



Bursa Announcement

Third Quarter Ended 31 December 2017



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

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 31 Dec 2017	3 months ended 31 Dec 2016	9 months ended 31 Dec 2017	9 months ended 31 Dec 2016
	RM'000	RM'000	RM'000	RM'000
Gross earned premiums/contributions	541,788	566,295	1,673,862	1,675,930
Premiums/contributions ceded to reinsurers and retakaful operators	(80,160)	(81,630)	(229,004)	(233,056)
Net earned premiums/contributions	461,628	484,665	1,444,858	1,442,874
Investment income	60,719	54,886	183,128	166,688
Realised gains	2,118	31	4,259	4,619
Fair value gains/(losses)	1,279	(8,809)	15,295	(15,508)
Fee and commission income	19,631	16,707	56,236	34,901
Other operating revenue	(4,894)	8,472	17,725	21,404
Other revenue	78,853	71,287	276,643	212,104
Gross claims and benefits paid	(325,460)	(271,471)	(879,654)	(904,886)
Claims ceded to reinsurers/retakaful operators	27,080	(8,956)	78,189	77,667
Gross change in contract liabilities	(18,771)	(891)	(166,081)	(155,296)
Change in contract liabilities ceded to reinsurers/retakaful operators	20,956	(43,236)	(28,495)	(6,345)
Net claims and benefits	(296,195)	(324,554)	(996,041)	(988,860)
Fee and commission expense	(102,725)	(114,920)	(313,532)	(336,826)
Management expenses	(64,702)	(64,002)	(199,630)	(170,723)
Finance cost	(3,749)	(4,363)	(11,154)	(13,532)
Other operating expenses	(8,076)	216	(18,706)	(2,573)
Change in expenses liabilities	4,051	4,784	5,372	5,778
Tax borne by participants	(2,458)	(4,080)	(7,614)	(11,243)
Other expenses	(177,659)	(182,365)	(545,264)	(529,119)
Share of results of associates	(1,672)	2,529	4,537	8,226
Operating profit before surplus attributable to takaful participants, zakat and taxation	64,955	51,562	184,733	145,225
Surplus attributable to takaful participants	(7,640)	(36,044)	(33,008)	(82,129)
Operating profit before zakat and taxation	57,315	15,518	151,725	63,096
Zakat	-	452	-	-
Taxation	(21,091)	(8,679)	(44,343)	(17,360)
Net profit for the period attributable to equity holders of the Company	36,224	7,291	107,382	45,736
Basic earnings per share attributable to equity holders of the Company (sen):	11.3	3.1 [#]	33.6	19.3 [#]

Based on share capital of RM213 million.

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



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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 31 Dec 2017	3 months ended 31 Dec 2016	9 months ended 31 Dec 2017	9 months ended 31 Dec 2016
	RM'000	RM'000	RM'000	RM'000
Net profit for the period	36,224	7,291	107,382	45,736
<u>Other comprehensive (losses)/income:</u>				
Other comprehensive (losses)/income to be reclassified to income statement in subsequent periods:				
Effects of post acquisition foreign exchange translation reserve on investment in associate	(5,391)	9,062	(13,547)	16,157
Effects of foreign exchange translation reserve on investment in subsidiary	(394)	(44)	(924)	1,794
Net loss on AFS financial assets:				
Net loss on fair value changes	(4,214)	(65,696)	(1,024)	(24,296)
Realised gain/(loss) transferred to income statement	659	140	(1,482)	(4,511)
Deferred tax relating to net loss on AFS financial assets	56	5,222	740	236
Other comprehensive losses attributable to participants	2,642	38,422	2,212	15,673
Other comprehensive income not to be reclassified to income statement in subsequent periods:				
Revaluation of land and buildings	674	659	2,023	1,976
Deferred tax relating to revaluation of land and buildings	(54)	(53)	(162)	(158)
Other comprehensive income attributable to participants	(620)	(606)	(1,861)	(1,818)
Total comprehensive profit/(loss) for the period	29,581	(5,603)	93,357	50,789

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



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

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017**

	GROUP							
	Attributable to Equity Holders of the Company							
	Share capital RM'000	Reserves					Net profit for the year 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 2017	319,605	55,696	3,659	42,730	997,776	-	1,419,466	
Total comprehensive (loss)/income for the period	-	(14,471)	446	-	-	107,382	93,357	
At 31 December 2017	319,605	41,225	4,105	42,730	997,776	107,382	1,512,823	

