



Bursa Announcement

Third Quarter Ended 31 December 2020



MNRB HOLDINGS BERHAD

(197201001795 (13487-A))

INTERIM FINANCIAL STATEMENTS

(The figures have not been audited)

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020**

	GROUP			
	Individual period		Cumulative year	
	3 months ended 31 December 2020	3 months ended 31 December 2019	9 months ended 31 December 2020	9 months ended 31 December 2019
	RM'000	RM'000	RM'000	RM'000
Gross earned premiums/contributions	651,492	535,035	1,762,437	1,552,643
Premiums/contributions ceded to reinsurers and retakaful operators	(63,045)	(62,510)	(224,326)	(203,320)
Net earned premiums/contributions	588,447	472,525	1,538,111	1,349,323
Investment income	65,972	68,567	199,475	212,220
Realised gains	5,772	2,679	11,538	82,037
Fair value gains/(losses)	26,103	(16,545)	151,049	77,694
Fee and commission income	9,830	9,557	31,536	28,222
Other operating revenue	6,397	66	14,532	8,976
Other revenue	114,074	64,324	408,130	409,149
Gross claims and benefits paid	(295,089)	(312,612)	(781,106)	(990,745)
Claims ceded to reinsurers/retakaful operators	42,843	46,074	99,337	185,864
Gross change in contract liabilities	(145,955)	(41,287)	(467,216)	(218,567)
Change in contract liabilities ceded to reinsurers/retakaful operators	23,554	(33,667)	(33,002)	(49,792)
Net claims and benefits	(374,647)	(341,492)	(1,181,987)	(1,073,240)
Fee and commission expense	(125,676)	(117,838)	(335,148)	(325,367)
Management expenses	(75,135)	(65,095)	(191,205)	(184,988)
Finance cost	(4,223)	(3,960)	(12,631)	(12,592)
Other operating expenses	(11,497)	(9,195)	(30,144)	(10,964)
Change in expenses liabilities	(71)	(791)	(2,052)	866
Tax borne by participants	(6,241)	1,183	(20,826)	(18,964)
Other expenses	(222,843)	(195,696)	(592,006)	(552,009)
Share of results of associates	(1,526)	(18)	7,553	1,567
Operating profit/(loss) before (surplus)/deficit attributable to takaful participants, zakat and taxation	103,505	(357)	179,801	134,790
(Surplus)/deficit attributable to takaful participants	(43,722)	11,832	(14,828)	(24,261)
Operating profit before zakat and taxation	59,783	11,475	164,973	110,529
Zakat	(521)	(279)	(1,161)	(1,065)
Taxation	(12,276)	(3,251)	(23,664)	(15,091)
Net profit for the period attributable to equity holders of the Company	46,986	7,945	140,148	94,373
Basic earnings per share attributable to equity holders of the Company (sen):	6.0	1.0	19.0	12.0

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



MNRB HOLDINGS BERHAD

(197201001795 (13487-A))

INTERIM FINANCIAL STATEMENTS

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020**

	GROUP			
	Individual period		Cumulative year	
	3 months ended 31 December 2020	3 months ended 31 December 2019	9 months ended 31 December 2020	9 months ended 31 December 2019
	RM'000	RM'000	RM'000	RM'000
Net profit for the period	46,986	7,945	140,148	94,373
Other comprehensive income/(loss):				
Other comprehensive income to be reclassified to income statement in subsequent periods:				
Effects of post acquisition foreign exchange translation reserve on investment in associate	(5,545)	-	(5,656)	4,570
Effects of foreign exchange translation reserve on investment in subsidiary	(388)	(251)	(772)	98
Net (loss)/gain on financial assets at fair value of comprehensive income ("FVOCI"):				
Net (loss)/gain on fair value changes	(10,619)	(4,430)	48,413	10,838
Realised (loss)/gain transferred to income statement	(2,414)	141	(3,993)	10,810
Deferred tax relating to net (gain)/loss on financial assets at FVOCI	(509)	1,682	(1,307)	354
Other comprehensive income/(loss)	833	(375)	(6,273)	(5,207)
Other comprehensive (loss)/income not to be reclassified to income statement in subsequent years:				
Net (loss)/gain on fair value changes	(1,429)	499	149	1,497
Deferred tax on fair value changes	82	(40)	-	(120)
Total comprehensive income for the period	28,406	5,171	172,118	117,213

