



## **Bursa Announcement**

Second Quarter Ended 30 September 2017



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

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017**

	<b>GROUP</b>			
	<b>Individual Period</b>		<b>Cumulative Period</b>	
	3 months ended 30 Sep 2017	3 months ended 30 Sep 2016	6 months ended 30 Sep 2017	6 months ended 30 Sep 2016
	RM'000	RM'000	RM'000	RM'000
Gross earned premiums/contributions	594,677	570,416	1,132,074	1,109,635
Premiums/contributions ceded to reinsurers and retakaful operators	(78,245)	(76,621)	(148,844)	(151,426)
<b>Net earned premiums/contributions</b>	<b>516,432</b>	<b>493,795</b>	<b>983,230</b>	<b>958,209</b>
Investment income	61,708	55,196	122,409	111,802
Realised gains	2,249	1,779	2,141	4,588
Fair value gains/(losses)	798	(29)	14,016	(6,699)
Fee and commission income	17,608	8,355	36,605	18,194
Other operating revenue	19,382	(773)	22,619	12,932
<b>Other revenue</b>	<b>101,745</b>	<b>64,528</b>	<b>197,790</b>	<b>140,817</b>
Gross claims and benefits paid	(264,561)	(335,886)	(554,194)	(633,415)
Claims ceded to reinsurers/retakaful operators	23,200	50,235	51,109	86,623
Gross change in contract liabilities	(65,299)	(85,427)	(147,310)	(154,405)
Change in contract liabilities ceded to reinsurers/retakaful operators	(63,191)	49,143	(49,451)	36,891
<b>Net claims and benefits</b>	<b>(369,851)</b>	<b>(321,935)</b>	<b>(699,846)</b>	<b>(664,306)</b>
Fee and commission expense	(97,655)	(105,382)	(210,807)	(221,906)
Management expenses	(71,414)	(51,257)	(134,928)	(106,721)
Finance cost	(3,511)	(4,588)	(7,405)	(9,169)
Other operating expenses	(3,887)	(336)	(10,630)	(2,789)
Change in expenses liabilities	7,587	60	1,321	994
Tax borne by participants	(4,199)	(3,628)	(5,156)	(7,163)
<b>Other expenses</b>	<b>(173,079)</b>	<b>(165,131)</b>	<b>(367,605)</b>	<b>(346,754)</b>
Share of results of associates	526	227	6,209	5,697
<b>Operating profit before surplus attributable to takaful participants, zakat and taxation</b>	<b>75,773</b>	<b>71,484</b>	<b>119,778</b>	<b>93,663</b>
Surplus attributable to takaful participants	(48,205)	(59,915)	(25,368)	(46,085)
<b>Operating profit before zakat and taxation</b>	<b>27,568</b>	<b>11,569</b>	<b>94,410</b>	<b>47,578</b>
Zakat	-	(197)	-	(452)
Taxation	(6,849)	(3,873)	(23,252)	(8,681)
<b>Net profit for the period attributable to equity holders of the Company</b>	<b>20,719</b>	<b>7,499</b>	<b>71,158</b>	<b>38,445</b>
Basic earnings per share attributable to equity holders of the Company (sen):	6.5	3.5 <sup>#</sup>	22.3	18.0 <sup>#</sup>

# Based on share capital of RM213 million.

*The Condensed Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2017*



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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017**

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 30 Sep 2017	3 months ended 30 Sep 2016	6 months ended 30 Sep 2017	6 months ended 30 Sep 2016
	RM'000	RM'000	RM'000	RM'000
<b>Net profit for the period</b>	20,719	7,499	71,158	38,445
<b>Other comprehensive (losses)/income:</b>				
<b>Other comprehensive (losses)/income to be reclassified to income statement in subsequent periods:</b>				
Effects of post acquisition foreign exchange translation reserve on investment in associate	(2,274)	3,860	(8,156)	7,095
Effects of foreign exchange translation reserve on investment in subsidiary	(215)	1,214	(530)	1,838
Net (loss)/gain on AFS financial assets:				
Net (loss)/gain on fair value changes	(2,379)	35,850	3,190	41,400
Realised loss transferred to income statement	(2,249)	(1,624)	(2,141)	(4,650)
Deferred tax relating to net loss/(gain) on AFS financial assets	726	(4,938)	684	(4,987)
Other comprehensive losses/(income) attributable to participants	2,931	(21,122)	(430)	(22,749)
<b>Other comprehensive income not to be reclassified to income statement in subsequent periods:</b>				
Revaluation of land and buildings	675	658	1,349	1,317
Deferred tax relating to revaluation of land and buildings	(54)	(52)	(108)	(105)
Other comprehensive income attributable to participants	(621)	(606)	(1,241)	(1,212)
<b>Total comprehensive profit for the period</b>	<b>17,259</b>	<b>20,738</b>	<b>63,776</b>	<b>56,392</b>

