



Bursa Announcement

First Quarter Ended 30 June 2019



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

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

	GROUP			
	Individual period		Cumulative year	
	3 months ended 30 June 2019	3 months ended 30 June 2018	3 months ended 30 June 2019	3 months ended 30 June 2018
	RM'000	RM'000	RM'000	RM'000
Gross earned premiums/contributions	478,834	472,759	478,834	472,759
Premiums/contributions ceded to reinsurers and retakaful operators	(66,925)	(55,163)	(66,925)	(55,163)
Net earned premiums/contributions	411,909	417,596	411,909	417,596
Investment income	75,349	65,144	75,349	65,144
Realised gains	6,177	1,084	6,177	1,084
Fair value gains/(losses)	78,782	(54,454)	78,782	(54,454)
Fee and commission income	8,731	6,144	8,731	6,144
Other operating revenue	6,316	9,881	6,316	9,881
Other revenue	175,355	27,799	175,355	27,799
Gross claims and benefits paid	(343,927)	(290,092)	(343,927)	(290,092)
Claims ceded to reinsurers/retakaful operators	85,827	16,076	85,827	16,076
Gross change in contract liabilities	(100,085)	52,024	(100,085)	52,024
Change in contract liabilities ceded to reinsurers/retakaful operators	(29,088)	(5,205)	(29,088)	(5,205)
Net claims and benefits	(387,273)	(227,197)	(387,273)	(227,197)
Fee and commission expense	(92,891)	(92,997)	(92,891)	(92,997)
Management expenses	(53,951)	(50,763)	(53,951)	(50,763)
Finance cost	(4,192)	(4,109)	(4,192)	(4,109)
Other operating expenses	(3,466)	1,778	(3,466)	1,778
Change in expenses liabilities	382	2,805	382	2,805
Tax borne by participants	(9,918)	1,749	(9,918)	1,749
Other expenses	(164,036)	(141,537)	(164,036)	(141,537)
Share of results of associates	1,976	(4,247)	1,976	(4,247)
Operating profit before deficit/(surplus) attributable to takaful participants, zakat and taxation	37,931	72,414	37,931	72,414
Deficit/(surplus) attributable to takaful participants	5,351	(29,372)	5,351	(29,372)
Operating profit before zakat and taxation	43,282	43,042	43,282	43,042
Zakat	(365)	(213)	(365)	(213)
Taxation	(5,005)	(14,551)	(5,005)	(14,551)
Net profit for the period attributable to equity holders of the Company	37,912	28,278	37,912	28,278
Basic and no diluted earnings per share attributable to equity holders of the Company (sen):	5.0	8.8	5.0	8.8

The Condensed Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2019



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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

	GROUP			
	Individual period		Cumulative year	
	3 months ended 30 June 2019	3 months ended 30 June 2018	3 months ended 30 June 2019	3 months ended 30 June 2018
	RM'000	RM'000	RM'000	RM'000
Net profit for the period	37,912	28,278	37,912	28,278
<u>Other comprehensive income:</u>				
Other comprehensive income to be reclassified to income statement in subsequent periods:				
Effects of post acquisition foreign exchange translation reserve on investment in associate	2,463	20,105	2,463	20,105
Effects of foreign exchange translation reserve on investment in subsidiary	224	473	224	473
Net gain on financial assets at FVOCI:				
Net gain/(loss) on fair value changes	17,446	(11,875)	17,446	(11,875)
Realised loss transferred to income statement	(78)	(142)	(78)	(142)
Deferred tax relating to net gain on financial assets at FVOCI	8,013	91	8,013	91
Other comprehensive income attributable to participants.	(5,896)	(2,323)	(5,896)	(2,323)
Other comprehensive income not to be reclassified to income statement in subsequent years:				
Net gains on fair value changes	499	-	499	-
Deferred tax on fair value changes	(40)	-	(40)	-
Revaluation of land and buildings	-	675	-	675
Deferred tax relating to revaluation of land and buildings	-	(54)	-	(54)
Other comprehensive income attributable to participants	-	(621)	-	(621)
Total comprehensive income for the period	60,543	34,607	60,543	34,607

The Condensed Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2019



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	GROUP	
	Unaudited 30 June 2019 RM'000	Audited 31 March 2019 RM'000
Assets		
Property, plant and equipment	204,543	204,187
Right-of-use asset	4,771	-
Intangible assets	38,068	37,206
Deferred tax assets	-	13,247
Investment in associates	135,270	133,741
Financial assets	7,382,676	7,289,554
Reinsurance/retakaful assets	533,911	539,853
Insurance/takaful receivables	407,248	337,351
Tax recoverable	61,406	54,674
Non-current assets held for sale	45,875	45,875
Cash and bank balances	32,805	51,675
Total assets	8,846,573	8,707,363
Liabilities and Participants' funds		
Participants' funds	218,695	295,294
Borrowings	320,000	320,000
Insurance/takaful contract liabilities	5,587,297	5,489,890
Insurance/takaful payables	241,383	224,032
Other payables	265,579	232,532
Lease liability	4,955	-
Deferred tax liabilities	11,959	16,365
Provision for taxation	15,049	8,321
Provision for zakat	1,641	1,277
Total liabilities and participants' funds	6,666,558	6,587,711
Equity		
Share capital	722,306	722,306
Reserves	1,457,709	1,397,346
Total equity attributable to equity holders of the Company	2,180,015	2,119,652
Total liabilities, participants' funds and equity	8,846,573	8,707,363
Net assets per share (RM)	3.01	2.93