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016**

	GROUP								
	Attributable to Equity Holders of the Company								
	Share capital RM'000	Share premium RM'000	Reserves					Net profit for the period 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 2016	213,070	105,051	38,776	3,527	41,666	928,090	-	1,330,180	
Total comprehensive income/(loss) for the period	-	-	17,951	(12,898)	-	-	45,736	50,789	
At 31 December 2016	213,070	105,051	56,727	(9,371)	41,666	928,090	45,736	1,380,969	

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



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	GROUP	
	Unaudited 31 Dec 2017 RM'000	Audited 31 Mar 2017 RM'000
Assets		
Property, plant and equipment	240,967	243,732
Investment properties	7,400	7,400
Intangible assets	24,891	23,040
Deferred tax assets	10,767	19,518
Investment in associates	140,458	145,420
Financial assets:		
Financial assets at fair value through profit or loss ("FVTPL")	128,809	123,467
Held-to-maturity ("HTM") investments	660,253	695,426
Available-for-sale ("AFS") financial assets	3,593,798	3,384,744
Loans and receivables ("LAR")	2,086,706	1,934,933
Reinsurance/retakaful assets	473,320	514,230
Insurance/takaful receivables	443,927	336,190
Tax recoverable	35,047	28,575
Cash and bank balances	87,686	99,905
Total assets	7,934,029	7,556,580
Liabilities and Participants' funds		
Participants' funds	220,867	199,561
Borrowings	320,000	320,000
Insurance/takaful contract liabilities	5,319,493	5,172,813
Insurance/takaful payables	311,316	210,174
Other payables	216,478	212,186
Deferred tax liabilities	16,382	10,780
Provision for taxation	16,611	11,536
Provision for zakat	59	64
Total liabilities and participants' funds	6,421,206	6,137,114
Equity		
Share capital	319,605	319,605
Reserves	1,193,218	1,099,861
Total equity attributable to equity holders of the Company	1,512,823	1,419,466
Total liabilities, participants' funds and equity	7,934,029	7,556,580
Net assets per share (RM)	4.73	4.44

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



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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017

	GROUP	
	9 months ended 31 Dec 2017	9 months ended 31 Dec 2016
	RM'000	RM'000
Cash flows from operating activities		
Profit before surplus transfer, zakat and tax	151,725	63,096
Adjustments for:		
Net fair value (gains)/losses on financial assets at FVTPL	(1,859)	3,810
Net fair value gains on AFS financial assets	(13,436)	-
Impairment losses on at AFS financial assets	-	11,698
Reversal of impairment losses on insurance/takaful receivables	-	(733)
Reversal of impairment losses on other receivables	(10,675)	-
Depreciation of property, plant and equipment	5,497	6,378
Amortisation of intangible assets	2,727	1,891
Losses on disposal of property, plant and equipment	-	15
Decrease in gross premium and contribution liabilities	(28,424)	(32,767)
Increase in reinsurance and retakaful assets	40,910	11,101
Interest/profit income	(177,146)	(151,494)
Dividend income	(6,114)	(16,646)
Rental income	(3,831)	(5,714)
Finance cost	11,156	13,532
Net gains on disposal of investments	(4,259)	(4,634)
Net amortisation of premiums on investments	3,841	3,307
Share of results of associates	(4,537)	(8,226)
Loss from operations before changes in operating assets and liabilities	(34,425)	(105,386)
Increase in placements with licensed financial institutions, Islamic investment accounts and marketable securities	(129,050)	(130,951)
Net purchase from disposal of investments	(198,047)	(230,655)
Decrease in staff loans	1,795	964
(Increase)/decrease in insurance/takaful receivables	(94,950)	29,262
Decrease in other receivables	33,919	3,771
Increase in gross claim liabilities, actuarial liabilities and unallocated surplus	182,112	156,117
Decrease in expense liabilities	(5,372)	(5,778)
(Decrease)/increase in participants' funds	(63,767)	81,309
Increase/(decrease) in insurance/takaful payables	99,030	(17,459)
Increase/(decrease) in other payables	67,000	(47,342)
Taxes and zakat paid	(29,805)	(14,374)
Interest/profit received	165,425	157,639
Dividend received	6,851	19,319
Rental received	3,735	5,849
Net cash generated from/(used in) operating activities	4,451	(97,715)



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017 (CONT'D.)

