidiary	(327)	125	(384)	349
Net (loss)/gain on financial assets at fair value of comprehensive income ("FVOCI"):				
Net gain/(loss) on fair value changes	29,103	(2,178)	59,032	15,268
Realised gain/(loss) transferred to income statement	2,810	10,747	(1,579)	10,669
Deferred tax relating to net gain on financial assets at FVOCI	(9,405)	(9,341)	(798)	(1,328)
Other comprehensive loss attributable to participants	(2,593)	1,064	(7,106)	(4,832)
Other comprehensive (loss)/income not to be reclassified to income statement in subsequent years:				
Net (loss)/gain on fair value changes	905	499	1,578	998
Deferred tax on fair value changes	(41)	(40)	(82)	(80)
Total comprehensive income for the period	58,795	51,499	143,712	112,042

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



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020

	GROUP	
	Unaudited	Audited
	30 September 2020 RM'000	31 March 2020 RM'000
Assets		
Property, plant and equipment	203,253	204,189
Intangible assets	68,842	36,578
Right-of-use asset	5,890	4,548
Investment in associates	143,290	133,282
Financial assets	8,294,613	7,754,754
Deferred tax assets	15,812	15,404
Reinsurance/retakaful assets	454,915	497,328
Insurance/takaful receivables	416,242	381,703
Tax recoverable	64,939	68,604
Cash and bank balances	82,156	118,417
Total assets	9,749,952	9,214,807
Liabilities and Participants' funds		
Participants' funds	298,900	332,738
Borrowings	320,000	320,000
Insurance/takaful contract liabilities	6,230,859	5,843,073
Lease liability	5,598	4,219
Insurance/takaful payables	157,295	169,851
Other payables	289,026	250,306
Deferred tax liabilities	23,072	11,946
Provision for taxation	7,702	9,423
Provision for zakat	2,001	1,464
Total liabilities and participants' funds	7,334,453	6,943,020
Equity		
Share capital	738,502	738,502
Reserves	1,676,997	1,533,285
Total equity attributable to equity holders of the Company	2,415,499	2,271,787
Total liabilities, participants' funds and equity	9,749,952	9,214,807
Net assets per share (RM)	3.27	3.08

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



MNRB HOLDINGS BERHAD
(197201001795 (13487-A))

INTERIM FINANCIAL STATEMENTS
(The figures have not been audited)

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

	GROUP						
	Attributable to Equity Holders of the Company						
	Share capital RM'000	Reserves					Total RM'000
		Non-distributable			Distributable		
Foreign exchange translation reserve RM'000		Fair value reserve RM'000	Revaluation reserve RM'000	Retained profits brought forward RM'000	Net profit RM'000		
At 1 April 2020	738,502	53,800	68,910	48,018	1,362,557	-	2,271,787
Total comprehensive (loss)/income for the year	-	(495)	51,045	-	-	93,162	143,712
At 30 September 2020	738,502	53,305	119,955	48,018	1,362,557	93,162	2,415,499

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

	GROUP						
	Attributable to Equity Holders of the Company						
	Share capital RM'000	Reserves					Total RM'000
		Non-distributable			Distributable		
Foreign exchange translation reserve RM'000		Fair value reserve RM'000	Revaluation reserve RM'000	Retained profits brought forward RM'000	Net profit RM'000		
At 1 April 2019, as previously stated	722,306	43,329	58,457	47,059	1,248,501	-	2,119,652
Impact of adopting MFRS 16	-	-	-	-	(180)	-	(180)
At 1 April 2019, as restated	722,306	43,329	58,457	47,059	1,248,321	-	2,119,472
Total comprehensive income for the year	-	4,919	20,695	-	-	86,428	112,042
At 30 September 2019	722,306	48,248	79,152	47,059	1,248,321	86,428	2,231,514

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



MNRB HOLDINGS BERHAD

(197201001795 (13487-A))

INTERIM FINANCIAL STATEMENTS
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