*The Condensed Financial Statements should be read in conjunction with
the Annual Financial Statements for the year ended 31 March 2019*



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

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

	GROUP						
	Attributable to Equity Holders of the Company						
	Share capital RM'000	Reserves				Net profit RM'000	Total RM'000
		Non-distributable		Distributable			
Foreign exchange translation reserve RM'000		Fair value reserve RM'000	Revaluation reserve RM'000	Retained profits brought forward RM'000			
At 1 April 2019, as previously stated	722,306	43,329	58,457	47,059	1,248,501	-	2,119,652
Impact of adopting MFRS 16	-	-	-	-	(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	-	2,687	19,944	-	-	37,912	60,543
At 30 June 2019	722,306	46,016	78,401	47,059	1,248,321	37,912	2,180,015

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018**

	GROUP						
	Attributable to Equity Holders of the Company						
	Share capital RM'000	Reserves				Net profit RM'000	Total RM'000
		Non-distributable		Distributable			
Foreign exchange translation reserve RM'000		AFS reserve RM'000	Revaluation reserve RM'000	Retained profits brought forward RM'000			
At 1 April 2018	319,605	34,898	1,205	43,652	1,138,641	-	1,538,001
Impact of adopting MFRS 9	-	-	34,945	-	9,753	-	44,698
At 1 April 2018, as restated	319,605	34,898	36,150	43,652	1,148,394	-	1,582,699
Total comprehensive income/(loss) for the year	-	20,578	(14,249)	-	-	28,278	34,607
At 30 June 2018	319,605	55,476	21,901	43,652	1,148,394	28,278	1,617,306

The Condensed Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2019



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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

	GROUP	
	3 months ended 30 June 2019	3 months ended 30 June 2018
	RM'000	RM'000
Cash flows from operating activities		
Profit before surplus transfer, zakat and tax	43,282	43,042
Adjustments for:		
Net fair value (gains)/losses on financial assets at FVTPL	(155,376)	53,701
Impairment losses on FVOCI financial assets	1	753
Reversal of impairment losses on other receivables	(36)	(89)
Net impairment losses on insurance/takaful receivables	3,440	-
Depreciation of property, plant and equipment	2,297	4,398
Amortisation of intangible assets	1,350	1,150
Net gains on disposal of investment	(896)	-
Gains on disposal of property, plant and equipment	(1)	(26)
Increase in gross premium and contribution liabilities	4,786	4,198
Interest/profit income	(54,053)	(63,571)
Dividend income	(1,243)	(1,443)
Rental income	(1,648)	(1,633)
Finance cost	4,171	4,109
Net (gains)/losses on disposal of investments	(5,282)	5,651
Net amortisation of premiums on investments	1,164	1,389
Unrealised currency transaction loss	1,917	-
Revaluation on investment	-	290
Share of results of associates	(1,976)	4,247
(Loss)/profit from operations before changes in operating assets and liabilities	(158,103)	56,166
Decrease in placements with licensed financial institutions, Islamic investment accounts and marketable securities	293,605	46,555
Net purchase of investments	(314,830)	(154,019)
(Increase)/decrease in staff loans	(2,026)	425
Increase in insurance/takaful receivables	(68,853)	(7,625)
Decrease in other receivables	48,754	79,591
Increase/(decrease) in gross claim liabilities, actuarial liabilities and unallocated surplus	142,986	(46,926)
Decrease in expense liabilities	(283)	(2,805)
Decrease in participants' funds	(63,127)	(71,398)
Increase in reinsurance and retakaful assets	5,943	6,060
Increase/(decrease) in insurance/takaful payables	17,353	(30,796)
Increase in other payables	37,059	40,741
Movement in fair value reserves	(8,739)	-
Decrease in lease liabilities	(573)	-
Taxes and zakat refunded	(9,925)	(20,813)
Interest/profit received	65,571	55,655
Dividend received	2,053	1,383
Rental received	1,520	1,502
Net cash used in operating activities	(11,615)	(46,304)



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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019 (CONT'D.)**

	GROUP	
	3 months ended 30 June 2019	3 months ended 30 June 2018
	RM'000	RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(748)	(1,970)
Purchase of intangible assets	(2,212)	(3,005)
Net cash used in investing activities	(2,960)	(4,975)
Cash flows from financing activities		
Interest/profit paid	(4,170)	(4,121)
Payment of lease liabilities	(125)	-
Net cash used in financing activities	(4,295)	(4,121)
Cash and bank balances		
Net decrease during the period	(18,870)	(55,400)
At the beginning of the year	51,675	142,099
At the end of the period	32,805	86,699

*The Condensed Financial Statements should be read in conjunction with
the Annual Financial Statements for the year ended 31 March 2019*



MNRB HOLDINGS BERHAD (13487-A)
INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019
(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 2019.

