



Bursa Announcement

First Quarter Ended 30 June 2022



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 JUNE 2022**

| | GROUP | | | |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | Individual period | | Cumulative year | |
| | 3 months ended 30 June 2022 | 3 months ended 30 June 2021 | 3 months ended 30 June 2022 | 3 months ended 30 June 2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Gross earned premiums/contributions | 764,092 | 639,287 | 764,092 | 639,287 |
| Premiums/contributions ceded to reinsurers and retakaful operators | (92,678) | (70,108) | (92,678) | (70,108) |
| Net earned premiums/contributions | 671,414 | 569,179 | 671,414 | 569,179 |
| Investment income | 65,191 | 66,310 | 65,191 | 65,524 |
| Realised (loss)/gains | (1,210) | 3,394 | (1,210) | 3,394 |
| Fair value (loss)/gains | (144,864) | 19,821 | (144,864) | 19,821 |
| Fee and commission income | 14,107 | 9,198 | 14,107 | 9,198 |
| Other operating revenue | 18,975 | 4,437 | 18,975 | 5,223 |
| Other revenue | (47,801) | 103,160 | (47,801) | 103,160 |
| Gross claims and benefits paid | (406,602) | (267,714) | (406,602) | (267,714) |
| Claims ceded to reinsurers/retakaful operators | 84,910 | 37,082 | 84,910 | 37,082 |
| Gross change in contract liabilities | (50,136) | (195,470) | (50,136) | (195,470) |
| Change in contract liabilities ceded to reinsurers/retakaful operators | (13,532) | 51,030 | (13,532) | 51,030 |
| Net claims and benefits | (385,360) | (375,072) | (385,360) | (375,072) |
| Fee and commission expense | (140,286) | (141,402) | (140,286) | (141,402) |
| Management expenses | (82,760) | (59,091) | (82,760) | (59,091) |
| Finance cost | (4,362) | (4,187) | (4,362) | (4,187) |
| Other operating expenses | (2,413) | (861) | (2,413) | (861) |
| Change in expenses liabilities | (373) | 5,099 | (373) | 5,099 |
| Tax borne by participants | 9,671 | (7,052) | 9,671 | (7,052) |
| Other expenses | (220,523) | (207,494) | (220,523) | (207,494) |
| Share of results of associates | (10,770) | 1,849 | (10,770) | 1,849 |
| Operating profits before surplus attributable to takaful participants, zakat and taxation | 6,961 | 91,622 | 6,961 | 91,622 |
| Surplus attributable to takaful participants | (15,256) | (40,858) | (15,256) | (40,858) |
| Operating (loss)/profits before zakat and taxation | (8,295) | 50,764 | (8,295) | 50,764 |
| Zakat | (257) | (373) | (257) | (373) |
| Taxation | (4,726) | (3,813) | (4,726) | (3,813) |
| Net (loss)/profits for the period attributable to equity holders of the Company | (13,278) | 46,578 | (13,278) | 46,578 |
| Basic (loss)/earnings per share attributable to equity holders of the Company (sen): | (1.7) | 5.9 | (1.7) | 5.9 |

The Condensed Financial Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2022



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 JUNE 2022**

| | GROUP | | | |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | Individual period | | Cumulative year | |
| | 3 months ended 30 June 2022 | 3 months ended 30 June 2021 | 3 months ended 30 June 2022 | 3 months ended 30 June 2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Net (loss)/profits for the period | (13,278) | 46,578 | (13,278) | 46,578 |
| Other comprehensive income/(loss): | | | | |
| Other comprehensive income/(loss) to be reclassified to income statement in subsequent periods: | | | | |
| Effects of post acquisition foreign exchange translation reserve on investment in associate | 3,596 | (5,028) | 3,596 | (5,028) |
| Effects of foreign exchange translation reserve on investment in subsidiary | 589 | (3) | 589 | (3) |
| Net (loss)/gain on financial assets at fair value of comprehensive income ("FVOCI"): | | | | |
| Net (losses)/gain on fair value changes | (36,743) | 10,328 | (36,743) | 10,328 |
| Realised losses transferred to income statement | (208) | - | (208) | - |
| Deferred tax relating to net loss on financial assets at FVOCI | 2,845 | 1,819 | 2,845 | 1,819 |
| Other comprehensive income/(loss) | 4,497 | (1,242) | 4,497 | (1,242) |
| Other comprehensive (loss)/income not to be reclassified to income statement in subsequent years: | | | | |
| Net (loss)/gain on fair value changes | (186) | 268 | (186) | 268 |
| Deferred tax on fair value changes | - | - | - | - |
| Revaluation surplus of land and buildings | 538 | 25 | 538 | 25 |
| Deferred tax relating to revaluation of land and buildings | (43) | (2) | (43) | (2) |
| Total comprehensive (loss)/income for the period | (38,393) | 52,743 | (38,393) | 52,743 |

The Condensed Financial Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2022



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

| | GROUP | |
|---|-------------------------------------|------------------------------------|
| | Unaudited 30 June 2022 RM'000 | Audited 31 March 2022 RM'000 |
| Assets | | |
| Property, plant and equipment | 212,094 | 211,213 |
| Intangible assets | 71,796 | 75,136 |
| Right-of-use asset | 13,820 | 5,554 |
| Investment in associates | 129,149 | 134,094 |
| Financial assets | 8,903,400 | 8,975,983 |
| Deferred tax assets | 52,414 | 38,330 |
| Reinsurance/retakaful assets | 953,425 | 952,271 |
| Insurance/takaful receivables | 636,060 | 614,826 |
| Tax recoverable | 57,079 | 50,702 |
| Cash and bank balances | 283,370 | 214,050 |
| Total assets | 11,312,607 | 11,272,159 |
| Liabilities and Participants' funds | | |
| Participants' funds | 373,392 | 394,409 |
| Borrowings | 320,000 | 320,000 |
| Insurance/takaful contract liabilities | 7,597,796 | 7,487,057 |
| Lease liability | 4,160 | 5,476 |
| Insurance/takaful payables | 278,710 | 305,499 |
| Other payables | 277,580 | 277,793 |
| Deferred tax liabilities | 2,949 | 3,178 |
| Provision for taxation | 6,760 | 5,319 |
| Provision for zakat | 17,979 | 1,754 |
| Total liabilities and participants' funds | 8,879,326 | 8,800,485 |
| Equity | | |
| Share capital | 738,502 | 738,502 |
| Reserves | 1,694,779 | 1,733,172 |
| Total equity attributable to equity holders of the Company | 2,433,281 | 2,471,674 |
| Total liabilities, participants' funds and equity | 11,312,607 | 11,272,159 |
| Net assets per share (RM) | 3.11 | 3.16 |