*The Condensed Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2017*



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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017**

	<b>GROUP</b>	
	Unaudited 30 Sep 2017 RM'000	Audited 31 Mar 2017 RM'000
<b>Assets</b>		
Property, plant and equipment	242,151	243,732
Investment properties	7,400	7,400
Intangible assets	24,464	23,040
Deferred tax assets	10,863	19,518
Investment in associates	147,920	145,420
Financial assets:		
Financial assets at fair value through profit or loss ("FVTPL")	120,920	123,467
Held-to-maturity ("HTM") investments	694,830	695,426
Available-for-sale ("AFS") financial assets	3,558,431	3,384,744
Loans and receivables ("LAR")	2,049,141	1,934,933
Reinsurance/retakaful assets	456,700	514,230
Insurance/takaful receivables	447,318	336,190
Tax recoverable	23,081	28,575
Cash and bank balances	90,599	99,905
<b>Total assets</b>	<b>7,873,818</b>	<b>7,556,580</b>
<b>Liabilities and Participants' funds</b>		
Participants' funds	221,824	199,561
Borrowings	320,000	320,000
Insurance/takaful contract liabilities	5,319,872	5,172,813
Insurance/takaful payables	228,856	210,174
Other payables	306,525	212,186
Deferred tax liabilities	(23,990)	10,780
Provision for taxation	17,431	11,536
Provision for zakat	59	64
<b>Total liabilities and participants' funds</b>	<b>6,390,577</b>	<b>6,137,114</b>
<b>Equity</b>		
Share capital	319,605	319,605
Reserves	1,163,636	1,099,861
<b>Total equity attributable to equity holders of the Company</b>	<b>1,483,241</b>	<b>1,419,466</b>
<b>Total liabilities, participants' funds and equity</b>	<b>7,873,818</b>	<b>7,556,580</b>
Net assets per share (RM)	4.64	4.44

*The Condensed Financial Statements should be read in conjunction with  
the Annual Financial Statements for the year ended 31 March 2017*



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

**CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017**

	<b>GROUP</b>							<b>Total RM'000</b>
	Attributable to Equity Holders of the Company							
	Share capital RM'000	Reserves					Net profit for the year RM'000	
		Non-distributable			Distributable			
Foreign exchange translation reserve RM'000		AFS reserve RM'000	Revaluation reserve RM'000	Retained profits brought forward RM'000				
At 1 April 2017	319,605	55,696	3,659	42,730	997,776	-	1,419,466	
Total comprehensive (loss)/income for the period	-	(8,686)	1,303	-	-	71,158	63,776	
At 30 September 2017	319,605	47,010	4,962	42,730	997,776	71,158	1,483,242	

**CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016**

	<b>GROUP</b>							<b>Total RM'000</b>
	Attributable to Equity Holders of the Company							
	Share capital RM'000	Reserves					Net profit for the period RM'000	
		Non-distributable			Distributable			
Share premium RM'000		Foreign exchange translation reserve RM'000	AFS reserve RM'000	Revaluation reserve RM'000	Retained profits brought forward RM'000			
At 1 April 2016	213,070	105,051	38,776	3,527	41,666	928,090	-	1,330,180
Total comprehensive income for the period	-	-	8,933	9,014	-	-	38,445	56,392
At 30 September 2016	213,070	105,051	47,709	12,541	41,666	928,090	38,445	1,386,572

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017**

	<b>GROUP</b>	
	6 months ended 30 Sep 2017	6 months ended 30 Sep 2016
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Profit before surplus transfer, zakat and tax	94,410	47,578
Adjustments for:		
Net fair value losses/(gains) on financial assets at FVTPL	152	(808)
Net fair value gains on AFS financial assets	(14,169)	-
Impairment losses on at AFS financial assets	-	7,508
Reversal of impairment losses on insurance/takaful receivables	-	(2,625)
Reversal of impairment losses on other receivables	(18,004)	-
Depreciation of property, plant and equipment	3,775	4,399
Amortisation of intangible assets	1,399	1,125
Gains on disposal of property, plant and equipment	-	(2)
Decrease in gross premium and contribution liabilities	(3,914)	(2,306)
Increase/(decrease) in reinsurance and retakaful assets	57,529	(41,651)
Interest/profit income	(115,813)	(99,910)
Dividend income	(6,642)	(11,781)
Rental income	(2,635)	(3,181)
Finance cost	7,405	9,168
Net gains on disposal of investments	(2,141)	(4,603)
Net amortisation of premiums on investments	2,582	2,168
Share of results of associates	(6,209)	(5,697)
Loss from operations before changes in operating assets and liabilities	(2,273)	(100,618)
Increase in placements with licensed financial institutions, Islamic investment accounts and marketable securities	(107,830)	(140,889)
Net purchase from disposal of investments	(120,514)	(91,121)
Decrease in staff loans	1,773	1,071
Increase in insurance/takaful receivables	(91,011)	(44,004)
Increase in other receivables	(33,259)	(15,762)
Increase in gross claim liabilities, actuarial liabilities and unallocated surplus	153,467	155,404
Decrease in expense liabilities	(1,480)	(994)
Increase in participants' funds	20,390	45,087
Increase in insurance/takaful payables	16,570	376
Increase in other payables	64,704	25,240
Taxes and zakat paid	(15,587)	(15,235)
Interest/profit received	107,567	106,253
Dividend received	6,832	6,932
Rental received	2,539	3,314
Net cash generated from/(used in) operating activities	1,887	(64,946)