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 2019 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 2019:

- IC Interpretation 23 *Uncertainty over Income Tax Treatments to MFRS Standards*
- Annual improvements to MFRS Standards 2015-2017 Cycle
- MFRS 16 *Leases*
- Amendments to MFRS 119 *Plan Amendment, Curtailment or Settlement*
- Amendments to MFRS 128 *Long-term Interests in Associates and Joint Ventures*
- Amendments to MFRS 9 *Prepayment Features with Negative Compensations*

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 16 Leases

MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model, similar to the accounting for finance leases under MFRS 117. The standard will supersede MFRS 117 *Leases*, IC Interpretation 4 *Determining whether an Arrangement contains a Lease*, IC Interpretation 115 *Operating Lease - Incentives* and IC Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

(i) Lessee

At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Subsequently, lessees will be required to recognise interest expense on the lease liability and the depreciation expense on the right-of-use asset.

(i) Lessor

Lessor accounting under MFRS 16 is substantially as same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

The standard is effective for annual periods beginning on or after 1 January 2019. A lessee can choose to apply the Standards using either a full retrospective or a modified retrospective approach.

The Group and the Company have adopted MFRS 16 for the first time as of 1 April 2019, using the modified retrospective approach, whereby comparative information is not required to be restated. In line with the practical expedient allowed under MFRS 16, the Group and the Company will elect to apply the Standard to contracts that were previously identified as leases applying MFRS 117 and IC Interpretation 4. The Group and the Company will therefore not apply the standard to contracts that were not previously identified as containing a lease when applying MFRS 117 and IC Interpretation 4.

The Group and the Company will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of the initial application, and lease contracts for which the underlying asset is of low value. The Group and the Company have lease contracts for certain office equipments that are considered low in value.



MNRB HOLDINGS BERHAD (13487-A)
INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019
(The figures have not been audited)

PART A – NOTES TO THE INTERIM FINANCIAL STATEMENTS

A1. Basis of preparation (cont'd.)

The following table set out the financial impact arising from the adoption the MFRS 16:

	RM'000
Retained profits at 31 March 2019	1,248,501
Effect on adoption of MFRS 16:	
- Recognition of rights-of-use assets	6,537
- Recognition of lease liabilities	(6,773)
	(236)
- Deferred tax	27
	(209)
Elimination	29
Retained profits as at 31 March 2019, as restated	1,248,321

The day-one financial impact of the adoption of MFRS 16 on the statement of financial position of the Group were as follows:

	Carrying value	Classifications	Carrying value after
	31 March 2019		1 April 2019
	RM '000	RM '000	RM '000
Assets			
Property, plant and equipment	204,187	-	204,187
Right-of-use asset	-	5,348	5,348
Intangible assets	37,206	-	37,206
Deferred tax assets	13,247	18	13,265
Investment in associates	133,741	-	133,741
Financial assets	7,289,554	-	7,289,554
Reinsurance/retakaful assets	539,853	-	539,853
Insurance/takaful receivables	337,351	-	337,351
Tax recoverable	54,674	-	54,674
Non-current assets held for sale	45,875	-	45,875
Cash and bank balances	51,675	-	51,675
Total assets	8,707,363	5,366	8,712,729
Liabilities and Participants' funds			
Participants' funds	295,294	-	295,294
Borrowings	320,000	-	320,000
Insurance/takaful contract liabilities	5,489,890	-	5,489,890
Insurance/takaful payables	224,032	-	224,032
Other payables	232,532	-	232,532
Lease liability	-	5,546	5,546
Deferred tax liabilities	16,365	-	16,365
Provision for taxation	8,321	-	8,321
Provision for zakat	1,277	-	1,277
Total liabilities and participants' funds	6,587,711	5,546	6,593,257
Equity			
Share capital	722,306	-	722,306
Reserves	1,397,346	(180)	1,397,166
Total equity attributable to equity holders of the Company	2,119,652	(180)	2,119,472
Total liabilities, participants' funds and equity	8,707,363	5,366	8,712,729



MNRB HOLDINGS BERHAD (13487-A)
INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019
(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 2019 was not subject to any qualification.

A3. Seasonal or cyclical factors

During the financial period ended 30 June 2019, 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 June 2019.

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 current financial period under review.

A7. Dividend paid

No dividend was paid during the first quarter ended 30 June 2019.