*The Condensed Financial Statements should be read in conjunction with
the Audited Financial Statements for the year ended 31 March 2022*



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 JUNE 2022**

| | 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 loss RM'000 | | |
| At 1 April 2022 | 738,502 | 45,966 | 25,973 | 49,575 | 1,611,658 | - | 2,471,674 |
| Total comprehensive income/(loss) for the year | - | 4,185 | (29,795) | 495 | - | (13,278) | (38,393) |
| At 30 June 2022 | 738,502 | 50,151 | (3,822) | 50,070 | 1,611,658 | (13,278) | 2,433,281 |

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

| | 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 2021 | 738,502 | 47,087 | 53,092 | 51,082 | 1,528,557 | - | 2,418,320 |
| Total comprehensive (loss)/income for the year | - | (5,031) | 11,173 | 23 | - | 46,578 | 52,743 |
| At 30 June 2021 | 738,502 | 42,056 | 64,265 | 51,105 | 1,528,557 | 46,578 | 2,471,063 |

The Condensed Financial Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2022



MNRB HOLDINGS BERHAD

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INTERIM FINANCIAL STATEMENTS

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**

| | GROUP | |
|--|--------------------------------|--------------------------------|
| | 3 months ended 30 June 2022 | 3 months ended 30 June 2021 |
| | RM'000 | RM'000 |
| Cash flows from operating activities | | |
| (Loss)/profit before surplus transfer, zakat and tax | (8,295) | 50,764 |
| Adjustments for: | | |
| Net fair value losses on financial assets at fair value through profit and loss ("FVTPL") | 150,647 | (19,985) |
| Reversal of impairment losses on FVOCI financial assets | - | (138) |
| Impairment losses/(Reversal of impairment losses) on insurance/takaful receivables | 1,032 | (1,935) |
| Depreciation of property, plant and equipment | 624 | 859 |
| Amortisation of intangible assets | 2,650 | 1,608 |
| Depreciation of right-of-use ("ROU") assets | 950 | 1,904 |
| Tax borne by participants | (7,449) | 4,507 |
| Increase in gross premium and contribution liabilities | 10,045 | 30,979 |
| Interest/profit income | (65,946) | (61,009) |
| Dividend income | (1,067) | (4,993) |
| Finance cost | 4,919 | 4,200 |
| Net gains on disposal of investments | (274) | (3,394) |
| Net amortisation of premiums on investments | 1,169 | 1,070 |
| Share of results of associates | 10,770 | (1,849) |
| Profit from operations before changes in operating assets and liabilities | 100,495 | 1,912 |
| (Increase)/decrease in placements with licensed financial institutions, Islamic investment accounts and marketable securities | (24,773) | 72,510 |
| Net purchase of investments | (97,016) | (266,910) |
| (Increase)/decrease in staff loans | (25) | 482 |
| Increase insurance/takaful receivables | (23,802) | (22,979) |
| Decrease/(increase) in other receivables | 118 | (67,694) |
| Decrease in gross claim liabilities, actuarial liabilities and unallocated surplus | (163,116) | (30,847) |
| Increase/(decrease) in expense liabilities | 374 | (5,100) |
| Increase in participants' funds | 230,115 | 266,623 |
| Decrease/(Increase) in reinsurance and retakaful assets | 16,369 | (66,131) |
| (Decrease)/increase in insurance/takaful payables | (25,749) | 3,944 |
| Increase in other payables | 16,823 | 50,232 |
| Taxes and zakat | (22,254) | (22,338) |
| Interest/profit received | 70,591 | 62,602 |
| Dividend received | 2,232 | 5,201 |
| Rental received | 1,214 | 1,037 |
| Net cash generated from/(used in) operating activities | 81,596 | (17,456) |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (2,045) | (179) |
| Purchase of intangible assets | (773) | (890) |
| Net cash used in investing activities | (2,818) | (1,069) |
| Cash flows from financing activities | | |
| Interest/profit paid | (4,728) | (4,172) |
| Payment of lease liabilities | (4,729) | (1,176) |
| Net cash used in financing activities | (9,457) | (5,348) |
| Cash and bank balances | | |
| Net increase/(decrease) during the period | 69,320 | (23,872) |
| At the beginning of the year | 214,050 | 115,789 |
| At the end of the period | 283,370 | 91,917 |

*The Condensed Financial Statements should be read in conjunction with
the Audited Financial Statements for the year ended 31 March 2022*



MNRB HOLDINGS BERHAD
(197201001795 (13487-A))
INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022
(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 2022.

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 2022 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 2022:

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

The adoption of the above accounting standards and amendments/improvements to MFRSs does not have any material impact on the financial statements of the Group.