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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017 (CONT'D.)**

	<b>GROUP</b>	
	6 months ended 30 Sep 2017	6 months ended 30 Sep 2016
	RM'000	RM'000
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(582)	469
Purchase of intangible assets	(3,087)	(2,249)
Proceeds from disposal of property, plant and equipment	-	1,565
Net cash generated from/(used in) investing activities	(3,668)	(215)
<b>Cash flows from financing activities</b>		
Finance cost paid	(7,525)	(9,183)
Net cash generated from/(used in) financing activities	(7,525)	(9,183)
<b>Cash and bank balances</b>		
Net decrease during the period	(9,306)	(74,344)
At the beginning of the period	99,905	177,313
<b>At the end of the period</b>	<b>90,599</b>	<b>102,969</b>

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the Annual Financial Statements for the year ended 31 March 2017*



**MNRB HOLDINGS BERHAD (13487-A)**  
**INTERIM FINANCIAL REPORT**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017**  
*(The figures have not been audited)*

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

**A1. Basis of preparation**

The interim financial report should be read in conjunction with the Group's most recent audited financial statements for the financial year ended 31 March 2017.

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 2017 except for the adoption of the following accounting standards and amendments/improvements to Malaysian Financial Reporting Standards ("MFRSs") issued by MASB that are effective for the Group's financial year beginning 1 April 2017:

- Amendment to MFRS 12 Disclosure of Interests in Other Entities (Annual Improvements to MFRS Standards 2014 - 2016 Cycle)
- MFRS 107 *Statement of Cash Flows* - Disclosures Initiatives (Amendments to MFRS 107)
- MFRS 112 *Income Taxes* - Recognition of Deferred Tax for Unrealised Losses (Amendments to MFRS 112)

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 and of the Company.

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

The auditors' report on the audited financial statements for the financial year ended 31 March 2017 was not subject to any qualification.

**A3. Seasonal or cyclical factors**

During the financial period ended 30 September 2017, 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 2017.

**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**

On 9 June 2017, the Company made a drawdown of RM120 million from the revolving credit facility obtained from AmBank (M) Berhad. The proceeds from the drawdown were fully utilised towards redeeming the Sukuk Mudharabah Programme of the same amount from MIDF Amanah Investment Bank Berhad.





**MNRB HOLDINGS BERHAD (13487-A)**  
**INTERIM FINANCIAL REPORT**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017**  
*(The figures have not been audited)*

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

**A7. Dividend paid**

No dividend was paid during the second quarter ended 30 September 2017.

**A8. Segmental reporting**

Financial period ended 30 September 2017

	Investment Holding RM'000	Reinsurance Business RM'000	Takaful Business RM'000	Retakaful Business RM'000	Intra-Group Adjustments RM'000	Consolidated RM'000
<b>Revenue</b>						
External	1,708	719,310	512,767	22,485	-	1,256,270
Inter-segment	16,793	647	723	15	(17,456)	722
	18,501	719,957	513,490	22,500	(17,456)	1,256,992
<b>Results</b>						
<b>Segment results</b>	<b>(6,113)</b>	<b>67,512</b>	<b>51,915</b>	<b>(277)</b>	<b>532</b>	<b>113,569</b>
Share of results of associates	408	5,801	-	-	-	6,209
<b>Operating (loss)/profit before surplus/(deficit) attributable to takaful participants, zakat and taxation</b>	<b>(5,705)</b>	<b>73,313</b>	<b>51,915</b>	<b>(277)</b>	<b>532</b>	<b>119,778</b>
Surplus attributable to takaful participants	-	-	(25,368)	-	-	(25,368)
<b>Operating (loss)/profit before zakat and taxation</b>	<b>(5,705)</b>	<b>73,313</b>	<b>26,547</b>	<b>(277)</b>	<b>532</b>	<b>94,410</b>
Zakat and taxation	(1,115)	(17,891)	(4,363)	144	(27)	(23,252)
<b>Net (loss)/profit for the period attributable to equity holders of the Company</b>	<b>(6,820)</b>	<b>55,422</b>	<b>22,184</b>	<b>(133)</b>	<b>505</b>	<b>71,158</b>