MNRB HOLDINGS BERHAD (13487-A)
INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019
(The figures have not been audited)

PART A – NOTES TO THE INTERIM FINANCIAL STATEMENTS

A8. Segmental reporting

Financial period ended 30 June 2019

	Investment Holding RM'000	Reinsurance Business RM'000	Takaful Business RM'000	Retakaful Business RM'000	Others RM'000	Intra-Group Adjustments RM'000	Consolidated RM'000
Revenue							
External	503	307,779	245,733	8,335	2,928	-	565,278
Inter-segment	10,972	308	-	-	-	(11,280)	-
	11,475	308,087	245,733	8,335	2,928	(11,280)	565,278
Results							
Segment results	172	21,129	18,023	935	12	(4,316)	35,955
Share of results of associates	81	1,895	-	-	-	-	1,976
Operating profit/(loss) before surplus attributable to takaful participants, zakat and taxation	253	23,024	18,023	935	12	(4,316)	37,931
Deficit attributable to takaful participants	-	-	5,351	-	-	-	5,351
Operating profit/(loss) before zakat and taxation	253	23,024	23,374	935	12	(4,316)	43,282
Zakat and taxation	(539)	(1,677)	(3,079)	(75)	-	-	(5,370)
Net (loss)/profit for the period attributable to equity holders of the Company	(286)	21,347	20,295	860	12	(4,316)	37,912

Financial period ended 30 June 2018

	Investment Holding RM'000	Reinsurance Business RM'000	Takaful Business RM'000	Retakaful Business RM'000	Others RM'000	Intra-Group Adjustments RM'000	Consolidated RM'000
Revenue							
External	425	310,155	222,977	10,043	10	-	543,610
Inter-segment	9,974	405	723	-	1,361	(10,379)	2,084
	10,399	310,560	223,700	10,043	1,371	(10,379)	545,694
Results							
Segment results	(850)	38,774	37,878	1,155	(5)	(291)	76,661
Share of results of associates	91	(4,338)	-	-	-	-	(4,247)
Operating profit/(loss) before surplus attributable to takaful participants, zakat and taxation	(759)	34,436	37,878	1,155	(5)	(291)	72,414
(Deficits)/Surplus attributable to takaful participants	-	-	(29,372)	-	-	-	(29,372)
Operating (loss)/profit before zakat and taxation	(759)	34,436	8,506	1,155	(5)	(291)	43,042
Zakat and taxation	(502)	(11,624)	(1,683)	(955)	-	-	(14,764)
Net (loss)/profit for the period attributable to equity holders of the Company	(1,261)	22,812	6,823	200	(5)	(291)	28,278



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

PART A – NOTES TO THE INTERIM FINANCIAL STATEMENTS

A9. Carrying amount of revalued properties

The valuation of property, plant and equipment and investment properties have been brought forward, without any change, from the financial statements for the financial year ended 31 March 2019.

A10. Significant events

There were no significant events during the financial period ended 30 June 2019.

A11 Subsequent events

On 21 August 2019, the Company announced its proposal to undertake a Dividend Reinvestment Plan (DRP) that will provide MNRB's shareholders with an option to elect to re-invest, in whole or in part, their cash dividends in ordinary shares of MNRB. The said proposal will be tabled for approval by MNRB Shareholders at an Extraordinary General Meeting to be held on 25 September 2019.

There were no other significant subsequent events from 30 June 2019 to the date of this report.

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 June 2019.

A13. Capital Commitments

The amount of capital commitments of the Group as at 30 June 2019 is as follows:

	RM'000
Authorised and contracted for:	
- Intangible assets*	<u>2,715</u>
Authorised but not contracted for:	
- Property, plant and equipment	1,155
- Intangible assets*	<u>11,980</u>
	<u>13,135</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 June 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
Assets							
Property, plant and equipment	122,783	-	-	-	-	81,760	204,543
Right-of-use asset	5,861	-	-	-	-	(1,090)	4,771
Investment properties	-	-	81,760	-	-	(81,760)	-
Intangible assets	38,068	-	-	-	-	-	38,068
Investment in subsidiaries	1,304,476	-	-	-	-	(1,304,476)	-
Investment in associates	121,842	-	-	-	-	13,428	135,270
Financial assets	3,880,133	486,356	3,205,813	10,060	24,518	(224,204)	7,382,676
Reinsurance/retakaful assets	283,416	173,729	64,441	5,363	6,962	-	533,911
Insurance/takaful receivables	334,645	28,224	34,849	6,482	3,048	-	407,248
Tax recoverable	61,406	-	-	-	-	-	61,406
Non-current asset held for sale	-	-	45,875	-	-	-	45,875
Cash and bank balances	25,034	1,426	5,495	547	303	-	32,805
Total assets	6,177,664	689,735	3,438,233	22,452	34,831	(1,516,342)	8,846,573
Liabilities and Participants' funds							
Participants' funds	-	140,061	160,163	(51,763)	(27,982)	(1,784)	218,695
Borrowings	321,000	-	-	-	-	(1,000)	320,000
Insurance/takaful contract liabilities	2,028,523	447,816	3,062,043	58,420	16,852	(26,357)	5,587,297
Insurance/takaful payables	162,294	33,339	38,415	5,768	1,567	-	241,383
Other payables	171,278	64,127	160,462	8,543	44,379	(183,210)	265,579
Lease liability	6,072	-	-	-	-	(1,117)	4,955
Deferred tax liabilities	(2,821)	(763)	14,634	-	3	906	11,959
Provision for taxation	5,882	5,155	2,516	1,484	12	-	15,049
Provision for zakat	1,641	-	-	-	-	-	1,641
Total liabilities and participants' funds	2,693,869	689,735	3,438,233	22,452	34,831	(212,562)	6,666,558
Equity							
Share capital	2,026,912	-	-	-	-	(1,304,606)	722,306
Reserves	1,456,883	-	-	-	-	826	1,457,709
Total equity attributable to equity holders of the Parent	3,483,795	-	-	-	-	(1,303,780)	2,180,015
Total liabilities, participants' funds and equity	6,177,664	689,735	3,438,233	22,452	34,831	(1,516,342)	8,846,573