	GROUP	
	9 months ended 31 Dec 2017	9 months ended 31 Dec 2016
	RM'000	RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(451)	(131)
Purchase of intangible assets	(4,835)	(4,819)
Proceeds from disposal of property, plant and equipment	-	412
Net cash generated from/(used in) investing activities	(5,286)	(4,321)
Cash flows from financing activities		
Finance cost paid	(11,384)	(13,676)
Net cash generated from/(used in) financing activities	(11,384)	(13,676)
Cash and bank balances		
Net decrease during the period	(12,219)	(115,712)
At the beginning of the period	99,905	177,313
At the end of the period	87,686	61,601

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



MNRB HOLDINGS BERHAD (13487-A)
INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017
(The figures have not been audited)

PART A – NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

A1. Basis of preparation

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

The significant accounting policies and methods of computation adopted in the unaudited condensed interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 March 2017 except for the adoption of the following accounting standards and amendments/improvements to Malaysian Financial Reporting Standards ("MFRSs") issued by the Malaysian Accounting Standards Board ("MASB") that are effective for the Group's financial year beginning 1 April 2017:

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

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

A2. Auditors' Report on preceding annual financial statements

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

A3. Seasonal or cyclical factors

During the financial period ended 31 December 2017, the operations of the Group were not materially affected by any seasonal factors. With regard to cyclical factors, the performance of the Group is directly correlated with the industry cycle and the economic performance of the countries in which the Group has business dealings with.

A4. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the financial period ended 31 December 2017.

A5. Changes in estimates

There were no material changes in estimates used in the preparation of this interim financial report.

A6. Issuances, cancellations, repurchase, resale and repayments of debt and equity securities

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

A7. Dividend paid

No dividend was paid during the third quarter ended 31 December 2017.



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(The figures have not been audited)

PART A – NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

A8. Segmental reporting

Financial period ended 31 December 2017

	Investment Holding RM'000	Reinsurance Business RM'000	Takaful Business RM'000	Retakaful Business RM'000	Intra-Group Adjustments RM'000	Consolidated RM'000
Revenue						
External	2,843	1,036,790	766,921	30,254	-	1,836,808
Inter-segment	25,223	954	723	-	(26,575)	325
	28,066	1,037,744	767,644	30,254	(26,575)	1,837,133
Results						
Segment results	(9,683)	99,434	70,185	7,869	12,390	180,195
Share of results of associates	573	3,964	-	-	-	4,537
Operating (loss)/profit before surplus/(deficit) attributable to takaful participants, zakat and taxation	(9,110)	103,398	70,185	7,869	12,390	184,732
Surplus attributable to takaful participants	-	-	(33,008)	-	-	(33,008)
Operating (loss)/profit before zakat and taxation	(9,110)	103,398	37,177	7,869	12,390	151,724
Zakat and taxation	(1,347)	(28,184)	(5,306)	(8,866)	(639)	(44,342)
Net (loss)/profit for the period attributable to equity holders of the Company	(10,457)	75,214	31,871	(997)	11,751	107,382

Financial period ended 31 December 2016

	Investment Holding RM'000	Reinsurance Business RM'000	Takaful Business RM'000	Retakaful Business RM'000	Intra-Group Adjustments RM'000	Consolidated RM'000
Revenue						
External	351	1,034,912	762,133	20,908	-	1,818,304
Inter-segment	28,283	2,029	770	243	(31,325)	-
	28,634	1,036,941	762,903	21,151	(31,325)	1,818,304
Results						
Segment results	(10,270)	56,453	79,268	14,163	(2,612)	137,002
Share of results of associates	227	8,000	-	-	-	8,227
Operating (loss)/profit before surplus attributable to takaful participants, zakat and taxation	(10,043)	64,453	79,268	14,163	(2,612)	145,229
Surplus attributable to takaful participants	-	-	(81,309)	(820)	-	(82,129)
Operating (loss)/profit before zakat and taxation	(10,043)	64,453	(2,041)	13,343	(2,612)	63,100
Zakat and taxation	(190)	(11,568)	(5,466)	(136)	-	(17,360)
Net (loss)/profit for the period attributable to equity holders of the Company	(10,233)	52,885	(7,507)	13,207	(2,612)	45,740



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(The figures have not been audited)

PART A – NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

A9. Carrying amount of revalued properties

The valuation of property, plant and equipment and investment properties have been brought forward, without any change, from the financial statements for the financial year ended 31 March 2017.