Financial period ended 30 September 2016

	Investment Holding RM'000	Reinsurance Business RM'000	Takaful Business RM'000	Retakaful Business RM'000	Intra-Group Adjustments RM'000	Consolidated RM'000
<b>Revenue</b>						
External	1,997	696,684	509,583	15,311	-	1,223,575
Inter-segment	17,276	1,158	770	80	(19,284)	-
	19,273	697,842	510,353	15,391	(19,284)	1,223,575
<b>Results</b>						
<b>Segment results</b>	<b>(7,301)</b>	<b>21,198</b>	<b>58,331</b>	<b>15,738</b>	<b>-</b>	<b>87,966</b>
Share of results of associates	23	5,674	-	-	-	5,697
<b>Operating (loss)/profit before surplus attributable to takaful participants, zakat and taxation</b>	<b>(7,278)</b>	<b>26,872</b>	<b>58,331</b>	<b>15,738</b>	<b>-</b>	<b>93,663</b>
Surplus attributable to takaful participants	-	-	(45,087)	(998)	-	(46,085)
<b>Operating (loss)/profit before zakat and taxation</b>	<b>(7,278)</b>	<b>26,872</b>	<b>13,244</b>	<b>14,740</b>	<b>-</b>	<b>47,578</b>
Zakat and taxation	(714)	(4,662)	(3,756)	(1)	-	(9,133)
<b>Net (loss)/profit for the period attributable to equity holders of the Company</b>	<b>(7,992)</b>	<b>22,210</b>	<b>9,488</b>	<b>14,739</b>	<b>-</b>	<b>38,445</b>



**MNRB HOLDINGS BERHAD (13487-A)**  
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**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017**  
*(The figures have not been audited)*

**PART A – NOTES TO THE QUARTERLY 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 2017.

**A10. Significant events**

There were no significant events during the financial period ended 30 September 2017.

**A11. Subsequent events**

The Inland Revenue Board ("IRB") had, on 8 September 2017, issued to MNRB Holdings Berhad ("the Company") notices of additional assessment (i.e. Form JA) for the years of assessment ("YA") 2008 to 2014, disallowing the interest expense that the Company had claimed in arriving at the taxable profit.

The additional tax payable by the Company as per the above-mentioned notices is RM13,575,719.50. In addition, IRB had also imposed a penalty of RM6,109,073.78 to the Company. This brings the total amount payable to IRB to RM19,684,793.28.

The Company had submitted an appeal to the IRB by filing Form Q on 6 October 2017.

Notwithstanding the appeal, the Company has paid RM12,795,115.63 at the date of this announcement as required under Section 103(2) of the Income Tax Act, 1967 and is required to pay the remaining balance of RM6,889,677.65 in 3 equal instalments by end of March 2018.

The Company is of the view that there are strong justifications for its appeal and has treated the additional tax payment as tax recoverable.

**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 2017.

**A13. Capital Commitments**

The amount of capital commitments of the Group as at 30 September 2017 is as follows:

Authorised and contracted for:  
- Intangible assets\*

**RM'000**

21,257

21,257

\* 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 2017

	General reinsurance and shareholders' fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	General retakaful fund RM'000	Family retakaful fund RM'000	Elimination and adjustment RM'000	Consolidated RM'000
<b>Assets</b>							
Property, plant and equipment	126,373	-	-	-	-	115,778	242,151
Investment properties	7,400	-	115,778	-	-	(115,778)	7,400
Intangible assets	24,464	-	-	-	-	-	24,464
Deferred tax assets	8,647	4,394	-	3	-	(2,181)	10,863
Investment in subsidiaries	843,705	-	-	-	-	(843,705)	-
Investment in associates	152,017	-	-	-	-	(4,097)	147,920
Financial assets at fair value through profit or loss ("FVTPL")	687	819	119,414	-	-	-	120,920
Held-to-maturity ("HTM") investments Available-for-sale ("AFS") financial assets	261,068	71,690	331,483	19,125	12,464	(1,000)	694,830
Loans and receivables ("LAR")	1,591,310	220,175	1,740,307	15,826	4,188	(13,375)	3,558,431
Reinsurance/retakaful assets	1,436,609	152,271	543,731	38,913	6,555	(128,938)	2,049,141
Insurance/takaful receivables	227,607	163,067	38,160	21,113	6,753	-	456,700
Tax recoverable	328,336	33,301	68,458	17,223	-	-	447,318
Cash and bank balances	23,081	-	-	10	4	(14)	23,081
<b>Total assets</b>	<b>5,067,822</b>	<b>650,120</b>	<b>3,006,733</b>	<b>112,391</b>	<b>30,062</b>	<b>(993,310)</b>	<b>7,873,818</b>
<b>Liabilities and Participants' funds</b>							
Participants' funds	-	109,894	117,308	(680)	(510)	(4,188)	221,824
Borrowings	321,000	-	-	-	-	(1,000)	320,000
Insurance/takaful contract liabilities	2,138,615	423,006	2,661,924	93,615	12,090	(9,378)	5,319,872
Insurance/takaful payables	128,594	27,113	58,403	13,213	1,533	-	228,856
Other payables	126,098	83,410	159,327	6,243	16,949	(85,502)	306,525
Deferred tax liabilities	10,287	-	1,577	-	-	(35,854)	(23,990)
Provision for taxation	2,554	6,697	8,194	-	-	(14)	17,431
Provision for zakat	59	-	-	-	-	-	59
<b>Total liabilities and participants' funds</b>	<b>2,727,207</b>	<b>650,120</b>	<b>3,006,733</b>	<b>112,391</b>	<b>30,062</b>	<b>(135,936)</b>	<b>6,390,577</b>
<b>Equity</b>							
Share capital	1,233,105	-	-	-	-	(913,500)	319,605
Reserves	1,107,510	-	-	-	-	56,126	1,163,636
<b>Total equity attributable to equity holders of the Parent</b>	<b>2,340,615</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(857,374)</b>	<b>1,483,241</b>
<b>Total liabilities, participants' funds and equity</b>	<b>5,067,822</b>	<b>650,120</b>	<b>3,006,733</b>	<b>112,391</b>	<b>30,062</b>	<b>(993,310)</b>	<b>7,873,818</b>

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

(ii) As at 31 March 2017

	General reinsurance and shareholders' fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	General retakaful fund RM'000	Family retakaful fund RM'000	Elimination and adjustment RM'000	Consolidated RM'000
<b>Assets</b>							
Property, plant and equipment	127,954	-	-	-	-	115,778	243,732
Investment properties	7,400	-	115,778	-	-	(115,778)	7,400
Intangible assets	23,040	-	-	-	-	-	23,040
Deferred tax assets	9,742	3,098	-	-	-	6,678	19,518
Investment in subsidiaries	843,705	-	-	-	-	(843,705)	-
Investment in associates	77,924	-	-	-	-	67,496	145,420
Financial assets at fair value							
through profit or loss ("FVTPL")	761	898	121,808	-	-	-	123,467
Held-to-maturity ("HTM") investments	261,384	71,746	331,689	19,143	12,464	(1,000)	695,426
Available-for-sale ("AFS")							
financial assets	1,654,482	226,761	1,493,788	17,749	5,171	(13,207)	3,384,744
Loans and receivables ("LAR")	1,297,622	118,383	607,278	45,585	7,890	(141,825)	1,934,933
Reinsurance/retakaful assets	291,969	149,868	45,072	20,967	6,354	-	514,230
Insurance/takaful receivables	224,824	37,422	60,865	7,597	7,594	(2,112)	336,190
Tax recoverable	28,575	-	-	8	5	(13)	28,575
Cash and bank balances	39,837	10,519	49,364	146	39	-	99,905
<b>Total assets</b>	<b>4,889,219</b>	<b>618,695</b>	<b>2,825,642</b>	<b>111,195</b>	<b>39,517</b>	<b>(927,688)</b>	<b>7,556,580</b>
<b>Liabilities and Participants' funds</b>							
Participants' funds	-	119,327	81,541	3,900	1,373	(6,580)	199,561
Borrowings	321,000	-	-	-	-	(1,000)	320,000
Insurance/takaful contract liabilities	2,104,412	401,012	2,578,850	85,632	11,272	(8,365)	5,172,813
Insurance/takaful payables	124,969	30,710	42,780	8,203	5,624	(2,112)	210,174
Other payables	127,467	60,965	119,124	13,475	21,248	(130,093)	212,186
Deferred tax liabilities	2,169	-	1,412	(15)	-	7,214	10,780
Provision for taxation	2,933	6,681	1,935	-	-	(13)	11,536
Provision for zakat	64	-	-	-	-	-	64
<b>Total liabilities and participants' funds</b>	<b>2,683,014</b>	<b>618,695</b>	<b>2,825,642</b>	<b>111,195</b>	<b>39,517</b>	<b>(140,949)</b>	<b>6,137,114</b>
<b>Equity</b>							
Share capital	1,233,105	-	-	-	-	(913,500)	319,605
Reserves	973,100	-	-	-	-	126,761	1,099,861
<b>Total equity attributable to equity holders of the Parent</b>	<b>2,206,205</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(786,739)</b>	<b>1,419,466</b>
<b>Total liabilities, participants' funds and equity</b>	<b>4,889,219</b>	<b>618,695</b>	<b>2,825,642</b>	<b>111,195</b>	<b>39,517</b>	<b>(927,688)</b>	<b>7,556,580</b>