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

(ii) As at 31 March 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
Assets							
Property, plant and equipment	122,427	-	-	-	-	81,760	204,187
Investment properties	-	-	81,760	-	-	(81,760)	-
Intangible assets	37,206	-	-	-	-	-	37,206
Deferred tax assets	9,538	1,423	-	-	-	2,286	13,247
Investment in subsidiaries	1,304,476	-	-	-	-	(1,304,476)	-
Investment in associates	117,526	-	-	-	-	16,215	133,741
Financial assets	3,948,575	461,430	3,095,850	74,662	9,822	(300,785)	7,289,554
Reinsurance/retakaful assets	305,037	164,941	57,756	5,694	6,425	-	539,853
Insurance/takaful receivables	276,110	23,031	25,433	9,299	3,478	-	337,351
Tax recoverable	55,753	-	-	(1,079)	-	-	54,674
Non-current asset held for sale	-	-	45,875	-	-	-	45,875
Cash and bank balances	17,442	460	32,486	715	572	-	51,675
Total assets	6,194,090	651,285	3,339,160	89,291	20,297	(1,586,760)	8,707,363
Liabilities and Participants' funds							
Participants' funds	-	132,821	167,334	13,229	11	(18,101)	295,294
Borrowings	321,000	-	-	-	-	(1,000)	320,000
Insurance/takaful contract liabilities	2,037,954	432,995	2,947,235	65,161	16,544	(9,999)	5,489,890
Insurance/takaful payables	180,723	8,707	27,132	5,903	1,567	-	224,032
Other payables	224,331	72,211	188,952	4,998	2,175	(260,135)	232,532
Deferred tax liabilities	4,625	-	8,507	-	-	3,233	16,365
Provision for taxation	3,770	4,551	-	-	-	-	8,321
Provision for zakat	1,277	-	-	-	-	-	1,277
Total liabilities and participants' funds	2,773,680	651,285	3,339,160	89,291	20,297	(286,002)	6,587,711
Equity							
Share capital	2,026,912	-	-	-	-	(1,304,606)	722,306
Retained profit	1,393,498	-	-	-	-	3,848	1,397,346
Total equity attributable to equity holders of the Parent	3,420,410	-	-	-	-	(1,300,758)	2,119,652
Total liabilities, participants' funds and equity	6,194,090	651,285	3,339,160	89,291	20,297	(1,586,760)	8,707,363