A10. Significant events

- (i) As announced on 30 November 2017, MNRB Retakaful Berhad ("MRT") on 1 December 2017 had transferred its family retakaful and general retakaful businesses to Malaysian Reinsurance Berhad ("Malaysian Re"), both wholly-owned subsidiaries of the Company ("Business Transfer"). The retakaful business of the Group are now carried out by Malaysian Re through its Retakaful Division.

The Business Transfer does not have any material effect on the earnings and net assets of the Company for the financial period ending 31 December 2017.

Arising from the Business Transfer, MRT's Retakaful licence was surrendered to Bank Negara Malaysia and as announced on 4 December 2017, MRT changed its name to Sinar Seroja Berhad ("SSB") with effect from the same date.

- (ii) On 22 December 2017, the Company subscribed to 20,000,000 new ordinary shares in its wholly owned subsidiary, Takaful IKHLAS Berhad ("IKHLAS") at a total consideration of RM20,000,000.

A11. Subsequent events

- (i) On 25 January 2018, the Company further subscribed to 20,000,000 new ordinary shares in IKHLAS at a total consideration of RM20,000,000. With the combined subscription of RM40,000,000, the total issued and paid-up capital of IKHLAS now stands at RM335,000,000.
- (ii) On 5 February 2018, SSB implemented a share capital reduction exercise and reduced its paid-up capital to RM2 from RM102,000,000.
- (iii) On 12 February 2018, the Company increased its investment in Malaysian Re by subscribing to 53,106,421 new ordinary shares at a total consideration of RM53,106,421. With the increase in subscription, the total issued and paid-up capital of Malaysian Re now stands at RM563,106,421.

A12. Changes in the composition of the Group

There were no significant changes in the composition of the Group during the financial period ended 31 December 2017.

A13. Capital Commitments

The amount of capital commitments of the Group as at 31 December 2017 is as follows:

	RM'000
Authorised and contracted for:	
- Intangible assets*	21,005
	<u>21,005</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 31 December 2017

	General reinsurance and shareholders' fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	General retakaful fund RM'000	Family retakaful fund RM'000	Elimination and adjustment RM'000	Consolidated RM'000
Assets							
Property, plant and equipment	125,189	-	-	-	-	115,778	240,967
Investment properties	7,400	-	115,778	-	-	(115,778)	7,400
Intangible assets	24,891	-	-	-	-	-	24,891
Deferred tax assets	9,029	3,823	-	-	-	(2,085)	10,767
Investment in subsidiaries	863,705	-	-	-	-	(863,705)	-
Investment in associates	139,760	-	-	-	-	698	140,458
Financial assets at fair value through profit or loss ("FVTPL")	674	582	127,553	-	-	-	128,809
Held-to-maturity ("HTM") investments	260,905	71,664	331,380	19,117	12,464	(35,277)	660,253
Available-for-sale ("AFS") financial assets	1,523,961	214,797	1,848,650	15,802	4,176	(13,588)	3,593,798
Loans and receivables ("LAR")	1,545,711	166,216	493,116	34,563	(10,363)	(142,537)	2,086,706
Reinsurance/retakaful assets	241,326	160,937	45,440	18,237	7,380	-	473,320
Insurance/takaful receivables	323,245	58,602	43,865	14,234	3,981	-	443,927
Tax recoverable	35,034	-	-	8	5	-	35,047
Cash and bank balances	41,833	5,467	40,254	54	78	-	87,686
Total assets	5,142,663	682,088	3,046,036	102,015	17,721	(1,056,494)	7,934,029
Liabilities and Participants' funds							
Participants' funds	-	118,218	114,654	(5,901)	(4,636)	(1,468)	220,867
Borrowings	321,000	-	-	-	-	(1,000)	320,000
Insurance/takaful contract liabilities	2,098,670	422,126	2,705,555	89,334	13,808	(10,000)	5,319,493
Insurance/takaful payables	159,907	52,312	80,862	12,440	5,795	-	311,316
Other payables	167,717	82,225	134,086	1,686	(81)	(169,155)	216,478
Deferred tax liabilities	9,091	-	1,478	4,456	2,835	(1,478)	16,382
Provision for taxation	3	7,207	9,401	-	-	-	16,611
Provision for zakat	59	-	-	-	-	-	59
Total liabilities and participants' funds	2,756,447	682,088	3,046,036	102,015	17,721	(183,101)	6,421,206
Equity							
Share capital	1,253,105	-	-	-	-	(933,500)	319,605
Reserves	1,133,111	-	-	-	-	60,107	1,193,218
Total equity attributable to equity holders of the Parent	2,386,216	-	-	-	-	(873,393)	1,512,823
Total liabilities, participants' funds and equity	5,142,663	682,088	3,046,036	102,015	17,721	(1,056,494)	7,934,029