	GROUP	
	6 months ended 30 September 2020	6 months ended 30 September 2019
	RM'000	RM'000
Cash flows from operating activities		
Profit before surplus transfer, zakat and tax	105,190	99,054
Adjustments for:		
Net fair value gains	(125,269)	(170,847)
Impairment losses on FVOCI financial assets	55	-
(Reversal of impairment losses)/impairment losses on other receivables	(4,386)	3,340
Net impairment losses on insurance/takaful receivables	4,598	5,969
Depreciation of property, plant and equipment	4,672	5,433
Amortisation of intangible assets	4,466	2,702
Tax borne by participants	15,108	-
Gains on disposal of property, plant and equipment	(2)	(1)
Increase in gross premium and contribution liabilities	24,389	47,495
Interest/profit income	(131,557)	(101,103)
Dividend income	(6,490)	(3,764)
Rental income	2,206	(3,171)
Finance cost	8,408	8,543
Net gains on disposal of investments	(5,764)	(79,359)
Net amortisation of premiums on investments	4,590	2,557
Share of results of associates	(9,079)	(1,585)
Loss from operations before changes in operating assets and liabilities	(108,865)	(184,737)
Increase in placements with licensed financial institutions, Islamic investment accounts and marketable securities	(338,231)	(491,877)
Proceeds from investments	20,767	443,032
Decrease/(increase) in staff loans	1,474	(2,282)
Increase in insurance/takaful receivables	(39,137)	(64,876)
(Increase)/decrease in other receivables	(13,070)	6,440
Increase in gross claim liabilities, actuarial liabilities and unallocated surplus	177,343	204,582
Increase/(decrease) in expense liabilities	1,981	(4,008)
Increase/(decrease) in participants' funds	142,749	(124,496)
Decrease in reinsurance and retakaful assets	42,413	21,932
Decrease in insurance/takaful payables	(12,557)	(11,142)
Increase in other payables	48,130	154,147
Taxes and zakat	(24,768)	(18,588)
Interest/profit received	115,326	108,856
Dividend received	500	6,332
Rental received	(963)	3,053
Net cash generated from operating activities	13,092	46,368



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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020 (CONT'D.)

	GROUP	
	6 months ended 30 September 2020	6 months ended 30 September 2019
	RM'000	RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,190)	(418)
Purchase of intangible assets	(36,728)	(3,370)
Proceeds from disposal of property, plant and equipment	(3)	17
Net cash used in investing activities	(40,921)	(3,771)
Cash flows from financing activities		
Interest/profit paid	(8,345)	(8,583)
Payment of lease liabilities	(87)	(1,805)
Net cash used in financing activities	(8,432)	(10,388)
Cash and bank balances		
Net (decrease)/increase during the period	(36,261)	32,209
At the beginning of the year	118,417	51,675
At the end of the period	82,156	83,884

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



MNRB HOLDINGS BERHAD
(197201001795 (13487-A))
INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020
(The figures have not been audited)

PART A – NOTES TO THE INTERIM FINANCIAL STATEMENTS

A1. Basis of preparation

The interim financial statements should be read in conjunction with the Group's most recent audited financial statements for the financial year ended 31 March 2020.

The significant accounting policies and methods of computation adopted in the unaudited condensed interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 March 2020 except for the adoption of the following accounting standards, Interpretations Committee ("IC") Interpretations and amendments/improvements to Malaysian Financial Reporting Standards ("MFRSs") issued by the Malaysian Accounting Standards Board ("MASB") that are effective for the Group's financial year beginning 1 April 2020:

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

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

MFRS 17 Insurance Contracts ("MFRS 17")

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

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

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

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

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



MNRB HOLDINGS BERHAD
(197201001795 (13487-A))
INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020
(The figures have not been audited)

PART A – NOTES TO THE INTERIM FINANCIAL STATEMENTS

A2. Auditors' Report on preceding annual financial statements

The auditors' report on the audited financial statements for the financial year ended 31 March 2020 was not subject to any qualification.

A3. Seasonal or cyclical factors

During the financial period ended 30 September 2020, 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 30 September 2020.

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 second quarter ended 30 September 2020.