Standards issued but not yet effective

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

| Description | Effective for annual periods beginning on or after |
|--|---|
| • Amendments to MFRS 101 <i>Presentation of Financial Statements Classification of Liabilities as Current or Non-current</i> | 1 January 2023 |
| • Amendments to MFRS 101 <i>Presentation of Financial Statements Disclosure of Accounting Policies</i> | 1 January 2023 |
| • MFRS 17 <i>Insurance Contracts</i> | 1 January 2023 |
| • Amendments to MFRS 17 <i>Insurance Contracts</i> | 1 January 2023 |
| • Amendments to MFRS 17 <i>Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i> | 1 January 2023 |
| • Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates</i> | 1 January 2023 |
| • Amendments to MFRS 112 <i>Income Taxes Deferred Tax related to Assets and Liabilities arising from Single Transaction</i> | 1 January 2023 |
| • Amendments to MFRS 10 <i>Consolidated Financial Statements</i> and MFRS 128 <i>Investment in Associates and Joint Ventures</i> | To be announced by MASB |

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

MFRS 17 Insurance Contracts ("MFRS 17")

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

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

- The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, remeasured at every reporting period (the fulfilment cash flows);
- A Contractual Service Margin ("CSM") that is equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts, representing the unearned profitability of the insurance contracts to be recognised in the income statement over the service period (i.e., coverage period);
- Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in the income statement over the remaining contractual service period;
- The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice;
- The presentation of insurance revenue and insurance service expenses in the income statement will be based on the concept of services provided during the period;



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FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022
(The figures have not been audited)

PART A – NOTES TO THE INTERIM FINANCIAL STATEMENTS

A1. Basis of preparation (cont'd.)

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

- Amounts that the policyholders will always receive, regardless of whether an insured event happens (non-distinct investment components) are not presented in the income statements, but are recognised directly on the statements of financial position;
- Insurance services results (earned revenue less incurred claims and expenses) are presented separately from the insurance finance income or expense; and
- Extensive disclosures to provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts.

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

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

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

As a result of the above, the Group has assessed the takaful and retakaful contracts issued and concluded that MFRS 17 is applicable to the contracts issued and held. Consequently, the Group has established a project team with the assistance from consultants to plan and manage the MNRB Group wide implementation of MFRS 17. The Group is in the midst of implementing the relevant systems solution, architecture and processes to ensure compliance to the said standard.

A2. Auditors' Report on preceding annual financial statements

The auditors' report on the audited financial statements for the financial year ended 31 March 2022 was not subject to any qualification.

A3. Seasonal or cyclical factors

During the financial period ended 30 June 2022, 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 2022.

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 first quarter ended 30 June 2022.



MNRB HOLDINGS BERHAD
(197201001795 (13487-A))
INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022
(The figures have not been audited)

PART A – NOTES TO THE INTERIM FINANCIAL STATEMENTS

A7. Dividend paid

No dividend was paid during the first quarter ended 30 June 2022.

A8. Segmental reporting

Financial period ended 30 June 2022

| | Investment Holding RM'000 | Reinsurance Business RM'000 | Retakaful Business RM'000 | General Takaful Business RM'000 | Family Takaful Business RM'000 | Others RM'000 | Intra-Group Adjustments RM'000 | Consolidated RM'000 |
|--|------------------------------|--------------------------------|------------------------------|------------------------------------|-----------------------------------|------------------|-----------------------------------|------------------------|
| Revenue | | | | | | | | |
| External | 1,140 | 481,844 | 19,995 | 134,562 | 203,825 | 1,476 | - | 842,842 |
| Inter-segment | 16,382 | 5,623 | - | 646 | 976 | 918 | (24,545) | - |
| | 17,522 | 487,467 | 19,995 | 135,208 | 204,801 | 2,394 | (24,545) | 842,842 |
| Results | | | | | | | | |
| Segment results | (480) | (5,015) | 1,182 | 11,112 | 19,765 | 105 | (8,938) | 17,731 |
| Share of results of associates | 134 | (10,904) | - | - | - | - | - | (10,770) |
| Operating (loss)/profit before surplus attributable to takaful participants, zakat and taxation | (346) | (15,919) | 1,182 | 11,112 | 19,765 | 105 | (8,938) | 6,961 |
| Surplus attributable to takaful participants | - | - | - | (1,932) | (13,324) | - | - | (15,256) |
| Operating (loss)/profit before zakat and taxation | (346) | (15,919) | 1,182 | 9,180 | 6,441 | 105 | (8,938) | (8,295) |
| Zakat and taxation | (1,086) | 411 | (226) | (2,527) | (1,555) | - | - | (4,983) |
| Net (loss)/profit for the period attributable to equity holders of the Company | (1,432) | (15,508) | 956 | 6,653 | 4,886 | 105 | (8,938) | (13,278) |

Financial period ended 30 June 2021

| | Investment Holding RM'000 | Reinsurance Business RM'000 | Retakaful Business RM'000 | General Takaful Business RM'000 | Family Takaful Business RM'000 | Others RM'000 | Intra-Group Adjustments RM'000 | Consolidated RM'000 |
|---|------------------------------|--------------------------------|------------------------------|------------------------------------|-----------------------------------|------------------|-----------------------------------|------------------------|
| Revenue | | | | | | | | |
| External | 780 | 434,960 | 9,761 | 98,759 | 196,675 | 2,095 | - | 743,030 |
| Inter-segment | 14,238 | 435 | - | 903 | 897 | 1,475 | (17,948) | - |
| | 15,018 | 435,395 | 9,761 | 99,662 | 197,572 | 3,570 | (17,948) | 743,030 |
| Results | | | | | | | | |
| Segment results | 1,200 | 21,035 | 4,356 | 13,794 | 49,020 | 130 | 238 | 89,773 |
| Share of results of associates | (97) | 1,946 | - | - | - | - | - | 1,849 |
| Operating profit before surplus attributable to takaful participants, zakat and taxation | 1,103 | 22,981 | 4,356 | 13,794 | 49,020 | 130 | 238 | 91,622 |
| Surplus attributable to takaful participants | - | - | - | (5,725) | (35,133) | - | - | (40,858) |
| Operating profit before zakat and taxation | 1,103 | 22,981 | 4,356 | 8,069 | 13,887 | 130 | 238 | 50,764 |
| Zakat and taxation | 372 | (1,430) | (204) | (2,289) | (631) | (4) | - | (4,186) |
| Net profit for the period attributable to equity holders of the Company | 1,475 | 21,551 | 4,152 | 5,780 | 13,256 | 126 | 238 | 46,578 |