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

(i) 3 months ended 30 June 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	272,159	64,105	135,580	4,819	2,201	(30)	478,834
Premiums/contributions ceded to reinsurers and retakaful operators	(26,209)	(21,007)	(17,853)	(292)	(1,594)	30	(66,925)
Net earned premiums/contributions	245,950	43,098	117,727	4,527	607	-	411,909
Investment income	33,997	4,348	37,179	644	201	(1,020)	75,349
Realised gains	2,486	567	3,124	-	-	-	6,177
Fair value gains/(losses)	6,764	1,619	72,940	-	47	(2,588)	78,782
Fee and commission income	92,194	5,518	-	-	-	(88,981)	8,731
Other operating revenue	9,748	-	-	55	13	(3,500)	6,316
Other revenue	145,189	12,052	113,243	699	261	(96,089)	175,355
Gross claims and benefit paid	(222,999)	(42,980)	(70,781)	(4,650)	(2,531)	14	(343,927)
Claims ceded to reinsurers/retakaful operators	58,888	20,081	5,151	13	1,708	(14)	85,827
Gross change in contract liabilities	13,819	(219)	(114,807)	6,239	(308)	(4,809)	(100,085)
Change in contract liabilities ceded to reinsurers/retakaful operators	(29,672)	(6,307)	6,685	(331)	537	-	(29,088)
Net claims and benefits	(179,964)	(29,425)	(173,752)	1,271	(594)	(4,809)	(387,273)
Fee and commission expenses	(92,893)	(21,446)	(54,072)	(1,431)	(84)	77,035	(92,891)
Management expenses	(66,051)	-	(353)	-	-	12,453	(53,951)
Finance cost	(4,205)	-	-	-	-	13	(4,192)
Other operating expenses	(2,786)	(1,456)	(970)	(27)	-	1,773	(3,466)
Changes in expenses liabilities	382	-	-	-	-	-	382
Tax borne by participants	-	(504)	(8,994)	(405)	(15)	-	(9,918)
Other expenses	(165,553)	(23,406)	(64,389)	(1,863)	(99)	91,274	(164,036)
Share of results of associates	-	-	-	-	-	1,976	1,976
Operating profit/(loss) before surplus/(deficits) attributable to takaful/retakaful participants, zakat and taxation	45,622	2,319	(7,171)	4,634	175	(7,648)	37,931
Surplus/(deficits) attributable to takaful/retakaful participants	-	(2,319)	7,171	(4,634)	(175)	5,308	5,351
Operating profit/(loss) before zakat and taxation	45,622	-	-	-	-	(2,340)	43,282
Zakat	(365)	-	-	-	-	-	(365)
Taxation	(5,005)	-	-	-	-	-	(5,005)
Net profit/(loss) for the period attributable to equity holders of the Parent	40,252	-	-	-	-	(2,340)	37,912

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

(ii) 3 months ended 30 June 2018

	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	275,791	61,554	128,177	4,909	2,421	(93)	472,759
Premiums/contributions ceded to reinsurers and retakaful operators	(21,231)	(22,901)	(8,408)	(901)	(1,740)	18	(55,163)
Net earned premiums/contributions	254,560	38,653	119,769	4,008	681	(75)	417,596
Investment income	31,484	4,065	30,429	615	194	(1,643)	65,144
Realised gains/(losses)	2,581	314	(1,811)	-	-	-	1,084
Fair value losses	(12,837)	(1,245)	(35,109)	(1)	(152)	(5,110)	(54,454)
Fee and commission income	78,446	4,614	3	3	-	(76,922)	6,144
Other operating revenue	8,491	-	1,119	447	6	(182)	9,881
Other revenue	108,165	7,748	(5,369)	1,064	48	(83,857)	27,799
Gross claims and benefit paid	(182,768)	(33,584)	(66,699)	(4,743)	(3,665)	1,366	(290,092)
Claims ceded to reinsurers/retakaful operators	3,200	12,961	(847)	428	1,700	(1,366)	16,076
Gross change in contract liabilities	29,186	(11,111)	28,369	8,245	25	(2,690)	52,024
Change in contract liabilities ceded to reinsurers/retakaful	(8,772)	3,552	1,218	(973)	(230)	-	(5,205)
Net claims and benefits	(159,154)	(28,182)	(37,959)	2,958	(2,170)	(2,690)	(227,197)
Fee and commission expense	(93,001)	(19,827)	(43,655)	(2,515)	(100)	66,101	(92,997)
Management expenses	(59,918)	-	-	-	-	9,155	(50,763)
Finance cost	(4,121)	-	-	-	-	12	(4,109)
Other operating expenses	(2,644)	(182)	-	(396)	(2)	5,001	1,778
Changes in expenses liabilities	2,805	-	-	-	-	-	2,805
Tax borne by participants	-	185	1,564	-	-	-	1,749
Other expenses	(156,879)	(19,824)	(42,091)	(2,911)	(102)	80,269	(141,537)
Share of results of associates	-	-	-	-	-	(4,247)	(4,247)
Operating profit/(loss) before surplus/(deficits) attributable to takaful/retakaful participants, zakat and taxation	46,692	(1,605)	34,350	5,119	(1,542)	(10,600)	72,414
Surplus/(deficits) attributable to takaful/ retakaful participants	-	1,605	(34,350)	(3,839)	1,149	6,063	(29,372)
Operating profit/(loss) before zakat and taxation	46,692	-	-	1,280	(393)	(4,537)	43,042
Zakat	(213)	-	-	-	-	-	(213)
Taxation	(13,664)	-	-	(1,280)	393	-	(14,551)
Net profit/(loss) for the period attributable to equity holders of the Parent	32,815	-	-	-	-	(4,537)	28,278

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
- (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 June 2019/31 March 2019			
<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% RM4.50
Office buildings of Takaful Ikhlas Family Berhad ("TIFB")	Comparison approach	Sales price per square feet for similar properties	RM833 to RM1,545
Unquoted shares in Malaysia	Net assets	Net assets	Not applicable

A significant increase or decrease in the unobservable inputs used in the valuation would result in a correspondingly higher or lower fair value.

There has been no transfer between Level 1 and Level 2 of the fair value hierarchy during the financial period.