**A15. Unaudited Condensed Consolidated Income Statement by Reinsurance, Takaful and Retakaful Funds**
**(i) 6 months ended 30 September 2017**

	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	664,900	131,532	318,816	12,231	5,022	(427)	1,132,074
Premiums/contributions ceded to reinsurers and retakaful operators	(39,747)	(60,389)	(42,988)	(1,537)	(4,210)	27	(148,844)
<b>Net earned premiums/contributions</b>	<b>625,153</b>	<b>71,143</b>	<b>275,828</b>	<b>10,694</b>	<b>812</b>	<b>(400)</b>	<b>983,230</b>
Investment income	59,750	8,054	55,870	1,397	485	(3,147)	122,409
Realised (losses)/gains	(1,245)	114	3,272	-	-	-	2,141
Fair value gains/(losses)	16,736	635	2,265	-	-	(5,620)	14,016
Fee and commission income	175,640	12,268	-	3	-	(151,306)	36,605
Other operating revenue	4,782	-	24,628	59	1	(6,851)	22,619
<b>Other revenue</b>	<b>255,663</b>	<b>21,071</b>	<b>86,035</b>	<b>1,459</b>	<b>486</b>	<b>(166,924)</b>	<b>197,790</b>
Gross claims and benefit paid	(345,284)	(74,912)	(124,261)	(6,235)	(4,828)	1,326	(554,194)
Claims ceded to reinsurers/retakaful operators	16,183	31,702	1,607	721	2,222	(1,326)	51,109
Gross change in contract liabilities	(39,193)	(24,876)	(83,074)	(5,903)	(817)	6,553	(147,310)
Change in contract liabilities ceded to reinsurers/retakaful operators	(58,326)	15,063	(6,912)	325	399	-	(49,451)
<b>Net claims and benefits</b>	<b>(426,620)</b>	<b>(53,023)</b>	<b>(212,640)</b>	<b>(11,092)</b>	<b>(3,024)</b>	<b>6,553</b>	<b>(699,846)</b>
Fee and commission expenses	(206,796)	(41,935)	(107,754)	(5,460)	(168)	151,306	(210,807)
Management expenses	(137,088)	(13)	-	-	-	2,173	(134,928)
Finance cost	(7,430)	-	-	-	-	25	(7,405)
Other operating expenses	(16,655)	(6,851)	-	(127)	-	13,003	(10,630)
Changes in expenses liabilities	1,441	-	-	(120)	-	-	1,321
Tax borne by participants	-	1,222	(6,366)	(12)	-	-	(5,156)
<b>Other expenses</b>	<b>(366,528)</b>	<b>(47,577)</b>	<b>(114,120)</b>	<b>(5,719)</b>	<b>(168)</b>	<b>166,507</b>	<b>(367,605)</b>
Share of results of associates	-	-	-	-	-	6,209	6,209
<b>Operating profit before deficit/ surplus attributable to takaful zakat and taxation</b>	<b>87,668</b>	<b>(8,386)</b>	<b>35,103</b>	<b>(4,658)</b>	<b>(1,894)</b>	<b>11,945</b>	<b>119,778</b>
Deficit/(surplus) attributable to takaful participants	-	8,386	(35,103)	4,658	1,895	(5,204)	(25,368)
<b>Operating profit before zakat and taxation</b>	<b>87,668</b>	-	-	-	<b>1</b>	<b>6,741</b>	<b>94,410</b>
Zakat	-	-	-	-	-	-	-
Taxation	(23,225)	-	-	-	-	(27)	(23,252)
<b>Net profit for the period attributable to equity holders of the Parent</b>	<b>64,443</b>	-	-	-	<b>1</b>	<b>6,714</b>	<b>71,158</b>

**A15. Unaudited Condensed Consolidated Income Statement by Reinsurance, Takaful and Retakaful Funds (Cont'd.)**
**(ii) 6 months ended 30 September 2016**