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



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	GROUP	
	Unaudited	Audited
	31 December 2020 RM'000	31 March 2020 RM'000
Assets		
Property, plant and equipment	202,784	204,189
Intangible assets	67,534	36,578
Right-of-use asset	3,177	4,548
Investment in associates	135,895	133,282
Financial assets	8,334,590	7,754,754
Deferred tax assets	15,125	15,404
Reinsurance/retakaful assets	492,256	497,328
Insurance/takaful receivables	411,832	381,703
Tax recoverable	68,969	68,604
Cash and bank balances	197,714	118,417
Total assets	9,929,876	9,214,807
Liabilities and Participants' funds		
Participants' funds	341,788	332,738
Borrowings	320,000	320,000
Insurance/takaful contract liabilities	6,392,036	5,843,073
Lease liability	3,038	4,219
Insurance/takaful payables	175,678	169,851
Other payables	238,019	250,306
Deferred tax liabilities	24,433	11,946
Provision for taxation	12,780	9,423
Provision for zakat	1,692	1,464
Total liabilities and participants' funds	7,509,464	6,943,020
Equity		
Share capital	738,502	738,502
Reserves	1,681,910	1,533,285
Total equity attributable to equity holders of the Company	2,420,412	2,271,787
Total liabilities, participants' funds and equity	9,929,876	9,214,807
Net assets per share (RM)	3.28	3.08

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



MNRB HOLDINGS BERHAD
(197201001795 (13487-A))

INTERIM FINANCIAL STATEMENTS
(The figures have not been audited)

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020

	GROUP						
	Attributable to Equity Holders of the Company						
	Share capital RM'000	Reserves				Net profit RM'000	Total RM'000
		Non-distributable			Distributable		
Foreign exchange translation reserve RM'000		Fair value reserve RM'000	Revaluation reserve RM'000	Retained profits brought forward RM'000			
At 1 April 2020	738,502	53,800	68,910	48,018	1,362,557	-	2,271,787
Total comprehensive (loss)/income for the year	-	(6,428)	36,989	1,409	-	140,148	172,118
Dividend paid during the year	-	-	-	-	-	(23,493)	(23,493)
At 31 December 2020	738,502	47,372	105,899	49,427	1,362,557	116,655	2,420,412

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019

	GROUP						
	Attributable to Equity Holders of the Company						
	Share capital RM'000	Reserves				Net profit RM'000	Total RM'000
		Non-distributable			Distributable		
Foreign exchange translation reserve RM'000		Fair value reserve RM'000	Revaluation reserve RM'000	Retained profits brought forward RM'000			
At 1 April 2019, as previously stated	722,306	43,329	58,457	47,059	1,248,501	-	2,119,652
Impact of adopting MFRS 16	-	-	-	-	(180)	-	(180)
At 1 April 2019, as restated	722,306	43,329	58,457	47,059	1,248,321	-	2,119,472
Issuance of share capital	16,197	-	-	-	-	-	16,197
Total comprehensive income for the year	-	-	4,668	18,172	-	94,373	117,213
Dividend paid during the year	-	-	-	-	(19,176)	-	(19,176)
At 31 December 2019	738,503	43,329	63,125	65,231	1,229,145	94,373	2,233,706