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

(ii) **As at 31 March 2017**

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

A15. Unaudited Condensed Consolidated Income Statement by Reinsurance, Takaful and Retakaful Funds
(i) 9 months ended 31 December 2017

	General reinsurance and shareholders' fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	General retakaful fund RM'000	Family retakaful fund RM'000	Elimination and adjustment RM'000	Consolidated RM'000
Gross earned premiums/contributions	971,020	204,350	474,102	17,605	7,410	(625)	1,673,862
Premiums/contributions ceded to reinsurers and retakaful operators	(69,702)	(90,675)	(60,375)	(2,332)	(5,947)	27	(229,004)
Net earned premiums/contributions	901,318	113,675	413,727	15,273	1,463	(598)	1,444,858
Investment income	90,415	12,491	82,587	2,035	696	(5,096)	183,128
Realised (losses)/gains	(1,285)	98	5,446	-	-	-	4,259
Fair value gains/(losses)	12,236	605	4,314	-	-	(1,860)	15,295
Fee and commission income	263,567	20,086	-	3	-	(227,420)	56,236
Other operating revenue	6,038	-	16,074	75	18	(4,480)	17,725
Other revenue	370,971	33,280	108,421	2,113	714	(238,856)	276,643
Gross claims and benefit paid	(554,599)	(118,232)	(189,996)	(10,341)	(8,005)	1,519	(879,654)
Claims ceded to reinsurers/retakaful operators	27,130	50,901	(3,660)	1,072	4,265	(1,519)	78,189
Gross change in contract liabilities	(20,193)	(30,078)	(126,705)	(2,628)	(2,536)	16,059	(166,081)
Change in contract liabilities ceded to reinsurers/retakaful operators	(42,918)	15,342	368	(2,314)	1,027	-	(28,495)
Net claims and benefits	(590,580)	(82,067)	(319,993)	(14,211)	(5,249)	16,059	(996,041)
Fee and commission expenses	(313,341)	(60,307)	(159,597)	(7,448)	(260)	227,421	(313,532)
Management expenses	(202,849)	(14)	-	-	-	3,233	(199,630)
Finance cost	(11,193)	-	-	-	-	39	(11,154)
Other operating expenses	(32,245)	(4,480)	-	(1,110)	-	19,129	(18,706)
Changes in expenses liabilities	5,372	-	-	-	-	-	5,372
Tax borne by participants	-	72	(7,686)	-	-	-	(7,614)
Other expenses	(554,256)	(64,729)	(167,283)	(8,558)	(260)	249,822	(545,264)
Share of results of associates	-	-	-	-	-	4,537	4,537
Operating profit before surplus/ (deficit) attributable to takaful zakat and taxation	127,453	159	34,872	(5,383)	(3,332)	30,964	184,733
(Surplus)/deficit attributable to takaful participants	-	(159)	(34,872)	9,903	6,156	(14,036)	(33,008)
Operating profit before zakat and taxation	127,453	-	-	4,520	2,824	16,928	151,725
Zakat	-	-	-	-	-	-	-
Taxation	(36,360)	-	-	(4,520)	(2,824)	(639)	(44,343)
Net profit for the period attributable to equity holders of the Parent	91,093	-	-	-	-	16,289	107,382