A7. Dividend paid

No dividend was paid during the second quarter ended 30 September 2020.



MNRB HOLDINGS BERHAD
(197201001795 (13487-A))
INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020
(The figures have not been audited)

PART A – NOTES TO THE INTERIM FINANCIAL STATEMENTS

A8. Segmental reporting

Financial period ended 30 September 2020

	Investment Holding RM'000	Reinsurance Business RM'000	General Takaful Business RM'000	Family Takaful Business RM'000	Retakaful Business RM'000	Others RM'000	Intra-Group Adjustments RM'000	Consolidated RM'000
Revenue								
External	1,316	695,798	215,545	333,942	26,066	4,653	-	1,277,320
Inter-segment	108,476	866	1,071	929	-	1,446	(112,788)	-
	109,792	696,664	216,616	334,871	26,066	6,099	(112,788)	1,277,320
Results								
Segment results	86,206	46,699	11,598	(2,404)	4,236	126	(79,244)	67,217
Share of results of associates	(107)	9,186	-	-	-	-	-	9,079
Operating (loss)/profit before surplus attributable to takaful participants, zakat and taxation	86,099	55,885	11,598	(2,404)	4,236	126	(79,244)	76,296
Deficit attributable to takaful participants	-	-	9,922	18,972	-	-	-	28,894
Operating profit/(loss) before zakat and taxation	86,099	55,885	21,520	16,568	4,236	126	(79,244)	105,190
Zakat and taxation	829	(3,794)	(5,832)	(2,947)	(284)	-	-	(12,028)
Net profit/(loss) for the period attributable to equity holders of the Company	86,928	52,091	15,688	13,621	3,952	126	(79,244)	93,162

Financial period ended 30 September 2019

	Investment Holding RM'000	Reinsurance Business RM'000	General Takaful Business RM'000	Family Takaful Business RM'000	Retakaful Business RM'000	Others RM'000	Intra-Group Adjustments RM'000	Consolidated RM'000
Revenue								
External	1,012	672,044	157,533	359,506	19,458	5,693	-	1,215,246
Inter-segment	22,250	228	-	-	-	1,720	(24,198)	-
	23,262	672,272	157,533	359,506	19,458	7,413	(24,198)	1,215,246
Results								
Segment results	(1,190)	52,324	18,336	68,220	1,852	165	(6,145)	133,562
Share of results of associates	320	1,265	-	-	-	-	-	1,585
Operating profit/(loss) before deficit attributable to takaful participants, zakat and taxation	(870)	53,589	18,336	68,220	1,852	165	(6,145)	135,147
Deficit attributable to takaful participants	-	-	(7,155)	(28,938)	-	-	-	(36,093)
Operating (loss)/profit before zakat and taxation	(870)	53,589	11,181	39,282	1,852	165	(6,145)	99,054
Zakat and taxation	(1,055)	(4,186)	(2,523)	(4,714)	(148)	-	-	(12,626)
Net (loss)/profit for the period attributable to equity holders of the Company	(1,925)	49,403	8,658	34,568	1,704	165	(6,145)	86,428



MNRB HOLDINGS BERHAD
(197201001795 (13487-A))
INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020
(The figures have not been audited)

PART A – NOTES TO THE INTERIM FINANCIAL STATEMENTS

A9. Carrying amount of revalued properties

The valuation of property, plant and equipment and investment properties have been brought forward, without any change, from the financial statements for the financial year ended 31 March 2020.

A10. Significant events

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

- (i) The reinsurance and retakaful businesses had seen some increase in claims reserve;
- (ii) The general takaful business had seen some reduction in Personal Lines products, and
- (iii) The family takaful business had also seen some reduction in business in Q1, especially from the agency and bancatakaful channels. Nevertheless, in Q2 with the relaxation of MCO, there were clear signs of recovery, especially in its regular contribution business.

A11. Subsequent events

As announced on 17 September 2020, the Board of Directors of MNRB ("Board") had declared an interim cash dividend in respect of the financial year ending 31 March 2021 ("Interim Dividend") of 3 sen per ordinary share amounting to approximately RM23,492,631. The said dividend was paid on 23 October 2020.