MNRB HOLDINGS BERHAD
(197201001795 (13487-A))
INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022
(The figures have not been audited)

PART A – NOTES TO THE INTERIM FINANCIAL STATEMENTS

A9. Carrying amount of revalued properties

The valuation of property, plant and equipment and investment properties has been brought forward, without any change, from the financial statements for the financial year ended 31 March 2022.

A10. Subsequent events

There were no subsequent event of the Group during the financial period ended 30 June 2022.

A11. 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 2022.

A12. Capital Commitments

The amount of capital commitments of the Group as at 30 June 2022 were as follows:

| | RM'000 |
|------------------------------------|---------------|
| Authorised and contracted for: | |
| - Property, plant and equipment | 585 |
| - Tangible assets | 166 |
| - Intangible assets* | 7,781 |
| | <u>8,532</u> |
| Authorised but not contracted for: | |
| - Property, plant and equipment | 21,863 |
| - Tangible assets | 10,252 |
| - Intangible assets* | 34,735 |
| | <u>66,850</u> |

* Relating to purchases and enhancement of computer systems.

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

(i) Unaudited as at 30 June 2022

| | 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 | 130,423 | - | - | - | - | 81,671 | 212,094 |
| Investment properties | - | - | 81,620 | - | - | (81,620) | - |
| Intangible assets | 71,796 | - | - | - | - | - | 71,796 |
| Right-of-use asset | 19,703 | - | - | - | - | (5,883) | 13,820 |
| Investment in subsidiaries | 1,304,477 | - | - | - | - | (1,304,477) | - |
| Investment in associates | 128,268 | - | - | - | - | 881 | 129,149 |
| Deferred tax assets | 35,424 | 10,305 | 7,570 | - | - | (885) | 52,414 |
| Financial assets | 4,706,329 | 706,918 | 3,643,547 | 93,340 | 10,180 | (256,914) | 8,903,400 |
| Reinsurance/retakaful assets | 561,088 | 248,160 | 101,675 | 32,986 | 9,516 | - | 953,425 |
| Insurance/takaful receivables | 487,122 | 60,263 | 35,564 | 45,316 | 10,152 | (2,357) | 636,060 |
| Tax recoverable | 56,738 | - | - | 637 | (296) | - | 57,079 |
| Cash and bank balances | 238,998 | 3,359 | 40,931 | 28 | 54 | - | 283,370 |
| Total assets | 7,740,366 | 1,029,005 | 3,910,907 | 172,307 | 29,606 | (1,569,584) | 11,312,607 |
| Liabilities and Participants' funds | | | | | | | |
| Participants' funds | - | 167,762 | 207,307 | - | - | (1,677) | 373,392 |
| Borrowings | 371,000 | - | - | - | - | (51,000) | 320,000 |
| Insurance/takaful contract liabilities | 3,253,205 | 685,944 | 3,514,294 | 120,288 | 11,958 | 12,107 | 7,597,796 |
| Lease liability | 9,146 | - | - | - | - | (4,986) | 4,160 |
| Insurance/takaful payables | 168,518 | 58,049 | 41,460 | 8,146 | 4,894 | (2,357) | 278,710 |
| Other payables | 165,145 | 116,262 | 144,673 | 43,860 | 12,736 | (204,340) | 278,336 |
| Deferred tax liabilities | 2,895 | - | - | 13 | 18 | 23 | 2,949 |
| Provision for taxation | 2,599 | 988 | 3,173 | - | - | - | 6,760 |
| Provision for zakat | 17,979 | - | - | - | - | - | 17,979 |
| Total liabilities and participants' funds | 3,990,487 | 1,029,005 | 3,910,907 | 172,307 | 29,606 | (252,230) | 8,880,082 |
| Equity | | | | | | | |
| Share capital | 2,043,108 | - | - | - | - | (1,304,606) | 738,502 |
| Reserves | 1,706,771 | - | - | - | - | (12,748) | 1,694,023 |
| Total equity attributable to equity holders of the Parent | 3,749,879 | - | - | - | - | (1,317,354) | 2,432,525 |
| Total liabilities, participants' funds and equity | 7,740,366 | 1,029,005 | 3,910,907 | 172,307 | 29,606 | (1,569,584) | 11,312,607 |