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

(ii) 9 months ended 31 December 2016

	General reinsurance and shareholders' fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	General retakaful fund RM'000	Family retakaful fund RM'000	Elimination and adjustment RM'000	Consolidated RM'000
Gross earned premiums/contributions	984,819	213,099	464,911	6,890	7,851	(1,640)	1,675,930
Premiums/contributions ceded to reinsurers and retakaful operators	(85,887)	(85,679)	(53,393)	(2,878)	(5,849)	630	(233,056)
Net earned premiums/contributions	898,932	127,420	411,518	4,012	2,002	(1,010)	1,442,874
Investment income	88,249	10,967	71,143	2,182	926	(6,779)	166,688
Realised gains	2,466	431	1,722	-	-	-	4,619
Fair value (losses)/gains	(6,494)	(1,003)	(8,012)	1	-	-	(15,508)
Fee and commission income	239,703	18,428	3,735	14	-	(226,979)	34,901
Other operating revenue	35,441	-	3,765	990	1	(18,793)	21,404
Other revenue	359,365	28,823	72,353	3,187	927	(252,551)	212,104
Gross claims and benefit paid	(628,707)	(99,750)	(162,073)	(7,598)	(7,320)	562	(904,886)
Claims ceded to reinsurers/retakaful operators	35,265	41,341	(4,256)	1,242	4,637	(562)	77,667
Gross change in contract liabilities	(7,342)	(28,641)	(141,476)	6,067	1,987	14,109	(155,296)
Change in contract liabilities ceded to reinsurers/retakaful	(32,760)	19,975	10,829	(3,294)	(1,095)	-	(6,345)
Net claims and benefits	(633,544)	(67,075)	(296,976)	(3,583)	(1,791)	14,109	(988,860)
Fee and commission expense	(334,136)	(60,664)	(139,421)	(3,896)	(319)	201,610	(336,826)
Management expenses	(220,587)	4,476	16,860	(5)	-	28,533	(170,723)
Finance cost	(13,569)	-	-	-	-	37	(13,532)
Other operating expenses	(1,771)	(2,786)	-	(800)	-	2,784	(2,573)
Changes in expenses liabilities	5,778	-	-	-	-	-	5,778
Tax borne by participants	-	(5,816)	(5,427)	-	-	-	(11,243)
Other expenses	(564,285)	(64,790)	(127,988)	(4,701)	(319)	232,964	(529,119)
Share of results of associates	-	-	-	-	-	8,226	8,226
Operating profit before surplus/ (deficit) attributable to takaful zakat and taxation	60,468	24,378	58,907	(1,085)	819	1,738	145,225
Surplus attributable to takaful participants	-	(24,378)	(58,907)	(1,898)	(820)	3,874	(82,129)
Operating profit before zakat and taxation	60,468	-	-	(2,983)	(1)	5,612	63,096
Zakat	-	-	-	-	-	-	-
Taxation	(17,325)	-	-	(35)	-	-	(17,360)
Net profit for the period attributable to equity holders of the Parent	43,143	-	-	(3,018)	(1)	5,612	45,736

A17. Fair values of assets

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

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

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

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

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

- (i) The carrying amounts of financial assets, such as loans and receivables, insurance/takaful receivables and cash and bank balances, are reasonable approximation of their fair values due to the relatively short term maturity of these balances;
- (ii) The fair values of quoted equities are based on quoted market prices as at the reporting date;
- (iii) The fair values of Malaysian government securities, government investment issues and unquoted corporate debt securities are based on indicative market prices from the Bond Pricing Agency of Malaysia ("BPAM");
- (iv) The fair values of investments in mutual funds, unit trust funds and real estate investment trusts are valued based on the net asset values of the underlying funds as at the reporting date; and
- (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.

Description of significant unobservable inputs:

	Valuation technique	Significant unobservable inputs	Range
31 December 2017/ 31 March 2017			
<u>Property, plant and equipment</u>			
Office building	Income approach	Yield Rental per square foot	6.0% to 6.25% RM4.60
	Comparison approach	Sales price per square feet for similar properties	RM641 to RM1,150
<u>Investment property</u>			
Shoplots	Income approach	Rental per square metre	RM2.00

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 31 December 2017				
Assets measured at fair value:				
(a) Property, plant and equipment				
Freehold land	-	-	36,800	36,800
Buildings	-	-	199,055	199,055
	<u>-</u>	<u>-</u>	<u>235,855</u>	<u>235,855</u>
(b) Investment property	<u>-</u>	<u>-</u>	<u>7,400</u>	<u>7,400</u>
(c) Financial assets at FVTPL				
Quoted shares in Malaysia	2,585	-	-	2,585
Warrants	46	-	-	46
Shariah approved unit trust funds	126,178	-	-	126,178
	<u>128,809</u>	<u>-</u>	<u>-</u>	<u>128,809</u>
(d) AFS financial assets				
Malaysian government securities	-	441,295	-	441,295
Unquoted corporate debt securities	-	1,940,973	-	1,940,973
Quoted shares in Malaysia	182,819	-	-	182,819
Warrants	326	-	-	326
Real estate investment trusts	9,015	-	-	9,015
Government investment issues	-	974,624	-	974,624
	<u>192,160</u>	<u>3,356,892</u>	<u>-</u>	<u>3,549,052</u>