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



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 31 DECEMBER 2020

	GROUP	
	9 months ended 31 December 2020	9 months ended 31 December 2019
	RM'000	RM'000
Cash flows from operating activities		
Profit before surplus transfer, zakat and tax	164,973	110,529
Adjustments for:		
Net fair value gains	(151,636)	(74,994)
Impairment losses on FVOCI financial assets	67	-
Reversal of impairment losses on other receivables	(7,779)	(2,444)
Net impairment losses on insurance/takaful receivables	5,461	7,542
Depreciation of property, plant and equipment	6,972	6,198
Amortisation of intangible assets	7,037	4,053
(gains)/losses on disposal of property, plant and equipment	(13)	4
Increase in gross premium and contribution liabilities	41,537	62,254
Interest/profit income	(195,520)	(203,251)
Dividend income	(10,461)	(10,901)
Rental income	3,310	(3,235)
Finance cost	12,631	12,458
Net gains on disposal of investments	(11,525)	(81,719)
Net amortisation of premiums on investments	6,343	4,328
Share of results of associates	(7,553)	(1,567)
Loss from operations before changes in operating assets and liabilities	(136,156)	(170,745)
Increase in placements with licensed financial institutions, Islamic investment accounts and marketable securities	(308,363)	(368,828)
(Purchase of)/proceeds from investments	(16,267)	156,121
Decrease in staff loans	1,707	37
Increase in insurance/takaful receivables	(35,589)	(75,445)
Decrease/(increase) in other receivables	5,047	(27,656)
Increase in gross claim liabilities, actuarial liabilities and unallocated surplus	133,612	235,773
Increase/(decrease) in expense liabilities	2,052	(5,875)
Increase/(decrease) in participants' funds	390,583	(8,369)
Decrease in reinsurance and retakaful assets	5,072	47,041
Increase/(decrease) in insurance/takaful payables	5,826	(41,531)
(Decrease)/increase in other payables	(14,438)	141,996
Taxes and zakat	(30,615)	(27,331)
Interest/profit received	135,036	150,020
Dividend received	23,333	9,004
Rental received	(1,357)	3,122
Net cash generated from operating activities	159,483	17,334



MNRB HOLDINGS BERHAD
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(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020 (CONT'D.)

	GROUP	
	9 months ended 31 December 2020	9 months ended 31 December 2019
	RM'000	RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,678)	(2,040)
Purchase of intangible assets	(37,846)	(4,676)
Proceeds from disposal of property, plant and equipment	(62)	2,349
Net cash used in investing activities	(39,586)	(4,367)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	-	16,196
Interest/profit paid	(12,517)	(12,518)
Payment of lease liabilities	(4,590)	(865)
Dividend paid	(23,493)	(19,176)
Net cash used in financing activities	(40,600)	(16,363)
Cash and bank balances		
Net increase/(decrease) during the period	79,297	(3,396)
At the beginning of the year	118,417	51,675
At the end of the period	197,714	48,279

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



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FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020
(The figures have not been audited)

PART A – NOTES TO THE INTERIM FINANCIAL STATEMENTS

A1. Basis of preparation

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

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

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

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

MFRS 17 Insurance Contracts ("MFRS 17")

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

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

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

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

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



MNRB HOLDINGS BERHAD
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INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020
(The figures have not been audited)

PART A – NOTES TO THE INTERIM FINANCIAL STATEMENTS

A2. Auditors' Report on preceding annual financial statements

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

A3. Seasonal or cyclical factors

During the financial period ended 31 December 2020, the operations of the Group were not materially affected by any seasonal factors. With regard to cyclical factors, the performance of the Group is directly correlated with the industry cycle and the economic performance of the countries in which the Group has business dealings with.

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the financial period ended 31 December 2020.

A5. Changes in estimates

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

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

There was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities during the third quarter ended 31 December 2020.

A7. Dividend paid

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



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PART A – NOTES TO THE INTERIM FINANCIAL STATEMENTS

A8. Segmental reporting

Financial period ended 31 December 2020

	Investment Holding RM'000	Reinsurance Business RM'000	General Takaful Business RM'000	Family Takaful Business RM'000	Retakaful Business RM'000	Others RM'000	Intra-Group Adjustments RM'000	Consolidated RM'000
Revenue								
External	3,195	1,071,645	335,013	554,881	39,780	5,854	-	2,010,368
Inter-segment	120,214	1,260	2,165	929	-	2,279	(126,847)	-
	123,409	1,072,905	337,178	555,810	39,780	8,133	(126,847)	2,010,368
Results								
Segment results	85,418	78,588	41,311	35,825	6,315	189	(75,398)	172,248
Share of results of associates	(66)	7,619	-	-	-	-	-	7,553
Operating (loss)/profit before surplus attributable to takaful participants, zakat and taxation	85,352	86,207	41,311	35,825	6,315	189	(75,398)	179,801
Surplus attributable to takaful participants	-	-	(9,497)	(5,331)	-	-	-	(14,828)
Operating profit/(loss) before zakat and taxation	85,352	86,207	31,814	30,494	6,315	189	(75,398)	164,973
Zakat and taxation	(968)	(7,651)	(9,573)	(6,206)	(427)	-	-	(24,825)
Net profit/(loss) for the period attributable to equity holders of the Company	84,384	78,556	22,241	24,288	5,888	189	(75,398)	140,148