	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	654,142	139,850	307,268	5,253	6,022	(2,900)	1,109,635
Premiums/contributions ceded to reinsurers and retakaful operators	(53,151)	(57,113)	(35,539)	(2,230)	(3,764)	371	(151,426)
<b>Net earned premiums/contributions</b>	<b>600,991</b>	<b>82,737</b>	<b>271,729</b>	<b>3,023</b>	<b>2,258</b>	<b>(2,529)</b>	<b>958,209</b>
Investment income	59,041	7,229	46,795	1,489	627	(3,379)	111,802
Realised gains	2,290	418	1,880	-	-	-	4,588
Fair value (losses)/gains	(4,642)	(462)	(1,632)	33	4	-	(6,699)
Fee and commission income	159,476	12,966	-	9	-	(154,257)	18,194
Other operating revenue	25,181	-	5,385	873	1	(18,508)	12,932
<b>Other revenue</b>	<b>241,346</b>	<b>20,151</b>	<b>52,428</b>	<b>2,404</b>	<b>632</b>	<b>(176,144)</b>	<b>140,817</b>
Gross claims and benefit paid	(425,092)	(64,538)	(134,713)	(3,550)	(5,780)	258	(633,415)
Claims ceded to reinsurers/retakaful operators	19,206	27,583	35,961	638	3,493	(258)	86,623
Gross change in contract liabilities	(50,660)	(21,391)	(100,127)	6,058	1,493	10,222	(154,405)
Change in contract liabilities ceded to reinsurers/retakaful	16,428	13,229	9,543	(1,455)	(854)	-	36,891
<b>Net claims and benefits</b>	<b>(440,118)</b>	<b>(45,117)</b>	<b>(189,336)</b>	<b>1,691</b>	<b>(1,648)</b>	<b>10,222</b>	<b>(664,306)</b>
Fee and commission expense	(221,571)	(41,872)	(90,938)	(2,072)	(244)	134,791	(221,906)
Management expenses	(127,039)	(1,906)	(1,808)	-	-	24,032	(106,721)
Finance cost	(9,194)	-	-	-	-	25	(9,169)
Other operating expenses	(2,155)	(2,501)	-	(632)	-	2,499	(2,789)
Changes in expenses liabilities	994	-	-	-	-	-	994
Tax borne by participants	-	(3,134)	(4,029)	-	-	-	(7,163)
<b>Other expenses</b>	<b>(358,965)</b>	<b>(49,413)</b>	<b>(96,775)</b>	<b>(2,704)</b>	<b>(244)</b>	<b>161,347</b>	<b>(346,754)</b>
Share of results of associates	-	-	-	-	-	5,697	5,697
<b>Operating profit before surplus attributable to takaful zakat and taxation</b>	<b>43,254</b>	<b>8,358</b>	<b>38,046</b>	<b>4,414</b>	<b>998</b>	<b>(1,407)</b>	<b>93,663</b>
Surplus attributable to takaful participants	-	(8,358)	(38,046)	(5,785)	(998)	7,102	(46,085)
<b>Operating profit before zakat and taxation</b>	<b>43,254</b>	<b>-</b>	<b>-</b>	<b>(1,371)</b>	<b>-</b>	<b>5,695</b>	<b>47,578</b>
Zakat	(452)	-	-	-	-	-	(452)
Taxation	(8,674)	-	-	(7)	-	-	(8,681)
<b>Net profit for the period attributable to equity holders of the Parent</b>	<b>34,128</b>	<b>-</b>	<b>-</b>	<b>(1,378)</b>	<b>-</b>	<b>5,695</b>	<b>38,445</b>



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**PART B – ADDITIONAL INFORMATION REQUIRED BY THE  
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**B1. Review of performance**

For the financial period ended 30 September 2017, the Group recorded a revenue of RM1,257.0 million as compared to RM1,223.6 million reported for the same period last year. Both the reinsurance and takaful subsidiaries' revenue increased during the period.

The Group's net profit for the financial period ended 30 September 2017 was RM71.2 million, higher by RM32.7 million as compared to RM38.4 million reported for the same period last year. This was mainly attributable to the improvement in the results of the Company's reinsurance and takaful subsidiaries.

Investment holding

Revenue for the financial period ended 30 September 2017 of RM18.5 million was lower by RM0.8 million or 4.0% as compared to RM19.3 million reported for the same period last year.

Net loss reported for the financial period ended 30 September 2017 was RM6.8 million as compared to a net loss of RM8.0 million for the same period last year.

The lower net loss reported was mainly due to the lower financing costs incurred during the current period.

Reinsurance business

Revenue for reinsurance business for the financial period ended 30 September 2017 increased by 3.2% from RM697.8 million to RM720.0 million. The increase was mainly due to the higher reinstatement premiums from international business.

Net profit for the financial period ended 30 September 2017 improved from RM22.2 million to RM55.4 million as a result of higher underwriting surplus and improved net investment income.

Takaful business

Revenue for takaful business for the financial period ended 30 September 2017 increased by 0.6% from RM510.4 million to RM513.5 million. This was mainly due to higher gross contributions achieved.

The takaful subsidiary recorded a higher net profit of RM22.2 million in the financial period ended 30 September 2017 as compared to a net profit of RM9.5 million for the same period last year. This was mainly due to higher wakalah fees received from higher gross contributions.

Retakaful business

Revenue for retakaful business for the financial period ended 30 September 2017 was higher by 46.2% from RM15.4 million to RM22.5 million, mainly due to the new businesses from the retakaful division of the reinsurance subsidiary.