A12. Changes in the composition of the Group

There were no significant changes in the composition of the Group during the financial period ended 30 September 2020.

A13. Capital Commitments

The amount of capital commitments of the Group as at 30 September 2020 were as follows:

	RM'000
Authorised and contracted for:	
- Tangible assets	4,313
- Intangible assets*	10,180
	<u>14,493</u>
Authorised but not contracted for:	
- Property, plant and equipment	4,746
- Intangible assets*	36,171
	<u>40,917</u>

* Relating to purchases and enhancement of computer systems.

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

(i) Unaudited as at 30 September 2020

	General reinsurance and shareholders' fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	General retakaful fund RM'000	Family retakaful fund RM'000	Elimination and adjustment RM'000	Consolidated RM'000
Assets							
Property, plant and equipment	121,474	-	-	-	-	81,779	203,253
Investment properties	-	-	81,620	-	-	(81,620)	-
Intangible assets	68,842	-	-	-	-	-	68,842
Right-of-use asset	12,838	-	-	-	-	(6,948)	5,890
Investment in subsidiaries	1,304,476	-	-	-	-	(1,304,476)	-
Investment in associates	118,152	-	-	-	-	25,138	143,290
Deferred tax assets	12,508	3,306	-	-	-	(2)	15,812
Financial assets	4,330,833	556,747	3,512,379	59,177	4,956	(169,479)	8,294,613
Reinsurance/retakaful assets	204,209	175,519	62,252	5,540	7,395	-	454,915
Insurance/takaful receivables	326,927	47,314	22,487	16,118	3,396	-	416,242
Tax recoverable	67,905	-	-	(2,527)	(439)	-	64,939
Cash and bank balances	34,307	5,863	41,797	126	63	-	82,156
Total assets	6,602,471	788,749	3,720,535	78,434	15,371	(1,455,608)	9,749,952
Liabilities and Participants' funds							
Participants' funds	-	147,491	152,794	-	-	(1,385)	298,900
Borrowings	321,000	-	-	-	-	(1,000)	320,000
Insurance/takaful contract liabilities	2,218,457	517,566	3,412,422	68,971	13,331	112	6,230,859
Lease liability	12,759	-	-	-	-	(7,161)	5,598
Insurance/takaful payables	78,140	43,190	25,494	8,559	1,912	-	157,295
Other payables	254,206	80,502	107,946	816	102	(154,546)	289,026
Deferred tax liabilities	2,857	-	19,670	88	26	431	23,072
Provision for taxation	5,493	-	2,209	-	-	-	7,702
Provision for zakat	2,001	-	-	-	-	-	2,001
Total liabilities and participants' funds	2,894,913	788,749	3,720,535	78,434	15,371	(163,549)	7,334,453
Equity							
Share capital	2,043,108	-	-	-	-	(1,304,606)	738,502
Reserves	1,664,450	-	-	-	-	12,547	1,676,997
Total equity attributable to equity holders of the Parent	3,707,558	-	-	-	-	(1,292,059)	2,415,499
Total liabilities, participants' funds and equity	6,602,471	788,749	3,720,535	78,434	15,371	(1,455,608)	9,749,952