Financial period ended 31 December 2019

	Investment Holding RM'000	Reinsurance Business RM'000	General Takaful Business RM'000	Family Takaful Business RM'000	Retakaful Business RM'000	Others RM'000	Intra-Group Adjustments RM'000	Consolidated RM'000
Revenue								
External	1,502	998,401	253,327	546,477	27,365	7,305	-	1,834,377
Inter-segment	73,525	365	-	1,268	-	2,626	(77,784)	-
	75,027	998,766	253,327	547,745	27,365	9,931	(77,784)	1,834,377
Results								
Segment results	37,318	49,267	30,509	55,938	3,426	256	(43,491)	133,223
Share of results of associates	302	1,265	-	-	-	-	-	1,567
Operating profit/(loss) before deficit attributable to takaful participants, zakat and taxation	37,620	50,532	30,509	55,938	3,426	256	(43,491)	134,790
Deficit attributable to takaful participants	-	-	(14,505)	(9,756)	-	-	-	(24,261)
Operating profit/(loss) before zakat and taxation	37,620	50,532	16,004	46,182	3,426	256	(43,491)	110,529
Zakat and taxation	(3,171)	(4,242)	(2,625)	(5,794)	(324)	-	-	(16,156)
Net profit/ (loss) for the period attributable to equity holders of the Company	34,449	46,290	13,379	40,388	3,102	256	(43,491)	94,373



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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 2020.

A10. Significant events

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

- (i) The reinsurance and retakaful businesses had seen some increase in claims reserve;
- (ii) The general takaful business had seen some reduction in Personal Lines products but Fire and Motor classes were not affected; and
- (iii) The family takaful business had also seen some reduction in business in first quarter of the current financial year, especially from the agency and bancatakaful channels. Nevertheless, in subsequent quarter with the relaxation of the MCO, there were clear signs of recovery, especially in its regular contribution business.

A11. Subsequent events

There were no subsequent event of the Group during the financial period ended 31 December 2020.

A12. Changes in the composition of the Group

There were no significant changes in the composition of the Group during the financial period ended 31 December 2020.

A13. Capital Commitments

The amount of capital commitments of the Group as at 31 December 2020 were as follows:

	RM'000
Authorised and contracted for:	
- Tangible assets	4,314
- Intangible assets*	9,169
	<u>13,483</u>
Authorised but not contracted for:	
- Property, plant and equipment	462
- Tangible assets	1,324
- Intangible assets*	33,699
	<u>35,485</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 2020

	General reinsurance and shareholders' fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	General retakaful fund RM'000	Family retakaful fund RM'000	Elimination and adjustment RM'000	Consolidated RM'000
Assets							
Property, plant and equipment	121,005	-	-	-	-	81,779	202,784
Investment properties	-	-	81,620	-	-	(81,620)	-
Intangible assets	67,534	-	-	-	-	-	67,534
Right-of-use asset	8,907	-	-	-	-	(5,730)	3,177
Investment in subsidiaries	1,304,476	-	-	-	-	(1,304,476)	-
Investment in associates	114,306	-	-	-	-	21,589	135,895
Deferred tax assets	11,819	3,308	-	-	-	(2)	15,125
Financial assets	4,400,762	565,847	3,513,016	62,525	4,169	(211,729)	8,334,590
Reinsurance/retakaful assets	220,883	197,610	62,101	4,132	7,530	-	492,256
Insurance/takaful receivables	310,389	43,400	37,385	16,998	3,660	-	411,832
Tax recoverable	68,969	-	-	-	-	-	68,969
Cash and bank balances	52,253	19,051	126,215	121	74	-	197,714
Total assets	6,681,303	829,216	3,820,337	83,776	15,433	(1,500,189)	9,929,876
Liabilities and Participants' funds							
Participants' funds	-	165,606	177,608	-	-	(1,426)	341,788
Borrowings	321,000	-	-	-	-	(1,000)	320,000
Insurance/takaful contract liabilities	2,317,752	535,341	3,453,126	71,926	13,779	112	6,392,036
Lease liability	8,975	-	-	-	-	(5,937)	3,038
Insurance/takaful payables	71,215	59,415	35,507	8,490	1,051	-	175,678
Other payables	235,271	66,650	132,229	434	104	(196,669)	238,019
Deferred tax liabilities	4,875	-	18,906	197	13	442	24,433
Provision for taxation	4,400	2,204	2,961	2,729	486	-	12,780
Provision for zakat	1,692	-	-	-	-	-	1,692
Total liabilities and participants' funds	2,965,180	829,216	3,820,337	83,776	15,433	(204,478)	7,509,464
Equity							
Share capital	2,043,108	-	-	-	-	(1,304,606)	738,502
Reserves	1,673,015	-	-	-	-	8,895	1,681,910
Total equity attributable to equity holders of the Parent	3,716,123	-	-	-	-	(1,295,711)	2,420,412
Total liabilities, participants' funds and equity	6,681,303	829,216	3,820,337	83,776	15,433	(1,500,189)	9,929,876