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

(ii) Audited as at 31 March 2022

| | 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 | 129,542 | - | - | - | - | 81,671 | 211,213 |
| Investment properties | - | - | 81,620 | - | - | (81,620) | - |
| Intangible assets | 75,136 | - | - | - | - | - | 75,136 |
| Right-of-use asset | 11,992 | - | - | - | - | (6,438) | 5,554 |
| Investment in subsidiaries | 1,304,477 | - | - | - | - | (1,304,477) | - |
| Investment in associates | 122,326 | - | - | - | - | 11,768 | 134,094 |
| Deferred tax assets | 35,817 | 5,836 | - | - | - | (3,323) | 38,330 |
| Financial assets | 4,756,876 | 670,735 | 3,744,872 | 104,401 | 10,100 | (311,001) | 8,975,983 |
| Reinsurance/retakaful assets | 569,575 | 259,972 | 97,802 | 31,603 | 9,594 | (16,275) | 952,271 |
| Insurance/takaful receivables | 468,481 | 68,044 | 41,048 | 33,371 | 5,199 | (1,317) | 614,826 |
| Tax recoverable | 50,431 | - | - | 560 | - | (289) | 50,702 |
| Cash and bank balances | 195,791 | 7,167 | 10,981 | 46 | 65 | - | 214,050 |
| Total assets | 7,720,444 | 1,011,754 | 3,976,323 | 169,981 | 24,958 | (1,631,301) | 11,272,159 |
| Liabilities and Participants' funds | | | | | | | |
| Participants' funds | - | 170,580 | 193,445 | 7,067 | 138 | 23,179 | 394,409 |
| Borrowings | 371,000 | - | - | - | - | (51,000) | 320,000 |
| Insurance/takaful contract liabilities | 3,136,298 | 672,298 | 3,584,276 | 108,490 | 11,970 | (26,275) | 7,487,057 |
| Lease liabilities | 12,011 | - | - | - | - | (6,535) | 5,476 |
| Insurance/takaful payables | 201,478 | 59,657 | 34,193 | 11,487 | - | (1,316) | 305,499 |
| Other payables | 213,276 | 109,219 | 161,357 | 42,754 | 12,546 | (261,359) | 277,793 |
| Deferred tax liabilities | 2,958 | - | 2,628 | 183 | 15 | (2,606) | 3,178 |
| Provision for taxation | 4,895 | - | 424 | - | 289 | (289) | 5,319 |
| Provision for zakat | 1,754 | - | - | - | - | - | 1,754 |
| Total liabilities and participants' funds | 3,943,670 | 1,011,754 | 3,976,323 | 169,981 | 24,958 | (326,201) | 8,800,485 |
| Equity | | | | | | | |
| Share capital | 2,043,108 | - | - | - | - | (1,304,606) | 738,502 |
| Retained profit | 1,733,666 | - | - | - | - | (494) | 1,733,172 |
| Total equity attributable to equity holders of the Parent | 3,776,774 | - | - | - | - | (1,305,100) | 2,471,674 |
| Total liabilities, participants' funds and equity | 7,720,444 | 1,011,754 | 3,976,323 | 169,981 | 24,958 | (1,631,301) | 11,272,159 |

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

(i) 3 months ended 30 June 2022

| | 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 | 455,888 | 125,058 | 168,633 | 16,145 | 4,096 | (5,729) | 764,092 |
| Premiums/contributions ceded to reinsurers and retakaful operators | (24,554) | (43,024) | (22,654) | (4,017) | (2,247) | 3,817 | (92,678) |
| Net earned premiums/contributions | 431,335 | 82,034 | 145,979 | 12,128 | 1,850 | (1,912) | 671,414 |
| Investment income | 28,657 | 4,694 | 33,825 | 529 | 81 | (2,593) | 65,191 |
| Realised (losses)/gains | (2,133) | (176) | 1,099 | - | - | - | (1,210) |
| Fair value (losses)/gains | (18,042) | (4,000) | (123,219) | - | (49) | 446 | (144,864) |
| Fee and commission income | 119,883 | 10,740 | - | 55 | - | (116,572) | 14,107 |
| Other operating revenue | 25,029 | - | 713 | (31) | (1) | (6,735) | 18,975 |
| Other revenue | 153,395 | 11,258 | (87,582) | 552 | 31 | (125,454) | (47,801) |
| Gross claims and benefit paid | (246,131) | (60,661) | (87,123) | (15,167) | (3,354) | 5,834 | (406,602) |
| Claims ceded to reinsurers/retakaful operators | 35,935 | 30,599 | 14,668 | 7,938 | 1,604 | (5,834) | 84,910 |
| Gross change in contract liabilities | (106,494) | (10,179) | 69,982 | (6,536) | 180 | 2,912 | (50,136) |
| Change in contract liabilities ceded to reinsurers/retakaful operators | (10,643) | (8,114) | 3,873 | 1,430 | (78) | - | (13,532) |
| Net claims and benefits | (327,333) | (48,355) | 1,400 | (12,335) | (1,649) | 2,912 | (385,360) |
| Fee and commission expenses | (154,719) | (44,650) | (52,527) | (3,450) | (192) | 115,253 | (140,286) |
| Management expenses | (84,545) | - | (857) | - | - | 2,642 | (82,760) |
| Finance cost | (4,988) | - | - | - | - | 626 | (4,362) |
| Other operating expenses | (1,990) | (335) | - | (88) | - | - | (2,413) |
| Changes in expenses liabilities | (373) | - | - | - | - | - | (373) |
| Tax borne by participants | - | 1,980 | 7,449 | 253 | (10) | - | 9,671 |
| Other expenses | (246,615) | (43,005) | (45,935) | (3,286) | (203) | 118,521 | (220,523) |
| Share of results of associates | - | - | - | - | - | (10,770) | (10,770) |
| Operating profit/(loss) before (surplus)/deficits attributable to takaful/retakaful participants, zakat and taxation | 10,782 | 1,932 | 13,862 | (2,941) | 28 | (16,703) | 6,961 |
| (Surplus)/deficits attributable to takaful/retakaful participants | - | (1,932) | (13,862) | 2,941 | (28) | (2,374) | (15,256) |
| Operating profit/(loss) before zakat and taxation | 10,782 | - | - | - | - | (19,077) | (8,295) |
| Zakat | (257) | - | - | - | - | - | (257) |
| Taxation | (4,581) | - | - | - | - | (145) | (4,726) |
| Net profit/(loss) for the period attributable to equity holders of the Company | 5,944 | - | - | - | - | (19,222) | (13,278) |