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

(ii) As at 31 March 2020

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

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

(i) 6 months ended 30 September 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	639,627	188,801	264,716	15,640	4,227	(2,066)	1,110,945
Premiums/contributions ceded to reinsurers and retakaful operators	(24,869)	(94,806)	(39,050)	461	(3,055)	38	(161,281)
Net earned premiums/contributions	614,758	93,995	225,666	16,101	1,172	(2,028)	949,664
Investment income	148,244	8,617	63,851	970	361	(87,725)	134,318
Realised gains	3,097	562	2,107	-	-	-	5,766
Fair value (losses)/gains	(1,180)	(168)	124,902	-	41	1,351	124,946
Fee and commission income	208,705	17,603	2	121	-	(204,725)	21,706
Other operating revenue	3,095	-	202	85	3	3,935	7,320
Other revenue	361,961	26,614	191,064	1,176	405	(287,164)	294,056
Gross claims and benefit paid	(297,955)	(59,250)	(121,808)	(256)	(3,697)	(3,051)	(486,017)
Claims ceded to reinsurers/retakaful operators	4,557	22,824	26,540	(2,812)	2,334	3,051	56,494
Gross change in contract liabilities	(80,746)	4,036	(237,281)	(5,608)	3,884	(5,546)	(321,261)
Change in contract liabilities ceded to reinsurers/retakaful operators	(47,679)	(19,658)	9,644	1,132	5	-	(56,556)
Net claims and benefits	(421,823)	(52,048)	(322,905)	(7,544)	2,526	(5,546)	(807,340)
Fee and commission expenses	(209,603)	(76,307)	(95,703)	(7,523)	(163)	179,827	(209,472)
Management expenses	(143,982)	-	(514)	-	-	28,426	(116,070)
Finance cost	(8,636)	-	-	-	-	228	(8,408)
Other operating expenses	(15,344)	(3,258)	(451)	(45)	-	451	(18,647)
Changes in expenses liabilities	(1,981)	-	-	-	-	-	(1,981)
Tax borne by participants	-	1,082	(15,108)	(279)	(280)	-	(14,585)
Other expenses	(379,546)	(78,483)	(111,776)	(7,847)	(443)	208,932	(369,163)
Share of results of associates	-	-	-	-	-	9,079	9,079
Operating profit/(loss) before surplus/(deficits) attributable to takaful/retakaful participants, zakat and taxation	175,350	(9,922)	(17,951)	1,886	3,660	(76,727)	76,296
(Surplus)/deficits attributable to takaful/retakaful participants	-	9,922	17,951	(1,886)	(3,660)	6,567	28,894
Operating profit/(loss) before zakat and taxation	175,350	-	-	-	-	(70,160)	105,190
Zakat	(640)	-	-	-	-	-	(640)
Taxation	(11,388)	-	-	-	-	-	(11,388)
Net profit/(loss) for the period attributable to equity holders of the Company	163,322	-	-	-	-	(70,160)	93,162

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

(ii) 6 months ended 30 September 2019

	General reinsurance and shareholders' fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	General retakaful fund RM'000	Family retakaful fund RM'000	Elimination and adjustment RM'000	Consolidated RM'000
Gross earned premiums/contributions	577,232	137,772	287,781	10,792	4,459	(428)	1,017,608
Premiums/contributions ceded to reinsurers and retakaful operators	(54,753)	(45,816)	(36,506)	(595)	(3,230)	90	(140,810)
Net earned premiums/contributions	522,479	91,956	251,275	10,197	1,229	(338)	876,798
Investment income	69,783	9,006	65,148	1,296	402	(1,982)	143,653
Realised gains/(losses)	23,655	1,205	54,498	-	-	-	79,358
Fair value (losses)/gains	(4,549)	(53)	101,570	-	72	(2,801)	94,239
Fee and commission income	201,510	11,633	10	(1)	-	(194,487)	18,665
Other operating revenue	12,371	-	-	46	5	(3,512)	8,910
Other revenue	302,770	21,791	221,226	1,341	479	(202,782)	344,825
Gross claims and benefit paid	(425,010)	(87,709)	(155,780)	(5,766)	(4,001)	133	(678,133)
Claims ceded to reinsurers/retakaful operators	76,251	38,020	22,762	28	2,862	(133)	139,790
Gross change in contract liabilities	15,366	(12,613)	(177,382)	7,863	(2,014)	(8,500)	(177,280)
Change in contract liabilities ceded to reinsurers/retakaful	(28,783)	7,506	3,741	(480)	1,891	-	(16,125)
Net claims and benefits	(362,176)	(54,796)	(306,659)	1,645	(1,262)	(8,500)	(731,748)
Fee and commission expense	(207,536)	(49,140)	(117,343)	(4,184)	(169)	170,843	(207,529)
Management expenses	(143,880)	-	(625)	-	-	24,612	(119,893)
Finance cost	(8,672)	-	-	-	-	40	(8,632)
Other operating expenses	(1,028)	(704)	(482)	(46)	9	482	(1,769)
Changes in expenses liabilities	1,657	-	-	-	-	-	1,657
Tax borne by participants	-	(1,952)	(17,456)	(716)	(23)	-	(20,147)
Other expenses	(359,459)	(51,796)	(135,906)	(4,946)	(183)	195,977	(356,313)
Share of results of associates	-	-	-	-	-	1,585	1,585
Operating profit/(loss) before surplus/(deficits) attributable to takaful/retakaful participants, zakat and taxation	103,614	7,155	29,936	8,237	263	(14,058)	135,147
(Surplus)/deficits attributable to takaful/retakaful participants	-	(7,155)	(29,936)	(8,237)	(263)	9,498	(36,093)
Operating profit/(loss) before zakat and taxation	103,614	-	-	-	-	(4,560)	99,054
Zakat	(786)	-	-	-	-	-	(786)
Taxation	(11,840)	-	-	-	-	-	(11,840)
Net profit/(loss) for the period attributable to equity holders of the Company	90,988	-	-	-	-	(4,560)	86,428