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 June 2019				
Assets measured at fair value:				
(a) Property, plant and equipment				
Freehold land	-	-	36,800	36,800
Buildings	-	-	163,347	163,347
	<u>-</u>	<u>-</u>	<u>200,147</u>	<u>200,147</u>
(b) Financial assets at FVTPL				
<u>Designated upon initial recognition</u>				
Unquoted corporate debt securities	-	20,358	-	20,358
Government investment issues	-	1,375,922	-	1,375,922
Unquoted islamic private debt securities:				
Government guaranteed	-	727,487	-	727,487
Unsecured	-	516,555	-	516,555
<u>Mandatorily measured</u>				
Quoted shares in Malaysia:				
Shariah approved equities	149,378	-	-	149,378
Others	162,769	-	-	162,769
Unquoted islamic private debt securities	-	656	-	656
Shariah approved unit trust funds	201,330	-	-	201,330
Property trust funds	5,908	-	-	5,908
	<u>519,385</u>	<u>2,640,978</u>	<u>-</u>	<u>3,160,363</u>
(c) Financial assets at FVOCI				
Malaysian government securities	-	185,855	-	185,855
Government investment issues	-	778,095	-	778,095
Unquoted corporate debt securities	-	1,043,440	-	1,043,440
Unquoted shares	-	-	85,452	85,452
Unquoted Islamic private debt securities:				
Government guaranteed	-	137,244	-	137,244
Unsecured	-	190,081	-	190,081
Golf club memberships	-	-	293	293
	<u>-</u>	<u>2,334,715</u>	<u>85,745</u>	<u>2,420,460</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 2019				
Assets measured at fair value:				
(a) Property, plant and equipment				
Freehold land	-	-	36,800	36,800
Buildings	-	-	163,312	163,312
	<u>-</u>	<u>-</u>	<u>200,112</u>	<u>200,112</u>
(b) Financial assets at FVTPL				
<u>Designated upon initial recognition</u>				
Unquoted corporate debt securities	-	4,178	-	4,178
Government investment issues	-	1,306,506	-	1,306,506
Unquoted islamic private debt securities:				
Government guaranteed	-	702,381	-	702,381
Unsecured	-	507,833	-	507,833
<u>Mandatorily measured</u>				
Quoted shares in Malaysia:				
Shariah approved equities	184,207	-	-	184,207
Warrants	43	-	-	43
Others	82,914	-	-	82,914
Unquoted corporate debt securities	-	15,142	-	15,142
Unquoted islamic private debt securities	-	739	-	739
Shariah approved unit trust funds	168,589	-	-	168,589
Real estate investment trusts	16,299	-	-	16,299
	<u>452,052</u>	<u>2,536,779</u>	<u>-</u>	<u>2,988,831</u>
(c) Financial assets at FVOCI				
Malaysian government securities	-	183,878	-	183,878
Government investment issues	-	519,843	-	519,843
Unquoted corporate debt securities	-	1,031,242	-	1,031,242
Unquoted shares	-	-	84,158	84,158
Unquoted Islamic private debt securities:				
Government guaranteed	-	105,860	-	105,860
Unsecured	-	230,462	-	230,462
Golf club memberships	-	-	293	293
	<u>-</u>	<u>2,071,285</u>	<u>84,451</u>	<u>2,155,736</u>



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

B1. Review of performance

For the financial period ended 30 June 2019, the Group recorded a revenue of RM565.3 million as compared to RM545.7 million reported in the previous financial period. The RM19.6 million increase was mainly attributable to higher gross contributions generated by the takaful subsidiaries.

The Group's net profit for the financial period ended 30 June 2019 was RM37.9 million, higher by RM9.6 million as compared to RM28.3 million reported in the corresponding period last year for the reasons stated below.

Investment holding

Revenue for the financial period was RM11.5 million as compared to RM10.4 million reported in the corresponding period last year. The higher revenue was due to higher investment income and shared services fee received from the shared services function provided to the subsidiaries.

As a result of the above, lower net loss amounting to RM0.3 million was recorded for the financial period ended 30 June 2019, as compared to a loss of RM1.3 million for the same period last year.

Reinsurance business

Revenue for reinsurance business for the financial period ended 30 June 2019 was RM308.1 million as compared to RM310.6 million in the previous financial period. The decrease was mainly due to the lower gross premiums from domestic treaty business.

Net profit for the financial period ended 30 June 2019 decreased by 6.4% from RM22.8 million last year to RM21.3 million. The lower profit was due to higher claims from several domestic large losses incurred during the period.

Takaful business

Revenue for takaful business for the financial period ended 30 June 2019 increased by 9.8% from RM223.7 million to RM245.7 million in the corresponding period of last year. This was mainly due to higher gross contribution, investment income and investment performance fee.

Consequently, takaful business recorded a higher net profit of RM20.3 million in the financial period ended 30 June 2019 as compared to a net profit of RM6.8 million for the same period last year due to the reasons mentioned above.