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

(ii) 3 months ended 30 June 2021

| | General reinsurance and shareholders' fund RM'000 | General takaful fund RM'000 | Family takaful fund RM'000 | General retakaful fund RM'000 | Family retakaful fund RM'000 | Elimination and adjustment RM'000 | Consolidated RM'000 |
|---|--|-----------------------------------|----------------------------------|-------------------------------------|------------------------------------|--|------------------------|
| Gross earned premiums/contributions | 365,356 | 106,207 | 162,350 | 5,323 | 1,959 | (1,908) | 639,287 |
| Premiums/contributions ceded to reinsurers and retakaful operators | (8,617) | (39,405) | (22,395) | 1,990 | (1,722) | 41 | (70,108) |
| Net earned premiums/contributions | 356,739 | 66,802 | 139,955 | 7,313 | 237 | (1,867) | 569,179 |
| Investment income | 29,509 | 3,759 | 33,098 | 423 | 98 | (1,363) | 65,524 |
| Realised gains | 15 | - | 3,379 | - | - | - | 3,394 |
| Fair value (losses)/gains | (2,538) | 308 | 21,444 | - | (11) | 618 | 19,821 |
| Fee and commission income | 116,893 | 6,629 | - | 44 | - | (114,368) | 9,198 |
| Other operating revenue | 2,769 | 1,589 | 1,717 | 774 | - | (1,626) | 5,223 |
| Other revenue | 146,648 | 12,285 | 59,638 | 1,241 | 87 | (116,739) | 103,160 |
| Gross claims and benefit paid | (148,851) | (41,786) | (67,775) | (6,110) | (3,221) | 29 | (267,714) |
| Claims ceded to reinsurers/retakaful operators | 3,179 | 19,956 | 11,770 | 107 | 2,099 | (29) | 37,082 |
| Gross change in contract liabilities | (116,238) | (35,567) | (49,824) | 2,220 | 752 | 3,187 | (195,470) |
| Change in contract liabilities ceded to reinsurers/retakaful | 26,333 | 21,752 | 3,685 | (9) | (731) | - | 51,030 |
| Net claims and benefits | (235,577) | (35,645) | (102,144) | (3,792) | (1,101) | 3,187 | (375,072) |
| Fee and commission expense | (141,406) | (35,274) | (57,537) | (5,776) | (76) | 98,667 | (141,402) |
| Management expenses | (77,615) | - | (246) | - | - | 18,770 | (59,091) |
| Finance cost | (4,252) | - | - | - | - | 65 | (4,187) |
| Other operating expenses | (937) | - | - | (69) | - | 145 | (861) |
| Changes in expenses liabilities | 5,099 | - | - | - | - | - | 5,099 |
| Tax borne by participants | - | (2,443) | (4,508) | (102) | 1 | - | (7,052) |
| Other expenses | (219,111) | (37,717) | (62,291) | (5,947) | (75) | 117,647 | (207,494) |
| Share of results of associates | - | - | - | - | - | 1,849 | 1,849 |
| Operating profit/(loss) before (surplus)/deficits attributable to takaful/retakaful participants, zakat and taxation | 48,699 | 5,725 | 35,158 | (1,185) | (852) | 4,077 | 91,622 |
| (Surplus)/deficits attributable to takaful/retakaful participants | - | (5,725) | (35,158) | 1,185 | 852 | (2,012) | (40,858) |
| Operating profit before zakat and taxation | 48,699 | - | - | - | - | 2,065 | 50,764 |
| Zakat | (373) | - | - | - | - | - | (373) |
| Taxation | (3,813) | - | - | - | - | - | (3,813) |
| Net profit for the period attributable to equity holders of the Company | 44,513 | - | - | - | - | 2,065 | 46,578 |

A15. Fair values of assets

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

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

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

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

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

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

Description of significant unobservable inputs:

| | Valuation technique | Significant unobservable inputs | Range |
|---|---------------------|--|---------------------|
| 31 March/ 30 June 2022 | | | |
| <u>Property, plant and equipment</u> | | | |
| Office building of Malaysian Reinsurance Berhad ("MRE") | Income approach | Yield Rental per square foot | 6.25% RM4.50 |
| Office buildings of Takaful Ikhlas Family Berhad ("TIFB") | Comparison approach | Sales price per square feet for similar properties | RM641 to RM1,511 |
| <u>Unquoted shares in Malaysia</u> | Net assets | Net assets | Not applicable |

A15. Fair values of assets (cont'd)

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

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

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

| | Level 1 RM'000 | Level 2 RM'000 | Level 3 RM'000 | Total RM'000 |
|--|-------------------|-------------------|-------------------|------------------|
| Financial period ended 30 June 2022 | | | | |
| Assets measured at fair value: | | | | |
| (a) Property, plant and equipment | | | | |
| Freehold land | - | - | 36,800 | 36,800 |
| Buildings | - | - | 162,107 | 162,107 |
| | <u>-</u> | <u>-</u> | <u>198,907</u> | <u>198,907</u> |
| (b) Financial assets at FVTPL | | | | |
| <u>Designated upon initial recognition</u> | | | | |
| Unquoted corporate debt securities | - | 11,944 | - | 11,944 |
| Government investment issues | - | 1,099,758 | - | 1,099,758 |
| Unquoted islamic private debt securities | - | 1,326,638 | - | 1,326,638 |
| <u>Mandatorily measured</u> | | | | |
| Quoted shares in Malaysia: | | | | |
| Shariah approved equities | 113,932 | - | - | 113,932 |
| Others | 119,916 | - | - | 119,916 |
| Unquoted islamic private debt securities | - | - | - | - |
| Shariah approved unit trust funds | 349,976 | - | - | 349,976 |
| Real estate investment trusts | 15,818 | - | - | 15,818 |
| | <u>599,642</u> | <u>2,438,340</u> | <u>-</u> | <u>3,037,982</u> |
| (c) Financial assets at FVOCI | | | | |
| Malaysian government securities | - | 96,686 | - | 96,686 |
| Government investment issues | - | 630,278 | - | 630,278 |
| Unquoted corporate debt securities | - | 741,559 | - | 741,559 |
| Unquoted shares | - | - | 87,003 | 87,003 |
| Unquoted Islamic private debt securities | - | 425,240 | - | 425,240 |
| Golf club memberships | - | - | 233 | 233 |
| | <u>-</u> | <u>1,893,763</u> | <u>87,236</u> | <u>1,980,999</u> |