A17. Fair values of assets

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

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

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

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

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

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

Description of significant unobservable inputs:

	Valuation technique	Significant unobservable inputs	Range
30 September 2020/31 March 2020			
<u>Property, plant and equipment</u>			
Office building of Malaysian Reinsurance Berhad ("MRE")	Income approach	Yield Rental per square foot	6.0% to 6.25% RM4.00 to RM4.50
Office buildings of Takaful Ikhlas Family Berhad ("TIFB")	Comparison approach	Sales price per square feet for similar properties	RM509 to RM1,511
Unquoted shares in Malaysia	Net assets	Net assets	Not applicable

A17. Fair values of assets (cont'd)

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

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial period ended 30 September 2020				
Assets measured at fair value:				
(a) Property, plant and equipment				
Freehold land	-	-	36,800	36,800
Buildings	-	-	161,682	161,682
	<u>-</u>	<u>-</u>	<u>198,482</u>	<u>198,482</u>
(b) Financial assets at FVTPL				
<u>Designated upon initial recognition</u>				
Unquoted corporate debt securities	-	21,189	-	21,189
Government investment issues	-	1,250,223	-	1,250,223
Unquoted islamic private debt securities:	-	1,353,736	-	1,353,736
<u>Mandatorily measured</u>				
Quoted shares in Malaysia:				
Shariah approved equities	147,741	-	-	147,741
Warrants	12	-	-	12
Others	151,624	-	-	151,624
Unquoted islamic private debt securities	-	651	-	651
Shariah approved unit trust funds	133,460	-	-	133,460
Property trust funds	1,361	-	-	1,361
Real estate investment trusts	31,141	-	-	31,141
	<u>465,339</u>	<u>2,625,799</u>	<u>-</u>	<u>3,091,138</u>
(c) Financial assets at FVOCI				
Malaysian government securities	-	184,176	-	184,176
Government investment issues	-	588,381	-	588,381
Unquoted corporate debt securities	-	1,082,035	-	1,082,035
Unquoted shares	-	-	85,003	85,003
Unquoted Islamic private debt securities:	-	377,653	-	377,653
Golf club memberships	-	-	228	228
	<u>-</u>	<u>2,232,245</u>	<u>85,231</u>	<u>2,317,476</u>