The retakaful business recorded a net loss of RM0.1 million in the financial period ended 30 September 2017 as compared to a net profit of RM14.7 million during the same period last year. The higher net profit in the same period last year was mainly due to the partial writeback of Qard impairment.



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

The Group recorded a net profit of RM20.7 million in the current quarter as compared to RM50.4 million in the preceding quarter as a result of lower net profits from the Company's reinsurance and takaful subsidiaries.

**B3. Current year prospects**

Barring any unforeseen circumstances, the Group is expected to achieve satisfactory results for the current financial year ending 31 March 2018 as compared to the previous financial year.

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

There was no profit forecast issued by the Group during the financial period ended 30 September 2017.

**B5. Taxation**

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 30 Sep 2017 RM'000	3 months ended 30 Sep 2016 RM'000	6 months ended 30 Sep 2017 RM'000	6 months ended 30 Sep 2016 RM'000
Operating profit before zakat and tax	27,568	11,569	94,410	47,578
Current tax	(4,599)	(510)	(17,106)	(6,808)
Deferred tax	(2,250)	(3,363)	(6,146)	(1,873)
Zakat	(6,849)	(3,873)	(23,252)	(8,681)
	-	(197)	-	(452)
	(6,849)	(4,070)	(23,252)	(9,133)
Net profit	20,719	7,499	71,158	38,445
Effective tax rate	24.8%	33.5%	24.6%	18.2%

The effective tax rate for the quarter ended 30 September 2016 was higher than the statutory tax rate mainly due to some of the management expenses of the Company's takaful subsidiary, that are not claimable as tax deduction.

**B6. Status of corporate proposals**

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

**B7. Borrowings and debt securities**

The Group borrowings as at 30 September 2017 were as follows:

	GROUP 30 Sep 2017 RM'000
Unsecured long term borrowings:	
RM320.0 million Revolving Credit Facility due in 2018	320,000





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**B8. Off balance sheet financial instruments**

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

**B9. Material litigation**

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

**B10. Dividends**

No dividends were paid or declared to date for the current financial year ending 31 March 2018.

**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.

	<b>GROUP</b>			
	<b>Individual Period</b>		<b>Cumulative Period</b>	
	<b>3 months ended 30 Sep 2017</b>	<b>3 months ended 30 Sep 2016</b>	<b>6 months ended 30 Sep 2017</b>	<b>6 months ended 30 Sep 2016</b>
Net profit for the period (RM'000)	20,719	7,499	71,158	38,445
Number of ordinary shares in issue ('000)	319,605	213,070	319,605	213,070
Basic earnings per share (sen)	6.5	3.5	22.3	18.0

The Group has no potential dilutive ordinary shares in issue as at the end of the financial period and therefore, diluted earnings per share has not been presented.

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

	<b>GROUP</b>			
	<b>Individual Period</b>		<b>Cumulative Period</b>	
	<b>3 months ended 30 Sep 2017 RM'000</b>	<b>3 months ended 30 Sep 2016 RM'000</b>	<b>6 months ended 30 Sep 2017 RM'000</b>	<b>6 months ended 30 Sep 2016 RM'000</b>
Interest/profit income	59,139	49,913	115,813	99,910
Dividend income	2,873	5,458	6,642	11,781
Rental income	952	1,368	2,635	3,181
Finance cost	(3,511)	(4,587)	(7,405)	(9,168)
Net gain on disposal of investments	2,249	1,796	2,141	4,603
Depreciation and amortisation	(8,894)	(2,562)	(16,768)	(5,524)
Writeback of/(allowance for impairment loss on insurance/takaful receivables	149	(2,852)	2,523	2,625
Writeback of/(allowance for impairment loss on investments	849	(4,098)	14,169	(7,508)

Other than the above, there was no gain or loss on derivatives and exceptional items reported during the financial period ended 30 September 2017.



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**PART B – ADDITIONAL INFORMATION REQUIRED BY THE  
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**B13. Disclosure of realised and unrealised profits**

As required by Bursa Securities, the breakdown of the retained profits of the Group as at 30 September 2017, into realised and unrealised profits, was as follows:

	<b>GROUP</b>	
	<b>30 Sep 2017</b>	<b>31 March 2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained profits of the Group:		
Realised	1,053,394	991,375
Unrealised	14,625	6,509
	1,068,019	997,884
Share of realised retained profits from associated companies	20,996	9,159
	1,089,015	1,007,043
Less: Consolidation adjustments	(20,081)	(78,953)
Total retained profits per the statement of changes in equity	1,068,934	928,090

The determination of realised and unrealised profits is computed based on Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

**By Order of the Board**

**NORAZMAN BIN HASHIM (MIA 5817)**  
**LENA BINTI ABD LATIF (LS 8766)**  
**Company Secretaries**

**Kuala Lumpur**  
**Dated: 27 November 2017**