A15. Fair values of assets (cont'd)

| | Level 1 RM'000 | Level 2 RM'000 | Level 3 RM'000 | Total RM'000 |
|--|-------------------|-------------------|-------------------|------------------|
| Financial year ended 31 March 2022 | | | | |
| Assets measured at fair value: | | | | |
| (a) Property, plant and equipment | | | | |
| Freehold land | - | - | 36,800 | 36,800 |
| Buildings | - | - | 162,107 | 162,107 |
| | <u>-</u> | <u>-</u> | <u>198,907</u> | <u>198,907</u> |
| (b) Financial assets at FVTPL | | | | |
| <u>Designated upon initial recognition</u> | | | | |
| Unquoted corporate debt securities | - | 1,171,196 | - | 1,171,196 |
| Government investment issues | - | - | - | - |
| Unquoted islamic private debt securities | - | 1,374,595 | - | 1,374,595 |
| <u>Mandatorily measured</u> | | | | |
| Quoted shares in Malaysia: | | | | |
| Others | 66,086 | - | - | 66,086 |
| Unquoted perpetual bond in Malaysia | - | 4,930 | - | 4,930 |
| Unquoted corporate debt securities | - | 7,705 | - | 7,705 |
| Unquoted islamic private debt securities | - | 653 | - | 653 |
| Shariah approved unit trust funds | 358,551 | - | - | 358,551 |
| Real estate investment trusts | 15,720 | - | - | 15,720 |
| | <u>440,357</u> | <u>2,559,079</u> | <u>-</u> | <u>2,999,436</u> |
| (c) Financial assets at FVOCI | | | | |
| Malaysian government securities | - | 99,358 | - | 99,358 |
| Government investment issues | - | 612,490 | - | 612,490 |
| Unquoted corporate debt securities | - | 753,640 | - | 753,640 |
| Unquoted shares | - | - | 87,189 | 87,189 |
| Unquoted Islamic private debt securities | - | 420,784 | - | 420,784 |
| Golf club memberships | - | - | 233 | 233 |
| | <u>-</u> | <u>1,886,272</u> | <u>87,422</u> | <u>1,973,694</u> |



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FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022
(The figures have not been audited)

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

B1. Review of performance

For the period ended 30 June 2022, the Group recorded a revenue of RM842.8 million, an increase of 13% as compared to RM743.0 million reported in the corresponding period last year. The RM99.8 million increase was generally contributed by higher gross premiums/contributions of RM100.9 million or 14% generated by the reinsurance and takaful subsidiaries.

However, the Group recorded a loss after tax of RM13.3 million in the financial period ended 30 June 2022 as compared to RM46.5 million profit after tax reported in the same period last year. The significant decrease in the profit after tax by RM59.8 million despite the increase in the revenue was mainly contributed by the unfavourable fair value movement of the investments as well as increase in the net claims incurred and the unfavorable result of the associate. The detailed reasons are as below.

Investment holding

Revenue for the financial period was RM17.5 million as compared to RM15.0 million reported in the same period last year. The higher revenue was due to increase in the Group Shared Services ("GSSU") fees income from the subsidiaries.

However, the investment holding registered a loss after tax of RM1.4 million as compared to profit after tax of RM1.5 million due to higher management expenses and income tax expenses incurred in current period.

Reinsurance business

Revenue for the reinsurance business for the financial period ended 30 June 2022 increased by 12% to RM487.5 million as compared to RM435.4 million in the same period last year. The increase was mainly driven by the Specialty business portfolio.

Despite the higher revenue, the reinsurance business recorded a loss after tax of RM15.5 million as compared to a profit after tax of RM21.6 million in the same period last year. This was due to fair value losses in investment as a result of the volatile financial market, higher net claims incurred from large loss events and foreign currency transaction losses. The higher net claims incurred was predominantly due to additional reserves for the December 2021 Malaysian flood.

Retakaful business

Revenue for the retakaful business for the financial period ended 30 June 2022 increased from RM9.8 million to RM20.0 million or 104.8% mainly attributable to higher contributions from the general retakaful fire portfolio and family retakaful individual portfolio.

The retakaful business recorded a lower net profit of RM1.0 million for the financial period ended 30 June 2022, as compared to RM4.2 million reported in the corresponding period. This was mainly due to the fact that the increased revenue arose predominantly from reinstatement contribution that did not attract wakalah fee income.

General Takaful business

Revenue for the general takaful business for the financial period ended 30 June 2022 increased by RM35.5 million from RM9.7 million to RM135.2 million or 35.7% from corresponding period. This was resulted from higher gross contribution by RM31.1 million or 31% fairly from all channels.

General takaful business recorded a net profit of RM6.7 million in the financial period ended 30 June 2022, an increase of 15.1% as compared to a net profit of RM5.8 million reported in the same period last year due to higher wakalah fee income as a result from improvement in revenue as mentioned above.



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

B1. Review of performance (cont'd)

Family Takaful business

Revenue for the financial period ended 30 June 2022 increased from the corresponding period by RM7.2 million or 3.6% from RM197.6 million to RM204.8 million. This was mainly due to higher gross contribution from group credit and mortgage takaful products which are highly correlated with the re-opening of economic sectors.

Family takaful business recorded a net profit of RM4.9 million in the financial period ended 30 June 2022, a decrease of RM8.4 million as compared to a net profit of RM13.3 million reported in the corresponding period due to fair value losses of investment from sukuk and equities portfolios.