Retakaful business

Revenue for retakaful business for the financial period ended 30 June 2019 decreased slightly from RM10.0 million to RM8.3 million, mainly due to lower gross contribution received.

However the retakaful business recorded a higher net profit of RM0.9 million in the financial period ended 30 June 2019 as compared to a net profit of RM0.2 million reported in the corresponding period last year.

B2. Review of current quarter profitability against immediate preceding quarter

The Group recorded a net profit of RM37.9 million in the current quarter as compared to net profit of RM68.9 million in the preceding quarter as a result of higher underwriting surplus from the reinsurance business segment in the immediate preceding quarter.



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**PART B – ADDITIONAL INFORMATION REQUIRED BY THE
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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 2020.

B4. Explanatory note for variance from profit forecast

There was no profit forecast issued by the Group during the financial period ended 30 June 2019.

B5. Investment income

	GROUP			
	Individual period		Cumulative year	
	3 months ended 30 June 2019 RM'000	3 months ended 30 June 2018 RM'000	3 months ended 30 June 2019 RM'000	3 months ended 30 June 2018 RM'000
Financial assets at FVTPL				
<u>Designated upon initial recognition</u>				
Interest/profit income	28,515	18,428	28,515	18,428
<u>Mandatorily measured:</u>				
Dividend income:				
- quoted shares in Malaysia	2,350	61	2,350	61
- unquoted shares in Malaysia	1,164	-	1,164	-
- unit trust funds	85	372	85	372
Financial assets at FVOCI				
Interest/profit income	22,284	29,466	22,284	29,466
Dividend income:				
- quoted shares in Malaysia	-	1,010	-	1,010
- unquoted shares in Malaysia	9	-	9	-
Financial assets at AC				
Interest/profit income	20,702	15,679	20,702	15,679
Dividend income:				
- unit trust in Malaysia	48	-	48	-
Rental income	1,648	1,633	1,648	1,633
Net amortisation of premiums	(1,163)	(1,389)	(1,163)	(1,389)
Investment expenses	(293)	(116)	(293)	(116)
	75,349	65,144	75,349	65,144



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**PART B – ADDITIONAL INFORMATION REQUIRED BY THE
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B6. Taxation

	GROUP			
	Individual period		Cumulative year	
	3 months ended 30 June 2019 RM'000	3 months ended 30 June 2018 RM'000	3 months ended 30 June 2019 RM'000	3 months ended 30 June 2018 RM'000
Operating profit before zakat and tax	43,282	43,042	43,282	43,042
Current tax	(4,071)	(10,284)	(4,071)	(10,284)
Deferred tax	(934)	(4,267)	(934)	(4,267)
Total tax	(5,005)	(14,551)	(5,005)	(14,551)
Effective tax rate	11.6%	33.8%	11.6%	33.8%

The effective tax rate for the cumulative period was lower than the statutory tax rate mainly due to the reduction in tax rate from 24% to 8% for reinsurance/retakaful business which came into effect from year of assessment 2019. For the same period last year, the effective tax rate was higher due to non- tax deductible expenses and deferred tax impact arising from financial assets at FVTPL following the MFRS 9 implementation.

B7. Status of corporate proposal

Please refer to Note A11 above.

B8. Borrowings and debt securities

The Group borrowings as at 30 June 2019 were as follows:

	GROUP 30 June 2019 RM'000
Unsecured long term borrowings:	
RM 320.0 million Sukuk Murabahah due on 22 March 2029	320,000

B9. Off balance sheet financial instruments

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

B10. Material litigation

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



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**PART B – ADDITIONAL INFORMATION REQUIRED BY THE
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B11. Earnings per share

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

	GROUP			
	Individual period		Cumulative year	
	3 months ended 30 June 2019	3 months ended 30 June 2018	3 months ended 30 June 2019	3 months ended 30 June 2018
Net profit for the period (RM'000)	37,912	28,278	37,912	28,278
Number of ordinary shares in issue ('000)	767,050	319,605	767,050	319,605
Basic earnings per share (sen)	5.0	8.8	5.0	8.8

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 June 2019 RM'000	3 months ended 30 June 2018 RM'000	3 months ended 30 June 2019 RM'000	3 months ended 30 June 2018 RM'000
Finance cost	(4,195)	(4,109)	(4,195)	(4,109)
Net gain on disposal of investments	6,179	127	6,179	127
Depreciation and amortisation	(4,354)	(2,298)	(4,354)	(2,298)
(Allowance for)/writeback of impairment on insurance/takaful receivables	(3,222)	240	(3,222)	240
Writeback of/(Allowance for) impairment on investments	(1)	-	(1)	-

There was no gain or loss on derivatives and exceptional items reported during the financial period ended 30 June 2019.

By Order of the Board

LENA BINTI ABD LATIF (LS 8766)
Company Secretary

Kuala Lumpur
Dated: 28 August 2019