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

(ii) As at 31 March 2020

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

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

(i) 9 months ended 31 December 2020

	General reinsurance and shareholders' fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	General retakaful fund RM'000	Family retakaful fund RM'000	Elimination and adjustment RM'000	Consolidated RM'000
Gross earned premiums/contributions	986,272	293,090	451,277	28,173	6,057	(2,432)	1,762,437
Premiums/contributions ceded to reinsurers and retakaful operators	(50,866)	(115,630)	(54,372)	16	(4,377)	903	(224,326)
Net earned premiums/contributions	935,406	177,460	396,905	28,189	1,680	(1,529)	1,538,111
Investment income	179,013	12,875	94,797	1,400	478	(89,088)	199,475
Realised gains	5,089	895	5,554	-	-	-	11,538
Fair value gains	30,142	3,000	116,092	-	11	1,804	151,049
Fee and commission income	334,919	26,282	2	145	-	(329,812)	31,536
Other operating revenue	5,961	-	695	92	5	7,779	14,532
Other revenue	555,124	43,052	217,140	1,637	494	(409,317)	408,130
Gross claims and benefit paid	(463,781)	(108,081)	(199,199)	(2,515)	(4,808)	(2,722)	(781,106)
Claims ceded to reinsurers/retakaful operators	10,736	43,695	41,655	(2,734)	3,263	2,722	99,337
Gross change in contract liabilities	(172,889)	(3,672)	(277,985)	(8,086)	3,866	(8,450)	(467,216)
Change in contract liabilities ceded to reinsurers/retakaful operators	(24,577)	(17,740)	9,493	(318)	140	-	(33,002)
Net claims and benefits	(650,511)	(85,798)	(426,036)	(13,653)	2,461	(8,450)	(1,181,987)
Fee and commission expenses	(335,421)	(117,338)	(163,320)	(11,194)	(232)	292,357	(335,148)
Management expenses	(231,710)	-	(731)	-	-	41,236	(191,205)
Finance cost	(12,950)	-	-	-	-	319	(12,631)
Other operating expenses	(25,064)	(5,051)	-	(29)	-	-	(30,144)
Changes in expenses liabilities	(2,052)	-	-	-	-	-	(2,052)
Tax borne by participants	-	(2,828)	(17,095)	(589)	(314)	-	(20,826)
Other expenses	(607,197)	(125,217)	(181,146)	(11,812)	(546)	333,912	(592,006)
Share of results of associates	-	-	-	-	-	7,553	7,553
Operating profit/(loss) before surplus/(deficits) attributable to takaful/retakaful participants, zakat and taxation	232,822	9,497	6,863	4,361	4,089	(77,831)	179,801
(Surplus)/deficits attributable to takaful/retakaful participants	-	(9,497)	(6,863)	(4,361)	(4,089)	9,982	(14,828)
Operating profit/(loss) before zakat and taxation	232,822	-	-	-	-	(67,849)	164,973
Zakat	(1,161)	-	-	-	-	-	(1,161)
Taxation	(23,664)	-	-	-	-	-	(23,664)
Net profit/(loss) for the period attributable to equity holders of the Company	207,997	-	-	-	-	(67,849)	140,148