B2. Review of current quarter profitability against immediate preceding quarter

The Group recorded a net loss of RM13.3 million in the current quarter as compared to net profit of RM46.6 million in the preceding quarter due to fair value losses in investment as a result of the volatile financial market, higher net claims incurred from large loss events and foreign currency transaction losses.

B3. Current year prospect

With the government declaring Covid-19 as endemic from 1st April 2022, business is returning to normalcy. Combined with the higher reinsurance prices in a hardening market, the revenue from takaful and reinsurance is expected to increase. The outlook remains challenging on account of geo-political tensions, increase of catastrophe events due to climate change and urbanisation as well as historically high inflation rates globally. The impact on the Malaysian economy could be considerable.

The Group remains cautious and will strive to add value to its customers and other stakeholders in 2022 in pursuing its strategic initiatives.

B4. Explanatory note for variance from profit forecast

There was no profit forecast issued by the Group during the period ended 30 June 2022.

B5. Investment income

| | GROUP | | | |
|--|---|---|---|---|
| | Individual period | | Cumulative year | |
| | 3 months ended 30 June 2022 RM'000 | 3 months ended 30 June 2021 RM'000 | 3 months ended 30 June 2022 RM'000 | 3 months ended 30 June 2021 RM'000 |
| Financial assets at FVTPL | | | | |
| <u>Designated upon initial recognition</u> | | | | |
| Interest/profit income | 28,913 | 28,165 | 28,913 | 28,165 |
| <u>Mandatorily measured:</u> | | | | |
| Interest/profit income | 11 | 15 | 11 | 15 |
| Dividend income: | | | | |
| - quoted shares in Malaysia | 1,370 | 3,000 | 1,370 | 3,000 |
| - unquoted shares in Malaysia | 187 | - | 187 | - |
| - unit trust funds | 678 | 1,855 | 678 | 1,855 |
| - real estate investment trusts | 78 | 138 | 78 | 138 |
| Financial assets at FVOCI | | | | |
| Interest/profit income | 18,493 | 19,890 | 18,493 | 19,890 |
| Financial assets at Amortised Cost ("AC") | | | | |
| Interest/profit income | 16,726 | 12,928 | 16,726 | 12,928 |
| Net amortisation of premiums | (1,170) | (1,042) | (1,170) | (1,042) |
| Investment expenses | (95) | (101) | (95) | (101) |
| | 65,191 | 64,848 | 65,191 | 64,848 |



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(197201001795 (13487-A))
INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022
(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 June 2022 RM'000 | 3 months ended 30 June 2021 RM'000 | 3 months ended 30 June 2022 RM'000 | 3 months ended 30 June 2021 RM'000 |
| Operating (loss)/profit before zakat and tax | (8,295) | 50,764 | (8,295) | 50,764 |
| Current tax | (6,643) | (4,435) | (6,643) | (4,435) |
| Deferred tax | 1,916 | 622 | 1,916 | 622 |
| Total tax | (4,726) | (3,813) | (4,726) | (3,813) |
| Zakat | (257) | (373) | (257) | (373) |
| | (4,983) | (4,186) | (4,983) | (4,186) |
| Effective tax rate | -57.0% | 7.5% | -57.0% | 7.5% |

For period ended 30 June 2021, the effective tax rate was lower than the statutory tax rate of 24% mainly due to reinsurance/retakaful operating profit being taxed at 8% while for period ended 30 June 2022, the effective tax rate was at negative position due to the loss position before zakat and tax.

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 June 2022 were as follows:

| | 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.

B11. Dividend

On 26 July 2022, the Board of Directors had proposed a final single-tier dividend ("final dividend") for the financial year ended 31 March 2022 of 2.5 sen (2021 : Nil) per ordinary share for the approval of the shareholders at the Annual General Meeting ("AGM") to be held on 22 September 2022. Upon approval, the final dividend will be paid on 31 October 2022. The entitlement date for the dividend payment will be on 10 October 2022.



MNRB HOLDINGS BERHAD
(197201001795 (13487-A))
INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022
(The figures have not been audited)

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

B12. (Loss)/earnings per share

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

| | GROUP | | | |
|---|---|---|---|---|
| | Individual period | | Cumulative year | |
| | 3 months ended 30 June 2022 RM'000 | 3 months ended 30 June 2021 RM'000 | 3 months ended 30 June 2022 RM'000 | 3 months ended 30 June 2021 RM'000 |
| Net (loss)/profit for the period (RM'000) | (13,278) | 46,578 | (13,278) | 46,578 |
| Number of ordinary shares in issue ('000) | 783,088 | 783,088 | 783,088 | 783,088 |
| Basic (loss)/earnings per share (sen) | (1.7) | 5.9 | (1.7) | 5.9 |

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

B13. Additional disclosures for the income statement

| | GROUP | | | |
|----------------------------------|---|---|---|---|
| | Individual period | | Cumulative year | |
| | 3 months ended 30 June 2022 RM'000 | 3 months ended 30 June 2021 RM'000 | 3 months ended 30 June 2022 RM'000 | 3 months ended 30 June 2021 RM'000 |
| Finance cost | (4,362) | (4,187) | (4,362) | (4,187) |
| Net (loss)/gain on disposal: | | | | |
| - investments | (1,210) | 3,394 | (1,210) | 3,394 |
| Depreciation and amortisation | (3,511) | (3,366) | (3,511) | (3,366) |
| Writeback of impairment loss | | | | |
| on insurance/takaful receivables | 6,028 | 1,065 | 6,028 | 1,065 |
| Net foreign exchange gains | 15,526 | 603 | 15,526 | 603 |
| Impairment loss on investments | - | (34) | - | (34) |

There was no gain or loss on derivatives and exceptional items reported during the financial period ended 30 June 2022.

By Order of the Board

LENA BINTI ABD LATIF (LS 8766)
Company Secretary

Kuala Lumpur
Dated: 30 August 2022