A17. Fair values of assets (cont'd)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial year ended 31 March 2020				
Assets measured at fair value:				
(a) Property, plant and equipment				
Freehold land	-	-	36,800	36,800
Buildings	-	-	162,903	162,903
	<u>-</u>	<u>-</u>	<u>199,703</u>	<u>199,703</u>
(b) Financial assets at FVTPL				
<u>Designated upon initial recognition</u>				
Unquoted corporate debt securities	-	2,190	-	2,190
Government investment issues	-	1,262,018	-	1,262,018
Unquoted islamic private debt securities:	-	1,253,077	-	1,253,077
<u>Mandatorily measured</u>				
Quoted shares in Malaysia:				
Shariah approved equities	209,176	-	-	209,176
Warrants	11	-	-	11
Others	86,450	-	-	86,450
Unquoted corporate debt securities	-	17,928	-	17,928
Unquoted islamic private debt securities	-	626	-	626
Shariah approved unit trust funds	113,826	-	-	113,826
Real estate investment trusts	23,298	-	-	23,298
	<u>432,761</u>	<u>2,535,839</u>	<u>-</u>	<u>2,968,600</u>
(c) Financial assets at FVOCI				
Malaysian government securities	-	145,670	-	145,670
Government investment issues	-	601,240	-	601,240
Unquoted corporate debt securities	-	1,098,935	-	1,098,935
Unquoted shares	-	-	84,382	84,382
Unquoted Islamic private debt securities:	-	323,643	-	323,643
Golf club memberships	-	-	293	293
	<u>-</u>	<u>2,169,488</u>	<u>84,675</u>	<u>2,254,163</u>



MNRB HOLDINGS BERHAD
(197201001795 (13487-A))
INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020
(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 30 September 2020, the Group recorded a revenue of RM1,277.3 billion, an increase of 5.1% as compared to RM1,215.2 billion reported in the previous financial period. The RM62.1 million increase was mainly attributable to higher gross premiums/contributions generated by the reinsurance and takaful subsidiaries.

The Group recorded a 7.8% growth of net profit for the financial period ended 30 September 2020 of RM93.2 million, as compared to RM86.4 million reported in the corresponding period last year for the reasons stated below.

Investment holding

Revenue for the financial period was RM109.8 million as compared to RM23.3 million reported in the corresponding period last year. The higher revenue was due to dividend received from the subsidiaries.

A net profit amounting to RM86.9 million was recorded for the financial period ended 30 September 2020, as compared to a loss of RM1.9 million for the same period last year. This was contributed by the dividend income as mentioned above.

Reinsurance business

Revenue for the reinsurance business for the financial period ended 30 September 2020 was RM696.7 million as compared to RM672.3 million in the previous financial period. The increase was due to the higher gross premiums from domestic and international portfolios.

Net profit for the financial period ended 30 September 2020 increased by RM2.7 million from RM49.4 million last year to RM52.1 million. The higher net profit was mainly due to higher revenue and lower management expenses.

General Takaful business

Revenue for the general takaful business for the financial period ended 30 September 2020 increased by RM59.1 million from RM157.5 million to RM216.6 million in the previous financial period. This was mainly due to higher gross contribution.

General takaful business recorded a net profit of RM15.7 million in the financial period ended 30 September 2020, an increase of 81.2% as compared to a net profit of RM8.7 million reported in the corresponding period last year due to higher revenue as mentioned above.

Family Takaful business

Revenue for the family takaful business for the financial period ended 30 September 2020 decreased by RM24.6 million from RM359.5 million to RM334.9 million in the previous financial period. This was mainly due to lower gross contribution.

Family takaful business recorded a net profit of RM13.6 million in the financial period ended 30 September 2020, a decrease of 60.6% as compared to a net profit of RM34.6 million reported in the corresponding period last year due to lower revenue as mentioned above and lower fair value gain on investment in Sukuks.

Retakaful business

Revenue for the retakaful business for the financial period ended 30 September 2020 increased from RM19.5 million to RM26.1 million, mainly due to higher gross contribution received.

The retakaful business recorded higher net profit of RM4.0 million in the financial period ended 30 September 2020, an increase of RM2.2 million as compared to RM1.7 million reported in the previous financial period. This increase was mainly due to higher revenue.

B2. Review of current quarter profitability against immediate preceding quarter

The Group recorded a net profit of RM42.4 million in the current quarter as compared to net profit of RM50.8 million in the preceding quarter as a result of lower fair value gain from the investment portfolio of the family takaful fund.