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

(ii) 9 months ended 31 December 2019

	General reinsurance and shareholders' fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	General retakaful fund RM'000	Family retakaful fund RM'000	Elimination and adjustment RM'000	Consolidated RM'000
Gross earned premiums/contributions	869,071	221,134	440,713	15,597	6,615	(487)	1,552,643
Premiums/contributions ceded to reinsurers and retakaful operators	(67,723)	(73,814)	(55,957)	(1,181)	(4,794)	149	(203,320)
Net earned premiums/contributions	801,348	147,320	384,756	14,416	1,821	(338)	1,349,323
Investment income	143,443	13,497	97,208	1,941	626	(44,495)	212,220
Realised gains	25,573	1,228	55,236	-	-	-	82,037
Fair value (losses)/gains	(3,883)	26	84,080	-	47	(2,576)	77,694
Fee and commission income	308,396	18,528	10	51	-	(298,763)	28,222
Other operating revenue	9,296	-	-	(37)	7	(290)	8,976
Other revenue	482,825	33,279	236,534	1,955	680	(346,124)	409,149
Gross claims and benefit paid	(605,612)	(133,906)	(236,084)	(7,887)	(7,509)	253	(990,745)
Claims ceded to reinsurers/retakaful operators	82,413	59,738	39,230	104	4,632	(253)	185,864
Gross change in contract liabilities	9,969	(13,810)	(212,975)	5,875	1,201	(8,827)	(218,567)
Change in contract liabilities ceded to reinsurers/retakaful	(53,869)	9,543	(5,532)	(812)	878	-	(49,792)
Net claims and benefits	(567,099)	(78,435)	(415,361)	(2,720)	(798)	(8,827)	(1,073,240)
Fee and commission expense	(325,431)	(83,556)	(173,829)	(5,550)	(251)	263,250	(325,367)
Management expenses	(222,159)	-	(996)	-	-	38,167	(184,988)
Finance cost	(12,649)	-	-	-	-	57	(12,592)
Other operating expenses	(5,248)	(31)	(5,697)	2	10	-	(10,964)
Changes in expenses liabilities	866	-	-	-	-	-	866
Tax borne by participants	-	(4,072)	(14,154)	(626)	(112)	-	(18,964)
Other expenses	(564,621)	(87,659)	(194,676)	(6,174)	(353)	301,474	(552,009)
Share of results of associates	-	-	-	-	-	1,567	1,567
Operating profit/(loss) before surplus/(deficits) attributable to takaful/retakaful participants, zakat and taxation	152,453	14,505	11,253	7,477	1,350	(52,248)	134,790
(Surplus)/deficits attributable to takaful/retakaful participants	-	(14,505)	(11,253)	(7,477)	(1,350)	10,324	(24,261)
Operating profit/(loss) before zakat and taxation	152,453	-	-	-	-	(41,924)	110,529
Zakat	(1,065)	-	-	-	-	-	(1,065)
Taxation	(15,091)	-	-	-	-	-	(15,091)
Net profit/(loss) for the period attributable to equity holders of the Company	136,297	-	-	-	-	(41,924)	94,373

A17. Fair values of assets

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

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

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

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

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

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

Description of significant unobservable inputs:

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

A17. Fair values of assets (cont'd)