Assets for which fair values are disclosed:
HTM investments

Malaysian government securities	-	-	-	-
Unquoted corporate debt securities	-	70,107	-	70,107
Government investment issues	-	393,675	-	393,675
	<u>-</u>	<u>463,782</u>	<u>-</u>	<u>463,782</u>

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
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Financial period ended 31 March 2017

Assets measured at fair value:

(a) Property, plant and equipment				
Freehold land	-	-	36,800	36,800
Buildings	-	-	201,419	201,419
	<u>-</u>	<u>-</u>	<u>238,219</u>	<u>238,219</u>
(b) Investment property	<u>-</u>	<u>-</u>	<u>7,400</u>	<u>7,400</u>
(c) Financial assets at FVTPL				
Quoted shares in Malaysia	3,790	-	-	3,790
Warrants	85	-	-	85
Shariah approved unit trust funds	119,592	-	-	119,592
	<u>123,467</u>	<u>-</u>	<u>-</u>	<u>123,467</u>

A17. Fair values of assets (cont'd.)**(d) AFS financial assets**

Malaysian government securities	-	128,006	-	128,006
Unquoted corporate debt securities	-	2,258,038	-	2,258,038
Quoted shares in Malaysia	245,241	-	-	245,241
Warrants	346	-	-	346
Real estate investment trusts	20,217	-	-	20,217
Government investment issues	-	688,100	-	688,100
	<u>265,804</u>	<u>3,074,144</u>	<u>-</u>	<u>3,339,948</u>

Assets for which fair values are disclosed:**HTM investments**

Malaysian government securities	-	76,109	-	76,109
Unquoted corporate debt securities	-	75,987	-	75,987
Government investment issues	-	537,417	-	537,417
	<u>-</u>	<u>689,513</u>	<u>-</u>	<u>689,513</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 31 December 2017, the Group recorded a revenue of RM1,837.1 million as compared to RM1,818.3 million reported for the same period last year. This was contributed by the increase revenue of both the reinsurance and takaful subsidiaries.

The Group's net profit for the financial period ended 31 December 2017 was RM107.4 million, higher by RM61.6 million as compared to RM45.7 million reported for the same period last year. This was mainly attributable to the improvement in the results of the Company's reinsurance and takaful subsidiaries.

Investment holding

Revenue for the financial period ended 31 December 2017 was RM28.1 million, almost the same level as compared to the same period last year.

Net loss of RM10.5 million reported for the financial period ended 31 December 2017 was almost similar as compared to a net loss of RM10.2 million for the same period last year.

Reinsurance business

Revenue for reinsurance business for the financial period ended 31 December 2017 was stable at RM1,036.9 million as compared to RM1,037.7 million for the same period last year.

Net profit for the financial period ended 31 December 2017 improved from RM52.9 million to RM75.2 million as a result of higher underwriting surplus and improved net investment income.

Takaful business

Revenue for takaful business for the financial period ended 31 December 2017 increased by 0.6% from RM762.9 million to RM767.6 million. This was mainly due to higher gross contributions received.

The takaful subsidiary recorded a higher net profit of RM31.9 million in the financial period ended 31 December 2017 as compared to a net loss of RM7.5 million for the same period last year. This was mainly due to higher wakalah fees received from higher gross contributions.

Retakaful business

Revenue for retakaful business for the financial period ended 31 December 2017 was higher by 43.0% from RM21.2 million to RM30.3 million, mainly due to the new businesses from the retakaful division of the reinsurance subsidiary.

The retakaful business recorded a net loss of RM1.0 million in the financial period ended 31 December 2017 as compared to a net profit of RM13.2 million during the same period last year. The higher net profit in the same period last year was mainly due to the partial writeback of Qard impairment from MRT.



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B2. Review of current quarter profitability against immediate preceding quarter

The Group recorded a net profit of RM36.2 million in the current quarter as compared to RM20.7 million in the preceding quarter as a result of higher net profits from the Company's reinsurance and takaful subsidiaries.