MNRB HOLDINGS BERHAD
(197201001795 (13487-A))
INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020
(The figures have not been audited)

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

B3. Current year prospects

Barring any unforeseen circumstances, the Group's profit is expected to be satisfactory for the current financial year ending 31 March 2021.

B4. Explanatory note for variance from profit forecast

There was no profit forecast issued by the Group during the financial period ended 30 September 2020.

B5. Investment income

	GROUP			
	Individual period		Cumulative year	
	3 months ended 30 September 2020 RM'000	3 months ended 30 September 2019 RM'000	6 months ended 30 September 2020 RM'000	6 months ended 30 September 2019 RM'000
Financial assets at FVTPL				
<u>Designated upon initial recognition</u>				
Interest/profit income	27,073	26,185	53,978	54,700
<u>Mandatorily measured:</u>				
Interest/profit income	16	-	31	-
Dividend income:				
- quoted shares in Malaysia	2,851	3,522	5,432	5,878
- unquoted shares in Malaysia	764	350	764	1,523
- unit trust funds	192	613	275	740
- real estate investment trusts	15	-	18	-
Financial assets at FVOCI				
Interest/profit income	22,771	24,305	45,195	46,589
Financial assets at Amortised Cost ("AC")				
Interest/profit income	15,309	12,940	32,358	33,642
Dividend income				
- unit trust in Malaysia	-	591	-	591
Rental income	264	1,523	1,316	3,171
Net amortisation of premiums	(2,306)	(1,394)	(4,590)	(2,557)
Investment expenses	(82)	(331)	(459)	(624)
	66,867	68,304	134,318	143,653



MNRB HOLDINGS BERHAD
(197201001795 (13487-A))
INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020
(The figures have not been audited)

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

B6. Taxation

	GROUP			
	Individual period		Cumulative year	
	3 months ended 30 September 2020 RM'000	3 months ended 30 September 2019 RM'000	6 months ended 30 September 2020 RM'000	6 months ended 30 September 2019 RM'000
Operating profit before zakat and tax	47,211	55,772	105,190	99,054
Current tax	(5,242)	(8,505)	(12,329)	(12,576)
Deferred tax	793	1,670	941	736
Total tax	(4,449)	(6,835)	(11,388)	(11,840)
Zakat	(406)	(421)	(640)	(786)
	(4,855)	(7,256)	(12,028)	(12,626)
Effective tax rate	9.4%	12.3%	10.8%	12.0%

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 30 September 2020 were as follows:

	GROUP 30 September 2020 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.



MNRB HOLDINGS BERHAD
(197201001795 (13487-A))
INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020
(The figures have not been audited)

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

B11. Earnings per share

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

	GROUP			
	Individual period		Cumulative year	
	3 months ended 30 September 2020 RM'000	3 months ended 30 September 2019 RM'000	6 months ended 30 September 2020 RM'000	6 months ended 30 September 2019 RM'000
Net profit for the period (RM'000)	42,356	48,516	93,162	86,428
Weighted average number of ordinary shares in issue ('000)	783,088	767,050	783,088	767,050
Basic earnings per share (sen)	5.0	6.0	12.0	11.0

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

B12. Additional disclosures for the income statement

	GROUP			
	Individual period		Cumulative year	
	3 months ended 30 September 2020 RM'000	3 months ended 30 September 2019 RM'000	6 months ended 30 September 2020 RM'000	6 months ended 30 September 2019 RM'000
Finance cost	(4,201)	(4,378)	(8,408)	(8,573)
Net gain on disposal of investments	2,831	73,179	5,766	79,358
Depreciation and amortisation	(2,254)	(3,781)	(14,453)	(8,135)
(Allowance for)/writeback of impairment on insurance/takaful receivables	(436)	1,368	(4,598)	(1,854)
(Impairment loss)/writeback for impairment loss on investments	(2,102)	(14)	(212)	(15)

There was no gain or loss on derivatives and exceptional items reported during the financial period ended 30 September 2020.

By Order of the Board

LENA BINTI ABD LATIF (LS 8766)
Company Secretary

Kuala Lumpur
Dated: 30 November 2020