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

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial period ended 31 December 2020				
Assets measured at fair value:				
(a) Property, plant and equipment				
Freehold land	-	-	36,800	36,800
Buildings	-	-	160,956	160,956
	<u>-</u>	<u>-</u>	<u>197,756</u>	<u>197,756</u>
(b) Financial assets at FVTPL				
<u>Designated upon initial recognition</u>				
Unquoted corporate debt securities	-	21,787	-	21,787
Government investment issues	-	1,250,209	-	1,250,209
Unquoted islamic private debt securities	-	1,353,736	-	1,353,736
<u>Mandatorily measured</u>				
Quoted shares in Malaysia:				
Shariah approved equities	150,204	-	-	150,204
Warrants	12	-	-	12
Others	180,719	-	-	180,719
Unquoted corporate debt securities	12	-	-	12
Unquoted islamic private debt securities	-	651	-	651
Shariah approved unit trust funds	133,460	-	-	133,460
Property trust funds	1,361	-	-	1,361
Real estate investment trusts	32,578	-	-	32,578
	<u>498,346</u>	<u>2,626,383</u>	<u>-</u>	<u>3,124,729</u>
(c) Financial assets at FVOCI				
Malaysian government securities	-	183,899	-	183,899
Government investment issues	-	498,469	-	498,469
Unquoted corporate debt securities	-	1,136,153	-	1,136,153
Unquoted shares	-	-	84,531	84,531
Unquoted Islamic private debt securities	-	421,612	-	421,612
Golf club memberships	-	-	243	243
	<u>-</u>	<u>2,240,133</u>	<u>84,774</u>	<u>2,324,907</u>

A17. Fair values of assets (cont'd)

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



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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 2020, the Group recorded a revenue of RM2,010.4 billion, an increase of 9.6% as compared to RM1,834.4 billion reported in the same period last year. The RM176.0 million increase was mainly attributable to higher gross premiums/contributions generated by the reinsurance and takaful subsidiaries.

The Group recorded a 48.5% growth of net profit for the financial period ended 31 December 2020 of RM140.1 million, as compared to RM94.4 million reported in the same period last year for the reasons stated below.

Investment holding

Revenue for the financial period was RM123.4 million as compared to RM75.0 million reported in the same period last year. The higher revenue was due to dividend received from the subsidiaries.

A net profit amounting to RM84.4 million was recorded for the financial period ended 31 December 2020, as compared to a loss of RM34.4 million for the same period last year. This was contributed by the dividend income as mentioned above as well as lower tax expenses.

Reinsurance business

Revenue for the reinsurance business for the financial period ended 31 December 2020 was RM1,072.9 million as compared to RM998.8 million in the same period last year. The increase was due to the higher gross premiums from the domestic business as well as the expansion of its international portfolios for facultatives business.

Net profit for the financial period ended 31 December 2020 increased by RM32.3 million from RM46.3 million last year to RM78.6 million. The higher net profit was mainly due to higher revenue and lower management expenses.

General Takaful business

Revenue for the general takaful business for the financial period ended 31 December 2020 increased by RM83.9 million from RM253.3 million to RM337.2 million or 33.1% from same period last year. This was mainly due to higher gross contribution from its Fire and Motor classes despite the challenging market as a result of the Covid-19 pandemic.

General takaful business recorded a net profit of RM22.2 million in the financial period ended 31 December 2020, an increase of 66.2% as compared to a net profit of RM13.4 million reported in the same period last year due to higher revenue as mentioned above and lower management expenses.

Family Takaful business

Revenue for the family takaful business for the financial period ended 31 December 2020 increased by RM8.1 million to RM555.8 million from RM547.7 million in the same period last year. This was mainly due to higher gross contribution.

Family takaful business recorded a net profit of RM24.3 million in the financial period ended 31 December 2020, a decrease of RM16.1 million as compared to a net profit of RM40.4 million reported in the same period last year due to lower fair value gain on investment in Sukuks and dividend received from quoted shares.

Retakaful business

Revenue for the retakaful business for the financial period ended 31 December 2020 increased from RM27.4 million to RM39.8 million or 45.4% mainly due to higher gross contribution received.

The retakaful business recorded higher net profit of RM5.9 million for the financial period ended 31 December 2020 an increase of RM2.8 million as compared to RM3.1 million reported in the same period last year. This increase was mainly due to higher revenue.

B2. Review of current quarter profitability against immediate preceding quarter

The Group recorded a net profit of RM47.0 million in the current quarter as compared to net profit of RM42.4 million in the preceding quarter as a result of higher fair value gain from the investment portfolio of the reinsurance business.



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B3. Current year prospects

The Group's net profit for the third quarter ended 31 December 2020 of RM140.1 million had already surpassed the Group's full year net profit for the financial year ended 31 March 2020 of RM132.9 million. Whilst the full impact of the Covid-19 claims as well as the recent flood losses in Malaysia had yet to be finalised, the Group had, based on actuarial advice, made the necessary provisions for such losses in its Financial Statements as at 31 December, 2020.