B3. Current year prospects

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

B4. Explanatory note for variance from profit forecast

There was no profit forecast issued by the Group during the financial period ended 31 December 2017.

B5. Investment income

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 31 Dec 2017 RM'000	3 months ended 31 Dec 2016 RM'000	9 months ended 31 Dec 2017 RM'000	9 months ended 31 Dec 2016 RM'000
Financial assets at FVTPL				
Dividend income:				
- quoted shares in Malaysia	-	-	15	115
- unit trust funds	180	313	810	1,797
HTM investments				
Interest/profit income	4,004	4,053	15,263	24,704
AFS financial assets				
Interest/profit income	41,396	32,972	115,693	78,599
Dividend income:				
- quoted shares in Malaysia	1,863	768	5,289	8,426
- unquoted shares in Malaysia	-	-	103	123
- unit and real estate investment trusts in Malaysia	-	1,172	-	3,696
Loans and receivables				
Interest/profit income	15,939	14,576	46,206	48,202
Rental income	1,196	2,533	3,831	5,714
Net amortisation of premiums on investments	(1,259)	(1,139)	(3,841)	(3,307)
Investment expenses	(29)	(360)	(241)	(1,380)
	63,290	54,888	183,128	166,689



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B6. Taxation

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 31 Dec 2017 RM'000	3 months ended 31 Dec 2016 RM'000	9 months ended 31 Dec 2017 RM'000	9 months ended 31 Dec 2016 RM'000
Operating profit before zakat and tax	57,315	15,518	151,725	63,096
Current tax	(14,989)	4,840	(32,094)	(1,968)
Deferred tax	(6,102)	1,873	(12,249)	-
Zakat	-	452	-	-
	(21,091)	7,165	(44,343)	(1,968)
Net profit	36,224	22,683	107,382	61,128
Effective tax rate	36.8%	43.3%	29.2%	3.1%

The effective tax rate for the current quarter and cumulative period was higher than the statutory tax rate mainly due to some of the management expenses of the Company's takaful subsidiary, that are not claimable as tax deduction.

B7. Status of corporate proposals

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 31 December 2017 were as follows:

	GROUP 31 Dec 2017 RM'000
Unsecured borrowings:	
RM 200.0 million Revolving Credit Facility due in September 2018	200,000
RM 120.0 million Revolving Credit Facility due in December 2018	120,000
	320,000



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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. Dividends

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

B12. 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 Period	
	3 months ended 31 Dec 2017	3 months ended 31 Dec 2016	9 months ended 31 Dec 2017	9 months ended 31 Dec 2016
Net profit for the period (RM'000)	36,224	7,291	107,382	45,736
Number of ordinary shares in issue ('000)	319,605	236,744*	319,605	236,744*
Basic earnings per share (sen)	11.3	3.1	33.6	19.3

* Calculated based on weighted average number of shares in issue during the period.

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

B13. Additional disclosures for the income statement

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 31 Dec 2017 RM'000	3 months ended 31 Dec 2016 RM'000	9 months ended 31 Dec 2017 RM'000	9 months ended 31 Dec 2016 RM'000
Finance cost	(3,750)	(4,363)	(11,156)	(13,531)
Net (loss)/gain on disposal of investments	(452)	31	4,259	4,634
Depreciation and amortisation	(3,031)	(2,737)	(8,126)	(8,262)
(Allowance for)/writeback of impairment loss on insurance/takaful receivables	(75)	(1,892)	2,449	733
(Allowance for)/writeback of impairment loss on investments	(732)	(4,190)	13,436	(11,698)

Other than the above, there was no gain or loss on derivatives and exceptional items reported during the financial period ended 31 December 2017.



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**PART B – ADDITIONAL INFORMATION REQUIRED BY THE
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B14. Disclosure of realised and unrealised profits

As required by Bursa Securities, the breakdown of the retained profits of the Group as at 31 December 2017, into realised and unrealised profits, was as follows:

	GROUP	
	31 Dec 2017	31 March 2017
	RM'000	RM'000
Total retained profits of the Group:		
Realised	1,100,339	991,375
Unrealised	15,148	6,509
	1,115,487	997,884
Share of realised retained profits from associated companies	19,325	9,159
	1,134,812	1,007,043
Less: Consolidation adjustments	(29,654)	(78,953)
Total retained profits per the statement of changes in equity	1,105,158	928,090

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

By Order of the Board

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

Kuala Lumpur
Dated: 28 February 2018