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

B4. Explanatory note for variance from profit forecast

There was no profit forecast issued by the Group during the financial period ended 31 December 2020.

B5. Investment income

	GROUP			
	Individual period		Cumulative year	
	3 months ended 31 December 2020 RM'000	3 months ended 31 December 2019 RM'000	9 months ended 31 December 2020 RM'000	9 months ended 31 December 2019 RM'000
Financial assets at FVTPL				
<u>Designated upon initial recognition</u>				
Interest/profit income	26,903	25,419	80,881	80,119
<u>Mandatorily measured:</u>				
Interest/profit income	15	50	46	50
Dividend income:				
- quoted shares in Malaysia	1,910	1,815	7,342	7,693
- unquoted shares in Malaysia	1,917	-	2,681	1,523
- unit trust funds	133	353	408	1,684
- real estate investment trusts	12	-	30	-
Financial assets at FVOCI				
Interest/profit income	21,952	22,218	67,147	68,807
Financial assets at Amortised Cost ("AC")				
Interest/profit income	15,092	20,654	47,450	54,296
Rental income	120	64	621	3,235
Net amortisation of premiums	(1,753)	(1,771)	(6,343)	(4,328)
Investment expenses	(329)	(235)	(788)	(859)
	65,972	68,567	199,475	212,220



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B6. Taxation

	GROUP			
	Individual period		Cumulative year	
	3 months ended 31 December 2020 RM'000	3 months ended 31 December 2019 RM'000	9 months ended 31 December 2020 RM'000	9 months ended 31 December 2019 RM'000
Operating profit before zakat and tax	59,783	11,475	164,973	110,529
Current tax	(10,117)	(2,526)	(22,446)	(15,102)
Deferred tax	(2,159)	(725)	(1,218)	11
Total tax	(12,276)	(3,251)	(23,664)	(15,091)
Zakat	(521)	(279)	(1,161)	(1,065)
	(12,797)	(3,530)	(24,825)	(16,156)
Effective tax rate	20.5%	28.3%	14.3%	13.7%

The effective tax rate was lower than the statutory tax rate of 24% mainly due to reinsurance/retakaful operating profit being taxed at 8%. Effective tax rate for previous individual period was higher than statutory tax rate due to non-tax allowable expenses incurred during the quarter.

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 31 December 2020 were as follows:

	GROUP 31 December 2020 RM'000
Unsecured long term borrowings:	
RM 320.0 million Sukuk Murabahah due on 22 March 2029	320,000

B9. Off balance sheet financial instruments

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

B10. Material litigation

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



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B11. Earnings per share

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

	GROUP			
	Individual period		Cumulative year	
	3 months ended 31 December 2020 RM'000	3 months ended 31 December 2019 RM'000	9 months ended 31 December 2020 RM'000	9 months ended 31 December 2019 RM'000
Net profit for the period (RM'000)	46,986	7,945	140,148	94,373
Number/Weighted average number of ordinary shares in issue ('000)	738,502	769,412	738,502	769,412
Basic earnings per share (sen)	6.0	1.0	19.0	12.0

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

B12. Additional disclosures for the income statement

	GROUP			
	Individual period		Cumulative year	
	3 months ended 31 December 2020 RM'000	3 months ended 31 December 2019 RM'000	9 months ended 31 December 2020 RM'000	9 months ended 31 December 2019 RM'000
Finance cost	(4,223)	(3,960)	(12,631)	(12,592)
Net gain on disposal of investments	5,772	2,679	11,538	82,037
Depreciation and amortisation	(3,089)	(2,275)	(13,383)	(10,410)
Allowance for impairment loss on insurance/takaful receivables	(863)	(4,221)	(5,461)	(6,075)
(Impairment loss)/writeback for impairment loss on investments	(2,065)	2,427	(175)	2,412

There was no gain or loss on derivatives and exceptional items reported during the financial period ended 31 December 2020.

By Order of the Board

LENA BINTI ABD LATIF (LS 8766)
Company Secretary

Kuala Lumpur
Dated: 25 February 2021